

Grundfos Responsible Minerals Sourcing Statement

January 2024

GRUNDFOS 

Possibility in every drop

Introduction

Grundfos is committed to conducting responsible minerals sourcing as an integral part of our ethical and sustainable business practices. We acknowledge the risks associated with sourcing minerals from conflict-affected and high-risk areas. We make every effort to ensure our supply chain does not pose negative environmental or social impacts. We do this by proactively sourcing from suppliers who share our values and demonstrate commitment to sustainable and responsible mining and sourcing practices.

In this statement, Grundfos outlines its approach to responsible minerals sourcing with the aim to avoid that our products and solutions contribute, or are linked to human rights abuses.

Scope

This statement applies to all Grundfos employees, contractors, suppliers, and business partners involved in the sourcing, manufacturing and/or distribution of our products.

Definitions

- A. Minerals sourced from conflict-affected and high-risk areas: natural resources such as tin, tantalum, tungsten and gold (commonly known as “3TGs”), plus cobalt and mica that are mined in regions affected by armed conflicts, human rights abuses, or where the extraction and trade of these minerals contribute to conflict or human rights violations.
- B. Responsible minerals sourcing: the process of ensuring that minerals used in Grundfos products are extracted and traded in a manner that respects human rights, ensure environmental protection and supports local communities.

Statement

Alignment with Regulations and Customer Demands: although Grundfos is not subject to US or EU conflict minerals regulations, such as Section 1502 of the US [Dodd-Frank Act](#) or Section 2017/821 of the [EU Conflict Minerals Regulation](#), we take our responsibilities as a sustainable business seriously and understand the impact of mineral sourcing regulations on our customers. In response, we regularly conduct due diligence and strive to enhance our efforts in responsible minerals sourcing and respecting human rights. For additional details on Grundfos' commitment to human rights, we refer to our [Human Rights Policy](#).

Supply Chain Due Diligence: Grundfos has established and maintains a comprehensive due diligence process in line with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#), the [UN Guiding Principles on Business & Human Rights](#) (UNGP) and the [Responsible Minerals Initiative](#) (RMI) to identify and mitigate the risks of sourcing related minerals. Our supply chain due diligence process regarding responsible minerals sourcing is a core element of our Sustainable Supplier Management Program, our Sustainable Purchasing Policy and, our [Supplier Code of Conduct](#) (SCoC).

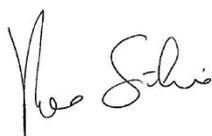
At Grundfos, we require that all our suppliers comply with our SCoC, which outlines the standards and expectations they must uphold within their own operations and supply chain. We specify and enforce responsible minerals sourcing requirements through our SCoC and supplier contracts. Our supply chain due diligence process includes:

- a) Risk Assessment: identify potential sourcing risks related to our products where 3TGs and other relevant minerals (including but not limited to cobalt and mica) are required, and proactively work towards ensuring that all relevant minerals in our supply chain are sourced from responsible suppliers.
- b) Supplier Engagement: we expect all Grundfos suppliers to:
 - Source 3TGs and all other minerals through verified smelters and refiners by the RMI's [Responsible Minerals Assurance Process](#) (RMAP), or similar frameworks.
 - Adopt policies and management systems to identify, assess and account for risks in connection to these minerals and require their suppliers to do the same.
 - Exercise due diligence by requesting a [Conflict Minerals Reporting Template](#) (CMRT) and/or [Extended Minerals Reporting Template](#) (EMRT) from their own suppliers.
 - Respond in a timely manner to our CMRT and/or EMRT requests and support Grundfos in meeting our obligations and customer requirements.
 - Remove high risk smelters from our supply chain and exclusively obtain minerals from entities that are participating RMAP.
- c) Reporting and Transparency: collect and report information on the origin of the 3TGs and all relevant minerals in our supply chain using the latest CMRT and EMRT.

Non-Compliance and Remediation

Non-compliance with this statement potentially results in appropriate disciplinary actions including terminating our relationship with non-compliant suppliers. We conduct business with suppliers who demonstrate willingness to improve their practices, providing guidance and support to help them align with the requirements outlined in this statement.

Any grievance from suppliers, their workers or relevant stakeholders regarding non-compliance with our SCoC, including responsible minerals sourcing, can be raised through our [Whistleblower System](#) without fear of retaliation.



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