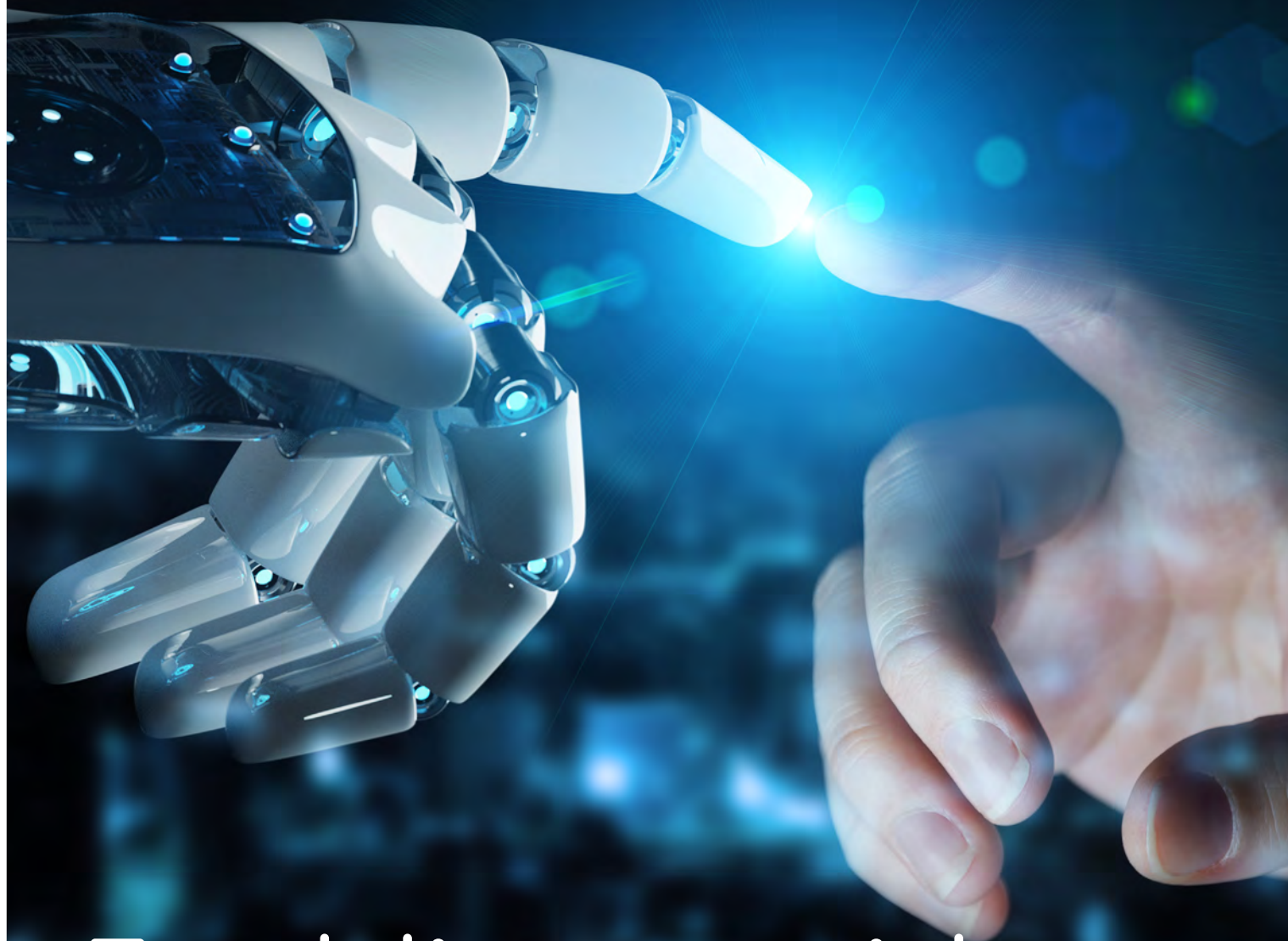




Spirent Communications plc
Sustainability Report 2022



Enabling rapid change

Enabling rapid change



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Enabling a sustainable future for all

Reporting scope and boundaries

This Sustainability Report provides an account of the management approach and performance trends of the material environmental, social and governance issues for Spirent Communications plc. The reporting period is the 2022 calendar year but the Report also includes historical performance data. This Report includes the activities and impacts that are under the control or significant influence of Spirent Communications plc. This Report contains standard disclosures from the Global Reporting Initiative Standards. The Report content has been independently assured by Challenge Sustainability Limited.

Cautionary statement

This Report may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "should", "may", "assume" and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this Report, whether as a result of new information, future events or otherwise.

Sustainability Recognition



CDP rating 2022
Climate change: C
Supply chain: C



FTSE ESG 100 Select
member 2022



FTSE4Good
member 2022



CarbonNeutral.com

CarbonNeutral®
Company certification
2021, 2022



EcoVadis
Silver rating 2022

Introduction from our CEO

Our role in delivering a sustainable future



I'm delighted to introduce our 2022 Sustainability Report. Sustainability issues have never been so important to our business and customers, with rising global energy prices, challenges with the cost of living, and time running out to avoid significant challenges that irreversible climate change will present. It is also high on the agenda of our customers and investors, who continue to set ever higher levels of expectation, especially around climate change.

As a result, I am pleased to be able to share with you the progress we've made over the last year through FuturePositive, our sustainability strategy.

Our role in delivering a sustainable future

Spirent is well placed to help create a sustainable, low-carbon economy. Through products like VisionWorks, Velocity and Vantage, we are playing a pivotal role in delivering energy efficiency and carbon reductions across entire network value chains, and I'm pleased to be able to showcase how we've been delivering this in the 5G market.

CarbonNeutral® certification

We've hit a number of important milestones in 2022 in our net zero carbon journey. We have achieved CarbonNeutral® certification¹ which includes emissions from Scopes 1 and 2, as well as some from Scope 3. We also conducted a detailed energy and carbon reduction review and have collated a full Scope 3 carbon footprint, which will allow us to submit our carbon reduction targets and net zero plan to the Science Based Targets initiative (SBTi) for approval. This year our energy usage was broadly flat as our sites become busier and we brought some activities back in house. Because of this and increases in the carbon intensity of electricity in part due to the war in Ukraine, before offsetting our emissions rose slightly.

Progress on diversity and early career talent

During 2022 we expanded our programme to help us attract and retain talent from more diverse backgrounds. We welcomed Prairie View A&M University as an HBCU partner and along with Morgan State University and the Society of Women Engineers, we have started to deliver on the exciting potential that more representative recruitment offers.

I'm also very proud of the progress we've made on our early career talent programme, which provides a structured pathway to a career in technology for young people. We launched the Aspire network which brings our young talent together, along with their mentors, to ensure we deliver a winning start for them.

Our Spirent Celebrates programme continued this year, and provides a wonderful way for colleagues from all around the world to share in and celebrate our rich international cultural heritage.

ISO 14001 roll out and circular economy training

After achieving ISO 14001 certification at our Holmdel site in 2021, progress continued at pace as we expanded our environmental management system certification across our LSA business. This includes three major engineering sites in Plano, Frederick and Littleton. The expansion is helping us to ensure a consistent and high standard of environmental management globally, and align programmes between regions and business units.

We've also established bespoke training for our engineers on sustainable product design and the circular economy. There has never been a more important time to embed sustainable thinking into the way we develop client solutions, and I'm excited to see what will come from a circular economy hackathon that's planned in 2023.

Next steps

Having achieved a number of targets that we had initially set ourselves, we now seek to raise our ambitions in reducing our emissions from our labs and the emissions from our products during their lifespan. With so much resting on making a successful transition to a low-carbon economy, it's vital that we play a leading role.

Eric Updyke
Chief Executive Officer

Note

1. Scope 3 emissions sources: transmission and distribution losses, waste, business travel, and homeworking.



Global leader, innovator and trusted partner in enabling rapid change

We help our customers manage rapid change in the complexity of their devices, networks and services, enabling them to keep the promises they make to their customers while reducing cost and accelerating time to revenue.

Our innovative test and assurance solutions, trusted expertise and services allow our customers to bring better quality products and services to market faster, to automate the turn-up of new services, and to proactively identify and resolve problems in their live networks.

As the only vendor addressing all phases of the technology lifecycle, we apply our subject matter expertise gained in the lab to our customers' live network challenges. Our two operating segments are focused on helping customers accelerate the migration of testing, evaluation and assurance of devices, network elements and applications from development labs to live networks.

Lifecycle Service Assurance

An established global leader in lab-based testing of 5G mobile core networks and cellular and Wi-Fi devices. The world-class innovation of our Lifecycle Service Assurance segment has enabled us to bring to market "live" solutions that provide end-to-end visibility, actionable insights and automated troubleshooting to radically simplify turn-up and assurance of 5G networks and services, reducing time and cost.



Networks & Security

An industry leader in high-speed Ethernet/IP performance testing, our Networks & Security segment develops test methodologies, tools and services for virtualised networks, cloud infrastructure and proactive security validation. As the acknowledged global leader in global navigation satellite system (GNSS) test and simulation solutions, we are applying our innovation and expertise to emerging growth opportunities across positioning, navigation and timing (PNT).



Delivering value across the lab-to-live lifecycle

Using our resources effectively

Financial strength

To invest in research and development

Intellectual property

Protected IP and patents

Organisation capital

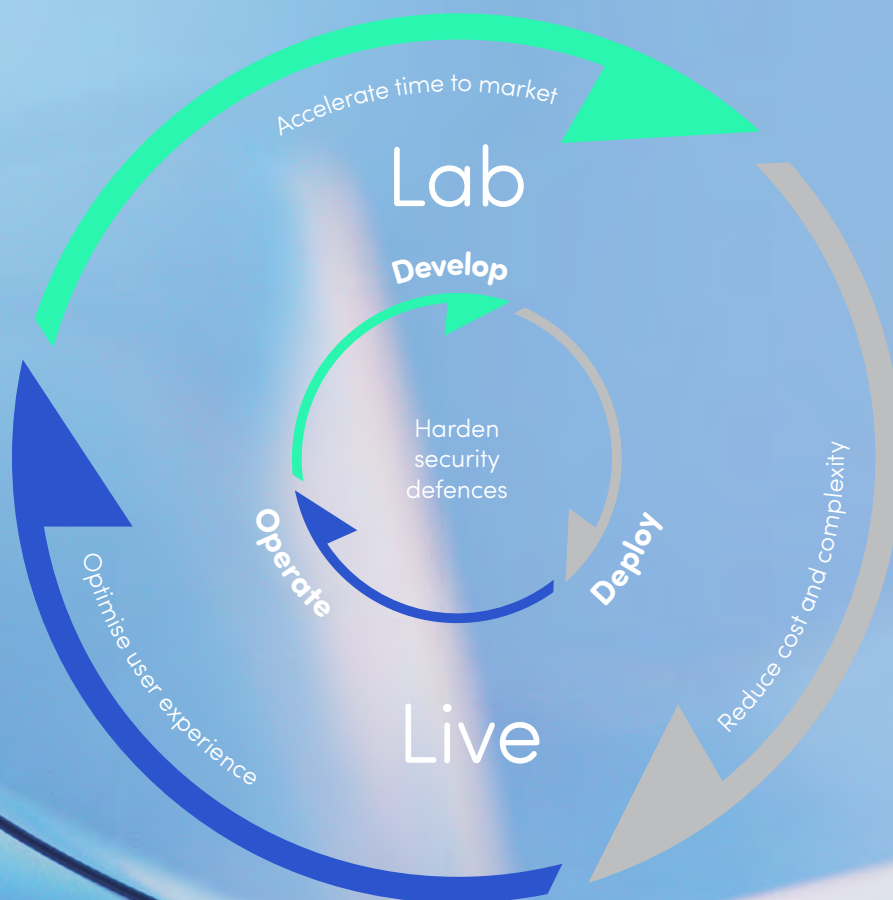
Unique systems and processes

Human capital

Talented and driven workforce

Social capital

Strong partnerships with customers and suppliers



We stand behind our customers' promise to deliver a new generation of innovative products and services to their customers. We are with them in every phase of the lifecycle from development in the lab to live deployment and operation, ensuring that new technology works.

Lab-to-live lifecycle needs

Lab

As our customers grapple with cloud networking complexity, the need to shift from a telco to IT mindset, and the implications of an expanding vendor ecosystem, they are transforming technology development in the lab with agile, continuous integration and continuous deployment (CI/CD) practices. Adoption of CI/CD faces headwinds as required cloud, security and automation skills are in short supply across many industries.



Live

The transformation to CI/CD brings with it a heightened pace of technology releases which must be rapidly deployed to live environments. At the same time, new services and applications from edge computing to drone navigation come with higher performance expectations. Legacy, manual processes for deploying and operating new technology must give way to automated turn-up, monitoring and troubleshooting.

Spirent's unique value

Accelerate time to market

With years of leadership in automated cloud, network and security testing, Spirent has the expertise, test platforms and services to provide our customers solutions to rapidly adopt CI/CD and achieve new levels of agility.

Bring new technology releases to market in weeks, not months

Optimise user experience

Our Active Test technology proactively and continuously monitors cloud-based networks and services, automatically isolating problems and ensuring service levels are maintained.

Rapidly find, pinpoint and fix issues before end-users are impacted

Reduce cost and complexity

Our certification and validation solutions recreate real-world conditions such as heavy traffic loads to help the industry ensure new multi-vendor networks, devices and services perform flawlessly together.

Manage vendors to keep costs and rising deployment complexity in check

Harden security defences

As telco networks become software running on the cloud, the cybersecurity attack surface expands exponentially. Our security solutions recreate real-world cyberattacks and scan for vulnerabilities to allow proactive mitigation.

Proactively find security weaknesses and prepare for attacks before they happen

Ensuring complex technologies work in an age of rapid change

Spirent invests to sustain and expand our leadership in key technologies and markets, including 5G and Wi-Fi, high-speed Ethernet networks, Positioning, Navigation and Timing (PNT), and automation.

We are evolving deeper and broader partnerships with an increasingly diverse base of customers, helping them address their larger business problems with innovative solutions and services, not just products. We are leveraging the subject matter expertise gained from our leadership in lab test and validation to address our customers' deployment and post-deployment live network challenges, as they advance towards complex software-based, disaggregated 5G networks and employ continuous integration and continuous delivery (CI/CD) models. We are applying our industry-leading expertise to key emerging areas such as private 5G networks, the expansion of telco cloud, open radio access networks (Open RAN), and non-terrestrial networks such as low earth orbit (LEO) satellite constellations. New markets provide us with fresh opportunities to grow and to build additional recurring revenue streams that support sustainable, profitable growth.

Non-terrestrial networks & LEO

Market driver

Non-terrestrial networks (NTN), including LEO satellites, are poised to take on a growing role in delivering broadband connectivity direct to phones and in resilient Positioning Navigation and Timing (PNT). Being closer to earth, these new constellations can offer more robust connectivity to remote, underserved communities and mission-critical industries. More than 3,700 LEO satellites have been deployed to date, driving an expanding vendor ecosystem.

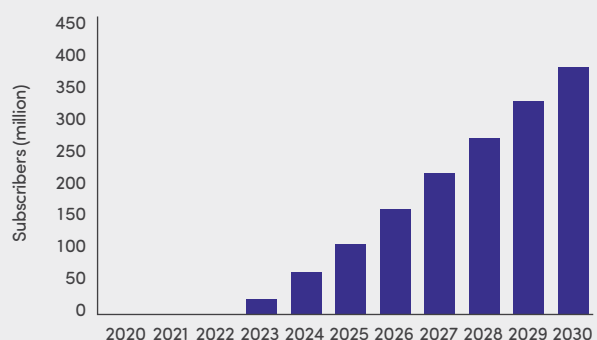
Opportunities for Spirent

Space is an incredibly complex environment, magnifying the importance of validating satellite functions on the ground in labs before deployment. Despite the closer proximity to earth, numerous technology and performance challenges must be tested, ranging from signalling delays and timing variations to large Doppler shifts from high velocities to signal degradations from atmospheric conditions and interference.

Our response

Spirent, as the industry leader in satellite PNT and end-to-end mobility testing, is well positioned to help the industry deliver on NTN's promises. With solutions in its portfolio such as SimORBIT that model LEO orbits, and mobility and channel emulation solutions highly applicable to testing performance in the lab, Spirent is already engaged with leading players across the ecosystem.

Subscribers in the direct satellite-to-device market, worldwide, 2020–2030



Source: NSR/Analysys Mason.

380m

direct satellite-to-device subscribers by 2030



Next-generation access networks

Market driver

The demand for connectivity to unlock new revenues across enterprise and consumer markets like immersive gaming is driving wireless access innovation. Operators are turning to advanced technologies including Open RAN and Wi-Fi 7 to augment current connectivity strategies and address the need for increased coverage, performance, deployment flexibility, and lower total cost of ownership.

Open RAN is the mobile industry's open ecosystem initiative to unleash innovation and vendor diversity while offering deployment flexibility across public and private networks, while Wi-Fi 7 promises an order of magnitude bandwidth increase with significantly lower latency, ideal for advanced consumer and enterprise use cases.

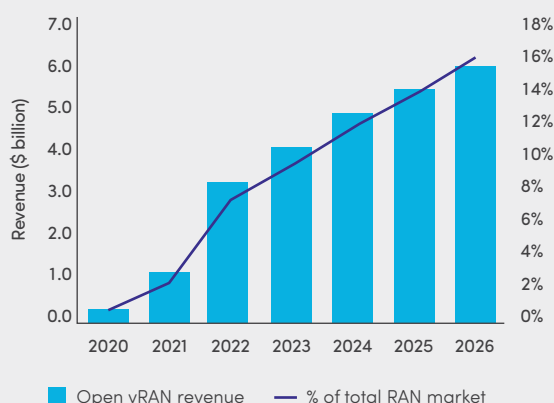
Opportunities for Spirent

Complex new radio technologies must perform in the harshest of conditions; multi-vendor interoperability and new vendor entrants, as well as a heightened focus on agility and cost, create a wide range of new testing, security and service assurance opportunities.

Our response

Spirent is providing a new portfolio of solutions that support the automated performance testing of Open RAN's multi-vendor, plug-and-play architecture, our industry-leading Wi-Fi 6/6E test solutions and services are evolving to enable our customers to be at the cutting edge of Wi-Fi 7.

Open vRAN revenue and as a percentage (%) of the total RAN market, 2020–26



Source: Omdia.

800G Ethernet

Market driver

The demand for higher bandwidth, increased throughput and ultra-low latency is unrelenting. Although cloud-based applications, work-from-home, and Internet of Things have all contributed to this trend, today's intense cloud gaming requirements, streaming, industrial connectivity, and a new wave of artificial intelligence and machine learning applications are putting even greater demands on networks, stimulating a rapid evolution in the Ethernet backbones that underpin the cloud and driving the industry to quickly follow the launch of 400G technology with 800G.

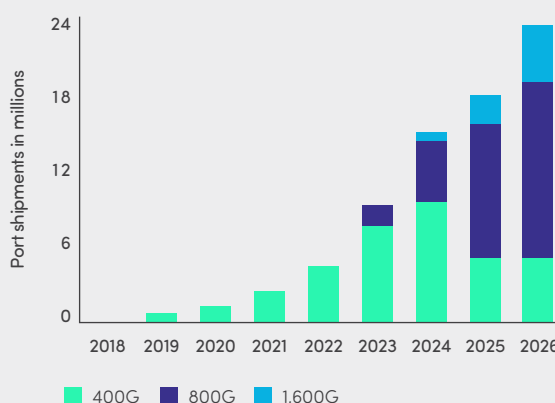
Opportunities for Spirent

Doubling capacity from 400G to 800G has required major optical and electrical innovations that introduce new challenges such as power consumption, signal integrity and heat. Meanwhile, the standards that are key to successful interoperability must be thoroughly tested and verified. Widespread industry adoption relies on the ability to validate and deploy every aspect of 800G while ensuring interoperability.

Our response

Comprehensive testing has become a critical factor in accelerating 800G toward production and deployment and meeting market demands. Spirent has developed an industry-leading, comprehensive, end-to-end 800G testing suite that leverages decades of experience in Ethernet testing to validate next-generation chipsets, routers, switches, and data centre fabrics.

Ethernet port shipments 400G vs. 800G vs. 1,600G



Source: Dell'Oro Group.

Our sustainability approach

About FuturePositive

FuturePositive is our sustainability programme. Through this programme, we have embedded the highest standards of environmental management, social practices and corporate governance in our business and supply chain and help our customers tackle important global sustainability challenges.

Vision

Our solutions will help deliver on the promise of a sustainable future for all.

We will operate with integrity, respecting the environment and people everywhere.

Our sustainability strategy is focused on five key missions:

Deliver a sustainable future



Promise of a sustainable future

Our promise

We will showcase the environmental benefits that our solutions deliver for customers and embed sustainability into our go-to-market strategy.



Net zero carbon

Our promise

We aim to achieve CarbonNeutral® certification in two years, and work towards net zero carbon by 2035 through energy efficiency, 100 per cent renewable electricity and carbon offsets.



Promote diversity and invest in people

Our promise

We will take action on diversity and set clear expectations. We will attract and develop talent and skills to drive innovation and support long-term sustainable growth. We will also enable and embed flexible working across all our operations.

Operate with integrity



Operate responsibly

Our promise

We will roll out ISO 14001 management system practices globally and work towards sending zero waste to landfill. We will embed circular economy principles in our product design and reduce sustainability impacts in our supply chain.



Be accountable and transparent

Our promise

We will expand our sustainability governance structures and reporting, and communicate regularly with staff on FuturePositive targets and progress.



2022 highlights

We have made good progress on our sustainability programme in 2022. We are pleased to share some of the highlights from the year.



Delivered customer carbon reductions

We helped a tier 1 mobile service provider reduce carbon emissions from their labs by 7,500 tonnes.



Achieved CarbonNeutral® certification

We achieved CarbonNeutral® certification this year, a key milestone in our journey to achieving net zero carbon by 2035.



Partnerships to improve diversity

The partnerships we established to engage and recruit from a wider, more diverse talent pool have flourished in their first full year.



ISO 14001 certification across our LSA business

We have achieved ISO 14001 certification for our environmental management system across our LSA business, including our engineering sites at Plano, TX, Frederick, MD, and Littleton, MD.



CEO-led responsibility for sustainability governance

Our CEO is tasked with the implementation of our sustainability strategy and achievement of our targets.



Our priority sustainability themes

We seek to manage our most significant sustainability impacts, risks and opportunities

Through FuturePositive we seek to manage our most significant sustainability impacts, risks and opportunities. These fall into five categories:

Responsible business practices

1. Corruption and business ethics
2. Transparent reporting
3. Data security and privacy

Circular economy

4. Sustainable and transparent supply chain
5. Water in supply chain
6. Product design for the environment and a circular economy
7. Impact occurring during use of products and services
8. End of life of products and waste

Delivering sustainability impacts for customers

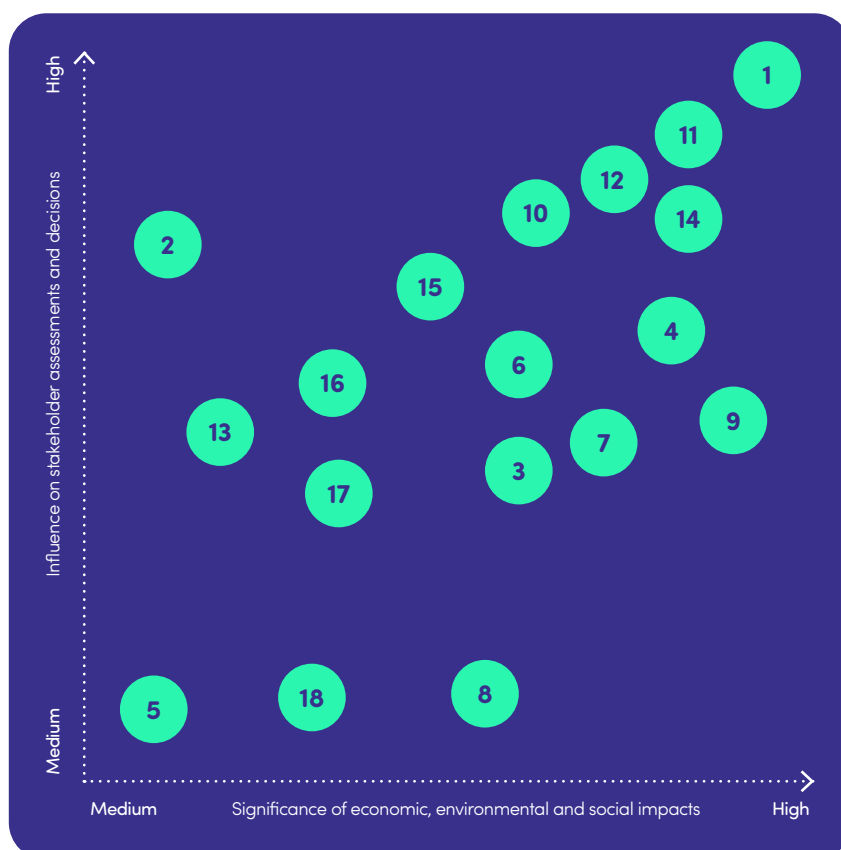
9. Sustainability impact through product functionality

Energy and climate change

10. Energy efficiency and renewable energy
11. Carbon emissions
12. Climate change resilience

People and communities

13. Human and labour rights
14. Diversity, equity and inclusion
15. Training, skills and development
16. Health and wellbeing
17. Flexible working practices
18. Supporting communities



We reviewed these issues during 2022. You can read more about our materiality process on page 64



Our sites



Our sites

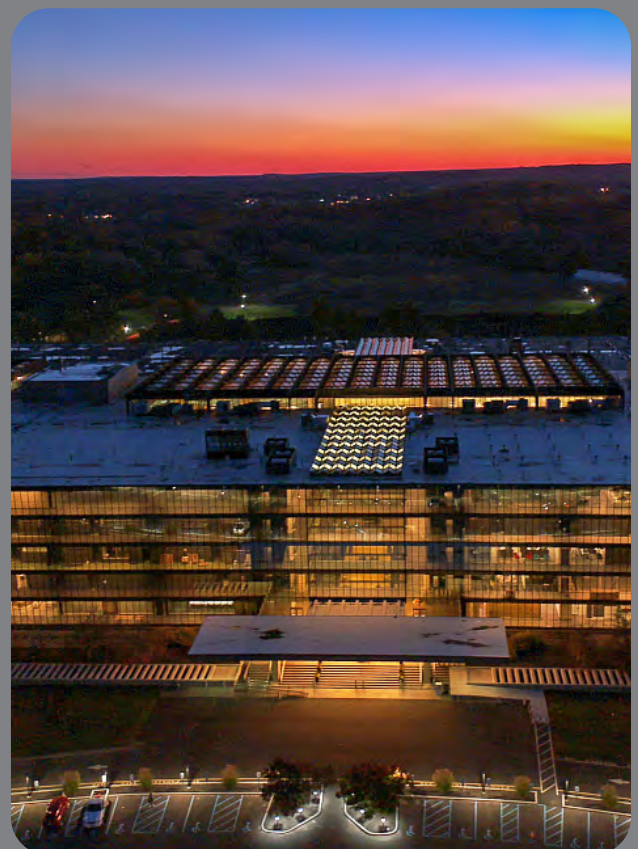
Spirent operates from 37 sites across 13 countries. The Group headquarters is in Crawley, UK, and we have ten significant engineering sites across the world which house development and customer service labs. We also have other smaller sales and administrative offices.

All product manufacturing is completed by contract manufacturers and only limited production processes such as quality testing, loading firmware and product repairs are completed on our sites.

We continued to operate flexible working practices with the majority of our team working flexibly following changes in response to COVID-19.



We have consolidated sites and embraced flexible working practices, helping us work towards net zero carbon and improve work for our team.





Promise of a sustainable future



Spirent plays a vital role in the transition to a low-carbon future. Our test solutions help to unlock innovation, making new technologies, development labs and networks more efficient.

Stephen Douglas
Senior Director of Market Strategy



Our promise

We aim to showcase the environmental benefits that our solutions deliver for customers and embed sustainability into our go-to-market strategy.

Why is this important?

- Sustainability issues are increasingly important for our customers, with energy, climate change and cybersecurity being the most pressing.
- We are well placed to help customers reduce their direct impacts, through automation, virtualisation and analytics.
- We can help customers develop new technologies to tackle global sustainability challenges, including smart grids, autonomous vehicles and precision agriculture.
- Sustainability can play an important part in our customer centric approach.

2022 highlights

- We have started to incorporate sustainability messaging into our go-to-market strategy for 5G.
- We have joined the DARTeC consortium with Cranfield University and aviation sector, supporting research into digital technologies that will make air travel greener.

Promise of a sustainable future continued

Spirent has an important role to play in delivering on the promise of a sustainable future.

Our solutions can help customers reduce energy use and carbon emissions through automation, virtualisation and analytics. We are helping our customers to develop new technologies that solve global sustainability challenges.

Sustainability is a key consideration for our customers and it's vital we showcase our leadership in this area and the potential benefits our solutions offer.

Key themes and targets

Reduce customer sustainability impacts

Objective:

We will showcase how our solutions help our customers improve their sustainability performance directly.

Action:

Produce case studies annually for main solutions with environmental and sustainability benefits to customers.

Targets:

Produce case studies for our key solutions.

Progress update: Achieved

We have produced case studies which articulate the sustainability benefits of our solutions, drawing on customer data.

Support sustainable innovation

Objective:

We will showcase how our solutions unlock the technologies to solve global sustainability challenges.

Action:

Produce case studies on environmental and sustainability innovation supported by Spirent's test solutions.

Targets:

Produce case studies on the new innovations that are supported by Spirent.

Progress update: Progress made

We have produced case studies showing where our solutions are supporting sustainable innovation.

Embed sustainability in customer centricity

Objective:

We will make sustainability part of our go-to-market strategy.

Action:

Establish a clear plan to integrate sustainability into our go-to-market strategy.

Targets:

Incorporate sustainability into our go-to-market plan and meet customer sustainability expectations.

Progress update: Progress made

We have included sustainability in the go-to-market plans for the most relevant products and responded to all customer requests.



5G roll out

Spirent's test and assurance solutions help customers reduce their energy use and carbon emissions, supporting the innovation around energy efficiency needed to deliver 5G networks.



See overleaf how we are helping to embed energy efficiency in the 5G roll out

Our contribution to a sustainable economy continued



1

Testing and validating the new technology needed to deliver greater energy efficiency

5G networks will need to manage significantly more data. Spirent is working with equipment manufacturers to test and validate new designs that deliver energy efficiency improvements. This includes new, more efficient radios, delivering greater spectral efficiency and deploying Massive MIMO (multiple-input, multiple-output).

To drive efficiency in the network and support a transition to net zero carbon, network operators are also using virtualisation which allows their systems to operate from efficient, off-the-shelf servers rather than less efficient bespoke hardware.

Our impact

Spirent is working with hardware manufacturers and network operators to test the new technologies during R&D and deployment. The first wave of support has focused on the new 5G cell towers, where we provide a test solution to develop the new hardware which incorporates energy efficiency improvements and validate the quality of service when deployed. We also help Ethernet switch manufacturers to unlock efficiencies when developing high-speed 800Gb switches needed to meet the growing data demands.



2

Delivering energy efficiency in the network

5G networks infrastructure is based within data centres which process the network traffic. Historically, these have operated from bespoke hardware in premises operated by the network operator.

Our impact

We have worked with network operators to deliver efficiencies in both edge hosted equipment (located near the cell sites) and central data centres. We have helped network operators improve efficiency by moving to efficient, generic hardware using network function virtualisation (NFV) and moving to hosted data centres and the cloud, which offer greater energy efficiency and higher use of renewable energy.



3

Driving efficiency in labs

Automation and virtualisation are key design objectives for Spirent as they help our customers do more with less. Velocity helps customers to share lab equipment globally and automate testing, allowing customers to run fewer, smaller labs. This means they need less equipment and are able to dramatically reduce direct energy use and property costs. It also allows staff to use equipment remotely, reducing emissions from staff travel.

Our impact

Using Velocity, we have helped handset manufacturers and network operators reduce the size of their labs, delivering significant cost, time and energy reductions.





4

Network deployment

When deploying a new 5G network, network operators may need to deploy and test hundreds of thousands of small cells to ensure they meet service level agreements before and after the network goes live. Rather than using manual testing, Spirent's automated active assurance solutions dramatically reduce the time and cost of roll-out and provides the network operator with real-time analytics of service quality levels.

Our impact

We worked with a tier 1 network operator to deploy 25,000 small cells in one year, reducing installation times from two hours to less than five minutes per cell. More than 85 per cent of activations were zero touch, saving an estimated \$3 million, reducing deployment times, and minimising truck rolls and their associated carbon emissions.

Through Spirent's Landslide and Fit 4 Launch solutions, our customers can test the networks and devices that operate on them in the lab, avoiding costs and carbon emissions from troubleshooting issues in situ.



5

Service assurance: Vantage and VisionWorks

A major part of a network operators, carbon emissions arises from engineers travelling to investigate and fix network faults. Spirent's Vantage and VisionWorks solutions provide network operators with the tools to monitor networks on a continuous basis, identify faults remotely and even solve them without having to deploy engineers in the field.

Our impact

We work with network operators across the world to conduct scheduled and on-demand testing by installing VisionWorks solutions on their networks. This has dramatically reduced the amount of testing completed by field engineers, saving millions of Dollars a year, and reducing carbon emissions from truck rolls. VisionWorks is deployed by six large network providers globally, and our new product, Vantage, is designed to provide a simpler test solution which is well suited to smaller networks or those with lower testing requirements.

Embed sustainability in customer centricity

Customers are setting higher expectations on how we operate and the role we need to play in supporting them in transitioning to a low-carbon future.

Meeting customers' expectations on net zero

Many of our customers have set ambitious commitments to environmental and social practices. We have always incorporated these expectations into our sustainability programme, taking action across all key areas.

We have seen in the last year an increase in the level of expectation for suppliers, in particular with growing requests for energy and carbon performance data and details of our net zero targets and progress, and the introduction of contractual obligations to achieve carbon reductions.

Through our FuturePositive programme and our own net zero commitments we are well placed to meet these growing expectations. We have set a target to achieve net zero carbon by 2035 and have reduced our Scope 1 and 2 emissions by 37 per cent since 2014. We achieved CarbonNeutral® company certification this year for 2021 and 2022 and established a robust Scope 3 emissions baseline as well.

During 2022 we conducted detailed energy and carbon audits of our major sites to identify further reduction opportunities that will inform our updated net zero implementation strategy.

We report our energy use and carbon emissions in our Sustainability and Annual Reports, and we disclose through CDP. In 2022, we responded to the CDP supply chain questionnaire as requested by AT&T, BT Group, Cisco Systems, Deutsche Telekom and Verizon Communications.



Supporting customers to reduce energy use and carbon emissions

Energy and carbon emissions are critical issues for many of our customers. Energy costs have risen sharply and at the same time, greater demand for data is increasing energy use within networks. Testing during the development and deployment phases for hardware and network operations is increasingly complex, which is delivered through extensive lab and physical testing. Network equipment manufacturers need validation for the innovative solutions that will deliver improved efficiency in their next generation of equipment and devices, and network operators and organisations need to test and validate energy saving strategies, which include automation, migration to the cloud, virtualisation and upgrading to new, more efficient equipment.

Spirent's test solutions help customers to improve energy efficiency and reduce carbon emissions.

In this report, we showcase the impact we've helped deliver for customers in development labs, and how we have shaped our service offering to deliver cost, energy and carbon savings to our customers.



Our customers and investors are increasingly engaging with us on ESG issues, with climate change and carbon emissions being the most frequent. We've met with investors to understand their requirements and explain our approach and progress.

Angus Iveson
Company Secretary and General Counsel

Sustainability in our go-to-market strategy

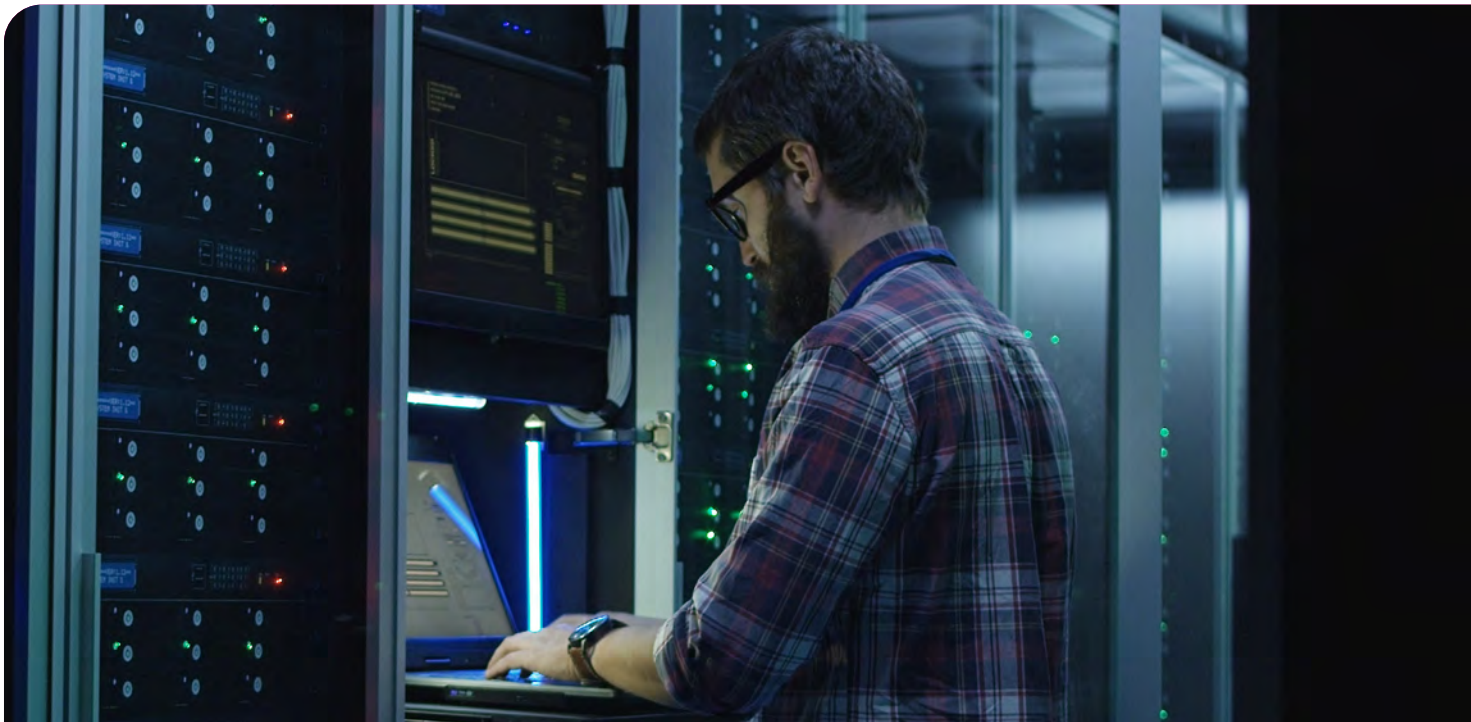
Our sustainability approach and the environmental benefits of our solutions are an important part of our value proposition to clients. We have incorporated sustainability messaging into our go-to-market strategies and collateral, using the environmental benefits alongside cost and technical advantages from real projects in case studies where relevant.

We have also presented at sector events such as the Mobile World Congress in Barcelona and have published blogs and white papers on how customers can reduce energy consumption and carbon emissions in their labs and operations.



Steve Douglas, Head of Marketing Strategy, presented on 5G and sustainability at the Mobile World Congress in Barcelona in April 2022.

Embed sustainability in customer centricity continued



Case study: Delivering energy and carbon reduction in customer labs with Velocity

In 2022, we helped a tier 1 mobile service provider reduce lab operating costs by 40 per cent, saving more than \$1 million in energy costs and around 7,500 tonnes of carbon emissions each year.

Hardware labs are vital for a network operator but are expensive and energy intensive. A lab has extensive test equipment and hardware, with significant cooling infrastructure. Labs are typically built within expensive class 1 office space, and due to their size aren't able to benefit from the most efficient cooling options. Tests to validate equipment are often done manually and the equipment utilisation is typically low.

With energy and real estate prices increasing, and a pressing need for companies to deliver on the net zero carbon objectives, labs offer an attractive opportunity to reduce costs and carbon emissions.

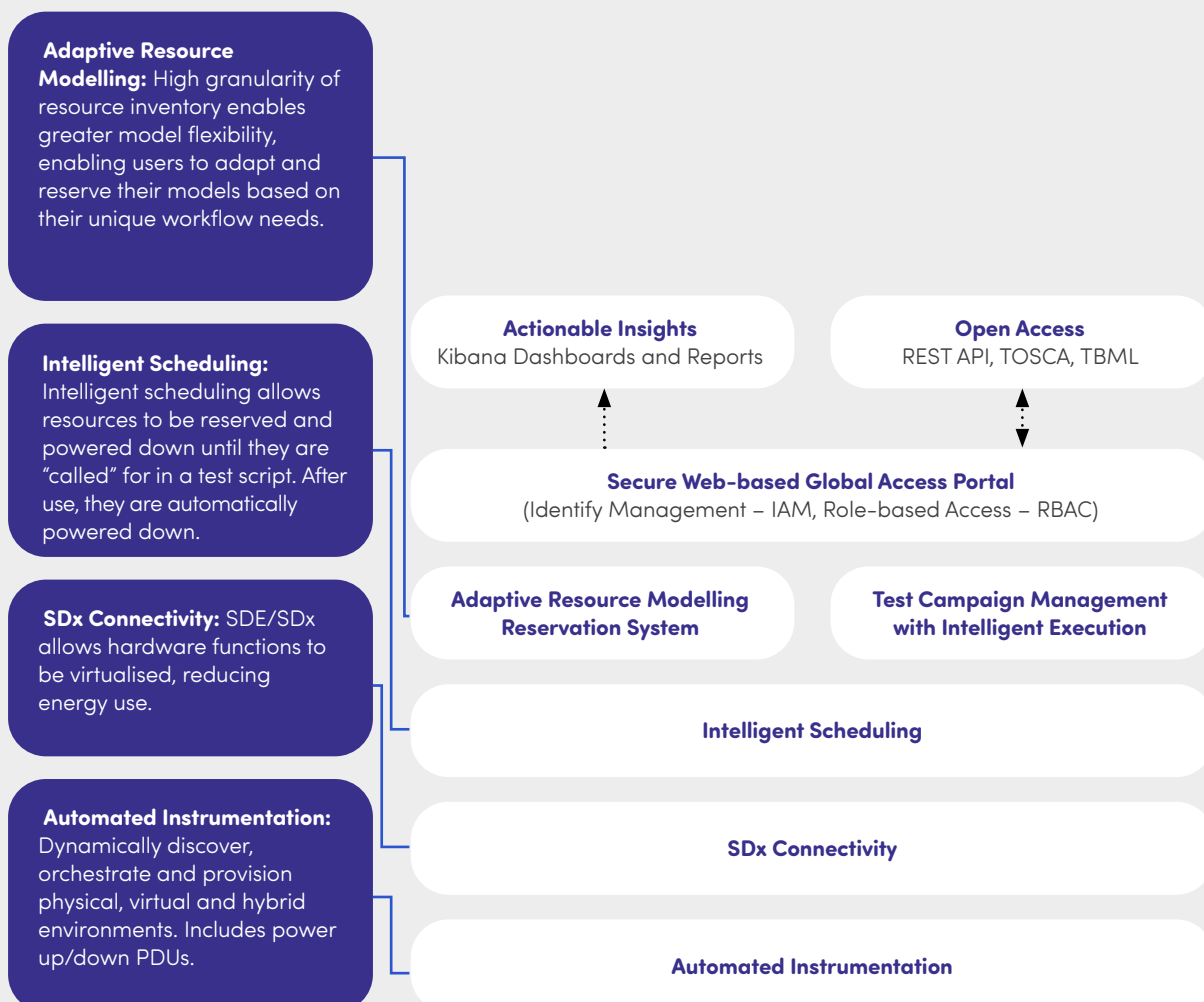
Using automation and scheduling tools like Velocity we helped our customer to:

- **Use less equipment:** Sharing test equipment globally and automating tests helped us to remove redundant and surplus equipment, improving utilisation rates by more than 75 per cent. This reduces energy costs for test equipment and cooling, whilst reducing the space needed.
- **Consolidate labs:** Making more efficient use of equipment allows labs to be consolidated, offering savings from property costs, as well as energy and maintenance.
- **Automatically switch off equipment when not in use:** Our test scheduling solutions allow customers to automatically switch off equipment when not needed, reducing energy and carbon emissions by a further 20 per cent.
- **Reduced engineer travel:** With consolidated equipment and remote lab access, the need for engineers to travel was significantly reduced.
- **Better data and insights:** With all test equipment run through Spirent's systems, engineers were able to have access to reliable utilisation data for each piece of equipment, providing data-driven insights to make future investment decisions and identify process bottlenecks.



How Velocity's architecture delivers power savings

Velocity is designed to make lab testing efficient, making it faster, cheaper and reducing energy and carbon emissions.



Going further: Test-as-a-Service (TaaS) and Lab-as-a-Service (Laas)

Through our Test-as-a-Service (TaaS) and Lab-as-a-Service (Laas) solutions, we can help customers to deliver their extensive testing requirements without the need for an on-premise engineering lab at all. Using centralised testing labs, we can enable increases in equipment utilisation and benefit from the greater cooling efficiency that scale brings.

We have developed a robust process to help customers to transition seamlessly to a lab and test service model:

LaaS evaluation	LaaS implementation	Add on: lab operation
A Spirent team works with the customer to understand their testing requirements and success metrics to develop a LaaS implementation roadmap and lab trial.	We deliver the testing solution for the customer engineers to use. We measure the solution's performance against the agreed key performance metrics.	We can deliver the test programmes on behalf of our clients.



Net zero carbon



This year, we achieved CarbonNeutral® certification, a key milestone in our journey to achieving net zero emissions.

Ray Lee
Director, Facilities



Our promise

We will achieve CarbonNeutral® certification in two years, and work towards net zero carbon by 2035 through energy efficiency, 100 per cent renewable electricity and carbon offsets.

Why is this important?

- Climate change is a globally important issue.
- Our operations and supply chain are vulnerable to impacts from climate-related extreme weather, wildfires and disruption.
- Our investors and customers expect us to take action.
- There is an opportunity to drive efficiencies in the business and reduce operating costs.

2022 highlights

- We achieved CarbonNeutral® certification, covering Scope 1, 2 and some Scope 3 emissions sources.
- We completed detailed energy audits at our key engineering sites and updated our carbon reduction roadmap.

Net zero carbon continued

Key themes and targets

Climate change poses a significant threat to people and economies around the world, and we have a duty to act to limit climate change impacts.

In 2022, we focused on establishing a robust baseline for our Scope 3 emissions and identifying carbon reduction opportunities across all scopes. We conducted detailed energy and carbon reduction reviews of our major engineering sites.

Our unabated Scope 1 and 2 carbon emissions increased by 1 per cent compared to last year as more staff returned to site and we brought some activities back in house. We have reduced our emissions by 37 per cent since 2014.

Energy efficiency

Objective:

Reduce energy use and costs.

Action:

Site consolidations and closer lab management.

Targets:

Reduce energy use by at least 25 per cent from 2019 baseline by 2025.

Progress: Progress made

Total energy use was broadly flat (excluding acquisitions) in 2022, energy use was 9.8 per cent lower than our 2019 baseline.

Carbon reduction

Objective:

Achieve CarbonNeutral® certification in two years, and set a science-based target to achieve net zero carbon by 2035.

Action:

Achieve CarbonNeutral® certification, measure Scope 3 emissions and work with partners to reduce emissions.

Targets:

Achieve corporate CarbonNeutral® certification by end of 2023.
Achieve carbon net zero by 2035.

Progress: Achieved

We achieved CarbonNeutral® certification for emissions across Scopes 1, 2 and some Scope 3 emissions.

Renewable energy

Objective:

Source 100 per cent of electricity from renewable sources and work to purchase increasing amounts of energy from new renewable capacity.

Action:

Secure green electricity contracts and EACs. Work to purchase energy from additional renewable energy sources.

Targets:

Maintain 100 per cent of electricity from renewable sources annually.
Increase the proportion of electricity sourced from new renewable energy by 2026.

Progress: On track

We sourced 100 per cent of our electricity from renewable sources in 2022.

We are investigating opportunities to support new renewable generation.

Offsetting

Objective:

Offset any remaining emissions after reductions and renewable energy.

Action:

Purchase good-quality carbon sequestration credits.

Targets:

Offset any emissions that we cannot reduce within the scope of our CarbonNeutral® certification by 2023.

Progress: Achieved

We achieved CarbonNeutral® certification for emissions across Scopes 1, 2 and some Scope 3 emissions.

Engage key partners

Objective:

Work with partners to reduce supply chain emissions.

Action:

Engage with suppliers and establish formal carbon agreements with key partners.

Targets:

Set formal carbon reduction targets with key suppliers and report on progress by end of 2022.
Collate Scope 3 carbon emissions from key suppliers by end of 2023.

Progress: On track

We have engaged with key suppliers and have commenced emissions data collection.



Energy

Energy management

Our labs are the largest energy user within our operations and, as such, are the main focus of our energy efficiency initiatives.

Our lab in Calabasas is the largest in the Group. We have deployed a range of energy efficiency measures including hot-aisle containment and in-row cooling and monitoring energy use in each rack.

We have a lab energy efficiency working group which actively manages lab equipment and systems to ensure they remain lean and efficient. We conducted a benchmarking exercise which allowed us to compare management approaches between our locations and changes from last year. We have been rolling out efficiency initiatives across our largest labs, which have delivered significant savings. During this year, we conducted detailed energy audits of our major engineering labs to identify further reduction opportunities.

Lab equipment virtualisation and test automation

We have been able to remove under-utilised equipment and draw on Spirent automation solutions like Velocity and iTest to reduce the equipment in the labs by improving utilisation rates. We also use these products to help our customers improve the efficiency of their labs, which has led to carbon savings of more than 60 per cent in some cases.

Site energy recognition

We produce site energy and carbon reports providing staff with details on energy use and trends at their site and how they compare to other sites.



We have invested in an energy efficient cooling system for our lab in Calabasas, California.



Case study: Energy and carbon reduction review

During 2022 we completed a detailed review to identify energy and carbon reduction opportunities. The review focused on finding site-level measures through site energy assessments and strategic options, which include the size and location of our offices and engineering labs.

We conducted audits at our 11 largest engineering sites and found opportunities to reduce emissions through enhanced monitoring and controls in our labs and buildings. The successful move to more flexible working patterns allows us to significantly reduce the size of our offices.

Strategic opportunities include minimising the lab equipment in high-carbon locations, such as Hawaii and China, and deploying equipment in the cloud or shared purpose-built facilities where possible. We have also identified opportunities to expand our on-site and off-site renewable energy generation.

Combined, the site level and strategic options identified would deliver carbon reductions of over 90 per cent between now and 2035 from a 2019 baseline.

Energy continued



In 2022, 100 per cent of our electricity came from renewable sources.

Renewable energy

Moving away from fossil fuels is vital to reduce global emissions and we have a target to source 100 per cent of our electricity from renewable sources.

Our site in Paignton has a 50kWp solar array which generates around 38 MWh of zero carbon electricity each year. This supplies around 8 per cent of our electricity use at the site, equivalent to around ten homes.

Paignton, however, is the only site we own. All other global sites are leased, which has made installing renewables at other sites quite difficult. We have zero carbon electricity contracts in place for our Crawley, Paignton and Berlin sites, and low-carbon tariffs in place at our Paris office.

Many of our sites also do not have access to zero carbon electricity tariffs, so we have partnered with Ecohz to source renewable Energy Attribute Certificates which has allowed us to meet our commitment to purchasing 100 per cent of electricity from renewable sources.

We are exploring alternative solutions that will allow us to support the development of new renewable energy capacity both on site and off site.

Energy performance

Energy use across the Company where we are directly responsible increased by around 1 per cent in 2022 to 13,157 MWh (2021 13,019 MWh). Overall, our energy use is 9.8 per cent lower than in 2019, the baseline for our five-year energy reduction target.

A key factor in energy use during the year is that we brought a number of engineering processes back in house, having previously subcontracted them. We also installed a number of 5G labs on major sites to showcase our solutions to clients which increased energy demand. It's notable that energy use in the previous year was artificially low as there were fewer staff working on site due to COVID-19 restrictions. In 2022, more staff returned to working on our sites and the number of employees increased, further contributing to an increased energy demand.

During the year we closed our engineering facilities at Engingen, Germany, and the former octoScope site in San Jose (November 2022). We also moved to smaller sites in Ottawa and San Diego.

Around 1.8 per cent of electricity use is estimated. This is on sites where we do not pay for energy directly but instead pay indirectly through a service charge.



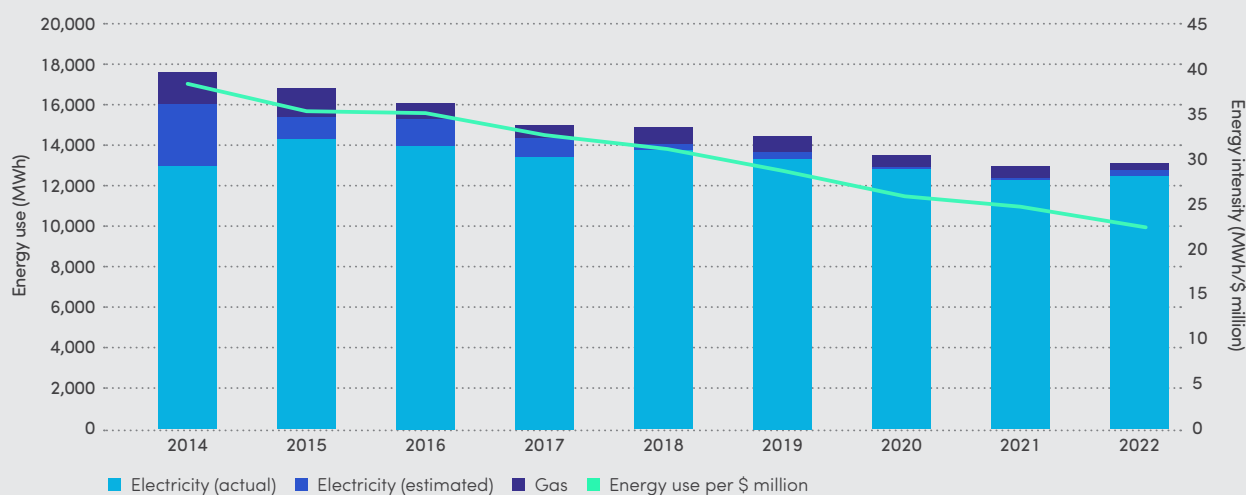
Energy trends

The energy intensity of our operations has also reduced, measured in MWh per \$ million of revenue: 4.2 per cent since 2021 and 43.3 per cent over five years.

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Electricity (actual) (MWh)	12,995	14,341	13,965	13,476	13,782	13,387	12,796	12,266	12,576
Electricity (est.) (MWh)	3,118	1,051	1,322	978	351	269	244	205	237
Gas (MWh)	1,433	1,388	757	546	745	798	506	548	344
Total (MWh)	17,547	16,781	16,044	15,001	14,879	14,453	13,546	13,019	13,157
Energy intensity (MWh per \$ million)	38.4	35.2	35.0	33.0	31.2	28.7	25.9	22.6	21.7

We have achieved significant energy reductions since 2014 and reduced the proportion of energy use we estimate. Since 2014, we have reduced our energy use by 25 per cent.

Energy use trends



Main energy-using sites

The largest energy-using sites in 2022 were:

Site	Internal area m ²	Energy use 2022 MWh	Energy use 2021 MWh	Change per cent
Calabasas	7,789	4,189,528	3,953,726	6%
San Jose	4,859	1,894,624	1,800,780	5%
Plano	2,370	1,354,216	1,219,127	11%
Frederick	3,706	1,259,204	1,342,834	(6)%
Holmdel	3,195	992,834	790,542	26%
Beijing	2,198	934,617	914,322	2%
Honolulu	1,295	728,171	799,151	(9)%
Paignton	2,575	614,692	625,966	(2)%
Paris	585	317,243	311,708	2%
Bangalore	1,404	305,155	184,046	66%

Climate change and carbon emissions

Management approach

Greenhouse gas emissions are a material issue for Spirent, and we are committed to reporting emissions and acting to combat climate change. The Group once again reported to the Carbon Disclosure Project, completing the climate change and supply chain questionnaire. This year our score decreased to a C (2021 A-) and supplier engagement score of C (2021 B-). This reduction was due in part to not having a full Scope 3 baseline and Science-Based Target approved by SBTi at the time of submission. We expect that progress in this area will be reflected in our score for 2023.

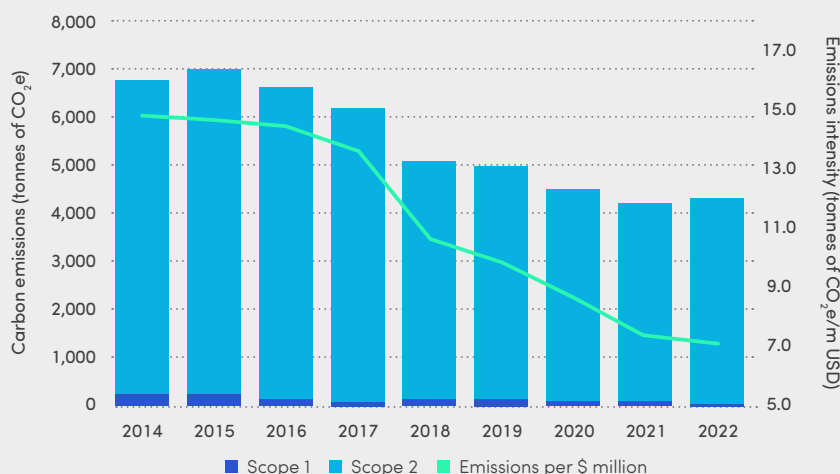
We report our emissions using both the location and contract-based methodologies set out in the GHG Protocol. The two methodologies look at our energy use in two ways. The location approach uses the average emissions for each country, and has been the way we have reported our emissions since 2014. The contract approach uses the emissions factor from the energy we buy and takes into account purchased renewable energy and so will be an important way to monitor our progress towards achieving carbon neutrality.

Unabated carbon emissions

	Location based		Contract based	
	2022 Tonnes of CO ₂ e	2021 Tonnes of CO ₂ e	2022 Tonnes of CO ₂ e	2021 Tonnes of CO ₂ e
Emissions from:				
Combustion of fuel and operation of facilities (Scope 1)	62.7	99.5	44.9	99.5
Electricity, heat, steam and cooling purchased for own use (Scope 2)	4,208.2	4,128.0	—	—
Total emissions	4,270.9	4,227.5	44.9	99.5
Emissions intensity metrics:				
Per FTE	2.58	2.70	0.03	0.06
Normalised per \$ million of revenues	7.03	7.34	0.07	0.17

Location-based emissions

We have reduced our Scope 1 and 2 (location-based) carbon emissions by 37 per cent since 2014.



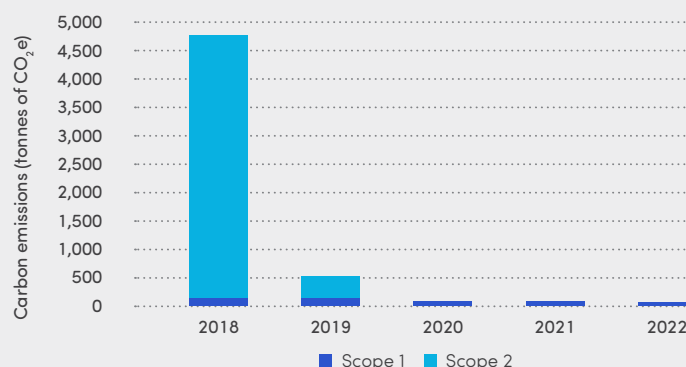
In 2022, total Group unabated location-based Scope 1 and 2 emissions increased by about 1 per cent from 2021 to 4,270.9 tonnes of CO₂e.

Since 2014 we have reduced our location-based carbon emissions by 37 per cent and have made year-on-year reductions in carbon emissions in relation to revenue as well. Emissions intensity (tonnes of CO₂e per \$ million) is down 52.6 per cent since 2014 and 4.2 per cent down on 2021 figures.

Contract-based emissions

Our contract-based Scope 1 and 2 emissions reduced by 99 per cent since we first reported in 2018.

Our 2022 emissions remain significantly lower than our 2018 baseline, due to our continued use of renewable electricity. Our unabated Scope 1 and 2 emissions reduced 55 per cent from 2021 due to the use of biogas at our site in Paignton.



Scope 3 emissions

This year we have calculated Scope 3 emissions across all relevant emissions sources for Spirent.

This is an important stage in our net zero carbon journey as it provides a greater insight into where indirect emissions occur across our value chain. Scope 3 emissions include those emissions that Spirent is not directly in control of, including raw materials, manufacturing, logistics, business travel and commuting, as well as emissions associated with our products during use and at the end of their life. As such we have less control and influence over these emissions, and the data availability and quality are lower than for our Scope 1 and 2 emissions, especially as this is the first year we have collected data across all relevant emissions sources. As a result, there is a greater level of uncertainty for this data and it may be that significant changes occur in future as data quality improve.

The largest emissions sources relate to the use and end of life of products, which together account for more than 70 per cent of 2022 Scope 3 emissions. Purchased goods and services and capital goods combined make up a further 17 per cent.

Emissions from contract manufacturers are around 5 per cent of the purchased goods and services in 2022 (6 per cent in 2021).

	2022 tCO ₂ e	2021 tCO ₂ e
Upstream emissions sources		
Purchased goods and services	6,830	6,630
Capital goods	570	580
Fuel and energy-related activities	245	240
Transport and distribution	1,175	1,175
Waste water	40	38
Waste generated in operations	10	17
Business travel	2,785	1,795
Employee commuting and homeworking	1,460	1,380
Leased assets	n/a	n/a
Downstream emissions sources		
Transport and distribution	Reported within upstream data	
Processing of sold products	n/a	n/a
Use of sold products	28,000	Data not available
End of life of sold products	3,300	Data not available
Leased assets	n/a	n/a
Franchises	n/a	n/a
Investments	n/a	n/a



This year, we achieved CarbonNeutral® certification for 2021 and 2022. This is an important step for us on our journey to net zero carbon by 2035.

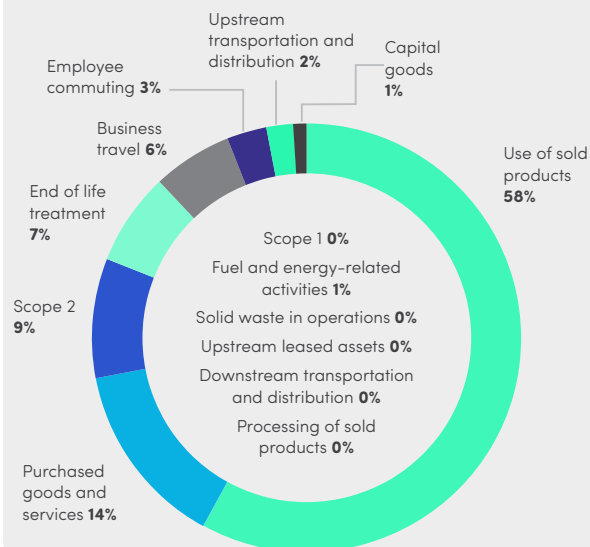
Ray Lee
Director of Global Properties

Total carbon emissions breakdown

Our Scope 3 emissions make up more than 90 per cent of our calculated emissions for 2022.

Emissions from the customer use of our products was the largest source in 2022, making up 58 per cent of our total unabated reported emissions.

Total carbon emissions breakdown (location based)



Going CarbonNeutral®

In our net zero carbon journey, our focus is on reducing our energy use and carbon emissions. Whilst we've made good progress in the last decade to do so, there is still a long way to go. So when we refreshed our sustainability strategy in 2020, we wanted to set some tangible objectives that reflect our commitment to a low-carbon future.

We chose to achieve CarbonNeutral® certification as a business. Building on our long-term energy and carbon reductions, we partnered with Climate Impact Partners to review our emissions and to curate a portfolio of high-quality carbon credits that reflect where we operate and that support impactful carbon reduction projects.

We offset emissions for 2021 and 2022 across Scope 1 and Scope 3 (transmission and distribution losses, waste, business travel and homeworking) using a portfolio of projects which includes industrial process emissions in the US (verified under the American Carbon Registry), domestic solar in India (through the Orb Rooftop solar programme verified under CDM and Gold Standard) and renewable energy projects from around the globe (through Climate Impact Partner's renewable energy portfolio verified under CDM, VCS or Gold Standard).

More information on the projects can be found at <https://corporate.spirent.com>



Climate change and carbon emissions continued

Setting science-based targets

We are committed to achieving net zero carbon by 2035 and reducing carbon emissions in line with a 1.5°C scenario. We have established a robust baseline for emissions across Scope 1, 2 and 3 and have set near- and long-term reduction targets to deliver on this. We have committed to submit a letter of intent in 2023 to the Science Based Targets initiative's (SBTi) Net-Zero Standard. We aim to submit our targets and data for review in 2023.

2025	2030	2035
15% reduction in Scope 1, 2 and 3 emissions by end of 2025	39% reduction in Scope 1, 2 and 3 emissions by end of 2030	We will reach net zero emissions across our value chain by end of 2035
Compared to 2022 baseline by reducing emissions and neutralising any remaining emissions by removing an equal amount from the atmosphere	Compared to 2022 baseline by reducing emissions and neutralising any remaining emissions by removing an equal amount from the atmosphere	By reducing our absolute Scope 1, 2 and 3 emissions by 63% compared to 2022 and neutralising any remaining emissions by removing an equal amount from the atmosphere

Engaging with key partners

We have engaged with key suppliers on sustainability issues through our supplier audit programme, including on energy use and carbon emissions. In 2022, we appointed a Global Operations ESG Lead who has launched an engagement programme with key suppliers to commence an ongoing dialogue on their energy management, carbon emissions strategies and climate change risk management and start a process of target setting.

Task Force on Climate-related Financial Disclosures (TCFD)

Climate change creates new risks and opportunities for companies. In accordance with the requirements of Listing Rule 9.8.6R, Spirent has provided disclosures against all 11 disclosure recommendations that span four key areas of governance, strategy and climate change scenario analysis, risk management, and metrics and targets.

Governance and risk management

The Board considers sustainability issues (including climate change) throughout the year and oversees the consideration of climate-related risks and opportunities under the TCFD disclosure requirements.

In 2022, we expanded our sustainability governance structures, introducing a new executive sustainability committee and expanding the participation of our FuturePositive working group.

A detailed review of how climate change may impact our business in the future was completed in 2021 and the assumptions and findings were reviewed in 2022, with only minor changes being made. The significant climate-related risks and opportunities were identified and examined initially through a workshop with senior managers. These are reviewed on an ongoing basis by the Executive Director-led ESG Management Committee, the Audit Committee and its Risk Sub-Committee, as part of our business risk and financial planning processes. The materiality of the potential climate impact is assessed using the Group's materiality criteria.

Over the course of 2022, a number of investors and customers have engaged with us on the importance of climate change, and we have incorporated their expectations into our materiality, strategy and reporting planning.

Strategy

Spirent recognises the importance of climate change as an environmental threat that the world faces, and as such we have carefully considered the impact of such risk across our operations. Climate risks are entirely integrated into our risk management process.

We have identified the following risks across a variety of time horizons. The risks consider the potential for increased exposure to extreme weather events at a Group location or key supply chain site. In addition, likely changes to the regulatory system in which the Group operates have been considered.

For the purpose of evaluating climate change-related risks, the Group has defined the following time horizons:

Short term	Medium term	Long term
0-2 years	2-10 years	10+ years

The key risks Spirent has identified are as follows:

Transitional risks

It is expected that there will likely be a large and radical change in global markets, with a drive to shift quickly towards renewables and away from fossil fuels, resulting in increased carbon taxes across all regions in the short and medium term. This may result in associated increased costs. Starting in the short term, costs are likely to increase by an immaterial amount due to higher investment requirements in low-carbon technology and expected additional carbon-related levies and we also expect additional administrative burden on the business, likely increasing the costs for resource to deliver and report.



We have modelled the impact of carbon credits using a price per tonne CO₂e of up to £250 and the impact is not material. Transitional risks are also unlikely to lead to any impairments or write offs. We expect to purchase carbon credits in the short- to medium-term in line with our commitment to achieve CarbonNeutral® certification, but expect energy efficiency and renewable energy to reduce the requirement for carbon credits so as we progress towards net zero carbon in 2035. Over the course of 2023, the ESG Management Committee, with the help of an external adviser, is further developing and refining Spirent's plan to reach net zero. Further development of this plan includes capturing the key activities and mitigating actions such as site strategy and consolidation, retrofitting, the sourcing of renewable energy, etc. to allow for a more detailed quantification of the cost impact to Spirent over the medium and long-term. The impact of our approach will be examined during 2023 having completed a full Scope 3 footprint calculation.

Physical risks

Acute

Considering the potential of increasing intensity and frequency of storms and concentrated rainfall events, and frequency of wildfires, we have assessed that these risks would possibly cause some disruption to operations. Wildfire risks are most relevant to our operations in Calabasas, CA and flooding in our principle contract manufacturer, based in Thailand.

In the medium to long term, risks include Spirent site damage to building and infrastructure, lost time and productivity and any associated increased cost of insurance.

Additionally, a major supplier disruption event is a possible key risk, causing an outage for a period of time which we assess as causing possible delays to customer shipments and the timing of revenue recognition.

Spirent has mitigation plans for each of these physical risks identified, which have been developed as part of longstanding business continuity and disaster recovery plans. Spirent engineering centres are situated in various different locations allowing a level of flexibility and agility should one site become affected. We endeavour to dual source key components wherever possible. Additionally, the Group has appropriate business interruption insurance in place.

Chronic

Higher peak and average temperatures are likely to result in increased energy demand and cooling capacity required for lab and office environments. This could lead to increased capital expenditure to expand or upgrade cooling equipment across multiple Spirent sites. In addition, increased heatwaves and droughts could have an impact on the health of more vulnerable employees and their families possibly resulting in higher staff absence levels.

It is possible that the rise in average temperatures may reduce energy use through a reduction in heating. Additionally, there may be a market opportunity relating to the provision of emerging energy efficient Spirent products.

We have identified a number of areas of opportunity. These include a reduction in costs and improved efficiency, especially from estates consolidation and automation within our labs. We also expect that a greater focus on climate change will increase our resilience from climate related weather events, both within our estate and across our supply chain.

We also recognise our role in supporting clients to develop new technology. We recognise that there may be opportunities for new use cases for our existing test solutions to support climate mitigation in particular in the area of lab automation and consolidation.

The Group is still exploring the opportunities that climate change presents and therefore they have not been incorporated into the modelling.

Scenario analysis

The impact of each of the risks identified above has been assessed, quantified and considered in two climate change-related scenarios:

- aggressive mitigation – emissions halved by 2050, average temperature increase of 1.5°C; and
- strong mitigation – emissions stabilised at half of today's emissions by 2080, average temperature increase of 2.4°C.

These scenarios were selected as they would include the most aggressive policy responses (which are likely to have the greatest impact on our business in the next three to five years) and because we believe that aiming to limit climate change to 1.5°C still remains the right policy objective.

In terms of modelling horizon, we have considered the impacts over the short, medium and long term, and with regard to the occurrence of the risks identified and also in comparing with the horizons adopted by peers, the most appropriate time horizon to model is 15 years. The most recent strategic three-year plans have been extrapolated to form the base case long-term plans from which to sensitise, using growth rates and assumptions consistent with other forward-looking financial statement items (goodwill impairment, viability) and assumptions.

Given the modelling horizon, there is not likely to be a significant difference between the two scenarios in relation to our exposure to physical risks – a change of 1.5°C is expected by 2030 under all scenarios, with the same likelihood and distribution of extreme weather events and chronic changes in weather patterns and temperatures. The major differences appear between 2040 and 2080 which falls outside of the scope of our long-term plans and provides sufficient time for the business to adapt if required. In terms of transitional risk, we do expect a difference between the two scenarios, most notably in the size of increases to energy costs and the size of anticipated carbon tariffs across all regions.

Based on the modelling we have performed and given the significant financial headroom Spirent has, the relative magnitude of the impact the risks present, the mitigation plans, and the insurance cover in place, it is not anticipated that the climate-related risks identified will have a material impact in the short term. The longer-term impact on the organisation's strategy and plans is currently being further assessed but initial analysis does not suggest a significant financial impact. Therefore, Spirent is considered resilient to climate change-related scenarios.

Metrics and targets

We monitor carbon emissions sources that fall within Scopes 1, 2 and 3 and report our carbon emissions annually within the Annual Report and Sustainability Report.

We have set clear targets to source electricity from 100 per cent renewable sources, and work towards net zero carbon by 2035. We have targeted a 25 per cent reduction in our energy usage by 2025.

We have considered whether the existing metrics and targets support the ongoing assessment of climate-related risks and opportunities and have determined that no additional metrics or targets are required at this time. This is on the basis that the short-term financial impact is considered immaterial. We will continue to evaluate whether additional metrics and targets are required as part of our existing business strategy and risk management processes, in particular in relation to supply chain risks, as we further refine our longer-term strategy and plans.



Promote diversity and invest in people



We've made good progress this year on both our diversity initiatives and early career talent programme. We've welcomed new team members from our college and university partners and launched a new early career network and engineering development programme.

Ann Menard
Global Head of Human Resources



Our promise

We will take action on diversity and set clear targets. We will attract and develop talent and skills to drive innovation and support long-term sustainable growth. We will also enable and embed flexible working across all our operations.

Why is this important?

- Diversity and inclusion are key challenges for our communities.
- The technology sector faces a particular challenge on gender diversity.
- Our success relies on a pipeline of new talent and developing talent within our business.
- Spirent plays an important role in the communities it operates in.

2022 highlights

- Expanded our programmes with key college and university partners to help us recruit more female engineers and people of colour.
- Continued roll out of diversity and inclusion training for new and existing staff.
- Expanded our early career talent programme, launching a new internal network and an engineering development programme.
- Established quantitative diversity targets and scorecard.

Promote diversity and invest in people continued

Key themes and targets

We see a diverse and inclusive workplace as vital to the success of our business and each member of staff.

In 2022 we completed a detailed review of our diversity and inclusion policies, practices and performance and implemented a number of exciting changes. We have developed a new diversity and inclusion strategy, and have introduced a new suite of staff benefits, development programmes and partnerships that will enhance our diversity.

Support diversity and inclusion

Objective:

Improve our diversity practices and performance.

Action:

Complete a detailed diversity review and set improvement targets. Report gender pay gap globally.

Targets:

Complete diversity and inclusion assessment and set targets by end of 2021.

Report our gender pay gap for all staff by end of 2022.

Progress: Complete

New diversity and inclusion targets have been set.

Progress: Deferred

Whilst gender pay gap data is published for UK employees, it has not been possible to complete comparable gender pay gap calculations for the rest of the Company this year.

Invest in skills, training and development

Objective:

We will invest in the skills, training and development of our staff to drive innovation and support long-term sustainable growth.

Action:

Design an early career talent acquisition strategy, including school and university STEM programmes. Establish management systems to develop skills in house.

Targets:

Establish an early career talent programme and set performance metrics by end of 2021.

Progress: Complete

Early career talent programme has been established.

Flexible working practices

Objective:

We will actively encourage flexible working for the majority of staff by 2023.

Action:

Establish flexible working policies and practices.

Targets:

Implement flexible working practices by end of 2021 and report on progress annually.

Progress: Complete

Flexible working practices have been implemented.

Support our communities

Objective:

Maintain support for communities at current level.

Action:

Run VTO and charitable giving initiatives.

Targets:

Maintain our VTO and charitable giving programmes.

Progress: On track

VTO and charitable giving programme run across 2022.



Support diversity and inclusion

Our approach

At Spirent, we believe that diversity and inclusion are essential to thriving in the ever-changing world of global technology. We embrace a culture where difference is valued and openness, mutual respect, collaboration and fairness are considered fundamental. Spirent does not tolerate discrimination or offensive behaviour of any kind. We are committed to creating workplaces that genuinely reflect the diversity of the world we serve and an environment where everyone feels empowered to bring their full, authentic self to work. As a global leader, we know how critical diverse and inclusive teams are to fuel our innovation and genuinely connect with the communities in which we live and work.

We all need to do more and are committed to doing so. Our diversity and inclusion priorities and objectives are:

Theme	Commitment
Diversity in talent acquisition	Create talent acquisition processes and partnerships with organisations to support representative and diverse recruitment
Supporting diversity in hiring	Establish a policy to require gender diverse interview slates
Enhanced family friendly benefits	We will implement a portfolio of family friendly benefits that raises the level of support for staff at important times in their lives
Early career development	Launch an early career development programme to support and invest in young people at the start of their working lives
Celebrate our culture	Celebrate our diversity, cultural events and festivals together
Choosing inclusive language	Review and replace all non-inclusive terms such as "master/slave" from our products and technical documentation

Progress in 2022

Diversity in talent acquisition

The talent pools we recruit from determine our diversity and we have made a concerted effort to reach a wider audience when we recruit. We have developed a network of university partners and recruitment challenges to help us both recruit from groups that are currently under-represented, especially female engineers and people of colour, and support students to reach their full potential. In 2022, we added Prairie View A&M University to our university network and created a talent acquisition video to drive diversity and early career recruitment with our partners. We also launched an employee resource group to lead talent acquisition and mentoring initiatives with Morgan State University, Prairie View A&M University and the Society of Women Engineers.



Society of Women Engineers Spirent partners with the Society of Women Engineers (SWE).

This gives society membership to Spirent staff, giving our female engineering staff networking and development opportunities.

It also offers us the opportunity to engage with SWE's 40,000 global members, as well as access to its career centre and talent database.

We are also able to participate in SWE's outreach programme, which aligns with our STEM programme to encourage young women and girls into engineering education and careers.



Morgan State University Morgan State University (MSU) is one of the US's leading Historically Black Colleges and Universities (HBCU).

Our partnership allows us to support students through the "turning theory into practice" programme, where Spirent staff work directly with students on research and classroom projects.

MSU has an excellent pedigree in computer science, cybersecurity and artificial intelligence. We aim to attract MSU graduates to join Spirent and attend on-campus career fairs and networking events to raise our profile with prospective applicants.



Prairie View A&M University Prairie View A&M University is the second-oldest public institute of higher education in the state of Texas.

A long-standing partner with Spirent on cybersecurity, the university uses Spirent CyberFlood for teaching and research within its SECURE Cybersecurity Centre of Excellence and Centre of Excellence for Communication Systems Technology Research (CECSTR).

Spirent's partnership will provide a route for students to gain practical work experience and join our early career programmes.



Support diversity and inclusion continued

Enhanced family friendly benefits

The benefits we offer staff have a significant impact on how we attract and retain talent and our diversity review identified opportunities to make our benefits portfolio more inclusive. Spirent offers a comprehensive suite of benefits to employees across all regions. This includes health insurance, life insurance, disability, 401(k)/pension, parental leave and paid time off/vacation.

On 1 January 2022, we introduced a range of enhanced global family leave benefits to provide staff with additional flexibility and support greater equality in the workplace.

We provide twelve weeks of parental leave for primary caregivers and three weeks for secondary caregivers, all at full pay. This is an increase in both duration and pay level from our previous policy.

We also increased paid time off to care for family members to three days a year, and provided an additional two days of bereavement leave entitlement, giving five days at full pay.

First year in numbers

39	98	86
Parental leave: 39 employees took parental leave in 2022. The new policy provided staff with 628 days of additional leave over the previous policy entitlement	Family care leave: 98 employees took family care leave during the year. The new policy provided staff with 225 days of additional leave over the previous policy entitlement	Bereavement leave: 86 employees made use of the bereavement leave during the year. The new policy provided staff with 81 days of additional leave over the previous policy entitlement

We have also applied our scheme globally, which has delivered a significant increase in benefits for the majority of staff members and we hope will address some of the structural and financial barriers that contribute to unequal representation in the technology sector and in management roles.



Our enhanced family friendly benefits have been taken up by staff. This year they have helped more men take parental leave, including as primary caregivers, and extended maternity leave for mothers in the US. These expanded benefits have helped our staff at important times in their lives.

Caroline Lee
EMEA HR Director



It was always a stressful juggling act for me to look after my kids when they got sick. I'd have to get them over to my parents' house so they could take them to the doctor and then I'd have to rush to try to get to work on time.

Thanks to the new family care leave, this has now changed. So far, I've used the benefit a few times to get my children medical attention when they needed it. This has lessened the burden on my parents and given me a better work-life balance.

Zoe Cheung
Staff Accountant



I'm a primary caregiver to our baby daughter. She was born in February this year. Financially and emotionally, it would have been really tough for me and my wife if Spirent's enhanced parental leave hadn't been in place. I would have earned just 66 per cent of my salary via New York Paid Family Leave, which would have put us under enormous pressure. Thanks to the enhanced benefit, I've been able to make precious memories with my daughter that wouldn't have been possible before.

Anand Sayroo
Field Engineering Lead





My son was born in May. Our enhanced parental leave meant I could spend quality time with him and support my wife, both physically and emotionally, as we tackled those early challenges together. As a dad and husband, time in those early weeks is precious. I'm relieved I didn't have the financial worry, from loss of earnings, that would have previously been there.

Ravin Patel
Field Test Engineer



My mother had a stroke in January. I'm her main caregiver. She was in the hospital and rehab for almost a month. I used my family care leave partly during this time and partly when she returned home. When she did so, I had to learn about her limitations and how to care for her; this was made harder by not having seen her much while she was in the hospital due to COVID-19 restrictions.

I had little personal leave available as I had used most of it over Christmas. It was a relief to know I had family leave and that Spirent recognised the importance of me taking care of my mother.

Teresa Nolan
Senior Staff Engineer

Early career development

Spirent's early career programme offers a structured pathway into a career in technology through internships, apprenticeships and university sponsorships. Our diversity review highlighted the need to increase the scope and scale of our efforts, and so we established a pilot for a new 18-24 month programme for early career professionals.

We selected our global inside sales team to run the pilot for the new framework.

Our early careers pathway

Offers a scalable and impactful global early career framework	Provides tools on hiring, developing and interviewing for each early career position
Provides training to leaders, managers and supervisors on how to coach, train and develop early career employees	Ensures that we have a consistent compensation model to support each early career programme
Provides tools and guidance to managers of early career employees around development plans	Provides an e-book for managers on the early career pathway framework, available on our intranet, InsideSpirent

Over 2022 we have expanded our programme globally, offering placements and internships across EMEA, North America and APAC. We engaged with 26 universities worldwide through academic support partnerships, which include undergraduate, postgraduate and postdoctorate participants. We also welcomed two new industry fellows: Cathryn Mitchell from Bath University and Ze Li from Cardiff University. Cathryn is working on new positioning, navigation and timing technologies, including space horizon scanning. Ze is using AI to develop new technology that will allow autonomous vehicles to use multiple satellite systems for navigation.

Our 2021 cohort of young engineers in the UK completed the course in June 2022 when five new early career positions started.

We established our engineering early career pathway globally and launched the Aspire early careers network to share good practice and support participants. We currently have 37 early career employees who span over different disciplines across our business, including engineering, sales, operations, HR, finance, IT and business development.

There are currently 27 Aspire network members and 8 mentors across the business.

Through the programme and our new position as a board member of the DARTeC STEM committee we engaged with universities, schools and other DARTeC members participating in career fairs and STEM initiatives, including hosting a women in STEM event.



Support diversity and inclusion continued

Celebrate our culture

In 2022, our Spirent Celebrates programme gained momentum as we continued to honor the richness and diversity of our global workforce. Together, we celebrated events, festivals, and awareness days and got to know each other better.

Some of the highlights of this year's programme include:

Celebrating Hispanic heritage and culture

In September, we celebrated Hispanic Heritage Month. Maira Hild (HR Business Partner) and Luis Benites (Staff Hardware FPGA Engineer) shared their stories.



Holi

In March, we celebrated Holi. Pankaj Singh (Senior Area Sales Manager) introduced colleagues to the Hindu festival of colours, made famous by throwing coloured powder and water balloons.



International LEGO Day: future inventors and innovators

In celebration of International LEGO Day in January, we ran a building competition, encouraging young people to explore the rich and exciting world of construction and engineering.



Women in engineering

We recognised International Women in Engineering Day (INWED) in June. This year's theme was inventors and innovators. To celebrate we talked to a selection of our own – Joy Wang, Oriane Vallet, Sneha Sathyanarayana and Charlotte Perry.



The best thing about being an engineer is learning new things because knowledge can change you and the world for the better.

Joy Wang
Senior Staff Software Engineer



Seeing more women in leadership positions will help inspire more young women to join the engineering workforce.

Oriane Vallet
Senior Systems Engineer



My interest in problem solving, finding different solutions to the same problem, and automation attracted me to a career in engineering.

Sneha Sathyanarayana
Associate Software Engineer



We need to inspire a more diverse range of future engineers, where difference is valued, and everyone feels there's a place for them.

Charlotte Perry
Product Verification Test Engineer

Support diversity and inclusion continued

Gender

Gender is one of the most visible aspects of our diversity and is an important issue across the technology sector.

There have only been minor changes in the overall gender balance of the Company from 2021. Three women continue to serve on our Board of eight, maintaining female representation at 38 per cent (2021 38 per cent), above the Hampton-Alexander Review's target of 33 per cent. The proportion of females in senior management and executive management roles increased slightly to 8 per cent (2021 7 per cent). This remains lower than female representation for the Company as a whole which is around 23 per cent (2021 22 per cent).

Level of organisation	Female		Male		Other or no gender reported		Total
Board	3	38%	5	62%	—	—	8
Executive management ¹	3	33%	6	67%	—	—	9
Senior management ²	6	8%	68	92%	—	—	74
Total employees	378	23%	1,275	77%	3	—	1,656

Notes

1 The data for executive management includes direct reports to the CEO only, excluding assistants.

2 The data for senior management includes all other Vice Presidents (including Regional Sales VPs and Client Partner Executives) and Senior Directors.

The under-representation of women at all levels in Spirent and the technology sector in general is a key challenge for us, and there remains significant work to do to achieve greater representation, especially in senior roles. We seek to make a material change through our partnerships with organisations like the Society of Women Engineers and our early careers programme. There have been some promising early results from these partnerships and we will monitor and report on these in future disclosures.

Age

Spirent's workforce has a diverse age distribution. Since 2020, we have been successful in attracting more young people into the business, increasing the percentage of our employees who are under 30 from 5.8 per cent to 7.8 per cent. The largest age group remains 40–49 which is 31 per cent of our total headcount, down from 34 per cent in 2021.

Age group	2022	2021	Change
<20	2	3	(33)%
20–29	127	103	23%
30–39	390	380	3%
40–49	515	526	(2)%
50–59	443	408	9%
60+	179	148	21%
Total	1,656	1,568	6%



Invest in skills, training and development

Our skills, training and development programme approach focuses on two key themes: skills and training for our staff, and programmes to engage young people in STEM subjects and careers.

Training and skills	STEM education
Investing in the skills and knowledge of our team and building knowledge partnerships with leading universities	Supporting awareness and engagement with science, technology, engineering and maths (STEM) subjects amongst young people

Training and skills

Training is one of the most important areas for Spirent and the Group has well-developed technical and compliance training processes in place for our employees.

Our training and skills approach focuses on three key areas:

Employee learning and development

Structured training and skills development for employees

Spirent has a well-established learning and development programme, providing employees with technical and business administration training. As our work often includes new and emerging technologies, we actively review the skills that our team needs now and the ones it will need in the future. Training is managed through personal development plans and delivered through online and in-person training (where permissible and safe to do so), peer mentoring and informal skills sharing. We also bring new skills into our team through strategic hiring and our relationships with leading universities around the world help us to attract the talent we need.

In 2022, Spirent employees completed more than 17,000 hours of training.

The most frequently completed training courses during the year were on diversity and inclusion, technical training, professional development and IT security.

Course content	Courses completed	
	2022	2021
IT security	1,784	1,700
Legal compliance	450	222
Technical training and IT skills	3,273	1,902
Global anti-bribery	146	130
Professional development	3,849	1,176
Health and safety	87	134
Diversity and inclusion	6,449	1,351
Total	16,038	6,619

We have a number of courses that are mandatory for staff to complete every two years. This includes human rights, IT security, legal compliance and anti-bribery courses, which include criminal finance, anti-harassment and GDPR. 146 members of staff were required to take global anti-bribery courses and 13 were identified as needing to complete human rights training during 2022. All those required to complete training did so.



Diversity and inclusion training

We introduced a new mandatory five-module training programme on diversity and inclusion in 2021. The first module was launched in November 2021 and modules two to five were launched bimonthly from January 2022.

During 2022, all staff and new starters have completed all five modules.

Invest in skills, training and development continued

Training and skills continued

Employee learning and development continued

Training and skills

Technical courses include technical, product, solution and application training, and professional development includes the new go-to-market training and a wide array of courses, including management skills.

Employee category	Gender	Training hours completed	Total training hours by category
Engineering	Male	5,998	7,664
	Female	1,666	
	Other or not disclosed	—	
Sales and marketing	Male	4,593	5,509
	Female	916	
	Other or not disclosed	—	
Shared services	Male	1,837	3,849
	Female	2,012	
	Other or not disclosed	—	
Employee level	Gender	Training hours completed	Total training hours by category
Executive	Male	329	342
	Female	13	
	Other or not disclosed	—	
Management	Male	2,360	3,372
	Female	1,012	
	Other or not disclosed	—	
Professional	Male	9,289	12,063
	Female	2,774	
	Other or not disclosed	—	
Support	Male	450	1,245
	Female	795	
	Other or not disclosed	—	

Performance reviews

Performance reviews are a core part of our people process, and provide an opportunity to respond to staff feedback and set personalised development objectives for each member of staff.

In 2022 performance reviews were completed for all 1,656 members of staff:

Region	APAC			EMEA			North America		
Status	Female	Male	Other or not disclosed	Female	Male	Other or not disclosed	Female	Male	Total
Full time	100	316	1	61	236	2	208	717	1,641
Part time	—	—	—	4	4	—	5	2	15
Total	100	316	1	65	240	2	213	719	1,656

STEM education

As a technology business, we are passionate about science and engineering, but we recognise that there are barriers that prevent talented young people from studying STEM subjects and pursuing careers in technology.

These challenges have led to decreasing interest in STEM subjects amongst young people and a lack of gender diversity, especially in technical roles.

Our STEM Ambassador programme was developed to engage with young people and help foster an interest in STEM subjects that we hope will lead them to fulfilling careers in science and engineering. We had 35 active STEM Ambassadors in 2022: 10 in North America, 20 in EMEA and 5 in APAC.



World-class research collaboration

To ensure we stay at the forefront of emerging technologies, we run a global Academia Partnership Program. We aim to collaborate with universities worldwide on research, product development and product innovation partnerships.

We offer three levels of academia partnerships:

- **Gold:** dedicated Spirent lab
- **Silver:** collaborative research
- **Bronze:** entry level



Joining forces with universities expands the capabilities of knowledge and growth within the network test and assurance sector, whilst creating sustainable student relationships, and offering industry experience and career development opportunities.

Institution	Partnership	Partnership focus
University of Bath, UK		Continuing the strong relationship with the University of Bath post KTP. Running industry fellowship to continue research collaborations
US University*		Providing Spirent equipment through a sponsored lab partnership
Cranfield University, UK		Supporting PhD and MSc students with sponsorship and mentoring Sponsorship, research collaboration and member of DARTeC board for digital aviation research
Cardiff University, UK		Supporting PhD students with sponsorship and mentoring. Running an industry fellowship which commenced in October 2022
Birmingham City University, UK		Silver partnership, with Spirent sponsoring five undergraduate projects
University in Hungary*		Silver partnership, using Spirent hardware and software for race car project
Teesside University, UK		Provided testing support for a student project that aims to launch a small rocket into space
University Sains, Malaysia		Silver partnership with Spirent supporting GNSS testing as part of a taught module
University in Germany*		Silver partnership on LEO satellite modelling
WMG, University of Warwick, UK		Supporting students in their PhD with sponsorship and mentoring support
University in Australia*		Bronze partnership with Spirent supporting an aerospace module teaching
University in Spain*		Gold partnership, with Spirent sponsoring a GNSS research lab

* Names withheld due to confidentiality provisions.

Our engineers work closely with academics with particular areas of expertise to share knowledge and expand the capabilities of our test solutions. We also work closely with industry bodies on future skills requirements and we are contributing to the UK Government's taskforce on global positioning, navigation and timing technology skills.

Supporting higher and further STEM education

Spirent runs a number of schemes to support higher and further level STEM education. We run work experience, apprenticeships and industrial placement schemes and we sponsor the most promising placement students in their final year at college.

We work closely with local colleges and universities and provide input to the curriculum to ensure the most up-to-date skills and technologies are included.

		Number of interns, apprentices and placement students	Number of graduate new starters ¹
North America	US	6	3
EMEA	UK	29	1
APAC	China	8	—
	India	5	—

Note

1. Students who have joined the Company on completion of their internship or industrial placement, either immediately or after completing their university course.



Invest in skills, training and development continued

Placement students

Hi, I'm Deanna and I'm studying MEng Robotics at the University of Plymouth and am currently the Product Verification and Test placement student at Spirent Communications. My main responsibility is to test the software in development by Spirent.

When starting my placement in July, I was immediately welcomed into the team. I was shown how to use all the equipment that I would be using throughout the year, and have always been given any help or support that I have needed.

Throughout my placement, I have had the opportunity to work on all the global navigation satellite systems (GNSS) available in the lab and have gained valuable experience using spectrum analysers and oscilloscopes.

This has been a fantastic opportunity to learn and has greatly improved my confidence. Overall, working with Spirent this year has given me a fantastic foundation to finish my degree.



International Women in Engineering Day: schools events with DARTeC on satellite spoofing and STEM careers

Spirent is a Board Member of Cranfield University's Digital Aviation Research and Technology Centre (DARTeC), which aims to drive innovation in digital airspace and airport infrastructure.

As part of International Women in Engineering Day in June, Chrissie Hillyer (STEM Ambassadors Coordinator), Esther Anyaegbu (Senior Staff Systems Engineer) and Rob Hirst (Software Team Manager) ran a presentation for secondary school age girls on the importance of positioning, navigation, and timing (PNT) testing, satellite spoofing, and STEM careers.



Flexible working practices

In response to the COVID-19 pandemic, we have made a lot of changes to the way we work. We have shown that we can collaborate effectively with colleagues virtually, allowing us to formalise a suite of flexible working practices that will:

- support employee wellbeing;
- attract and retain diverse talent;
- reduce the size of our offices and carbon footprint; and
- create office environments that support knowledge sharing, innovation and collaboration.

Policies and practices for flexible working

We have a suite of flexible working policies which align working practice with the requirements for each role and employee. There are four categories:

- **remote:** the employee always works from home;
- **flexible:** work is split between the office and at home;
- **on site:** the employee always works from the office; and
- **alternative schedule:** working hours differ from typical office hours.

The flexible working practices allow staff to reduce commuting time and allow those with caring responsibilities to continue to thrive in the business.

The flexible working policies include requirements for health and safety and information security, as well as the provision of equipment for homeworking.

In 2022 around 13 per cent of staff worked full time in the office, 37 per cent were full time homeworkers, and 50 per cent shared time between home and the office.

Our office environment

With more staff working at home some or all of the time, we need smaller offices that support different type of activities.

During 2022 we continued to reduce the size of our offices and consolidate sites as leases come up for renewal. We have also started to redesign our office spaces, creating more formal and informal meeting and collaboration spaces, and moving from private offices and cubicles to hot desking and open plan offices.

Invest in People Platinum

In 2022 the UK Positioning business received the prestigious “We Invest in People” Platinum award from Investors in People (IIP) for the second time.

IIP is an internationally recognised standard for people management, offering accreditation to organisations that look to improve performance and realise objectives through the management and development of their people. To date, IIP has assessed over 50,000 organisations across 66 countries.

The Platinum accreditation is the highest accolade that can be achieved against the IIP standard and is held by only 2 per cent of IIP-accredited organisations. We are one of only three businesses in our industry to achieve Platinum accreditation for a second time.

The IIP standard and framework help cast a lens on how we lead, support and develop our people at work, through nine key indicators:

1. Leading & Inspiring People
2. Living the Organisation’s Values and Behaviours
3. Empowering and Involving People
4. Managing Performance
5. Recognising and Rewarding Performance
6. Structuring Work
7. Building Capability
8. Delivering Continuous Improvement
9. Creating Sustainable Success

Over the course of a few months, we had to demonstrate how we consistently performed in all nine areas since we last achieved our Platinum accreditation, three years ago. This was no mean feat, considering that we had to completely reimagine much of what we did, as a result of the COVID-19 pandemic and remote working.



Everyone in the UK PT business has been pivotal in helping us retain our Platinum IIP accreditation. It’s a clear statement of our commitment to creating a great place to work, but we won’t rest on our laurels! Over the next few months, we’ll review all the feedback from the IIP assessors and look at what we can do even better to ensure we retain Platinum for the future.

Martin Foulger
Manager Director, Positioning



Support our communities

Support our communities

Our approach

We are committed to investing in the communities in which we live and work. Our staff use their time and skills to support good causes, as well as making financial contributions.

Our Company volunteering and charitable giving programme is designed to help our staff to support our local communities and good causes. We offer a matched funding initiative to boost the charitable donations made by staff.

Charitable giving

Over the course of 2022 we supported more than 70 charities. The Company donated around \$80,000, including \$12,000 through our staff donation match funding scheme. In July, we ran a Tour de Spirent cycling challenge. Our staff clocked up over 6,000 miles in the saddle and raised almost \$10,000 for charities of their choice.

Volunteer time off (VTO)

Supporting staff to take time off to give back to their local communities is a core part of our community programme. Staff can take two days each year to volunteer for good causes. Here are some of our team's stories from 2022.

Rescuing dogs in need (US)

Sarah used her VTO to help raise additional funds for her newly launched Shore Saves charity, which works with overcrowded animal shelters in southern US states to rescue dogs.

"I was able to contribute my time, knowledge and practical experience for the betterment of my local community."

Sarah Fine
Chief of Staff



Rancho Los Mochos road repairs in California (US)

Jim used his VTO to help carry out repairs to roads leading to Rancho Los Mochos wilderness camp, used by Scout troops in California.

"We get so much praise from all of those who drive up the road to camp now. It was great to be able to use my VTO to help complete this project."

Jim Dalton
Lead Hardware Engineer



Making Christmas food hampers for local food bank (UK)

Spirent employees from the UK used their VTO to help spread Christmas cheer, by preparing Christmas food hampers at their local food bank.

"This year showing compassion and giving to those in need has been more important than ever. Too often we underestimate the power of giving."

Karen Hare
Procurement Manager



Maintaining bike trails in Pennsylvania (US)

"I assisted with a pre-event trail clean-up and log cutting and ran an aid station as part of an annual fundraiser to maintain the Allegrippis bike trails in Pennsylvania."

Corey Shaw
Staff PV Engineer



Supporting school composting and civic duty

"I supported my daughter and her friends in establishing their school food waste composting programme and chaperoned them on a visit to Maryland Senate and House to advocate for their cause."

Monika Maheshwari
Senior Manager, Engineering



Marathon to support holidays for families in need

"I helped organise a marathon to raise funds for a local charity, which provides free, fun-filled holidays for families with seriously ill children, terminally ill parents, or recently bereaved."

Paul Duffield
Senior IT Operations Specialist





Operate responsibly



We've continued to make progress over 2022, expanding our ISO 14001 certification to include our entire LSA business. Coupled with the appointment of a new Global Operations ESG Lead, we are well placed to continue our progress into 2023 and beyond.

Jim Klaassen
Senior Vice President, Global Operations





Our promise

We will roll out ISO 14001 management system practices globally and work towards zero waste to landfill. We will embed circular economy principles in our product design and reduce sustainability impacts in our supply chain.

Why is this important?

- Our sites have a significant environmental impact but we do not have Group-wide practices to manage impacts consistently or optimally.
- Our products' sustainability impacts are a visible and important area of impact.
- Much of our sustainability impact occurs in our supply chain and we have limited visibility and monitoring.

2022 highlights

- We achieved ISO 14001 certification for our LSA business, which includes our sites at Plano, TX, Frederick, MD, and Littleton, CA.
- We developed a circular training course for engineers.
- We appointed a Global Operations ESG Lead.
- We conducted 30 supplier audits.

Operate responsibly continued

Key themes and targets

We are committed to operating sustainably and we continued to make good progress across 2022.

We achieved ISO 14001 certification for the new environmental management system for our LSA business, including three major engineering sites.

We have also developed a circular economy design course for our engineers and have started to roll out training to our teams.

Sustainable buildings

Objective:

Manage the environmental impacts at each site and gain recognition.

Action:

Achieve ISO 14001 certification across the Group and work towards zero waste to landfill by 2026.

Targets:

Achieve certification at one major engineering site by end of 2022 and all engineering sites by end of 2026.

Progress: On track

We achieved certification for our LSA business, which includes three major engineering sites.

Sustainable product design

Objective:

We will embed circular economy principles into the way we design our products.

Action:

Provide circular economy training for engineers, introduce sustainable innovation toolkit, conduct life cycle assessments of key products and produce product eco-profiles to showcase credentials.

Targets:

Circular economy training to be completed by senior engineers by end of 2022.

Progress: Progress made

We have developed a circular economy training package and have started to roll this training out.

Sustainable supply chain and manufacturing

Objective:

We will establish programmes to better understand and reduce our supply chain impacts.

Action:

Conduct supplier audits, implement sustainability agreements with key suppliers, and reduce packaging sustainability impacts.

Targets:

Complete 18 supplier audits annually.

Review packaging and develop sustainable packaging strategy by end of 2022.

Establish sustainability agreements with key suppliers by end of 2023.

Map sustainability risks in supply chain and develop enhanced supply chain sustainability strategy.

Progress: Completed

30 on-site audits completed.

On track: Assessment tool developed and 20 packaging designs assessed in 2021.

On track: We have started to engage with key suppliers on sustainability and climate change.

On track: We have implemented supplier risk software which allows us to monitor commercial and ESG risks in our supply chain.



Sustainable buildings

ISO 14001 implementation

We set a target to expand the coverage of formal environmental management systems and achieve ISO 14001 certification at one major engineering site by 2022 and all major sites by the end of 2025.

In 2022 we achieved ISO 14001 certification for our LSA business, which includes engineering sites in Plano, TX, Frederick, MD, and Littleton, MD.

In 2023, we will continue to expand the management system certification. We aim to add the sites at Crawley, Munich and our CIP business, which includes Honolulu, Calabasas and San Jose.

Waste

Spirent's operations are primarily office based and as such our waste streams include paper, card and other office wastes, as well as small amounts of hazardous waste including batteries and light bulbs. We also generate electrical and electronic waste when lab and IT hardware reaches the end of its life.

We have set an ambition to improve our waste management approach and work towards zero to landfill. Our project to assess our waste management practices and develop a waste strategy was pushed back to 2023. The project will help us reduce the amount of waste we produce, improve our waste data, increase our recycling rates, and avoid sending waste to landfill.

The design of our test and assurance solutions also has a material impact on the amount and type of waste that is generated. We have incorporated sustainable design principles into our product development processes; we report on the waste electronic equipment we place on the market in accordance with the WEEE Directive. The disclosures are on page 73.

Water

Our water use is minimal and is limited to showers, toilets and washing crockery at coffee points. We recognise that a number of our sites are located in water-stressed areas and water stress is likely to increase globally with climate change. As a result, we have a policy to reduce water use across our sites and water efficiency measures are installed as standard in our property design guide. For example, we have installed low-flow taps and waterless urinals at our office in Paignton, UK.

The review of our material sustainability issues has identified water use in the supply chain as an emerging area.

Most of our tier 1 suppliers are not large water users and we require key suppliers, including contract manufacturers, to have effective controls in place. This includes specifying low water use manufacturing processes and robust general water management.

Water risks are most relevant for electricity generation, mineral extraction and the manufacture of silicon wafer which are all water-intensive activities. These are currently effectively managed through our business continuity and disaster recovery requirements for suppliers and our own business. We also recognise that the significant investment in silicon wafer fabrication in mainland US will further reduce this risk.

We will continue to explore water risk in our supply chain and report on progress.

What is ISO 14001?

An ISO 14001 environmental management system provides a best-practice framework to manage environmental issues effectively. Certification is awarded by independent auditors and demonstrates our strong commitment to environmental management and continuous improvement.

Governed by our environmental policy, the formalised and structured approach allows us to:

- identify our significant environmental impacts and how we can affect and be affected by environmental impacts, market requirements and environmental legislation;
- provide leadership and governance for environmental programmes;
- develop robust procedures to control our environmental impacts and plan for any emergency situations that might arise;
- provide staff with the right knowledge, skills and resources to manage environmental issues effectively;
- measure and monitor our performance; and
- review our practices through an internal audit and formal review by management.



Sustainable product design

Our approach

Many of Spirent's test solutions rely on physical test equipment used in situ by our customers. We are working to reduce the lifecycle impacts of our products and the environments they are used in through a range of ways:

- designing for environment and end of life, including compliance with all legal requirements;
- reducing the size, weight, noise and power use of our products;

- virtualisation and the development of Test-as-a-Service;
- improving utilisation and automation; and
- in-field servicing and upgrades.

We use formal sustainability metrics in the product development process across all our business units.

Responsible sourcing

Responsible sourcing

We have robust processes in place to ensure that our suppliers meet high standards on environmental management, social practices and corporate governance. The materials we use are sourced from responsible sources and are compliant with all legislation (see page 73 for more details).

Product design and improvement

Design for environment

Our products are designed to minimise their impact on the environment over their whole life. We measure the sustainability performance of our products at the design stage and optimise the energy efficiency and material use of our equipment. This includes the use of automation and virtualisation, as well as the use of Test-as-a-Service.

Product use

Automated and virtualised testing

Spirent's automation and efficiency tools, Velocity and iTest, reduce energy use, increase equipment utilisation and reduce total test times for our customers. We have developed virtual products including a platform called Temeva and a virtual version of our powerful TestCenter products.

Test-as-a-Service

Spirent is helping customers reduce their impacts through its innovative Test- and Lab-as-a-Service offering. This allows customers to run test solutions remotely, using software solutions and Spirent-hosted hardware.

Extend life of products

In-field service and upgrades

Spirent's products can be serviced, repaired and upgraded in the field. Our modular design and software licences allow us to add functionality or fix faults at client sites, without the need to ship equipment back to us.

End of life

Design for recycling

Our products are designed to maximise recycling rates, with the following design principles used as standard:

- connectors are used instead of hard-wired connections;
- joints, snaps or screws are used instead of welding, soldering or glue;
- minimised packaging materials including reusable pallets, totes and packing boxes;
- designed to suit common hand tools; and
- modular design for ease of assembly and disassembly.





Circular economy training

The design of our products significantly influences the environmental impact of our products across the whole lifecycle. We have seen significant improvements since implementing sustainability metrics in our product design process and to support further gains in this area, we set an objective to roll out training on circular economy for our engineers.

Having assessed a number of training courses but felt none met our requirements, in 2022 we developed our own bespoke circular training course. The training incorporates both an introduction to key aspects of theory and how it applies to Spirent's product and design process specifically. This training has been piloted and working with our Chief Technology Officer, we will run a hackathon in 2023 to develop new design concepts and innovation opportunities.



We will run a circular economy hackathon in 2023 to develop new concepts and innovation opportunities.

Sustainable supply chain and manufacturing

Our supply chain

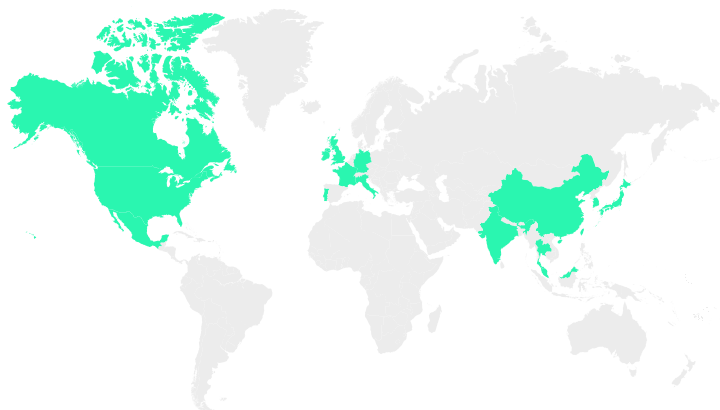
Spirent's product supply chain is global, with more than 900 specialist suppliers across more than 25 countries worldwide.

Our supply chain partners include contract manufacturers, equipment and component manufacturers and resellers, consultancies, R&D partners, software companies and IT service providers.

We work with contract manufacturers in Thailand, the UK and the US and we source components and equipment directly as well as through our contract manufacturers.

Our supply chain includes a large number of specialist suppliers but 80 per cent of our supply chain spend is with around 50 companies.

The objective of our sustainable supply chain programme is to ensure our products and suppliers comply with the high standards of environmental management, social practices, corporate governance and business ethics set out in legislation and our Supplier Code of Conduct. We also aim to partner with suppliers to reduce the overall environmental impact of our products and drive continuous improvement by sharing good practices and technologies.



Spirent's product supply chain is global, with:

900+

specialist suppliers across

25+

countries worldwide

Our approach

Our sustainable supply chain programme comprises four key themes. Our Supplier Code of Conduct sets out our expectations for suppliers. We review potential suppliers' practices before they are approved and we audit and engage with suppliers on an ongoing basis to ensure standards continue to be met and to drive improvement. We monitor the total spend with suppliers which have been audited, and monitor the proportion of our hardware spend and component parts from audited suppliers as hardware suppliers have a higher risk profile.

Standards

Supplier Code of Conduct

Setting expectations of the way that environmental, social and governance issues are managed by suppliers

Pre-contract

Supplier initial assessment and approval

Reviewing potential suppliers' environmental, social and governance practices to ensure they meet our standards before a vendor is approved

Ongoing management

Supplier engagement and audits

Conduct on-site audits and ongoing supplier reviews to ensure suppliers continue to meet our expected standards and to collaborate on improvement opportunities

Parts and spend from verified sources

We monitor the number of parts and the spend with suppliers which have been audited by Spirent or one of our contract manufacturers or through the RBA VAP audit programme

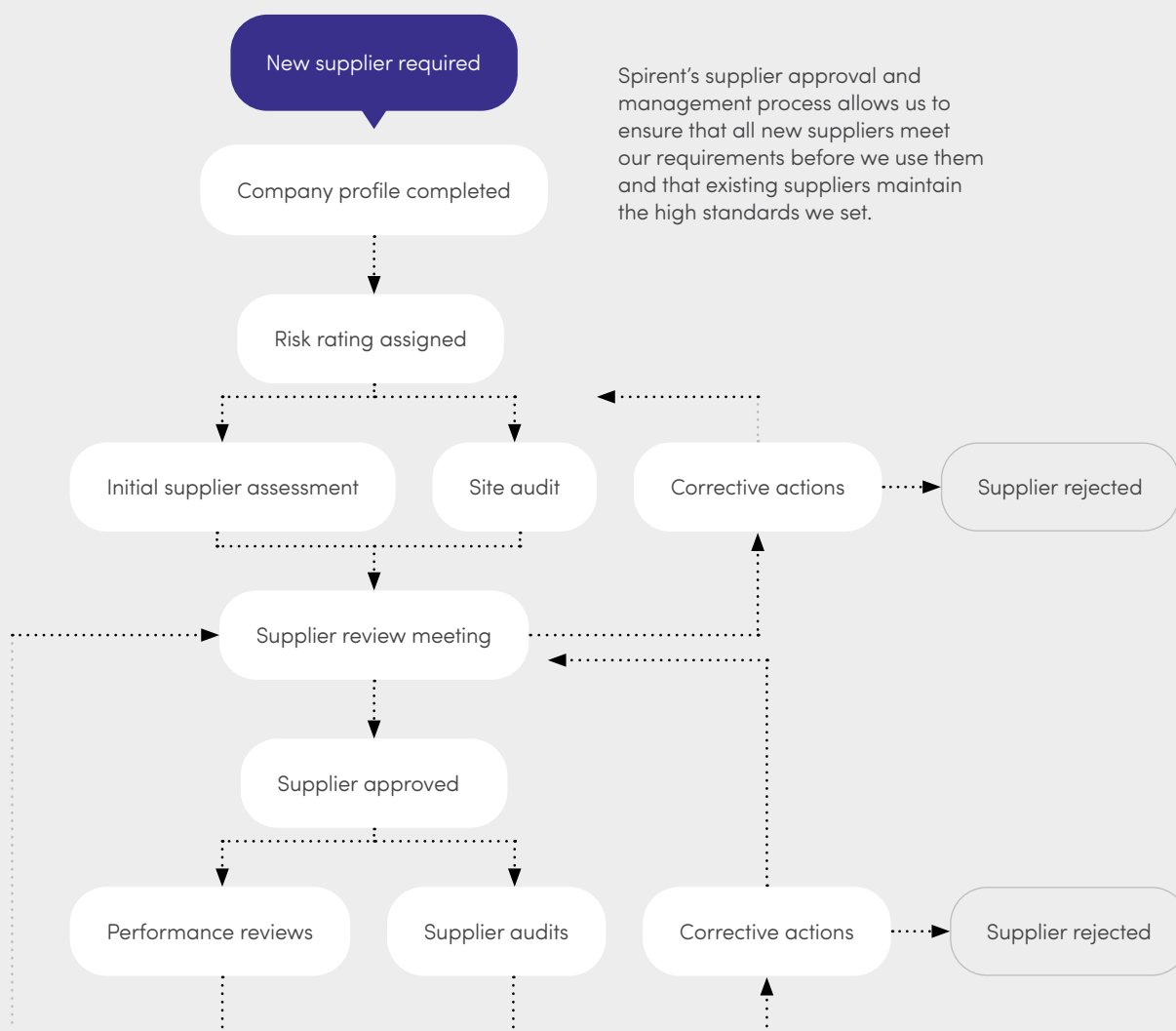


Supplier Code of Conduct

Our suppliers are located globally and range from large multinational companies to small family businesses. To ensure good standards of environmental, social and corporate governance throughout our supply chain, we have a Supplier Code of Conduct, based on the Responsible Business Alliance (RBA) Code v5.1.

The Supplier Code of Conduct sets out our expectations for environmental management, health and safety, labour rights and management systems as well as the provision of sustainability data. We expect all our suppliers to meet the standards set out in our Supplier Code of Conduct and have been rolling out the Code over the last two years.

A copy of our Supplier Code of Conduct is available here at <https://corporate.spirent.com>.



Spirent's supplier approval and management process allows us to ensure that all new suppliers meet our requirements before we use them and that existing suppliers maintain the high standards we set.

Sustainable supply chain and manufacturing continued

Supplier assessment and approval

Suppliers' sustainability management is analysed in detail before they can work with Spirent. The assessment includes detailed disclosures on financial security, quality, health and safety, information security, and environmental management, as well as business ethics and management systems.

The approval status of key suppliers is reviewed each quarter.

Supplier engagement and audits

We conduct on-site supplier audits to include the management of environmental and social issues. We aim to ensure companies that represent at least 60 per cent of our direct spend and 85 per cent of our hardware spend have been audited by us directly, or by a contract manufacturer or as part of the Responsible Business Alliance (RBA) Validated Audit Process (VAP) audit programme.

We completed 30 on-site audits during the year, including four joint supplier audits with key manufacturing partners. This exceeded our target of completing 18.

Whilst the percentage of total and hardware spend with verified sources have increased in 2022, both remain beneath the target levels we have set.

A key factor is that we have increased the number of suppliers we use in response to supply chain challenges caused by COVID-19.

The audits raised three corrective action requests and 24 opportunities for improvement. The corrective actions include ESD controls and the need for the suppliers to expand their own supplier auditing process to cover more of their supply chain.

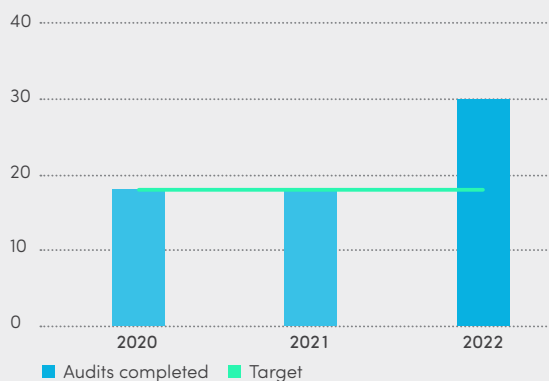
The audits not only demonstrate our strong commitment to embedding sustainability across our whole value chain to our suppliers, but also provide a valuable framework to share innovation and good practice. Our close collaboration with suppliers has meant improvements in quality, cost management, environmental management and health and safety, and has identified new market information and technologies for the Group.

We focus our supplier audits on companies that we do the most business with, those which supply critical components, those which operate in higher-risk geographies, and those which undertake activities with the largest potential impact.

In addition to our direct audits, we collaborate closely with our contract manufacturers to expand our visibility of sustainability management and performance further down our supply chain. Drawing on the RBA industry-wide VAP and audits conducted by the contract manufacturers themselves, we are able to determine compliance further across our supply chain.

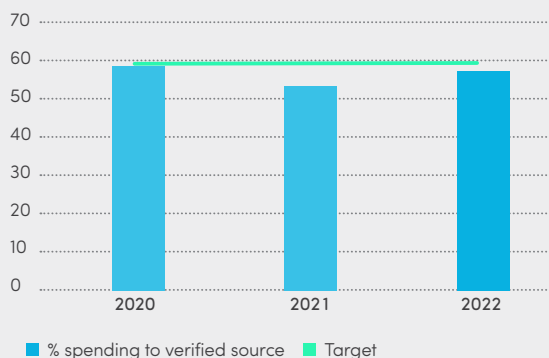
Supplier audits

We completed 30 supplier reviews in 2022.



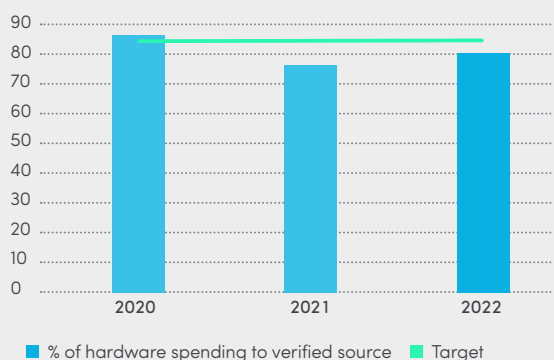
Total spend with verified sources

We achieved 57.8 per cent of total spend from suppliers audited by us, our manufacturing partners or an industry scheme over the last three years, below our target of 60 per cent, due to an increase in the number of suppliers we use in response to supply chain challenges caused by COVID-19.



Hardware spend with verified sources

80.7 per cent of our hardware spend was with verified suppliers, below our target of 85 per cent, due to an increase in the number of suppliers we use in response to supply chain challenges caused by COVID-19.



We have worked closely with our key suppliers this year on carbon emissions. We have established working groups with key contract manufacturers on energy and carbon management, and have supported smaller suppliers to establish robust processes to measure, report and reduce their energy use and carbon emissions.

Mark Walker
Director of Operations, Supply Chain

Supply from verified sources

As the component supply chain includes higher environmental and social risks, we monitor the number of parts sourced from verified sources: suppliers which had either been audited by Spirent directly or by our contract manufacturers or through the RBA VAP audit programme. We also monitor total spend and hardware spend with verified sources and ensure we maximise sourcing from our Preferred Supplier List.

We set a target to ensure that 73 per cent of all parts purchased were from verified sources. We did not meet this target in 2022, achieving 69 per cent.

We require all suppliers to complete a vendor assessment satisfactorily before we work with them; however, we recognise that new vendors may require time to address corrective actions and some new vendors may only provide a small number of parts used in prototyping. As a result, our target is that a minimum of 75 per cent of our new key suppliers categorised as Risk A satisfactorily completed a vendor assessment survey within the year. There was one new Risk A vendor in 2022. This company is still being reviewed and we expect it to complete the survey satisfactorily during the coming months.

Supplier engagement on GHG emissions

We recognise that emissions associated with the manufacture and distribution of our products are a key part of our net zero objective. In 2022 we commenced a programme to collect energy and emissions data from our key suppliers, and determine the carbon reduction targets they have in place.

We have worked closely with Calnex Solutions and TT Electronics (contract manufacturers) to co-ordinate and align our carbon emissions reporting approach. We also worked with Celestica (our largest contract manufacturer) to optimise logistics in order to reduce carbon emissions. In addition, we have worked with smaller suppliers to help them to establish robust approaches to energy and carbon data collection, and how to set carbon reduction targets.

Across 2023, we will establish a formalised supplier sustainability forum to collaborate on ESG issues, with a focus on co-ordinating carbon emissions reductions.

Sustainable supply chain and manufacturing continued

Case study: Packaging redesign

In 2021 we developed a sustainable packaging framework to help us reduce the environmental impact of our packaging. Having conducted 20 reviews in 2021, we completed 10 further assessments in 2022 working closely with contract manufacturers and raw material suppliers.

Innovative sustainable packaging scorecard

The framework uses environmental lifecycle assessment (LCA) data to score the packaging materials and designs, allowing us to:

- avoid the use of packaging wherever possible;
- reduce the amount of material used (size and thickness);
- select the materials with the lowest environmental impacts; and
- communicate about and promote recycling on packaging.

Our aim is to select sustainable materials, avoiding single use non-recyclable materials, and improve labelling to help customers to recycle packaging. This approach has allowed us to identify and quantify the opportunities to improve the design and compare designs across the business.

Design improvements

We reviewed ten packaging designs for Cloud and IP (CIP) products, working closely with our contract manufacturer to do so. The review identified packaging materials that could be removed entirely and recyclable alternatives to the foam sets that were previously specified, increasing the percentage of packaging materials that could be recycled from an average of 63 per cent to 95 per cent.



Case study: Supplier ESG risk management

Managing ESG risks in our supply chain is a core pillar of our operate responsibly programme. During 2022 we implemented a new supplier risk software solution which allows us to monitor commercial and ESG risks, including:

- corruption;
- corporate malpractice;
- human rights;
- environmental;
- workplace safety; and
- physical risk from climate change – flooding and cyclones.

The software solution uses artificial intelligence (AI) to assess a wide range of risk factors, providing real-time supplier risk monitoring. Our operations team reviews the risk status of suppliers on a monthly basis or following a significant change in risk status.

This detailed risk picture allows us to prioritise suppliers with the highest risk exposure and monitor improvements over time.





Accountable and transparent



In 2022 we updated our materiality assessment, ensuring our sustainability programme remains focused on the most important issues.

Angus Iveson
Company Secretary and General Counsel



Our promise

We will expand our sustainability governance structures and reporting, and communicate regularly with staff on FuturePositive targets and progress.

Why is this important?

- Investors and customers expect increasingly detailed information on our sustainability practices and performance.
- We have not historically communicated and engaged with staff well enough on sustainability.
- New legislation requires Spirent to establish Board-level oversight on climate change.

2022 highlights

- We expanded our sustainability and climate change governance structure, introducing new working groups to deliver on our programmes.
- Executives and senior managers have run regular staff briefings and presentations for staff on our sustainability programme.

Accountable and transparent continued

Key themes and targets

An effective sustainability programme relies on robust governance and engagement.

In 2022, we expanded our sustainability and climate change governance structures and continued our internal engagement programme.

Executives and senior managers have run briefings for staff on key sustainability themes, including climate change and diversity. We've also expanded our internal communications, increasing the frequency and channels of communication.

Robust sustainability governance

Objective:

Ensure Board-level and senior management involvement in sustainability management.

Action:

Establish a new Board Sub-Committee and expand the FuturePositive working group. Establish a balanced scorecard for sustainability for the Board.

Targets:

Establish Board Sub-Committee and report on sustainability performance to it quarterly.

Progress: Complete

We established a new Board Sub-Committee for sustainability.

Robust reporting and communications

Objective:

We will enhance our external communications and engage with staff effectively and regularly on sustainability issues.

Action:

We will report in accordance with the GRI Standard and TCFD. We will develop an effective internal communications programme and integrate sustainability into our external communications.

Targets:

Produce a Sustainability Report in accordance with the GRI standard for the financial year ending December 2021.

Progress: On track

We expanded our reporting to include metrics from both the GRI standard and the SASB reporting framework.

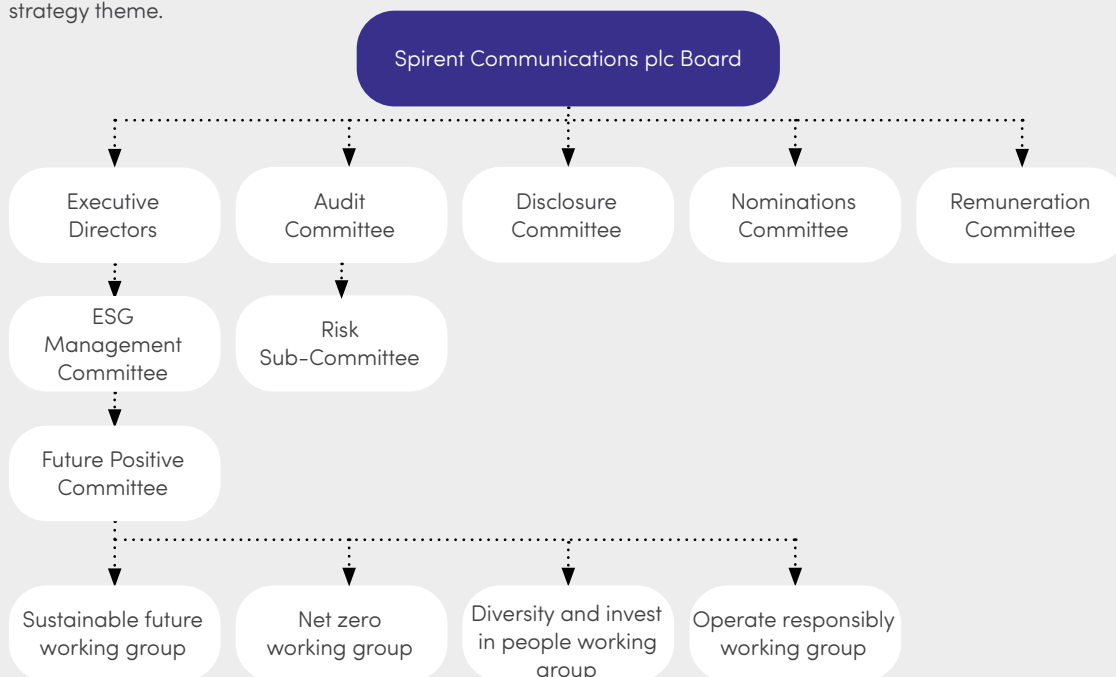


Sustainability governance

Board governance framework

An Executive Director-led Management Committee has been established to lead and monitor ESG matters and co-ordinate the reporting of issues and updates to the Board. We have also established working groups for each strategy theme.

There is also a formal Risk Sub-Committee of the Audit Committee to monitor risks and uncertainties at corporate and business unit levels, including those related to ESG issues.



Spirent has a robust approach to managing environmental and social issues. There are six key areas to our responsible operating approach.

Sustainability management

Maintaining an effective governance structure for environmental and social issues.

Materiality Identifying the most important environmental, social and corporate governance issues for Spirent to manage.

New sustainability strategy In late 2020 we launched our new sustainability strategy, with five key promises.

Stakeholder engagement

Understanding and responding to the needs and expectations of our most important stakeholders.

Risk management Understanding and managing the principal sustainability risks for Spirent.

Compliance data Ensuring we comply with all applicable legislation and policies.

Sustainability management

Governance structure

The CEO is ultimately responsible for sustainability at Spirent and oversees how we manage our material environmental, social and governance (ESG) issues. In 2022, we expanded our sustainability governance structures, introducing a new Executive Sustainability Committee and expanding the participation of our FuturePositive working group. The Executive Sustainability Committee oversees our sustainability strategy, monitors climate-related risks and opportunities and our performance against targets. It comprises the CEO, CFO and senior managers from each business unit and key functions.

The FuturePositive Committee oversees the implementation of the strategy and objectives. The Committee is chaired by the Company Secretary and comprises senior managers from across the business:

Committee Chair	<ul style="list-style-type: none"> Company Secretary and General Counsel
Procurement	<ul style="list-style-type: none"> Vice-President, Global Operations Global Procurement Director
Property	<ul style="list-style-type: none"> Director of Global Properties
People	<ul style="list-style-type: none"> Global Human Resources Director
Product	<ul style="list-style-type: none"> Senior Director Research and Product Development



Sustainability governance continued

Sustainability management continued

Governance structure continued

We expanded the Committee to increase representation from engineering.

External advisers have been appointed (Brite Green) to advise on the design and implementation of the FuturePositive programme and contribute to annual workstreams.

The FuturePositive Committee meets across the year to co-ordinate and monitor progress on the programme. The Committee is chaired by the Company Secretary who reports progress to the ESG Management Committee and the Board.

Policies

Our sustainability approach is governed by an overarching Sustainability Policy. It can be found at <https://corporate.spirent.com>.

The Policy applies to the Company and all subsidiaries worldwide and commits the Group to compliance with high standards of ethics and business integrity, environmental management, and employee and community welfare.

The sustainability strategy is supported by specific policies and programmes related to management of environmental, social and governance issues.

Materiality

In 2022 we re-examined the sustainability issues that are material to Spirent using the five criteria set out in the AA 1000 standard using a risk-based approach:

- direct financial impacts;
- policy-related performance;
- peer-based norm;
- stakeholder behaviour and concerns; and
- social norms (including legislation).

We conducted desk-based research, direct correspondence and interviews with stakeholder groups to identify the themes that are most important to the business.

The results from the review reinforced our focus on business ethics, climate change and carbon emissions, human capital development and data security, along with how our products can help our customers deliver sustainability performance improvements. Water in the supply chain was identified as an emerging issue.

The analysis is undertaken at least every two years and will next be updated in 2024.

Responsible business practices

1. Corruption and business ethics
2. Transparent reporting
3. Data security and privacy

Circular economy

4. Sustainable and transparent supply chain
5. Water in supply chain
6. Product design for the environment and a circular economy
7. Impact occurring during use of products and services
8. End of life of products and waste

Delivering sustainability impacts for customers

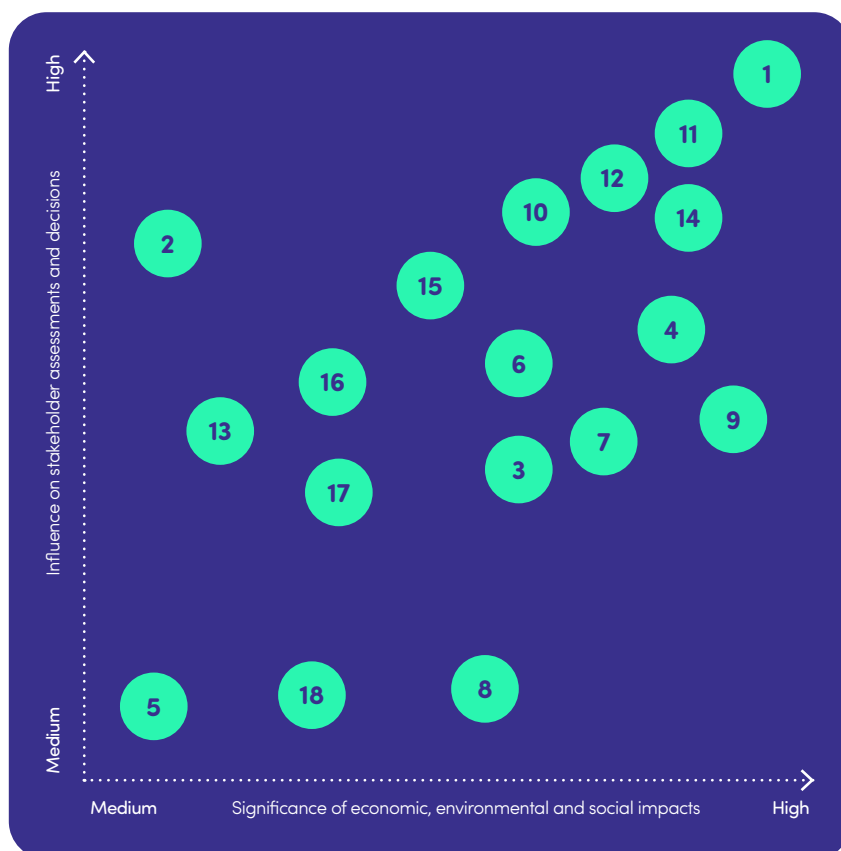
9. Sustainability impact through product functionality

Energy and climate change

10. Energy efficiency and renewable energy
11. Carbon emissions
12. Climate change resilience

People and communities

13. Human and labour rights
14. Diversity, equity and inclusion
15. Training, skills and development
16. Health and wellbeing
17. Flexible working practices
18. Supporting communities



Sustainability issues are relevant to our operations and across our sector. We have incorporated actions to address significant risks and opportunities into the way we operate.

Some issues are addressed at the Group level (e.g. climate change, learning and development, and STEM programmes), whilst others are undertaken at the site level (e.g. community support initiatives).

We have set out how our material sustainability issues apply to our core business activities.

Our business activities

How our material sustainability issues apply

Our test solutions

We provide network test solutions to customers across the world. Our test solutions are used in research and development and operational monitoring of communications networks across a wide range of use cases. Our world-class equipment is often used for a long time by customers.

The use of our equipment and test solutions has a direct environmental impact across their lifecycle. Our hardware uses raw materials and energy to manufacture and transport. The equipment also consumes energy and is responsible for associated carbon emissions during its use. Our equipment will also become electronic waste at the end of its life. Our efforts are focused on controlling and reducing the negative impact in the supply chain and designing efficient and long-lasting products that can be recycled at the end of their life.

Our test solutions are used to develop emerging technologies that will help address global sustainability challenges, including electric and automated cars, cybersecurity and the Internet of Things (IoT).

We are also able to help clients improve their sustainability performance through our product functionality. With the continued growth of data demand globally, we are developing solutions to improve the efficiency and effectiveness of communications networks and labs. This includes allowing customers to operate effectively and efficiently in the cloud, increasing R&D lab efficiency, reducing service engineer call-outs for telecoms operators and keeping networks and data safe from cyberattacks.

Our business activities

Our operations include hardware and software design, testing, research and development. We have in-house finance, HR and IT and procurement functions as well as an in-house sales and marketing team.

In some cases, we also work with third-party sales partners.

We influence the environmental performance of our products through our design process. We aim to reduce the physical impacts of hardware, employing design for environment principles, virtualising hardware and using software where possible. Physical risks from climate change may impact our business. Wildfire risk is material to our site in Calabasas and extreme weather events may impact any site.

Business ethics is a key issue, especially for those in sales, finance and HR. Those staff in higher-risk roles are given regular anti-corruption and bribery training and the business ethics practices of our third-party sales partners are assessed prior to and during the appointment.

As an office-based business, the work that our staff conduct is predominantly low risk from a health and safety perspective.

Manufacturing, logistics and components

We do not carry out any manufacturing activities ourselves but instead leverage the expertise and scale of specialist manufacturing partners. Similarly, logistics are also completed by third parties.

We have a global supply chain. Our products contain regulated materials which can have environmental and social impacts during their extraction, processing and transportation.

As we do not conduct manufacturing directly, the environmental and social impacts related to component and product manufacturing arise in our supply chain. The electronic industry as a whole faces challenges, including environmental impacts from raw material extraction and processing, labour and human rights, and transparency. Physical risks from climate change will have an impact on our supply chain, especially in relation to disruption from extreme weather events or changing average temperatures and precipitation.

As such, we set high environmental, social and governance standards for all suppliers and conduct regular assessments and audits. We are expanding our environmental monitoring of key suppliers through our Scope 3 emissions reporting.

We maintain very close control of the components and suppliers used to ensure only compliant components are used from suppliers which meet our standards. All products are manufactured to our exacting specifications and records are maintained.

Where possible, we reduce the environmental impacts from logistics by shipping hardware directly to customers and allow customers to expand the capability of equipment in situ with product key upgrades. We are also expanding our software-based and Test-as-a-Service (TAAS) solution portfolio which will further reduce environmental impacts.



Sustainability governance continued

Materiality continued

Our business activities

Product use and end of life

Predominantly the customer use and end-of-life stages of our products' lifecycles have been outside of our direct influence, but our suite of hosted test services is increasing.

How our material sustainability issues apply

During use, our products use energy, occupy space and contribute to the heat load in clients' labs. Our hardware also uses cooling fans which generate noise which can be problematic for desktop use.

As such, energy efficiency, noise and size are key considerations for our products during use, and we have processes in place to improve the performance of our products in these areas. We have also developed products that maximise equipment utilisation and test automation for clients to reduce in-use impacts even further (Velocity and iTest).

With more of our test services being hosted by Spirent, we are also responsible for ongoing energy consumption.

Our products are designed for disassembly at end of life and are subject to waste electronics regulations. Customers are increasingly engaged in taking action to mitigate and adapt to climate change. There are opportunities to provide test solutions which reduce our customers' emissions and help them manage the emerging risks from climate change.

Confidential and personal data

By the nature of the work we do, we hold commercially sensitive data and personal information related to our own business and our customers.

We process personal data and commercially sensitive information which we need to keep secure.

As a result, we operate robust information security procedures and our SecurityLabs and Positioning businesses hold ISO 27001 certifications.

Cybersecurity is also critical for our customers and we have developed industry-leading security and performance solutions to help them manage cybersecurity risks.

Stakeholders

We work with national governments and some of the world's largest companies and we are listed on the Main Market of the London Stock Exchange.

As a result, our clients, investors and other stakeholders have high expectations of our environmental, social and governance management and ask us to disclose detailed information about how sustainability issues are relevant to our business and how we are managing them.

We also recognise that we operate within communities and we have an obligation to ensure that we operate responsibly and create a positive impact.

We are expected to demonstrate good management of environmental, social and governance issues and report on our performance.

We respond to customer questionnaires and participate in industry-wide initiatives (such as CDP).

We aim to create a positive impact on the communities we work in through volunteering and charitable donations and we operate a Company-wide programme to ensure we do this consistently and effectively.



Our business activities

How our material sustainability issues apply

Our facilities

We operate from 36 sites across the world. With the exception of our site in Paignton, UK, all our sites are leased. Around a third of these sites have an engineering lab or significant customer lab. The rest are sales or administrative offices.

The most important impact we have through our facilities is energy use; however, we have limited control over much of the infrastructure in the leased buildings we operate from. The main areas of influence are the engineering labs and our site in Paignton, UK, where we own the building.

We only use water on our sites for domestic use.

Talent

We operate in a sector with high competition for talent and in some areas there are sector-wide challenges with diversity and interest in science and technology jobs. Our employees require a high level of education and technical knowledge.

Our business relies heavily on human capital. Attracting, retaining and developing world-class talent is critical for our success. We also need to engage talented young people to encourage them into careers in science and technology, and contribute to the curriculum in schools and universities.

Sustainability governance continued

Stakeholder engagement

We respond to stakeholder sustainability requests and questionnaires and actively engage with customers and suppliers on sustainability issues.

In 2022 we responded to all requests for information from customers relating to our management of environmental, social and governance issues. Greenhouse gas emissions and diversity are of interest to some customers. In response, we have completed the CDP supply chain questionnaire and disclosed key diversity data.

Our investors have engaged with us directly on climate change through the CDP, and we have also received and responded to questions relating to our disclosure and emissions performance from individual investors and ESG rating agencies.

We have initiated closer collaboration with our contract manufacturers to improve our understanding of sustainability management and performance in our tier 2 suppliers. In particular we share information about supplier audits and performance.

In addition, we engage with our employees on sustainability issues in our regular "town hall" meetings and employee surveys. We continue to communicate with our employees on sustainability topics via emails, posters and the Company intranet, InsideSpirent. In 2022, we continued our partnership with Emplify to conduct two employee engagement surveys. The survey reviews 17 key themes including meaning, purpose, professional development, shared values, leadership and autonomy. We complete the surveys every six months and they have shown high levels of staff engagement and improvement in each area. The survey identified a renewed focus on work-life balance and time utilisation. Access to the senior leadership through roadshows and virtual leader updates was noted as important, as was transparency and fairness on compensation.

Stakeholder expectations

As part of our materiality analysis we have identified the needs and expectations of six main stakeholder groups: investors, workforce, customers, suppliers, government/regulatory bodies, community and environment.

The groups were identified as having the largest influence on our business or where we can have a significant impact. The key issues raised are incorporated into our sustainability strategy development and we have introduced programmes to address all key issues raised by stakeholders.

Where possible, we have incorporated the consideration of sustainability issues into existing stakeholder engagement processes and, as such, the frequency of engagement ranges from continuous to annually.

We have designed this report to address the key themes raised by our stakeholders and we also respond to specific requests for information from stakeholders.

Risk management

Spirent is exposed to a number of risks and uncertainties. These risks may arise from internal factors, but some will be a result of external factors over which the Group has little or no direct control. It is the effective management of these risks that supports Spirent in delivering on its strategic objectives, safeguards the Group's assets and, over time, will enhance shareholder value.

The process to identify and manage the principal risks and uncertainties of the Group is an integral component of Spirent's internal control system. The Group's robust approach to risk management is set out in our Annual Report each year.

The Directors confirm that there is an ongoing, robust process to identify, evaluate and manage the principal risks faced by the Group and the operational effectiveness of the related controls which have been in place. They also confirm that they have regularly reviewed the system of risk management and internal controls utilising the review process set out in the Annual Report.

There are guidelines on the minimum Group-wide requirements for health and safety and environmental management. There are also guidelines on the minimum level of internal control that each of the divisions should exercise over specified processes. Each business has developed and documented policies and procedures to comply with the minimum control standards established, including procedures for monitoring compliance and taking corrective action. The management of each business is required to confirm twice yearly that it has complied with these policies and procedures.

The Board has identified seven principal risks, two of which are related to the themes addressed in our FuturePositive programme: business continuity and employee skills. The full set of risks is set out in the 2022 Annual Report.

Reporting and communications

Non-financial reporting

We aim to give stakeholders visibility of the non-financial risks and opportunities we face and how they are being managed. We do so principally through this Sustainability Report but we also participate in the Carbon Disclosure Project (CDP), complete customer sustainability questionnaires, respond to environmental, social and governance (ESG) rating agency assessments and disclose information in the corporate responsibility section of our Annual Report.

Assurance

Our Sustainability Policy sets out our commitment to robust and transparent reporting and external assurance of data and claims is a key component. We obtain external assurance of our Sustainability Reports to ensure the data and statements we make are reliable and robust.



Considering stakeholders in key business decisions

Business does not operate in isolation. Without a good understanding of who its key stakeholders are and their differing perspectives, a business will fail to deliver sustainable growth to shareholders and other stakeholders.

Board Directors are bound by their duties under the Companies Act 2006 (the "2006 Act"), but the principles underpinning Section 172 are not only considered at Board level, they form part of everything we do as a Company.

Supported by the Company Secretary & General Counsel, the Board, management and anyone tasked with preparation of Board materials give consideration to relevant stakeholders in matters requiring decision making, including strategic decisions.

This Section 172(1) Statement sets out how the Board has, in performing its duties over the course of the year, had regard to the matters set out in Section 172(1)(a) to (f) of the 2006 Act, giving details of how each key stakeholder has been engaged and considered. Further information can be found throughout our 2022 Annual Report.

Stakeholder engagement continued

Workforce

We are a people business and our 1,600+ colleagues around the world are fundamentally linked to the long-term success of our Company.

Topics for engagement

- Reinforcing understanding of our mission, vision, values and strategy
- Ensuring employees understand what is expected of them and know the role they play in our success
- Spending quality time with line managers so that they feel listened to and supported, enabling employees to feel confident that they have the skills to do their job well while identifying potential training needs for their future development
- Making sure that employees feel part of a thriving Spirent community

How we listen and engage

- Global and regional internal communication and collaboration platforms to provide access to information for all colleagues
- Learning and knowledge sharing forums for our technology and sales communities
- Biannual colleague engagement surveys to monitor developments in workforce sentiment
- Engagement events with global and local management representatives, including Non-executive Directors

2022 highlights

- Non-executive Directors met with employee groups based in their home geography through hosted sessions with small groups of colleagues (face to face where possible, but also online), with feedback from engagement sessions being used to inform Board and Committee discussions
- Biannual employee surveys continue to achieve a strong response rate with results indicating that we continue to have a highly engaged workforce
- Management Matters engagement programme continues to support people managers within the business
- Employee wellbeing programme refreshed with improved access to employee support ranging from awareness campaigns to mental health first aid training
- Enhanced family friendly benefits programme launched across the Group, effective 1 January 2022
- Employee Share Purchase Plan now operating in 11 countries, now reaching almost 98 per cent of Group employees

Shareholders

Spirent is committed to engaging with our shareholders through continued transparent and effective communication.

Topics for engagement

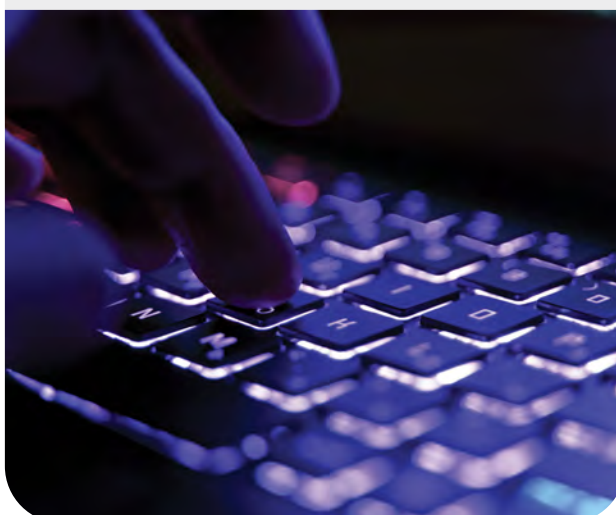
- Financial performance
- Capital management and distributions
- Sound long-term sustainability strategy
- Sound corporate governance and stewardship
- Executive remuneration

How we listen and engage

- Investor roadshows after the full and half year results
- Open door policy with investors: CEO and CFO regularly meet investors virtually and, when possible, face to face
- The Annual General Meeting (AGM)
- Chairman of Remuneration Committee consults with shareholders on application of the Group's Executive Director Remuneration Policy

2022 highlights

- All resolutions passed at 2022 AGM with votes representing more than 84 per cent of the issued share capital voting
- All Directors attended the 2022 AGM and were available to answer shareholder questions
- Payment of 2021 final dividend
- Broker presentations to the Board on market sentiment
- Regular reports and presentations provided to the Board on investors and their feedback



Customers

Providing solutions and services to help our customers keep their promises to their customers.

Topics for engagement

- Understanding the challenges our customers face
- Developing solutions and services to help our customers to manage the complexity of their devices, networks and services
- Working collaboratively with customers and their partners

How we listen and engage

- Investment in an agile, collaborative organisation so that we can be responsive to customer needs
- Regular client updates and acting on their feedback
- Extension of our thought leadership to stay ahead in key technologies in sustainable growth areas

2022 highlights

- Launch of award-winning new products and services, such as the July 2022 launch of Spirent Vantage
- Teaming up with customers to innovate and create leading technology
- Acceleration of our digital-first marketing approach with targeted always-on digital marketing campaigns to grow interaction and drive demand
- Continued expansion of our library of downloadable resources with high-quality, targeted content to share thought leadership and technological expertise
- Extending geographical reach and customer engagement through an ever-expanding social media networking programme



Suppliers

Spirent engages with a number of different suppliers across the business.

Topics for engagement

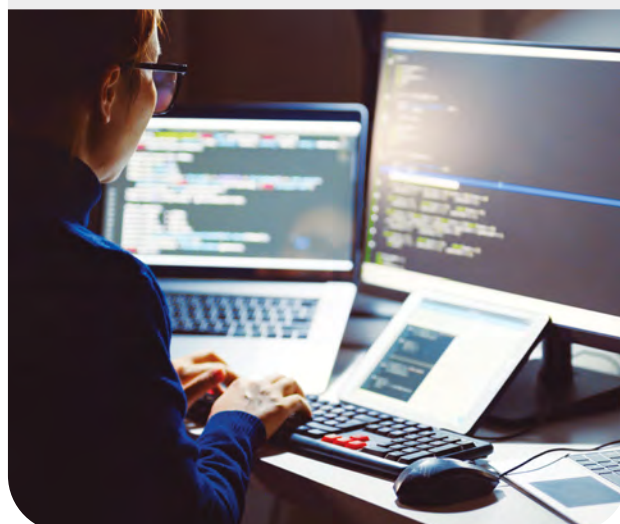
- Long-term trusted partnerships facilitating real margin improvement
- Strong working relationships
- Collaboration
- Fair contract and payment terms
- Management of relationships through global supply chain disruption

How we listen and engage

- Active management and monitoring of key suppliers and supply chain trends
- Meetings held with key suppliers
- Supplier surveys as an embedded part of the procurement process
- Supplier Code of Conduct assessments

2022 highlights

- Continued supply chain audit programme, auditing 30 suppliers
- Engaged with suppliers on GHG emissions in preparation for additional Scope 3 disclosures
- Minimised impact of global component shortage



Stakeholder engagement continued

The world around us

Spirent has a diverse network throughout the world around us which is critical to the ongoing success of the business, from governments and regulators to educational facilities and our local communities.

Topics for engagement

- Being mindful of our environmental impact
- Being a responsible corporate citizen
- Supporting our local communities through charitable giving
- Being a trusted partner to customers around the world
- Providing work experience and early career development programmes
- Engaging with global think tanks and trade associations to understand research priorities and opportunities, and offer expertise to shape policy and industry positions
- Participating in global thought leadership conferences and roundtable events

How we listen and engage

- Participation in environmental reporting surveys
- Enhancement of reporting framework to ensure compliance with TCFD requirements
- Apprenticeship, graduate and work experience schemes to encourage a diverse pipeline of new and developing talent

2022 highlights

- Expanded our early career talent programme, launching a new internal network and an engineering development programme
- Active move towards ongoing flexible working to reduce real estate footprint and carbon emissions

Key Board decisions and Section 172 considerations

The following are examples of some of the principal decisions made by the Board during the year under review which demonstrate how employee interests, the need to foster business relationships with other key stakeholders and other Section 172 matters have been taken into account in discussions and decision making.

Further development of the Sustainability Strategy

The Executive Director-led Management Committee on ESG matters held meetings throughout the year. Issues discussed by the Committee were communicated to the Board by the CEO, Eric Updyke, and the Board in turn provided feedback on the direction of the Group's Sustainability Strategy. In addition, in order to ensure full awareness of the Group's performance against its sustainability targets and to inform decisions on strategy and operational direction, the Board received a detailed management update in December 2022.

Retirement benefits for former and current employees

During the year, the Board supported the Group in securing its defined benefit pension scheme liabilities through an insurance buy-in, removing risk exposures on the Group's balance sheet. After taking advice from independent pension advisers and working with the Plan Trustees, the Group and Trustees launched a tender process to select a specialist insurer to provide strong administrative capability alongside good financial strength and resilience. The Board reviewed and approved the project plan and received updates throughout the tender process, considering the benefits to members of the two plans in addition to the potential impact for current employees and shareholders.

The Board and Remuneration Committee also considered a review of employee and employer contribution levels in the current UK retirement benefit offering. The Board reviewed a proposal to introduce a higher contribution band for the UK workforce and agreed that this would aid the attraction and retention of talent, in particular in engineering and sales.

While considering retirement benefits, the Board and Remuneration Committee also reviewed the 401(k) and Deferred Compensation Scheme offered to US employees, looking at a number of ways to improve the offering while being mindful of the financial impact of any changes to the Group. Following a benchmarking exercise, the Group now expects to introduce incremental improvements to the schemes in the coming years to bring them into line with those offered by other companies that are competing in the same talent pools.



Compliance data

Spirent has robust processes in place to ensure that it operates in compliance with all applicable legislation, contractual obligations and any voluntary agreements we subscribe to. Our key policies and approaches are set out below.

Ethics and integrity

The Group's Business Ethics Policy sets clear standards of professionalism and integrity for all employees and operations. The Policy can be found at <https://corporate.spirent.com>.

Any critical concerns can be communicated to the Board through the Group's "whistleblowing" procedure. The procedure, which forms part of the Business Ethics Policy, contains arrangements for a confidential reporting facility for reporting to the Audit Committee as appropriate. The Audit Committee reviews any reports and the actions arising therefrom.

Data protection

Spirent takes data security and privacy seriously. We continually review the security of our data systems and procedures in order that we can react to areas of heightened risk promptly and effectively.

The Group's processes are compliant with the General Data Protection Regulation (GDPR) and we operated an information security management system certified to ISO 27001 for our SecurityLabs business based in Plano and San Jose and our Positioning business in Paignton.

Our procedures restrict the type and quantity of confidential information collected and stored and there are robust procedures in place to protect customer data from unauthorised access and disclosure.

Periodic information security risk assessments are performed and training is provided to staff to prevent information security breaches. Our internal controls are audited and we have a whistleblowing procedure in place for staff to report information security concerns.

Spirent has implemented a response procedure to manage breaches of confidential information if they were to occur.

Confidential waste is shredded if in hard copy and certificates of destruction are provided for any electronic storage devices disposed of at end of life.

Electronic waste and use of hazardous materials

We aim to reduce the waste we produce including electronic and hazardous waste. We have not set formal waste reduction targets.

The Group's business units comply with the EU's Waste Electrical and Electronic Equipment Regulations 2013 and Batteries Directive and the California Electronic Waste Recycling Programme.

Spirent's hardware products are classified as Category Nine (Monitor and Control Equipment) and came into scope of the EU's Restriction of Hazardous Substances Directive (RoHS) in July 2017 and all products comply with the requirements of the Directive. We also comply with the requirements of the EU Water Framework Directive and US Toxic Substances Control Act (TSCA). We operate a software solution that allows us to ascertain and document the compliance status of all components used in our products and we have a component compliance team which manages the process, working with engineers and our procurement team to ensure effective controls.

We monitor the weight of electronic equipment sold in European markets and participate in WEEE compliance schemes. In 2022 we sold around 8.2 tonnes of electronic equipment in European markets, a 10 per cent decrease from 2021.

Electronic equipment sold in European markets by weight

Country	Marketed products (kg)		Change (per cent)
	2022	2021	
Belgium ¹	595	1,186	(50)%
France	2,310	2,378	(3)%
Germany	1,080	1,562	(31)%
Netherlands ²	1,180	2,235	(47)%
UK	3,038	1,746	74%
Sweden ³	—	58	(100)%
Total	8,203	9,165	(10)%

Notes

- 1 Belgian data to be finalised. Awaiting completion of registration process with Recupel.
- 2 Spirent registered with Stichting Open in 2023 and reporting historical data for 2021 and 2022.
- 3 Registration in Sweden ended in 2022.

Conflict minerals

We have robust processes in place to avoid the use of conflict minerals in our products. The Group is not directly required to comply with or report under Section 1502 of the Dodd-Frank Act, the US Conflict Minerals Law. Our material, component and supplier management processes ensure that it would be in compliance if it were brought in within the scope of this legislation. The Group will likely be subject to the EU Directive on Conflict Minerals when it is enacted into national policy in the UK. We are confident our existing practices will meet the standards required and are monitoring their development.

Modern slavery

We comply with the requirements of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act 2010. We require slavery and human trafficking to be eradicated from our direct supply chain for the products we sell and monitor suppliers by performing regular evaluation surveys to assure ourselves of each supplier's commitment in this area. Spirent's full statement on modern slavery and human trafficking can be found on the Company's website at <https://corporate.spirent.com>.

Business ethics and labour rights

Our workplace practices are governed by a suite of HR policies and our global Business Ethics Policy.

The Business Ethics Policy commits Spirent to the highest standards in human and labour rights, employee conduct and compliance with all applicable legislation. It prohibits corruption and bribery, unethical business practices and political contributions and governs conflicts of interest and gifts.

The Board oversees implementation of the Business Ethics Policy.

There were no reported incidents, dismissals or legal cases related to corruption during 2022.



Compliance data continued

Human rights

Spirent recognises human rights as set out in the Universal Declaration of Human Rights and enshrined in EU and UK law through the European Convention on Human Rights and the Human Rights Act 1998. Our Business Ethics Policy sets out our commitment to protecting the human rights of all those who work for or on behalf of the Company.

In 2022, all new hires and current members of the supply chain team were required to complete human rights training. 13 members of staff completed the one hour course.

Freedom of association

Spirent's Business Ethics Policy sets out our commitment to ensuring employees have the freedom to associate or collectively bargain without fear of discrimination against the exercise of such freedoms. No Spirent employees were members of a trade union during 2022.

Spirent suppliers are expected to meet the same standards of freedom of association and compliance of key suppliers is assessed through supplier questionnaires. Given Spirent's supply chain includes a wide range of electronic component manufacturing activities across a number of emerging economies, the business ethics of suppliers are assessed as

part of the procurement process and through announced site audits.

Health and safety

The Board has designated the Chief Financial Officer as responsible for health and safety performance within the Group and procedures are in place for incidents to be reported through the Audit Committee to the Board as necessary.

Spirent has health and safety committees at each business unit. Our site at Paignton has a health and safety management system, certified to ISO 45001. Health and safety committees cover 850 members of staff, which is 51 per cent (2021 56 per cent). The continued trend of reduction is due to the implementation of flexible/remote working; 37 per cent of our team are remote workers (2021 32 per cent).

The health and safety risk profile for the Group remained low during 2022. There were no reported accidents and no incidents reportable under the RIDDOR regulations. There were five work-related disease incidents (including work-related mental health, stress and anxiety) and 12 near-misses were reported, where it was deemed a dangerous incident was narrowly avoided.

There are no roles which have high incidence or high risk of diseases related to their occupation. There are no formal agreements with trade unions which cover health and safety as no Spirent employees were trade union members in 2022.

	North America	EMEA	APAC	Total
Deaths	—	—	—	—
Serious injuries (e.g. loss of limb or function, loss of sight, etc.)	—	—	—	—
Over-seven-day injuries (where a person is unable to work for at least a week)	—	—	—	—
Work-related diseases (including work-related mental health, stress, anxiety, etc.)	4	1	—	5
Injuries to members of the public (i.e. not employees)	—	—	—	—
Dangerous occurrences identified (e.g. where an accident almost happened)	4	5	3	12

Corruption

Business ethics is a key issue, especially for those in sales, finance and HR. Those staff in higher-risk roles are given regular anti-corruption and bribery training and the business ethics practices of our third-party sales partners are assessed prior to and during the appointment.

In 2022 146 members of staff were identified as needing to complete anti-corruption training. All members of staff that were required to completed the training.

Number of corruption incidents during reporting year	—
Number of employees dismissed for corruption during reporting year	—
Number of legal cases due to corruption during reporting year	—



ESOS

Spirent qualifies for stage 3 of the UK Energy Savings Opportunity Scheme (ESOS). We will complete an ESOS compliance energy audit and submitted the relevant disclosure to the Environment Agency.

Streamlined Energy and Carbon Reporting (SECR)

Spirent is within scope of the Streamlined Energy and Carbon Reporting (SECR) Regulations and meets its requirements through this Sustainability Report and the disclosures made in the Annual Report.

Carbon emissions calculation methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within

our consolidated financial statements. We do not have responsibility for any emission sources that are not included in our consolidated financial statements as reported in the Company's Annual Report 2022.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), data gathered to fulfil our requirements under these Regulations, and location-based emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2022, the US Environmental Protection Agency and the International Energy Agency. Contract-based emissions factors were sourced from the energy providers.

Scope 3 emissions from all material emissions sources have been estimated. The methodology followed for each relevant emissions source is set out below:

Upstream sources

Purchased goods and services

Emissions from our main contract manufacturers are calculated using Group-level data apportioned by spend. Manufacturers with a spend of greater than \$3 million have been calculated directly or, where data was not available, emissions have been estimated using the average emissions intensity.

Emissions from all other spend has been calculated using sector emissions factors provided by the World Resource Institute (WRI).

Capital goods

Emissions for capital goods have been calculated from capital spend by type using emissions factors provided by the World Resource Institute (WRI).

Electricity transmission and distribution losses

Emissions from transmission and distribution losses were calculated from electricity used and regional T&D factors. UK: DEFRA; US: US EIA; all other countries: Enerdata.

Upstream transport and logistics

Emissions for transport and logistics have been calculated based on shipping itineraries and product weights. Data for the most frequently used routes was analysed in detail (to/from UK, Hong Kong, Thailand, West coast of US) which represented 50 per cent of all shipping weight. DEFRA emissions factor for air freight was used and the data set extrapolated to cover all shipping.

Waste

Waste data is available for only some sites. Where site data was not available, it has been estimated based on waste arising per m² on similar Spirent sites. The mass of IT and lab electrical equipment waste was estimated based on value disposed of, using a global average of \$250 per kilo (IT equipment) and \$500 per kilo (lab equipment). DEFRA emissions factors for waste electronic equipment were used.

Waste water

Waste water emissions are calculated from estimated water use for each site using emissions factors from DEFRA for EMEA, EPA for US, and China for APAC.

Business travel

Emissions from air travel were calculated from data provided by travel agents and airlines on distance flown. Detailed emissions data was provided for UK flights based on aircraft type used. For all other regions, DEFRA short- and long-haul emissions factors were used, with the exception of the US, where emissions data was provided by travel agents using EPA emissions factors. For US data, a further factor of 40% was added to include radiative forcing. Business travel by car has been calculated by mileage and fuel expenses using 2022 DEFRA emissions factors.

Hotels

Hotel emissions were calculated using travel agent booking data for the number of nights and location of the hotel. DEFRA emissions factors were used.



Compliance data continued

Carbon emissions calculation methodology continued

Downstream sources continued

Homeworking	Homeworking emissions calculated based on number of staff-days worked from home and energy use assumptions from the Homeworking Emissions Whitepaper 2020, published by Eco-Act.
Employee commuting	Emissions from employee commuting were calculated results from a staff travel survey, conducted in October 2022. 266 respondents out of 1,574 FTE staff. Journey distance, visits per week and mode of transport were reported. DEFRA emissions factors were used to estimate emissions assuming 47 working weeks and average staff numbers during the year.
Downstream logistics	Downstream logistics is reported as part of upstream logistics due to the format of available data.
Use of sold product	Emissions from the use of sold products were calculated using the rated power for the top ten products sold in the Positioning division, extrapolated to reflect all Spirent product sales during the year. The useful lifetime of products was based on the product warranty. US emissions factors for grid electricity were used.
End of life of products	End of life emissions were calculated using shipping weight for all hardware sold from sales reports. DEFRA emission factor for reuse/recycling of electrical items used.

CarbonNeutral® certification

CarbonNeutral® company certification has been achieved through the CarbonNeutral® Protocol. Certification provided by Climate Impact Partners for the calendar years 2021 and 2022 for the following emissions sources:

- Scope 1: direct emissions from fuel use and fugitive emissions;
- Scope 2: emissions from purchased electricity (market based); and
- Scope 3:
 - transmission and distribution losses;
 - waste;
 - business travel; and
 - employee homeworking.

Voluntary employee turnover

We cannot avoid the fact that some of our employees will move on but we can avoid a skills shortage by appropriately managing, recognising and rewarding our people. Voluntary employee turnover is a measure of how successful Spirent is in its strategy of retaining and investing in its people.

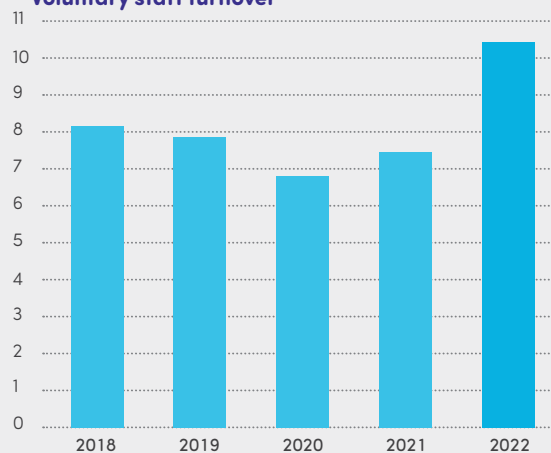
Spirent's success is dependent on its talented employees and retaining them is extremely important. Voluntary employee turnover compared to the industry average is the measure used to assess how well the Group has performed.

Voluntary turnover rates increased to 10.1 per cent in 2022 from 7.2 per cent in 2021.

The rate is higher than the average for the last five years (7.3 per cent) but is well below the global industry average of 19.5 per cent², which also saw a significant increase in the year.

We aim to make Spirent a great place to work and one where everyone can thrive. Our staff turnover rate demonstrates that we are succeeding in this.

Voluntary staff turnover



Note

1. Radford Technology Benchmark.

Note

2. Radford Technology Benchmark.



Parental leave

All staff entitled to parental leave in 2022 took leave. The return rates and retention rates after 12 months are as follows:

Region	Gender	Number entitled	Number who took leave	Number returning to work	Number employed after 12 months
North America	Male	17	17	17	17
	Female	6	6	4	4
APAC	Male	8	8	8	8
	Female	1	1	1	1
EMEA	Male	6	6	6	6
	Female	5	5	1	1

Support programmes at career endings

We recognise that we have a responsibility to help members of staff who leave the Group due to organisational restructuring to find a new role, and we provide a flexible outplacement service which is tailored to the needs of the member of staff. Staff are allocated a budget to spend as they see best on a range of support services including personal coaching, training and job search support.

In 2022, 14 members of staff left the Group due to organisational restructuring.

Region	Gender	Outplacement services offered
North America	Male	8
	Female	2
APAC	Male	1
	Female	—
EMEA	Male	2
	Female	1
Total		14

Gender pay gap

Having fewer than 250 employees in the UK, Spirent is not currently required to comply with the Gender Pay Gap Reporting Regulations introduced in 2017. However, data for the 5 April 2022 snapshot date has been collected on a voluntary basis and is set out below.

UK gender pay gap

	2022	2021
Median hourly pay difference between male and female employees	22.3%	19.6%
Mean hourly pay difference between male and female employees	16.4%	5.2%

UK bonus gap

	2022	2021
Median bonus difference between male and female employees	36.3%	(12.9)%
Mean bonus difference between male and female employees	(45.0)%	(92.0)%

UK quartile split

	2022	2021
Male employees receiving a bonus	95.5%	92.1%
Female employees receiving a bonus	86.7%	95.0%

The 2022 snapshot data shows a downturn by comparison to the previous year. We were ambitious in adding significant headcount in our UK sales team and UK business operations in late 2021 and early 2022. The hiring in that time period included a higher percentage of female employees than has historically been the case but they were not in comparable senior roles to the male hires and that hiring pattern skews the snapshot data in a negative way. Employees added late in 2021 were also not eligible to participate in our 2021 annual bonus, which also impacts the snapshot of the number of females receiving a bonus compared to male peers. The snapshot this year reflects our efforts to hire more female employees.

Independent assurance statement



Scope of engagement

Challenge Sustainability Limited ("Challenge Sustainability", "us" or "we") were commissioned by Spirent Communications plc (Spirent), acting through Brite Green Ltd ("Brite Green") with the objective to provide assurance of its Sustainability Report 2022 (the "Report") in relation to the AA1000 Accountability Principles and assurance over the Subject Matter presented in the Report, for the reporting year ended 31st December 2022. When considering the Subject Matter, our agreed objective was to determine whether data are fairly presented, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information relating to earlier periods or to any other information included in the Report.

AA1000 Principles

We assessed the nature and extent of adherence of the Report to the AA1000 Principles of inclusivity, materiality, responsiveness and impact (the "AA1000 Principles"). To assess the AA1000 Principles we have used the publicly available AA1000 AccountAbility Principles (AA1000AP, 2018), (the "Principles Criteria").

Subject Matter

To assess the Subject Matter, which includes an assessment of the risk of material misstatement in the Report, we have used Spirent's carbon emissions calculations methodology, as reported on page 75 of the Report, the "Reporting Criteria". The Management of Spirent are responsible for preparing the Report in accordance with the Reporting Criteria. We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Spirent's website for the current reporting period or for previous periods.

The scope and boundary of our work is restricted to the following key performance indicators as reported in the Report:

- Energy use (MWh), as reported on page 27 of the Report
- Total GHG emissions, location (tonnes CO₂e), as reported on page 28 of the Report
- Total GHG emissions, market (tonnes CO₂e), as reported on page 28 of the Report
- Scope 3 emissions, upstream and downstream (tonnes CO₂e), as reported on page 29 of the Report

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Subject Matter. Our work included, but was not restricted to:

- Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
- Reviewing the effectiveness of internal controls and the processes for collecting and consolidating relevant data and information;
- Conducting remote interviews with Spirent's Management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report relevant data and information;
- Remote meetings with Spirent's staff to review the processes for gathering and consolidating relevant data and information and checking its consolidation;
- Examining, on a sample basis, source evidence to support the reported Subject Matter, specifically to establish the relationship between data and information aggregated at Head Office level, with the data and information gathered at an operational level;
- Reviewing the evidence, measurements and their scope provided to us by Spirent for the Subject Matter to assess whether it was prepared in line with the Reporting Criteria; and
- Reviewing the Report and narrative accompanying the Subject Matter in the Report with regards to the Reporting Criteria.

Our conclusion – AA1000 Principles

Based on the work we have undertaken; nothing has come to our attention that leads us to conclude that the Report is not in adherence with the AA1000 Principles as described in the Principles Criteria. We comment on the nature and extent of each individually below.

Inclusiveness

Spirent engages with all key stakeholder groups and has increased dialogue with customers and investors on sustainability issues over the past year. Further improvements to sustainability governance arrangements have been made, with the introduction of a new, CEO-led, ESG Committee, supported by a series of issue specific working groups. We recommend that Spirent should develop a dashboard of performance metrics using data from each of the sustainability working groups, to provide a structured view of ongoing progress.



Materiality

Spirent undertook an update to its materiality analysis in 2022, which fed into the revision of Spirent's sustainability strategy and is reflected in the content of the Report. The indicators within the scope of our assurance include two (Energy use and GHG emissions) of the issues identified most material by Spirent. We recommend that in future years, the scope of assurance should be extended to cover additional indicators in relation to other high materiality issues.

Responsiveness

Amongst the technology sector, customers are signalling a convergence around the need to establish science based targets for carbon emission reductions. Spirent has made progress over the last year towards setting a science-based target, and is taking steps to reduce emissions in a number of ways. These include; consideration of the life cycle of products; the shift from hardware towards software based solutions and services; and the consolidation of Spirent's laboratory and testing operations. We recommend that further impetus should be provided to the programme to incorporate mandatory consideration of sustainability factors in product design and development.

2022 saw a marked increase in employee turnover compared to 2021, as was the case in many other companies. Work is ongoing to increase female representation in senior roles across the company, and to address structural barriers that exist within society to gender diversity in STEM careers.

Impact

The most important sustainability-related issues are integrated into Spirent's sustainability strategy and relevant performance measures are disclosed in the Report. We recommend that Spirent should continue to explore opportunities to measure the social and environmental impacts of its products and services. Spirent has expanded and improved data collection for scope 3 emissions from suppliers. It is recognised that some of these scope 3 data are based on estimations and assumptions, and the accuracy of these calculations will take time to improve. We recommend that quantitative targets should be developed and reported for diversity and inclusion, to further expand on the diversity and inclusion themes and commitments described in the Report. We also recommend that Spirent should consider how to report data on its gender pay according to the range of roles within the company, in a way that supports an explanation of the current position.

Our Conclusion – Subject Matter

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the subject matter information is not prepared, in all material respects, in accordance with the applicable criteria. This conclusion relates only to the Subject Matter and is to be read in the context of this Assurance Statement, in particular the inherent limitations explained below.

Responsibilities of the Management of Spirent

The Management of Spirent has sole responsibility for preparing the Report, including presentation of Subject Matter in accordance with the Reporting Criteria. Spirent's responsibilities also include maintaining effective internal controls over the information and data, resulting in the preparation of the Subject Matter in a way that is free from material misstatements.

Responsibilities of Challenge Sustainability

Our responsibility is to plan and perform our work to obtain assurance over whether the Subject Matter has been prepared in accordance with the Reporting Criteria and to report to Spirent in the form of an independent assurance conclusion, based on the work performed and the evidence obtained. We must also express a conclusion over whether the Report adheres to the AA1000 Principles, as described in the Principles Criteria, and comment on the nature and extent of each Principle individually. The intended users of this assurance statement are Spirent and its stakeholders. We do not accept, or assume responsibility to anyone else, except to Spirent for our work, for the conclusions that we have reached. We have not been responsible for the preparation of the Report.

Standards and level of assurance – AA1000 Principles

Our assurance engagement was planned and performed to meet the requirements of a Type 1 "moderate level" of assurance as defined by AA1000 Assurance Standard (AA1000AS) v3.

Standards and level of assurance – Subject Matter

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Independent assurance statement continued



Inherent Limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our assurance relies on the premise that the data and information provided to us by Spirent have been provided in good faith. Challenge Sustainability expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Our competence, independence and quality control

Challenge Sustainability has established policies and procedures that are designed to ensure that our team maintain independence and integrity. Our quality management arrangements are at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022). Challenge Sustainability operates under a Code of Conduct to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our management arrangements covering independence and ethical requirements are at least as demanding as the relevant sections of Parts A & B of the IESBA Code relating to assurance engagements.

In relation to use of the AA1000 Assurance Standard, Challenge Sustainability is bounded by rules of conduct and professional practice relating to independence and quality overseen by AccountAbility (www.accountability.org/standards/licensing/aa1000as-licensed-providers). The Statement has been reviewed for quality by AccountAbility in relation to the use of the AA1000 Assurance Standard.

Challenge Sustainability had no additional engagement with Spirent during the reporting year that would constitute a conflict of interest or otherwise compromise our independence. This engagement was carried out by an independent team of sustainability assurance professionals. Further information on our competencies and experience can be found at www.challengesustainability.com.

Challenge Sustainability Limited

Challenge Sustainability

United Kingdom
29 March 2023



GRI Index

This Report includes standard disclosures from the Global Reporting Initiative (GRI) Standards. This index sets out the indicators we have and have not included, and those that are not material to Spirent, and where we have provided partial information from a particular disclosure.

GRI Standard	Reported	Page number
GRI 102: General disclosures		
Organisational profile		
102-1 Name of the organisation	Y	1
102-2 Activities, brands, products, and services	Y	3-7
102-3 Location of headquarters	Y	11, 87
102-4 Location of operations	Y	11
102-5 Ownership and legal form	Y	1
102-6 Markets served	Y	6-7
102-7 Scale of the organisation	Y	Annual report, 11, 40
102-8 Information on employees and other workers	Y	40
102-9 Supply chain	Y	54-59
102-10 Significant changes to the organisation and its supply chain	Y	11
102-11 Precautionary Principle or approach	Y	8, 68
102-12 External initiatives	Y	1
102-13 Membership of associations	N	—
Strategy		
102-14 Statement from senior decision-maker	Y	2
102-15 Key impacts, risks, and opportunities	Y	8, 10, 64-67
Ethics and integrity		
102-16 Values, principles, standards, and norms of behaviour	Y	73
102-17 Mechanisms for advice and concerns about ethics	Y	73
Governance		
102-18 Governance structure	Y	63
102-19 Delegating authority	Y	63
102-20 Executive-level responsibility for economic, environmental, and social topics	Y	63
102-21 Consulting stakeholders on economic, environmental, and social topics	Y	68-72
102-22 Composition of the highest governance body and its committees	Y	Annual report
102-23 Chair of the highest governance body	Y	Annual report
102-24 Nominating and selecting the highest governance body	Y	Annual report
102-25 Conflicts of interest	Y	Annual report
102-26 Role of highest governance body in setting purpose, values, and strategy	Y	Annual report
102-27 Collective knowledge of highest governance body	Y	Annual report

Key

Y	Reported
NM	Not material
P	Partially reported
N	Not reported



GRI Index continued

GRI Standard	Reported	Page number
Governance continued		
102-28 Evaluating the highest governance body's performance	Y	Annual report
102-29 Identifying and managing economic, environmental, and social impacts	Y	10, 64-67
102-30 Effectiveness of risk management processes	Y	Annual report, 68
102-31 Review of economic, environmental, and social topics	Y	63
102-32 Highest governance body's role in sustainability reporting	Y	63-64
102-33 Communicating critical concerns	Y	73
102-34 Nature and total number of critical concerns	N	—
102-35 Remuneration policies	Y	Annual report
102-36 Process for determining remuneration	Y	Annual report
102-37 Stakeholders' involvement in remuneration	Y	Annual report
102-38 Annual total compensation ratio	Y	Annual report
102-39 Percentage increase in annual total compensation ratio	Y	Annual report
Stakeholder engagement		
102-40 List of stakeholder groups	Y	68-72
102-41 Collective bargaining agreements	Y	74
102-42 Identifying and selecting stakeholders	Y	68-72
102-43 Approach to stakeholder engagement	Y	68-72
102-44 Key topics and concerns raised	Y	68-72
Reporting practices		
102-45 Entities included in the consolidated financial statements	Y	1
102-46 Defining report content and topic boundaries	Y	1
102-47 List of material topics	Y	10, 64-67
102-48 Restatements of information	Y	n/a
102-49 Changes in reporting	Y	n/a
102-50 Reporting period	Y	1
102-51 Date of most recent report	Y	31 December 2021
102-52 Reporting cycle	Y	Annual report
102-53 Contact point for questions regarding the report	Y	87
102-54 Claims of reporting in accordance with the GRI Standards	Y	1
102-55 GRI content index	Y	81-85
102-56 External assurance	Y	78-80

Key

Y	Reported
NM	Not material
P	Partially reported
N	Not reported



GRI Standard	Reported	Page number
GRI 103: Management approach		
103-1 Explanation of the material topic and its Boundary	Y	10, 64–67
103-2 The management approach and its components	Y	8–77
103-3 Evaluation of the management approach	N	—
GRI 205: Anti-corruption		
205-1 Operations assessed for risks related to corruption	Y	59, 65, 73
205-2 Communication and training about anti-corruption policies and procedures	Y	41, 65, 73
205-3 Confirmed incidents of corruption and actions taken	Y	73
GRI 302: Energy		
302-1 Energy consumption within the organisation	Y	25–27
302-2 Energy consumption outside of the organisation	Y	30
302-3 Energy intensity	Y	27
302-4 Reduction of energy consumption	Y	25–27
302-5 Reductions in energy requirements of products and services	Y	15–21
GRI 305: Emissions		
305-1 Direct (Scope 1) GHG emissions	Y	28
305-2 Energy indirect (Scope 2) GHG emissions	Y	28
305-3 Other indirect (Scope 3) GHG emissions	Y	29
305-4 GHG emissions intensity	Y	28
305-5 Reduction of GHG emissions	Y	28–29
305-6 Emissions of ozone-depleting substances (ODS)	NM	—
305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	NM	—
GRI 306: Waste		
306-1 Waste generation and significant waste-related impacts	P	51, 73
306-2 Management of significant waste-related impacts	P	51, 65, 66, 73
306-3 Waste generated	P	73
306-4 Waste diverted from disposal	N	—
306-5 Waste directed to disposal	N	—
GRI 308: Supplier environmental assessment		
308-1 New suppliers that were screened using environmental criteria	Y	54–57
308-2 Negative environmental impacts in the supply chain and actions taken	Y	54–57

Key

Y	Reported
NM	Not material
P	Partially reported
N	Not reported



GRI Index continued

GRI Standard	Reported	Page number
GRI 401: Employment		
401-1 New employee hires and employee turnover	Y	76
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Y	35-37, 72
401-3 Parental leave	Y	35-37, 77
GRI 402: Labour/management relations		
402-1 Minimum notice periods regarding operational changes	N	—
GRI 403: Occupational health and safety		
403-1 Occupational health and safety management system	Y	41, 45, 55
403-2 Hazard identification, risk assessment, and incident investigation	Y	41, 45, 55
403-3 Occupational health services	Y	74
403-4 Worker participation, consultation, and communication on occupational health and safety	Y	74
403-5 Worker training on occupational health and safety	Y	41
403-6 Promotion of worker health	Y	36, 41, 45, 55, 56, 65, 68, 70, 74
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Y	74
403-8 Workers covered by an occupational health and safety management system	Y	74
403-9 Work-related injuries	Y	74
403-10 Work-related ill health	Y	74
GRI 404: Training and education		
404-1 Average hours of training per year per employee	Y	41
404-2 Programmes for upgrading employee skills and transition assistance programmes	Y	41, 77
404-3 Percentage of employees receiving regular performance and career development reviews	Y	42
GRI 405: Diversity and equal opportunity		
405-1 Diversity of governance bodies and employees	Y	40
405-2 Ratio of basic salary and remuneration of women to men	P	77
GRI 406: Non-discrimination		
406-1 Incidents of discrimination and corrective actions taken	N	—
GRI 407: Freedom of association and collective bargaining		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Y	74
GRI 408: Child labour		
408-1 Operations and suppliers at significant risk for incidents of child labour	Y	55, 65, 73

Key

Y	Reported
NM	Not material
P	Partially reported
N	Not reported



GRI Standard	Reported	Page number
GRI 409: Forced or compulsory labour		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	N	—
GRI 412: Human rights assessment		
412-1 Operations that have been subject to human rights reviews or impact assessments	Y	41, 65, 74
412-2 Employee training on human rights policies or procedures	Y	41
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Y	54-59, 65
GRI 414: Supplier social assessment		
414-1 New suppliers that were screened using social criteria	Y	54-59
414-2 Negative social impacts in the supply chain and actions taken	Y	54-59
GRI 418: Customer privacy		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N	—

Key

Y	Reported
NM	Not material
P	Partially reported
N	Not reported



Topic	Accounting metric	Reported	Page number
Product security	Description of approach to identifying and addressing data security risks in products	N	—
Employee diversity and inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Y	40
Product lifecycle management	Percentage of products by revenue that contain IEC 62474 declarable substances	N	—
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	n/a	—
	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	n/a	—
	Weight of end-of-life products and e-waste recovered, percentage recycled	Y	73
Supply chain management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Y	54-59
	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Y	56
Material sourcing	Description of the management of risks associated with the use of critical materials	Y	52-59
Activity	Number of units produced by product category	N	—
	Area of manufacturing facilities	Y	54-59
	Percentage of production from owned facilities	Y	0%

Key

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N	Not reported





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