



Modern Slavery
Act Statement
2021

Introduction

At Grundfos, we believe in the importance of freedom for all individuals, and we are committed to preventing all forms of Modern Slavery. Grundfos Modern Slavery Statement 2021 has been developed in accordance with the UK Modern Slavery Act 2015 and the Australia Commonwealth Modern Slavery Act 2018.

The statement gives an overview of our ongoing actions taken in 2021 to manage risks and strengthen our approach to the prevention of modern slavery, including human trafficking, forced labour, bonded labour, child slavery and hazardous child labour.

Modern Slavery Statement 2021 covers Grundfos' Parent Company, Grundfos Holding A/S and subsidiaries in the reporting period from January 1, 2021 to December 31, 2021. A list of covered entities can be found at the end of this document. The statement was approved by the Grundfos Holding A/S Board of Directors on May 31, 2022.



Jens Winther Moberg
Chairman, Grundfos Holding
A/S Board of Director

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Grundfos & Own Operations

Grundfos started its business in 1945 in Denmark and is a foundation-owned company.

The Poul Due Jensen Foundation maintains primary ownership of the Grundfos Group (87.9%), with the remaining shares held by employees and the founder's family. More information on ownership can be found at the end of this document.

Grundfos is one of the world's leading water technology companies and is committed to pioneering solutions to the world's water and climate challenges and improving the quality of life for people. We employ more than 20,000 employees worldwide and are now represented in more than 58 countries with 66 Grundfos plants and assembly sites.

Supply Chains including Australia

At Grundfos, we source materials, products, and services from over 30,000 first-tier suppliers across the globe. Our suppliers provide parts for our products, including castings, engines, valves, electronics, fasteners, metal parts, wiring, and packaging, and more. We outsource select services to keep our operations functioning as smoothly as possible.

Our outsourced services include consultancies, cleaning, logistics, insurance, IT, and maintenance services.

Our suppliers are sourced from varying geographic locations according to delivery convenience and proximity to our global production sites.

Grundfos Pumps Pty Ltd is a proprietary limited company with company no. 90007920765 based in Adelaide, South Australia. The Australian operations are focused on pump manufacturing, pump delivery and service with the support of 185 colleagues. 87% of the Australian supply chain is provided by

global network, while 13% is sourced locally. These local suppliers include service providers and product suppliers like packaging, motors, steel, electrical cabinets, electrical components, and cabling for pump assembly.



Governance

At Grundfos, human rights compliance is overseen by Group Management.

At Grundfos, the Sustainability Council aligns our commitment to our sustainability standards and sustainability framework, including human rights-related policies and standards, across our organisation. Meanwhile, Group Management sets the strategic direction, allocates resources, and decides on priorities. The Group Management team is responsible for the executive oversight and providing strategic direction to Grundfos' business and sustainability efforts.



Policies



GRUNDFOS CODE OF CONDUCT

At Grundfos, we believe that honesty and integrity are universal languages that align with our core values and manage our business in accordance with our Code of Conduct. The Code of Conduct applies to all employees of Grundfos in all positions and all countries.

HUMAN RIGHTS POLICY COMMITMENT

Grundfos is committed to meeting the responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights. We are dedicated to respecting all internationally recognised human rights across our own operations and business relationships. Grundfos Human Rights Policy mentions our commitment to the International Bill of Human Rights, as well as the International Labor Organization Declaration on Fundamental Principles and Rights at Work. This includes prevention, prohibition, and mitigation of forced, bonded labour, slavery, servitude, human trafficking, and providing access to remedy.

Throughout 2021 we have enhanced the integration and communication of Grundfos' human rights commitment,

across the global organisation in our values, group policies, and Code of Conduct. Additionally, we seek to continuously improve our governance and processes, ensuring we live up to our commitment and stakeholders' expectations. We expect our employees and business partners to consider the impact their decisions and actions may have on human rights and avoid causing or contributing to negative human rights impacts.

At Grundfos we will continue to work on:

- Identifying our human rights impact throughout our own operations and business relationships
- Developing the means to manage our impact
- Monitoring our performance
- Communicating our efforts

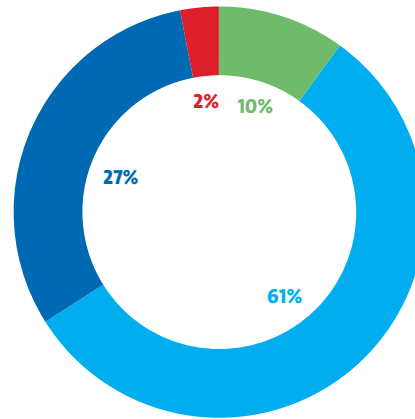
HARASSMENT PREVENTION POLICY

In 2021, Grundfos launched an extensive Harassment Prevention Policy stating its commitment to a safe and inclusive workplace free of abuse and harassment. Grundfos' Code of Conduct also expresses the commitment to providing an inclusive and welcoming environment for all employees, clients, volunteers, subcontractors, vendors, customers, and any other parties doing business with Grundfos and a workplace free of discrimination, harassment, or abuse.

The extensive policy outlines in more detail Grundfos' commitment to non-harassment and how to be implemented globally.

Sustainable Supply Chain Management

SUSTAINABILITY AUDITS RATING IN 2021



A: No issues
No action required



B: Minor issues or practices that are not properly formalised
Action plan was agreed within three months



C: Non-compliance with the law
Action plan was agreed within three months



D: Life-threatening issues and/or severe reputational damage
A corrective action plan was agreed within a maximum of one week

Grundfos Sustainable Supply Chain Management programme is responsible for driving sustainable sourcing and risk management across our global supplier base and for embedding controls to help mitigate modern slavery risks. This includes, among others, pre-screening of suppliers, compliance clauses to identified suppliers, EcoVadis assessments, and third-party audits.

We have continuously increased the number of assessments and audits conducted by third parties, such as EcoVadis and Bureau Veritas, in recent years. In 2021, with the support from Bureau Veritas, we conducted 63 onsite audits of our high-risk suppliers in

China, South Korea, and Taiwan. In total, we arranged 190 sustainability audits and assessments by EcoVadis and Bureau Veritas in 2021, compared to the 124 audits stated in 2020 report.

In these audits our suppliers achieved an 85% compliance rate. 75 suppliers were rated C or D, which means they were red-flagged for negative environmental or social impacts, and of these suppliers, 17 have already made improvement measures that upgraded their score. In 2021, we did not have any occurrence of forced labour practices in our risk assessment of suppliers. More information is available in Grundfos Sustainability Report 2021.

We continuously look for ways to improve supplier due diligence processes. In 2021, a larger number of high-risk suppliers, such as electronics and service providers, including employment agencies, were included in sustainability audits and assessments. In 2022, we plan to significantly increase the number of audits and assessments of these suppliers. Since 2019, we have performed unannounced audits and in 2021, we carried out 10 unannounced audits. These unannounced audits were conducted by internal auditors and the focus was to investigate continuous improvement of our suppliers.

In 2021, selected suppliers in China were trained in the prevention of forced and child labour and other common challenges suppliers are exposed to, while at the same time striving to live up to Grundfos' human rights requirements. We also streamlined our sustainability audit process through digitalisation in 2021, and are now building on this to provide digital onboarding and training to our suppliers in 2022.

At the end of 2021, we collaborated with Eco:Fact, an external consultancy, to conduct a comprehensive risk analysis to ensure 100% compliance with upcoming new legislation or global requirements. As a result of this work, we defined our

2023 roadmap to enhance the risk mitigation approach. During this exercise, Eco:Fact provided Grundfos with a new tool which will help strengthen human rights consideration in supplier selection assessment and audit processes.

See more information on Grundfos Sustainable Supply Chain Management in Grundfos Supplier Code of Conduct.

Due Diligence & Risk Assessment in relation to Modern Slavery

Based on desk research and data from The Bureau of International Labour Affairs (ILAB) and EcoVadis, we assessed the potential occurrence of modern slavery risks when hiring workers through employment agencies, in our sourcing of electronics and a few of the raw materials we use. The assessment was conducted simultaneously with an assessment of risks to all human rights. Starting in 2015, we embarked on a journey to assess our salient issues with a company-wide human rights map-

ping exercise, with the support of our third-party partner, Business for Social Responsibility (BSR). The mapping exercise included assessment of high-risk areas in our global supply chains, considering the likelihood, severity, scale, and remediability of negative impacts. The assessments led us to identify forced labour in our global supply chains. As a result, since 2017, Grundfos has conducted five site-based human rights impact assessments (HRIA) in identified high-risk countries

and with the continued support of third-party partners. The identified countries for assessment were based on the country's high level of human rights risks (built upon publicly available reputable sources) and by the size of our operation, also taking various business activities (manufacturing, new business model, assembly, etc.) into account. In Australia, our local team mapped the possibility of modern slavery in our local operations. The mapping provided Grundfos with an overview of potential

high-risk suppliers and accordingly mitigating actions plans were developed. Consequently, Grundfos launched a modern slavery clause in Contractor Management guidelines to new contractors in 2021, setting up criteria for new contractors and suppliers to ensure compliance with the Australian Modern Slavery Act 2018. In 2022, we will implement a digital portal to new and existing suppliers and contractors. The portal incorporates supplier code of conduct compliance

requirement and monitor supplier documentation with respect to their commitment to combatting modern slavery. Suppliers and contractors identified as high-risk in the assessment will be required to renew their commitment to Grundfos Supplier Code of Conduct along with other issues relating to responsible business conduct.



Effective Action Taken to Address Modern Slavery

PROGRESS

As a part of Grundfos Sustainable Supply Chain Management and global due diligence process, five HRIAs has been carried out between 2017 and 2020 in China (2017), India (2018), Serbia (2018), Mexico (2019), and Ghana (2020) identifying risks related to modern slavery. Consequently, an enhanced action plan was developed in 2021 to strengthen our approach to risk assessment in our sustainable supply chain management programme and increase the number of sustainability audits for service providers.

Our risk assessment in 2021 also disclosed a need to improve accessibility to Grundfos grievance mechanism, internally and externally. Following the assessment, access to the whistleblower system was improved making it more accessible to employees as well as business relationships.

TRAINING ON MODERN SLAVERY AND HUMAN TRAFFICKING

Throughout 2021, Grundfos conducted sustainable audit training for our suppliers in China and conducted training in practices to comply with Modern Slavery Act for our local colleagues in Australia.

WHISTLEBLOWING PROCEDURES & REMEDIATION

Grundfos employees, external stakeholders, and potentially affected people may report concerns of modern slavery and other negative human rights impacts anonymously and securely via Grundfos Whistleblower System. The system is managed by an independent external entity, and it is available in all countries in which we operate.





Engagement and Consultation

Grundfos is controlled and operated by the Grundfos Group, which has policies, procedures, and processes that apply to all of the Grundfos Group companies. To guarantee uniformity across our organisation, all of these policies and processes are managed at the Group level.

We recognise that combating modern slavery and forced labour involves the collaboration across functions. As such, this statement was prepared in consultation with key stakeholders at Group level including Purchasing, Legal, and Human Resources, as well as local leadership and local teams where HRIAs were undertaken. While the human rights area offers the overall framework and extends the necessary support to each business functions and Grundfos companies worldwide, the expertise of departments such as Purchasing, Legal, and Human Resources is needed to improve the implementation.

A team of Senior Management was also involved in the review of this statement to guarantee that our ambitions are properly communicated and prioritised prior to the Board of Director's review and approval.

For the purpose of Australia Modern Slavery Act 2018, we consulted with Australian site. The engagement was conducted through collaboration with local teams to gather data and knowledge about local operations and suppliers.

Group structure

Denmark

Grundfos Holding A/S

Other Group companies

Argentina, Bombas Grundfos de Argentina S.A.
Austria, Grundfos Pumpen Vertrieb G.m.b.H.
Australia, DAB Pumps Oceania Pty. Ltd.
Australia, Grundfos Australia Holding Pty. Ltd.
Australia, Grundfos Pumps Pty. Ltd.
Belgium, Grundfos Bellux S.A.
Brazil, Bombas Grundfos do Brasil Ltda.
Bulgaria, Grundfos Bulgaria EOOD
Canada, Grundfos Canada Inc.
Chile, Bombas Grundfos Chile SpA
China, DAB Pumps (Qingdao) Co. Ltd.
China, Grundfos Pumps (Changshu) Co. Ltd.
China, Grundfos (China) Holding Co. Ltd.
China, Grundfos Pumps (Chongqing) Co. Ltd.
China, Grundfos Pumps (Hong Kong) Ltd.
China, Grundfos Pumps (Shanghai) Co. Ltd.
China, Grundfos Pumps (Suzhou) Ltd.
China, Grundfos Pumps (Wuxi) Ltd. Colombia,
Grundfos Columbia S.A.S.
Croatia, Grundfos Sales Croatia d.o.o.
Czech Republic, Grundfos Sales Czechia and
Slovakia s.r.o.
Denmark, Grundfos A/S
Denmark, Grundfos BioBooster A/S

Denmark, Grundfos DK A/S
Denmark, Grundfos Finance A/S
Denmark, Grundfos Operations A/S Denmark,
Grundfos US ApS
Egypt, Grundfos Holding Egypt LLC
Egypt, Grundfos Egypt LLC
Egypt, Grundfos Service Egypt LLC
Finland, OY Grundfos Environment Finland AB
Finland, OY Grundfos Pumput AB
France, Pompes Grundfos Distribution S.A.S.
France, Pompes Grundfos S.A.S.
Germany, DAB Pumps GmbH
Germany, Grundfos GmbH
Germany, Grundfos Pumpenfabrik GmbH
Germany, Grundfos Verwaltung GmbH
Germany, Grundfos Water Treatment GmbH
Ghana, Grundfos Pumps Ghana Ltd.
Greece, Grundfos Hellas Single-Member A.E.B.E.
Hungary, DAB Pumps Hungary Kft.
Hungary, Grundfos Shared Services Kft.
Hungary, Grundfos Hungary Manufacturing Ltd.
Hungary, Grundfos South East Europe Kft. India,
Grundfos Pumps India Private Ltd. Indonesia, PT
DAB Pumps Indonesia Indonesia, PT Grundfos
Pompa
Indonesia, PT Grundfos Trading Indonesia
Ireland, Grundfos (Ireland) Ltd.
Italy, DAB Pumps S.p.A.
Italy, Grundfos Pompe Italia S.r.l.

Japan, Grundfos Pumps K.K.
Kazakhstan, Grundfos Kazakhstan LLP
Kenya, Grundfos Kenya Ltd.
Korea, Grundfos Pumps Korea Ltd.
Latvia, GRUNDFOS Pumps Baltic SIA
Malaysia, Grundfos Pumps SDN. BHD
Mexico, Bombas Grundfos de Mexico Manufac-
turing S.A. de C.V.
Mexico, Bombas Grundfos de Mexico S.A. de C.V.
Mexico, DAB Pumps de Mexico S.A. de C.V.
Mexico, Grundfos Mexico Servicios S.A. de C.V.
Netherlands, DAB Pumps B.V.
Netherlands, Grundfos Nederland B.V.
New Zealand, Grundfos Pumps NZ Ltd.
Nigeria, Grundfos Water Solutions NGA Limited
Norway, Grundfos Norge AS
Peru, Grundfos de Peru S.A.C.
Philippines, Grundfos IS Support & Operations
Centre Philippines Inc.
Philippines, Grundfos Pumps (Philippines) Inc.
Poland, DAB Pumps Poland Sp.Z.o.o.
Poland, Grundfos Pompy Sp.Z.o.o.
Portugal, Bombas Grundfos (Portugal) S.A.
Romania, SC Grundfos Pompe Romania SRL
Russia, OOO Grundfos Istra
Saudi Arabia, Grundfos Saudi Arabia
Company Limited
Serbia, Grundfos Srbija d.o.o.
Singapore, Grundfos (Singapore) Pte. Ltd.

Slovenia, Grundfos Ljubljana d.o.o.
South Africa, DAB Pumps South Africa (Pty) Ltd.
South Africa, Grundfos Holding South Africa (Pty) Ltd
South Africa, Grundfos (Pty) Ltd.
Spain, Bombas Grundfos España S.A.
Spain, DAB Pumps Iberica S.L.
Sweden, Grundfos AB
Switzerland, Grundfos Holding AG
Switzerland, Grundfos Handels AG
Switzerland, Grundfos Pumpen AG
Taiwan, Grundfos Pumps (Taiwan) Ltd.
Thailand, Grundfos (Thailand) Ltd.
Turkey, Grundfos Pompa Sanayi ve Ticaret Ltd.Sti.
Ukraine, TOV Grundfos Ukraine
United Arab Emirates, Grundfos Gulf
Distribution FZE
United Kingdom, DAB Pumps Ltd.
United Kingdom, Grundfos Manufacturing Ltd.
United Kingdom, Grundfos Pumps Ltd.
United Kingdom, Grundfos Watermill Ltd.
USA, Grundfos CBS Inc.
USA, Grundfos Americas Corporation
USA, Grundfos Pumps Corporation
USA, Grundfos Pumps Manufacturing
Corporation
USA, Grundfos US Holding Corporation
USA, DAB Pumps Inc.
USA, Grundfos Water Utility Inc.
Vietnam, Grundfos Vietnam Company Ltd.

Ownership

Grundfos Holding A/S, based in Bjerringbro, Denmark, is the Parent Company of the Grundfos Holding A/S Group. The Poul Due Jensen Foundation owns 87.9% of the share capital in Grundfos Holding A/S, while the founder's family owns 9.6% and the employees own 2.5%.

Grundfos Holding A/S directly or indirectly owns the entire share capital in all subsidiaries, except for the following:

Grundfos Pumps Services Com-
pany Limited, Saudi Arabia –
75%

Capital interests:
Base Business Bjerringbro A/S,
Denmark –21%.
Megat Projekt Sp. z o.o., Poland –
50%.

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GRUNDFOS 

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