

Forced Labour and Child Labour In Supply Chains Act

Armstrong Fluid Technology's Policy Response to the Requirements of the Modern Slavery Act

May 2024

Contents

	Page
1. Introduction	3
2. Purpose & Policy Application	4
3. Our Organization	5
4. Structure, Activities, and Supply Chains	6
5. Risk Management and Due Diligence Measures	7

Introduction

Armstrong Fluid Technology is committed to upholding ethical and sustainable practices throughout our global supply chains. We fully support Bill S-211 in Canada, which aims to address the issues of modern slavery and forced child labour in supply chains.

As a company dedicated to promoting social responsibility and transparency, we believe that it is imperative to eliminate any form of exploitation and abuse within our supply chains. We are actively working to ensure that our suppliers adhere to the highest standards of ethical conduct and human rights practices.

Through our ongoing efforts to improve supply chain transparency and accountability, we are committed to continuing to exclude modern slavery and forced child labour from our operations and those of our business partners. We believe that by working with stakeholders and governments, we can create a more sustainable and ethical supply chain that benefits workers and communities worldwide.

Purpose

This statement is published to address Canada's Modern Slavery Act (Bill S-211) on behalf of Armstrong Fluid Technology, headquartered in Toronto, Ontario, Canada.

In addition, our global subsidiaries are already reporting on supply chain legislation under the following laws:

- The United Kingdom's Modern Slavery Act 2015
- Australia's Modern Slavery Act 2018
- California's Transparency in Supply Chains Act

Policy Application

This policy applies to any individual or entity who works with or for Armstrong Fluid Technology but is not limited to:

- Employees
- Directors and Officers of the corporation
- Independent Service Contractors
- Contractors and Consultants
- Suppliers
- Customers

Board Approval

The Company Directors are responsible for implementing this policy and continually monitoring the level of control required to prevent forced labour and child labour within the supply chain.

We continue to improve our sourcing processes, benchmark our standards and audit our approach against regulatory requirements and available guidance.

This statement has been approved by the Board of Directors and is for the financial year ending December 31, 2023.

Signed:



I have the authority to bind the Company.

Company Name: S.A. Armstrong Limited o/a Armstrong Fluid Technology

Name: Rob Dietrich

Position: Chief Financial Officer

Date: May 22nd, 2024

Our Organization

Armstrong was incorporated in 1934 under the leadership of Samuel Allan Armstrong. In 1952, under the direction of James A. Armstrong, the company launched a series of bold initiatives across the entire spectrum of the organization’s activities that set the corporate direction and led to impressive growth.

We are a global manufacturing company with expertise in producing fluid flow products for engineering and supporting intelligent building energy technologies. Over the past 90 years, we have become a multifaceted and customer-focused business with industry-leading technologies. Armstrong helps customers in diverse industries, including hospitality, retail, residential, data center, industrial, commercial, education, energy services, government, healthcare and pharmaceutical.

Armstrong is guided by a set of core values: Community, Service, Learning, and Innovation. Its current position would not have been possible without a long history of serving customers, working collaboratively to form and strengthen communities, and innovating to develop new capabilities. We define a sustainable business as an enterprise that measures its success based not only on economic gain but also on its achievements in preserving the environment and bettering humanity, particularly among our employees and the communities they call home.

Structure, Activities, and Supply Chains

With over 1200 employees worldwide and operating eight manufacturing facilities on four continents, Armstrong Fluid Technology is known worldwide as a leader and innovator in designing, engineering and manufacturing intelligent fluid-flow equipment. Our manufacturing facilities include:

- Toronto (Head Office), Ontario, Canada
- Buffalo, New York, United States
- Jasper, Alabama, United States
- Droitwich Spa, United Kingdom
- Manchester, United Kingdom
- Bangalore, India
- Sao Paulo, Brazil
- Shanghai, China
- Jimbolia, Romania

Armstrong product and service solutions balance building lifecycle performance with environmental sustainability. Our connected fluid flow solutions provide optimal efficiency and complete system transparency through real-time HVAC performance data and unrivalled intelligence. These product offerings include:

- Design Envelope Technology
- Automation & Optimization
- Heating & Cooling
- Plumbing & Water Supply
- Fire Safety
- Parts & Parts Kits
- High-Pressure System Solutions

Our supply chain sources casting iron, motors, controllers, fittings, valves, drives, machined components, seals, bronze impellers, paint, bearings, tanks, parts kits, and other items. We understand that our most significant risk of slavery and child labour is in our supply chain. Our approach is risk-based, based on the supplier's location, practices, and policies.

We have a supplier code of conduct which applies globally to all suppliers and prohibits the use of forced labour and child labour. In addition, the supplier code of conduct covers other Human Rights topics such as anti-harassment, working hours, fair wages and benefits, and freedom of association.

Furthermore, we send out annual supplier assessment surveys. All major Armstrong suppliers are expected to complete these self-surveys, which outline our expectations of them, ensure suppliers' compliance with applicable laws, and serve as a supplier evaluation tool.

Risk Management and Due Diligence Measures

The Leadership Board assesses the risk of modern slavery within Armstrong and its supply chain. The committee focuses on the Company's collaboration with suppliers to ensure that our expectations regarding modern slavery are fully understood and that the exposure to human rights risks is minimized.

- **Audits:** We conduct regular audits of our operations and supply chain to identify and assess potential risks related to forced labour or child labour.
- **Training:** Our employees participate in mandatory training at our Armstrong Learning Academy. The training modules include ethics training, code of conduct review, health and safety, and a recently added module for modern slavery and child labour.
- **Immediate Action:** We take immediate and decisive action upon identifying any instance of forced labour or child labour. This includes suspending relationships with the involved business partners pending further investigation.
- **Supplier Code of Conduct:** This document outlines our expectations for legal compliance, environmental management, ethical practices, human rights, and labour conditions.
- **Supplier Surveys:** We launched our ESG survey with our top 80% of global suppliers based on annual spending. The survey was sent to 100 suppliers and received approximately a 50% response rate. It covered ISO 14001, ISO 9001, and regulatory questions.
- **Routine Travel:** The Company's Leadership Board routinely travels to its manufacturing facilities during the year. They will perform plant tours and arrange meetings with local suppliers and customers.
- **Quarterly Business Reviews:** Armstrong's senior managers meet with the suppliers' senior managers to discuss corporate updates, new products, supply chain, quality, and regulatory compliance.
- **Industry organizations:** Armstrong is an annual respondent to ECOVADIS, CDP, and other ESG surveys. These are well known for their business sustainability ratings, disclosures, and regulatory compliance.
- **External Recognition:** Armstrong is designated as a Best-Managed company with Platinum status, a prestigious distinction sponsored by Deloitte.
- **Due Diligence:** We ensure that our direct employees receive the necessary training to identify modern slavery and human trafficking issues. This is undertaken through immigration checks as part of our structured and documented induction process and through paying remuneration directly into bank accounts.

During the year ended December 31, 2023, the organization did not identify any instances of forced or child labour within the organization or its supply chains.

Relevant Policies

- Employee Code of Conduct
- Forced Labour and Child Labour Policy
- Modern Anti-Slavery Policy
- Anti-Bribery & Corruption Policy
- Whistleblower Policy
- Recruitment Policy