

A woman with glasses and a ponytail, wearing a blue Grundfos uniform, is operating a large industrial machine in a factory. The machine is teal and has a control panel with a screen and buttons. In the background, other workers in blue uniforms are visible, working at similar machines. The factory is brightly lit with overhead fluorescent lights. The overall scene depicts a busy industrial environment.

Grundfos Modern Slavery and Transparency Statement 2024

GRUNDFOS 

Possibility in every drop



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Introduction

We respect the integrity of every human being, and we acknowledge our responsibility to operate with respect for human rights. We do not tolerate modern slavery across our value chain.

Addressing human rights abuses, such as modern slavery, requires collective efforts. We collaborate with suppliers and affected stakeholders to fully understand and manage these risks.

Grundfos is committed to operating our business in a manner that is aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the standards set by the International Labour Organization (ILO).

This statement encompasses the period from 1 January 2024 to 31 December 2024. It complies with the requirements set in Section 54 of the UK's Modern Slavery Act 2015 (UK MSA), Australia's Modern Slavery Act 2018 (Cth) (Australia MSA), the Norwegian Transparency Act 2022 and Canada's Fighting Against Forced Labour and Child Labour in Supply Chain Act (Canada's Act). Further, this statement meets the main due diligence obligations outlined in the German Supply Chain Act (LkSG).

Our statement provides an overview of Grundfos' policies and sustainability due diligence processes relating to the risk of modern slavery¹, human rights and environmental abuses. Based on our due diligence, we did not identify any actual modern slavery incidents in our operations and supply chain, see pages 9 and 12 for more information. This statement complements the [Grundfos Sustainability Report 2024](#) and the information provided therein.

¹ Modern slavery is an umbrella term under the UK MSA and Australia MSA, including the risk posed by slavery, servitude, forced or compulsory labour, debt bondage, human trafficking, deceptive recruiting for labour or services and the worst forms of child labour.

Grundfos Holding A/S, the parent company of Grundfos Group, has prepared this joint statement for itself and on behalf of Grundfos reporting entities subject to disclosure obligations in their respective jurisdictions. Group-wide policies and procedures, such as those related to human and labour rights in supplier contracts, apply to all entities within the Grundfos Group, including suppliers to entities in the UK, Canada, Australia, Norway and Germany.

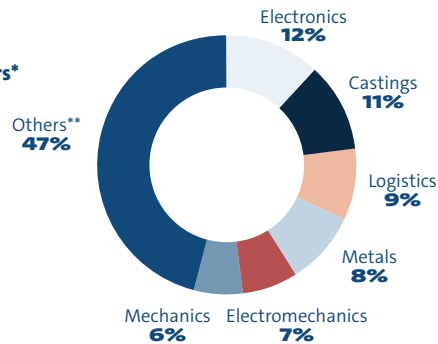
Unless clearly stated otherwise, the references to 'we', 'us' and 'our' refer to Grundfos Holding A/S and Grundfos Group as a whole, including the reporting entities listed in Appendix 1 and their owned and controlled entities, which also includes specific information related to the operation and business activities of reporting entities.

In accordance with the requirement of the Australia MSA, we consulted the Australian reporting entities and their owned and controlled entities listed in Appendix 1 in the development of this statement. This includes collaboration with the Legal team and local Purchasing department, who provided the necessary data and knowledge about local operations and suppliers. Additionally, efforts were initiated to raise awareness of the Australia MSA, and relevant materials were distributed among local management and employees of these entities.



Our structure, operations and supply chain

Top purchasing clusters* by spend 2024



* We use the term 'cluster' in our internal classification system as category classification.
 ** Others: such as IT & Digital, Facility, Maintenance, Repair and Operations.

Structure and operations

Grundfos is a foundation-owned company headquartered in Bjerringbro, Denmark and founded in 1945. We are a leading global pump and water solutions company. Around the world, we move and advance the flow of water via intelligent, sustainable, and energy-efficient solutions for use in households, buildings, industries and utilities.

Grundfos employs approximately 20,000 individuals across 65 countries through more than 100 companies representing the Grundfos Group. Additionally, there are companies within

the Grundfos Group operating under separate brands that, in general, align with our global policies.

Grundfos operations focus on product design, research and development, procurement, manufacturing, marketing, sales, distribution and service of innovative and energy-efficient pump and water solutions.

For more details about Grundfos' structure and ownership, please visit our [website](#).

Supply chain

Grundfos sources materials, products and services from more than 24,000 active Tier 1 suppliers spanning more than 90 countries, of which 15% are direct suppliers and 85% are indirect suppliers.

Our suppliers are strategically selected based on location, offering and alignment with Grundfos' values. Grundfos classifies suppliers into the following groups:

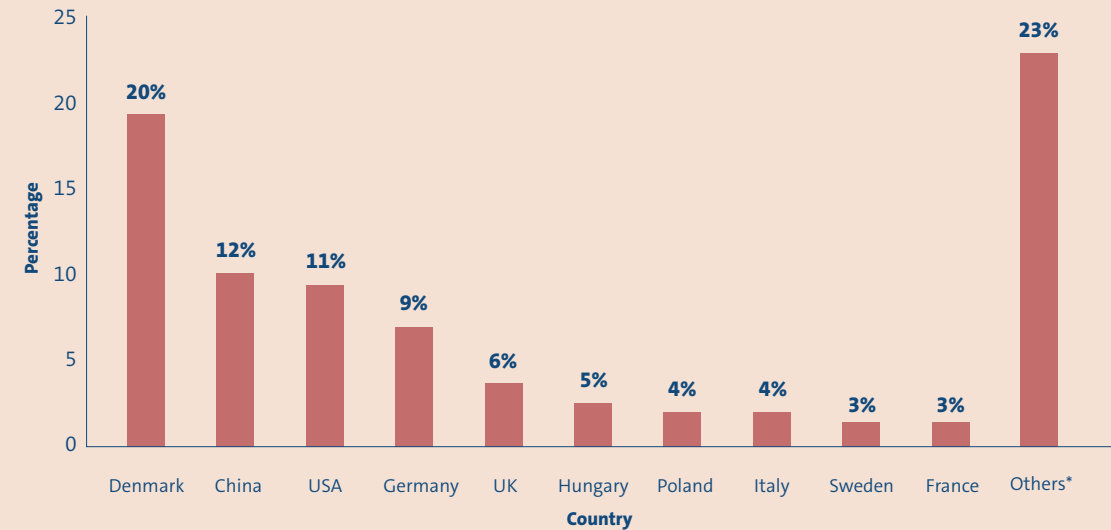
Direct suppliers: providing materials, components or parts utilised in Grundfos finished products such as metals, castings and packaging.

Indirect suppliers: providing goods or services that are not directly incorporated into Grundfos products, such as logistics, securities, facilities and human resources services.

Sub-tier suppliers: suppliers beyond Tier 1 with no direct contractual relationship with Grundfos.

We want to ensure our supply chain is sustainable by fostering respectful and lasting relationships with our suppliers through framework agreements, close supplier relationships and partnership management. To ensure synergies, Grundfos follows a set of global purchasing processes which are closely monitored and updated as needed. These processes are designed to be sustainable, ensuring they are ethically, socially and environmentally sound.

Key sourcing countries by spend 2024



*Others: represents less than 2% of spend from countries such as the Netherlands, India, Thailand, Serbia and Singapore.



Governance and policies

Governance

The governance and oversight of human rights and other sustainability topics are anchored within Group Management with the oversight of the Board of Directors, and flow through the Sustainability Council into Group functions and divisions.

The Sustainability Council, chaired by the Vice President of Sustainability, External Relations and Communications, is responsible for reviewing and monitoring progress, key risks and opportunities across all sustainability areas, including human and labour rights. For further information, see [Grundfos Sustainability Report 2024](#), Sustainability Governance and Reporting.

In 2024, we launched the Human Rights Working Group, comprising senior representatives from various business

functions and divisions. This group guides our human rights programme's strategic direction and key initiatives, ensuring target delivery and promoting cross-functional synergy. It supports development and deployment of human rights initiatives and aligns necessary competencies. The relevant divisions and functions are accountable for progress on their strategic ambitions, roadmaps and targets.

The Human Rights Working Group is led by the Lead Human Rights & Social Sustainability Advisor, appointed as Group Human Rights Officer. The Advisor is responsible for operational oversight of our Human Rights Programme, provides regular updates to the Sustainability Council and sets the agenda for the Working Group. Supported by a Human Rights & Social Sustainability Advisor, the

team ensures alignment with relevant national and international regulations, standards and frameworks. They act as subject matter experts, developing human rights training initiatives and further embedding human rights considerations and sustainability due diligence into Grundfos' everyday business decisions, policies and processes. They also support Group functions and divisions in planning and executing roadmaps and activities in line with Grundfos' Human Rights Policy.

Grundfos also has a dedicated Sourcing Sustainability Team, leading the Grundfos Sustainable Supplier Management Programme. The Global Sourcing Sustainability Process Manager is responsible for the development of strategy, roadmap and alignment with corporate sustainability goals, while the Sourcing

Sustainability Team handles execution, data collection and supplier performance monitoring. This includes assessing suppliers based on their performance in sustainability areas, including environment, human rights & labour standards, ethics and sustainable procurement practices. Risk, actions and progress are reported through the Sustainability Council to the Board of Directors and Group Management.

The responsibility for deployment and execution lies with functional and divisional leaders across our value chain and is guided by our policies and guidelines.

Policies and guidelines

Our policies and guidelines related to human rights are translated into multiple languages to support global awareness, adherence and accessibility.



Code of Conduct (CoC)

Provides guidance for our employees when navigating dilemmas or challenging situations they may encounter in the course of their duties. This includes essential human and labour rights topics, such as human rights, discrimination and working environment.

Human Rights Policy and Salient Human Rights Issues

Outlines our expectations of our employees and business partners, including suppliers, to adhere to our commitment to respecting human rights. Our Salient Human Rights Issues document further delineates our strict prohibition of any form of forced labour and human trafficking, along with our commitment to contributing to the effective abolition of child labour. The Salient Human Rights Issues document will be revised in 2025 to reflect our 2024 human rights risk & saliency assessment.

Harassment Prevention Policy

Outlines our commitment to providing a safe and inclusive workplace, free of abuse and harassment.

Health, safety and well-being

Outlines our commitment to providing a safe work environment, preventing injuries and ensuring good physical health, safety and psychological balance.

Diversity, equity and inclusion

Outlines our commitment to prioritising equitable possibilities for all. We endeavour to foster a global culture where everyone feels valued, respected and supported within Grundfos' virtual and physical environments.

Supplier Code of Conduct (SCoC)

Outlines the standards and expectations our suppliers must meet to work with us. We require our suppliers to apply similar expectations to their own suppliers throughout their supply chain. This includes our explicit provisions regarding the prohibition of forced and child labour, such as restrictions on freedom of movement, prohibition of recruitment fees and age verification measures. Additionally, we mandate that suppliers establish their own grievance mechanisms or utilise our whistleblower system, enabling workers and relevant stakeholders to report concerns.

Sustainable Purchasing Policy

Outlines our comprehensive approach to embedding sustainability into our procurement processes, ensuring both human rights and environmental considerations are integral to Grundfos' operations. This policy, developed in 2024, includes ambition and targets for human rights and environmental due diligence with a robust governance structure to monitor progress. This policy also includes our requirement for all

suppliers to adhere to our Supplier Code of Conduct and aligns with our Direct and Indirect Purchasing Policy.

Responsible Minerals Sourcing Statement

Outlines our approach to responsible minerals sourcing. This statement, developed in 2024, demonstrates our commitment and ensures that our supply chains are sourced ethically and sustainably to prevent risks associated with conflict-affected and high-risk areas. Grundfos supports and aligns our approach with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Whistleblower system

Enables the confidential reporting of any observed or suspected criminal acts or non-compliance with our Code of Conduct and Human Rights Policy by all employees, third parties cooperating with Grundfos and any other relevant stakeholders. Reports can be submitted anonymously in any language. Cases are thoroughly investigated and handled by the Grundfos Ethics Committee, which ensures fundamental principles such as confidentiality and non-retaliation for reports submitted in good faith.

Identifying risks

Grundfos is committed to identifying and mitigating human rights and environmental risks within our own operations and throughout our global value chain.

We have a robust and proactive sustainability due diligence process to assess and manage potential and actual adverse impacts on human rights and the environment that we cause, contribute to, or are directly linked to. Our risk-based approach aligns with the UNGPs and OECD Guidelines. It involves six steps enabling us to better understand and address existing and emerging risks. This includes managing the risk of modern slavery, as well as other human and labour rights concerns, including but not limited to poor working conditions, freedom of association and discrimination. We acknowledge that these issues are often interconnected and may serve as indicators of modern slavery and vice versa.

Grundfos sustainability due diligence process



Our salient human rights issues

In 2024, we conducted a revision of our company-wide human rights risk & saliency assessment with the assistance of an independent expert consultancy based on the UNGPs and the OECD Guidelines. This reassessment followed our first saliency assessment conducted in 2015, aimed at identifying and prioritising our most salient human rights issues. This is to ensure we remain focused on rights at heightened risk of severe impact from our business activities and relationships and to develop appropriate action plans for their prevention and mitigation.

The 2024 assessment identified fifteen human rights at risk of the most severe impacts, grouped into broader categories, resulting in Grundfos' eight salient issues. Most issues remain the same as those identified in 2015, except we removed the "right to privacy" and added the "right to a clean, healthy, and sustainable environment for local communities" and "right to access to remedy". Although access to remedy was not identified as a risk of severe impact, it is a core component of effective due diligence, thus included as a priority area. We also added the right to a clean, healthy and sustainable environment to emphasise our proactive commitment to environmental stewardship. This includes addressing potential health impacts, tackling climate change, and

ensuring free, prior and informed consent from local communities and indigenous people regarding land rights.

The assessment was based on information provided by Grundfos, internal engagement, as well as results from our 2023 double materiality assessment (including stakeholder interviews and surveys), the 2023 EU Taxonomy Minimum Safeguards Gap Assessment, six previously conducted human rights impact assessments (HRIAs) and desktop research. Risks to potentially affected stakeholder groups across our value chain, particularly vulnerable groups, and the connection of Grundfos to these risks were also considered. Our salient issues were determined based on their likelihood and severity, including scope, scale and irremediability. As a result, we plan to develop action plans to monitor and address these issues.

To ensure transparency with stakeholders, we will continue reporting the results of our human rights impact assessments annually, providing updates on progress against our action plans and engaging with stakeholders to continuously improve. We review our salient issues based on HRIAs, spot checks, external trends and significant changes in our business or operating environments and adjust if needed.

Grundfos human rights risk and saliency assessment

Salient issues

Potentially impacted stakeholders

	Own workers	Workers in the value chain	Affected communities	End users & consumers
Freedom from discrimination and harassment	●	●	○	○
Safe and healthy working conditions	●	●	○	○
Freedom of association and collective bargaining	●	●	○	○
Access to remedy	●	●	●	●
Elimination of child labour and protection of young workers	○	●	○	○
Clean, healthy and sustainable environment for local communities	○	○	●	○
Eradicating forced labour and modern slavery	○	●	○	○
Wages, benefits and working hours	●	●	○	○

● Most affected ○ Not affected

Modern slavery risks

In compliance with our legal obligations related to modern slavery, additional information regarding the risks of forced and child labour is provided to fulfil regulatory requirements.

Own operations

We consider the risk of modern slavery among our workforce to be low. This assessment is based on the results from our HRIAs conducted in China, India, Serbia, Mexico, Ghana, the Philippines and Vietnam, along with various spot checks, internal audits conducted, employee surveys and reports received via our whistleblower channel. The countries selected for HRIAs are based on their human rights risk level, the size of our operation, regional representation, changes in political landscape, new country operations and types of business activities. A range of human and labour issues relevant to business, including forced labour, child labour, working hours and discriminatory practices were evaluated. These assessments did not identify any actual modern slavery incidents in our own operations. We continuously strive to improve respect for human rights, such as limiting overtime hours, ensuring health and safety, and preventing harassment.

Supply chain

We consider our supply chain, particularly sub-tier suppliers, to be the highest risk area for modern slavery, including forced and child labour. This assessment is based on reliable public information and our audit results.

Certain industries and sectors pose heightened risks, including employment agencies and suppliers of electronics and certain raw materials included in the components we buy. Grundfos has targeted efforts to these high-risk suppliers in high-risk countries as detailed in the *Due diligence in our supply chain* section. This includes the findings, actions taken and progress made in mitigating risks in the 2024 period. Based on our assessments during 2024, we did not identify any actual modern slavery incidents in our supply chain.

Spotlight: Human rights impact assessment (HRIA) in Vietnam

In 2024, Group Sustainability conducted an HRIA in Vietnam in parallel with the Internal Audit team. The HRIA aimed to raise awareness and knowledge on business and human rights, identify risks and enhance synergies with global internal audits. Key findings included the need for continuous monitoring of safety at customer sites and promoting awareness of harassment prevention, particularly verbal harassment. Employees should be aware that they can leave customer sites if harassment occurs.

Other focus areas included working hours, wages and benefits for outsourced service workers at our sites. Although these workers are paid above the national minimum wage, some earn below the recommended living wage. Consequently, local Grundfos management decided to close this gap to ensure these workers receive a living wage for a decent standard of living. Similar to last year's assessment, we also identified the need to strengthen monitoring and assessment processes for the indirect supply chain. This recurring issue requires attention at the global management level. We will work on finding an approach to address this issue effectively.



Assessing and managing risks

We have robust systems and procedures in place to identify, assess and address risks, and mitigate impacts. This includes human rights impact assessments, supplier audits and conflict minerals due diligence to ensure effective risk management. These are global procedures applicable to all our Grundfos Group operations and business partners.

Due diligence in our own operations

Human rights impact assessments (HRIAs)

Our HRIAs involve meaningful engagement with employees, contractors, direct and indirect suppliers, their workers, civil society organisations and community members.

In 2024, we continued corrective action plans in the Philippines, strengthening collaboration with the management team and raising awareness of risks and issues. As a result of this collaboration, stronger monitoring of the indirect supply chain was implemented at the local level. For example, local management

identified and addressed discriminatory hiring practices, advising suppliers to make necessary changes.

Additionally, we formalised our due diligence processes by consolidating previous HRIAs and their learnings, as well as developing a playbook for methodology and process for how we conduct human rights risk and saliency assessments. This streamlines our process and enhances governance, documentation and communication, ultimately strengthening our commitment to respect human rights.

Other relevant compliance programmes

Human rights focus and related questions are integrated into our internal audit process, which we conduct at 15-20 sites annually. Relevant insights from these internal audits are shared with the Lead Human Rights & Social Sustainability Advisor to better understand and identify potential human rights risks and to determine the necessary follow-up actions. Additionally, we conduct sustainability (including human rights) due diligence during mergers and acquisitions to identify potential red flags and ensure human rights management is included in post-integration processes.

All new business partners, including suppliers, customers and distributors, are screened against a consolidated global sanctioned party list, which includes EU and US human rights watchlists, to identify critical compliance risks associated with high-risk parties or transactions and risks associated with dual-use products. These ongoing screenings enable Grundfos to identify the parties sanctioned or listed for severe human rights violations and abuses around the world. In case of any high-risk impacts identified from the above-mentioned due diligence activities, the human rights team will conduct further due diligence and collaborate with relevant internal and external stakeholders to address them.

In 2024, we conducted living wage assessments at ten selected Grundfos

locations where we have a significant operational footprint. This effort aimed to identify wage gaps, including discrepancies between national legal minimum wages and the recommended level of living wages from recognised organisations. This was to develop measures to improve our wage practices, enhance the livelihoods of our workers and initiate actions to ensure all our employees receive a living wage. We are monitoring our suppliers and promoting suppliers' commitment to paying their workers a living wage through conducting EcoVadis assessments.

Other human rights risks are managed by relevant functions within their operational areas through annual risk analyses, prevention and mitigation measures. Outcomes are reported to our Enterprise Risk Management and the Sustainability Council. Our facilities and processes are monitored within the framework of the environmental and occupational health and safety management system certified according to ISO 14001 and ISO 45001.

Additionally, we have specific initiatives to address discrimination and marginalisation of vulnerable groups as part of our diversity, equity and inclusion efforts. For more detailed information on our policies, processes and performance in advancing human rights and social impact in own business, see the Social Impact chapter in our [Sustainability Report 2024](#).

Due diligence in our supply chain

Our Sustainable Supplier Management Programme is designed to identify, manage and mitigate sustainability risks, encompassing human rights, labour standards and environmental topics. This programme provides a framework for establishing global procedures and ensuring process transparency, which applies to all our Tier 1 suppliers and beyond, irrespective of their locations and business size.

Supplier Code of Conduct and initial screening

The Supplier Code of Conduct (SCoC) sets forth our firm expectation that all suppliers adhere to applicable national and international laws and regulations, as well as internationally recognised human rights standards as stated in our Human Rights Policy. This entails requiring suppliers and their supply chains to establish policies and procedures prohibiting human rights abuses, including modern slavery, and promoting decent working conditions.

In 2022, we updated our SCoC and contract templates to further elaborate our human rights and environmental expectations. These updates specify our requirements for auditing or assessing suppliers and the potential business consequences for nonconformities with our minimum

standards. However, terminating business relationships will be our very last option. We prioritise supporting our suppliers in improving their performance and advancing their sustainability efforts. We have strengthened our oversight and accountability mechanisms, promoting higher standards of human rights and environmental practices among our suppliers. Continuing this effort, we requested suppliers' acknowledgement of the SCoC. By the end of 2024, 61.5% of supplier spend has signed our SCoC.

In Australia, with 17% sourced locally, we intensified our efforts to raise local supplier awareness of our expectations. In 2024, we engaged strategic suppliers to confirm their compliance with our Supplier Code of Conduct, ethical behaviour, and legal requirements. Additionally, we conducted a training session on human rights including modern slavery typologies and indicators.

New suppliers of direct materials are evaluated with due regard to our Supplier Approval Process, which also includes a sustainability evaluation in relation to ethics, environment, labour and human rights in compliance with the UN Global Compact Ten Principles. In 2024, 33 new suppliers were evaluated through this process.

Risk assessment

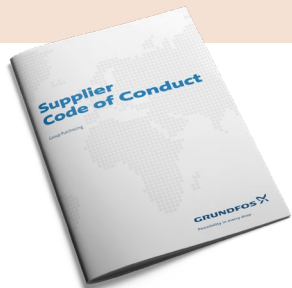
We annually assess human and labour rights, including modern slavery risks within our supply chain, using a human rights heatmap tool developed by external experts. Suppliers are categorised into high, medium or low risk based on country, sector risk and mitigation measures, with data sources relevant to our salient issues like the Global Slavery Index, the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor and UNICEF's Children's Rights in the Workplace Index. We have identified high-risk suppliers in countries such as India, Malaysia, Mexico, Turkey and China, and in high-risk industries such as electronics and labour agencies, which are prioritised for sustainability on-site audits and online assessment.

In addition to this tool, countries, industries and goods that are identified as high-risk are also adjusted on a case-by-case basis. This applies when we identify new and emerging risks or countries in conflict-affected areas based on other sources, such as reports by the Bureau of International Labor Affairs, an operating unit of the US Department of Labor.

On-site audits and online assessments

Based on the result of the risk-based selection approach, which includes the human rights heatmap, country and industry risk, carbon footprint profile and size of the business, suppliers are selected for on-site audits or online assessments. Suppliers in high-risk countries undergo on-site audits conducted by Bureau Veritas, a third-party audit company, or our internal auditors. Suppliers in low-risk and medium-risk countries are assessed using EcoVadis.

In 2024, we conducted 67 on-site audits and 87 online assessments. Since we initiated these activities in 2017, approximately 80.6% of Grundfos' global supplier spend has undergone audit and assessment.



Supplier Code of Conduct

Outlines standards and requirements that our suppliers must adhere to, and is referenced in agreements



New supplier screening

Include assessments of suppliers' compliance with the UN global compact principles



Creating supply chain heatmap

Understand suppliers' risk profiles as per countries and purchasing clusters



Self-assessment through a digital platform

For suppliers located in low and medium-risk locations



On-site audit

For suppliers located in high-risk locations



Corrective action plans

Address identified risks from suppliers' audit and assessment



Responsible Minerals Initiative (RMI) Tool

Conduct due diligence of in-scope suppliers of conflict minerals



Capacity building

Provide training to suppliers to strengthen due diligence

Supplier performance and remedy

Grundfos works closely with suppliers to monitor their social and environmental performance. When non-compliance is identified, we require suppliers to develop and implement time-bound Corrective Action Plans (CAPs). Issues related to forced and child labour are treated with the utmost priority for remediation. We also conduct unannounced audits to verify compliance.

In 2024, 98 non-compliant suppliers (C or D rating*) were identified in audits and online assessments. No cases of forced or child labour practices were identified.

Based on available information, we have not identified any instances of vulnerable families losing income due to measures taken to eliminate the use of forced labour or child labour in our activities and supply chain. However, should such instances come to our attention, we are committed to addressing them accordingly.

The following sections provide a detailed account of the non-compliances identified, along with the measures we have implemented to address these issues.

In cases of on-site audit, 56 non-compliant suppliers were identified. Seven were rated D, including six for missing fire safety permits and one for failing to register young workers. The remainder were rated C. A summary of the findings can be found in the table on page 13. Most findings are related to health and safety issues or excessive working hours.

Regarding the issue with young workers, we found that the factory failed to register young workers to the local labour authority, which could potentially compromise the

monitoring of their working conditions and rights.

During the corrective action process, it was identified that these workers were interns who had already left the factory to continue their studies.

To ensure their rights were respected during their internship, we requested the factory to provide time records, payment records and resignation letters. This was to confirm they were safeguarded from hazardous work, night shifts and any tasks that could harm their health and safety, and that they received fair wages according to regulations. This falls under the section “Child Labour and Employment of Minors” in our audit findings. However, it specifically pertains to the employment of minors, not child labour.

As of 31 December 2024, 31 non-compliant suppliers have completed their CAPs, while the remaining non-compliant suppliers are on track to close all their findings by the end of 2025**. No supplier engagements were stopped due to non-compliance.

In cases of online assessment, we identified 42 non-compliant suppliers with C and D rating by the end of 2024. We requested these suppliers to fulfil 1,701 corrective actions, including 464 human rights-related actions such as inconclusive documentation on policies for child and forced labour or a lack of information on measures regarding sustainable procurement. The assessment result is valid for one year, and when a supplier’s scorecard expires, we request reassessment. The suppliers are required to complete the initiated corrective actions by the end of the reassessment process. As of 31 December 2024, 133 requested corrective actions have been closed.

* Grundfos’ sustainability on-site audit ratings, in which suppliers with a rating of C and D are considered non-compliant:
A: No issues. No action is required. B: Minor issues or not formalised practices.
C: Non-compliance with the law. D: Life-threatening issues and/or issues with the potential to cause severe reputational damage.

** In order to maintain consistency and remain able to compare the same category of datasets, in certain cases the baseline of our KPIs, targets and/or historic figures are recalculated or restated based on the company restatement and re-baseline policy. For more information, see page 77 of our Sustainability Report 2024.

Sample audit locations by clusters*

Clusters	Location of audits			
	India	China	Taiwan	Netherlands
Castings	4	11		1
Electromechanics		1		
Electronics	1	1		
Logistics	2	1		
Machined	2	5		1
Mechanics	2	5		
Packaging	3	7		1
Polymers & chemicals		1		
Production equipment	1	12	1	
Facility (e.g. catering and cleaning)		5		
HR (e.g. employment agencies)	1	1		
IT & Digital (e.g. IT accessories, network equipment)		1	1	
Maintenance, repair and operations (e.g. electrical components)	3	16	2	1
Sales & Service (e.g. quality service)	7	5		1

*The total number of audits will not match the number of suppliers, as a single supplier may serve multiple purchasing clusters and operate in different locations simultaneously.

Conflict minerals due diligence

Grundfos is continuously working to ensure that our products are made with respect for the environment and people, and we do not support the use of conflict minerals. Although Grundfos is not directly regulated by conflict mineral laws, we maintain internal procedures and systems overseeing our efforts to ensure responsible minerals sourcing, using reporting templates developed by the Responsible Minerals Initiative.

In 2024, we developed our Statement on Responsible Minerals, which demonstrates our commitment to responsible sourcing. By expanding our minerals due diligence to include cobalt and mica alongside tin, tantalum, tungsten and gold, we enhanced our efforts to address human rights impacts. This comprehensive approach improved our supply chain transparency and accountability, ensuring better protection against human rights abuses related to mineral extraction.

**Spotlight:
Promote decent work
through supplier collaboration**

Health and safety

It is a common issue to ensure workers use adequate personal protective equipment (PPE). We collaborate with supplier management to remind workers of PPE usage.

One supplier implemented a rule system for their workers:

- First non-conformance: worker receives a reminder
- Second non-conformance: worker receives a verbal warning
- Third non-conformance: worker receives a full-day health and safety training.

Additionally, the production bonuses of the workers are linked to health and safety compliance, incentivising their adherence to safety procedures.

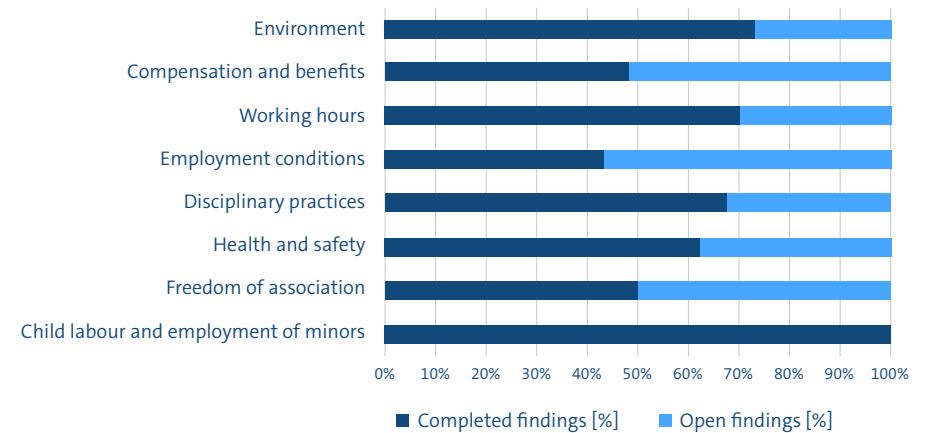
Wages and benefits

Chinese suppliers paid workers above the minimum wage, but there was a miscalculation in the wage structure. We flagged this issue, leading suppliers to modify their payroll systems and reimburse underpayments. Some suppliers were unaware of the legal requirements for annual leave. Some did provide time off but did not consider this as annual leave. To address this non-compliance, suppliers have updated their policies, maintained accurate time records and provided training to inform workers of their rights.

This change was also communicated on the workplace bulletin board for workers to be aware of their entitlement.



Summary of high-risk non-conformance Findings from the FY 2024 audit*



*No forced labour and discrimination findings were identified during 2024 audits.

Effectiveness and remediation

We continuously assess the effectiveness of our due diligence approach to identify, prevent and mitigate human rights and modern slavery risks that we may have caused or contributed to.

Assessing effectiveness

Our policies and processes are regularly reviewed, often in partnership with external human rights experts. This collaboration ensures that we remain updated on new practices, legislation and emergent risks relevant to our business and operations in alignment with the UNGPs. We also include insights from HRIAs, spot checks and interviews with affected stakeholders. We disseminate this information throughout the organisation via workshops, briefing sessions and other channels.

To track our performance in relation to the Human Rights Programme and Sustainable Supplier Management Programme, we rely on key measures which provide valuable insights into our efforts and help guide ongoing improvements in our approach to human rights and labour practices. The results of our sustainability due diligence are summarised in the table on the right.

We also closely monitor human rights cases through the whistleblower system, insights from internal audit assessments and other channels where issues are identified.

In addition, we integrate feedback from industry benchmarks, such as those by the Danish Institute for Human Rights.

In 2024, we adjusted sustainable sourcing to become an independent element in our integrated management system and a key factor in purchasing decisions. This centralised approach offers a comprehensive overview of policies, processes, standards, procedures, responsibilities and additional network support. It enhances our governance and process transparency as well as increases the visibility of human rights and environmental requirements for colleagues working with suppliers, ensuring everyone is aligned with the company's sustainability ambitions.

These initiatives, in addition to our regular human rights impact assessments mentioned above, enable us to identify opportunities to enhance our human rights approach, including addressing modern slavery concerns. We remain committed to evaluating the effectiveness of our actions and continuously exploring potential solutions to strengthen our due diligence approach.

Value chain sustainability due diligence

Value chain		2024 Performance
Own operations	Employees completed Code of Conduct training	87.3%
Supply chain	New direct suppliers screened against UN Global Compact principles	100%
	Supplier spend that is audited	5.3% (Total 27.7% since 2017)
	High-risk suppliers audited	67 suppliers (Total 358 suppliers since 2017)
	Unannounced supplier follow-up audits	13 audits
	Audited supplier with CAPs completed	31 suppliers
	Conflict mineral declaration coverage of suppliers	95.7%

Grievance mechanism and remediation

We are committed to providing all relevant internal and external stakeholders access to grievance mechanisms and remedies. If there are concerns related to violations or any other non-compliance with the Grundfos CoC, they can be reported through our whistleblower system, which allows for discretionary reporting. The web-based and telephone channels are operated by an independent third party in numerous languages.

In 2024, we introduced new reporting categories in our whistleblower system. One of these, 'health, safety and working environment', also encompasses issues related to human rights, equal opportunities and non-discrimination. This update allows employees and external stakeholders, such as workers in our supply chain and affected communities, to experience better case handling and responsiveness when they raise concerns.

The total number of whistleblower cases in 2024 was 48, of which 10 were related to the health, safety and working environment category. No allegations or reports of modern slavery were received through the system.

Through thorough assessments of the 48 cases, only 14 were investigated by the Ethics Committee. The remaining cases were handled through line management as they were not considered serious breaches of our Code of Conduct, serious breaches of legislation or other matters that would fall into the scope of Grundfos' Whistleblower Policy.

All reports are handled with the utmost confidentiality and we maintain strict non-reprisal requirements to protect those who come forward. The Ethics Committee closed 44 cases by the end of 2024.

Training and capacity building

Grundfos continues capacity building as a key enabler for meeting our commitments.

Grundfos' Code of Conduct (CoC) training, which includes human rights topics, is mandatory for all employees. In 2024, a new CoC e-learning course was rolled out. This training includes our speaking up and whistleblower system, reconfirming our commitment to protection against retaliation, confidentiality and anonymity. Additional content on human rights will be developed in 2025.

In 2023, we introduced a human rights e-learning course and developed human rights guidelines for all employees and leaders, covering fundamental human and labour rights topics such as modern slavery, forced labour and child labour. In 2024, we translated these materials to an additional ten languages to enhance accessibility and ran deployment campaigns. The purpose is to familiarise our people with Grundfos policies, procedures and guidelines and help them recognise and address human rights risks in their daily interactions and decisions. The e-learning is included in the global onboarding programme for new employees and as a recommended training for relevant functions such as Purchasing, HR, people leaders, etc.

In 2024, we further conducted online workshops in more than fifteen countries and functions to raise awareness of our Human Rights Policy and available resources, focusing on regions with heightened human rights risks and countries with human rights regulations. The training includes a focus on forced labour, modern slavery and its high-risk sectors, aiming to enhance the understanding of and capacity to address these issues among our employees.

Suppliers selected for online assessment through EcoVadis receive training through the EcoVadis Online Academy. Additionally, high-risk suppliers chosen for onsite audits undergo two additional one-on-one training sessions to understand our expectations and requirements concerning human rights, including forced and child labour.

Our training and engagement efforts have significantly improved supplier compliance with our human rights and sustainability requirements. This is reflected in the higher first-pass rates on on-site audits, showcasing our partners' advancement in their ethical and responsible business practices.

Next steps

In 2025, to ensure alignment with sustainability due diligence expectations from regulations such as the EU Corporate Sustainability Due Diligence Directive, and best practices perspectives, we will implement the following initiatives:

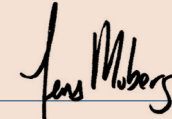
- Continue to strengthen internal competencies on human rights and modern slavery risk through deployment of human rights e-learning and guidelines through online and face-to-face workshops.
- Conduct additional HRIA at a production site and spot-check.
- Develop action plans based on a global living wage benchmarking assessment of our own workforce.
- Follow up on action plans and activities recommended in our group-wide human rights risk & saliency assessment.
- Revise our supplier human rights risk assessment tool to align with the results of our saliency assessment.
- Initiate actions to gain better visibility and due diligence of sub-tier suppliers.

In accordance with the requirements of Canada's Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the statement for the entities listed in Appendix 1.

Based on our knowledge and having exercised reasonable due diligence, we attest that the information presented in the report is true, accurate and complete in all material aspects as required by the Act for the reporting year indicated above.

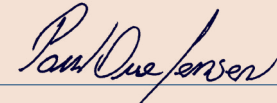
This statement was reviewed and approved by the board of directors of Grundfos Holding A/S, being as the parent company representing all the reporting entities listed in Appendix 1 on 5 February 2025.

We have the authority to bind Grundfos Holding A/S and Grundfos Group.



Jens Winther Moberg
Chair, Grundfos Holding A/S
Board of Directors

5 February 2025



Poul Due Jensen
Group President, CEO

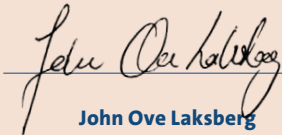
5 February 2025

In accordance with the Norwegian Transparency Act, this statement has been approved by the board of directors of Grundfos Norge AS on 5 February 2025.



Brian Sørensen
Chair of the Board

5 February 2025



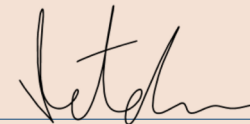
John Ove Laksberg
General Manager

5 February 2025



Rebekka Hvorup Hasselberg
Board Member

5 February 2025



Peter Jacob Currie
Board Member

5 February 2025

Appendix 1

Our 2024 reporting entities

This statement is made on behalf of the UK MSA, Australia MSA, Canada's Act reporting entities and Norway entity.

Entity	Description
Grundfos Holding A/S (Reg. No. 31858356)	Parent holding company of Grundfos Group, located in Bjerringbro, Denmark.
Reporting entities under the UK MSA	
DAB Pumps Ltd. (Reg No. 01365973)	Sales entity located in Colchester, United Kingdom.
Grundfos Manufacturing Ltd. (Reg No. 01152723)	Production facility located in Sunderland, United Kingdom.
Grundfos Pumps Ltd. (Reg No. 00805960)	Sales entity located in Leighton Buzzard, United Kingdom.
Grundfos Watermill Ltd. (Reg No. 01666445)	Sales entity located in Leighton Buzzard, United Kingdom.
Metasphere Ltd (Reg No. 05673888)	Production company located in Tadworth, United Kingdom.
Reporting entities under the Australia MSA	
DAB Pumps Oceania Pty Ltd. (ABN: 20 613 976 211)	Sales entity located in Dandenong South, VIC, Australia.
Grundfos Australia Holding Pty Ltd. (ABN: 31 162 450 259)	Holding company, directly owning shares in Grundfos Pumps Pty Ltd and indirectly owning shares in Metasphere Australia Pty Ltd, located in Regency Park, SA, Australia.
Grundfos Pumps Pty Ltd. (ABN: 90 007 920 765)	Production and sales entity located in Regency Park, SA, Australia. .
Metasphere Australia Pty Ltd (ABN: 36 601 227 212)	Production company located in North Sydney, NSW, Australia.
Reporting entity under the Norwegian Transparency Act	
Grundfos Norge AS. (Org. Nr. 957 043 496)	Service and trading entity located in Oslo, Norway. Sales and service departments in Oslo, Trondheim, Bergen, Larvik and Stavanger.
Reporting entities under Canada's Act	
Grundfos Pumps Corporation (BIN: 3359395)	Sales entity, selling goods to Canada and outside Canada, located in Lenaxa, Kansas, USA.
Grundfos CBS Inc. (File No. 4089401)	Sales entity, selling goods to Canada and outside Canada, located in Brookshire, Texas, USA.
Grundfos Pumps Manufacturing Corporation (Reg. No. C1959378)	Production company, supplying goods to Canada via Grundfos Canada Inc. and outside Canada, located in Fresno, California, USA.
Bombas Grundfos de Mexico Manufacturing S.A. de C.V. (TIN: BGM010926TJA)	Production company, supplying goods to Canada via Grundfos Canada Inc. and outside Canada, located in San Luis Potosí, Mexico.

Appendix 2

Reporting criteria

How our statement addresses the UK MSA, Australia MSA, Canada’s Act and the Norwegian Transparency Act.

UK MSA recommended reporting criteria	Australia MSA mandatory reporting criteria	Canada’s Act mandatory reporting criteria	Norway Transparency Act mandatory reporting criteria	Reference in this statement
Organisation’s structure, its business and its supply chains.	Identify the reporting entity. Describe the reporting entity’s structure, operations, and supply chains.	The entity’s structure, activities and supply chains.	The enterprise’s structure, area of operations.	Appendix 1 – Our 2024 reporting entities Our structure, operations and supply chain
Parts of the organisation’s business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	The parts of the entity’s business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.	Actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence.	Identifying risks Assessing and managing risks
Its policies in relation to slavery and human trafficking.	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	The entity’s policies and its due diligence processes in relation to forced labour and child labour.	Guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions. Measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.	Governance and policies
Its due diligence processes in relation to slavery and human trafficking in its business and supply chains.		Any measures taken to remediate any forced labour or child labour.		Effectiveness and remediation
The training about slavery and human trafficking available to its staff.		Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in the entity’s activities and supply chains.		
				The training provided to employees on forced labour and child labour
Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	Describe how the reporting entity assesses the effectiveness of such actions.	How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.	N/A	Effectiveness and remediation
N/A	Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement.	N/A	N/A	Introduction
N/A	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/A	N/A	Next steps Appendix 1 – Our 2024 reporting entities Appendix 2 – Reporting criteria

**We respect the integrity
and dignity of every human
being, and we recognise and
acknowledge our responsibility
to operate with respect for
human rights across our
value chain**

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