

Allegion Canada Inc. and Allegion Canada Access Inc.

Annual Report on Canadian Forced Labour and Child Labour in Supply Chains Act

January 1, 2023 to December 31, 2023

Introduction

Allegion Canada Inc. and Allegion Canada Access Inc. (subsidiaries of Allegion plc, hereafter, “Allegion”) Allegion believes businesses have a significant role to play in respect for human rights, combating modern slavery and human trafficking. In staying true to one of our core values “*Do the right thing*” we prohibit and have zero tolerance for all forms of modern slavery, human trafficking and child exploitation throughout our global organization, operations and supply chains.

We are strongly committed to fair labour practices and the protection of workers against labour rights violations. Allegion will continue to maintain and improve processes while implementing systems and controls to ensure that our business and supply chains across the globe are free of such practices. This report provides a comprehensive overview of the measures undertaken by Allegion during the preceding fiscal year to mitigate and minimize the risk of forced labour or child labour.

This annual report (the Report) has been prepared pursuant to Section 11 of the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for the fiscal year ended December 31, 2023. This Report is based on our earlier global Anti-Slavery and Human Trafficking Statement made pursuant to Section 54 of the UK Modern Slavery Act 2015 and the California Supply Chains Act of 2010 (SB 657). These Acts also require Allegion to disclose our efforts to combat modern slavery and human trafficking and detail the steps Allegion has taken to ensure such practices are not taking place in our business and supply chains.

This Report has been prepared as a joint report and applies to the following:

- Allegion Canada Inc. and Allegion Canada Access Inc.

The use of the words “Allegion”, “we”, “us” and “our” refers to Allegion and the reporting entities included in this Report.

Organizational Structure and Activities

Allegion (NYSE: ALLE) is a global pioneer in seamless access, with leading brands like CISA®, Interflex®, LCN®, Schlage®, SimonsVoss® and Von Duprin®. Focusing on security around the door and adjacent areas, Allegion secures people and assets with a range of solutions for homes, businesses, schools and institutions.

Allegion had \$3.7 billion of revenue in 2023, and its security products are sold around the world.

Allegion is in the security industry and while mechanical hardware is the foundation of our business, Allegion also provides digital, mobile and interconnected electronic solutions to global markets. Specializing in security around the door, Allegion manufactures electronic and mechanical locks, door closers, exit devices, steel doors and frames amongst other products, and creates practical safety solutions including biometrics, wireless connectivity and cloud technology.

Our global headquarters is located in Dublin, Ireland. We have two operating segments, Allegion Americas and Allegion International. To learn more about our business, or to review our annual report, please visit www.allegion.com.

Supply Chain

With thirty manufacturing sites around the world and multiple distribution centres spread across five different continents, our Global Supply Management team is responsible for purchasing products and services from external partners used to manufacture products, deliver those products to our customers and run the day-to-day operations of our business.

Allegion's supply chain includes suppliers in Americas, Europe, Middle East and Asia Pacific regions. Supplier activities involve the transformation of zinc, brass, steel and other materials into parts used to build Allegion products and include various manufacturing processes to create supplementary components and key electronic mechanisms.

Allegion's supply chain structure supports the complexities of global supply and manages associated risks, including compliance with regulatory directives and monitoring suppliers' performance and financial stability. The supply chain structure includes a strategic sourcing team of commodity managers responsible for managing purchased components. Commodity managers create and execute commodity playbooks, select suppliers, manage supplier relationships and performance, and lead commercial activities (agreements, pricing, payment terms).

Organizational Policies

Our commitment to ethical behaviour and compliance is evident throughout our policies and our **Allegion Code of Conduct** (Code). We believe that the fundamental values set forth in these policies and our Code should serve as our global minimum business standard. Allegion has implemented policies and procedures to ensure the honest, competitive, fair and transparent procurement of goods and deliver the best combination of quality, value and risk from our suppliers in support of Allegion's global enterprise goals.

To ensure our policies and guidelines reflect industry best practices, Allegion is a member of Gartner Legal & Compliance, a global research and advisory firm providing information and guidance for the continued development of compliance and ethics related programs. We also actively participate in CTPAT (Customs Trade Partnership against Terrorism) and the AEO (Authorized Economic Operator) programs to help facilitate best supply chain security standards.

As defined in our **Allegion Business Partner Code of Conduct**, Allegion also expects that our business partners, including our suppliers, vendors, consultants and contractors adopt and enforce standards like those defined in our policies. Our policies are included as links below:

Allegion Code of Conduct and Corporate Governance Documents:

<https://www.allegion.com/corp/en/about/corporate-governance.html>

Allegion Business Partner Code of Conduct:

<https://www.allegion.com/suppliers>

Corporate Social Responsibility and ESG:

<https://www.allegion.com/corp/en/about/ESG.html>

Allegion Conflict Minerals Policy:

<https://www.allegion.com/corp/en/about/ESG/environmental/conflict-minerals.html>

Global Human Rights Policy:

<https://www.allegion.com/corp/en/about/ESG/governance/corporate-governance.html#human-rights>

Terms and Conditions of Purchase:

<https://www.allegion.com/content/dam/allegion-corp/other/terms-and-conditions-canada.pdf>

Due Diligence

Allegion has partnered with a third-party provider, Assent, to assist with the identification and risk mitigation of modern slavery and human trafficking practices throughout our global supply chain. Allegion uses the Global Slavery Index (GSI) and the U.S. Department of State Trafficking In Persons Report (TIP) to identify geographical high-risk areas where direct spend suppliers are located. After establishing the supplier subset, an email campaign is launched to request the suppliers complete a self-assessment. The self-assessment evaluates the risk of slavery and

human trafficking using an industry standard survey, the Slavery & Trafficking Risk Template (STRT) available at www.sraglobal.org. In 2023, we campaigned on version 3.1 of the STRT.

Our approach enables us to assess the strength of the supplier's risk mitigation activities in relation to their risk exposure based on geographical location, industry, use of labour brokers and workforce characteristics, and it serves as the initial assessment of potential risk within our supply chain. Engagement of the suppliers in completing the risk assessment process and providing supporting documentation enables us to raise supplier awareness, foster constructive dialogue and engage their support in helping us maintain our commitment to combat and mitigate slavery and trafficking risk in the supply chain.

Risks identified during our assessment process are escalated as part of our commodity management risk process. The objective of the Allegion supplier risk management process is to improve the performance levels of our suppliers and reduce or eliminate risk to plant operations. The measured risks include financial, economic, legal, regulatory, geopolitical, availability, geographical and contract. A sourcing council manages the supply risk process and risk mitigation plans.

Internal Accountability

Allegion's Code reinforces our commitment to following the law in all places where we do business and it applies to all of our officers, employees and directors. Our Code guides our business relationships with customers and suppliers and it also emphasizes expectations of Allegion shareholders, government regulators and the communities that we serve.

All Allegion employees must embrace our Code. Violation of the Code may result in discipline, up to and including, termination and/or reporting of the misconduct to the relevant government authorities.

Supplier Accountability

Allegion is committed to working with our suppliers to both mitigate and address any identified risk. As part of our terms and conditions of purchase, we require all suppliers to comply with applicable local law and regulations.

Additionally, our terms and conditions state that our suppliers will not utilize child, slave, prisoner or any other form of forced or involuntary labor or engage in abusive employment or corrupt business practices.

Our terms and conditions also require all suppliers to follow our **Allegion Business Partner Code of Conduct**, the violation of which may result in termination of the supplier relationship and/or reporting of the misconduct to the relevant authorities.

Reporting Mechanism

Allegion has an established an Ethics Helpline to help ensure concerns regarding lawful and ethical behaviour are reported and to maintain compliance with Allegion's Code and ethical sourcing policies & guidelines.

This confidential, non-retaliatory resource is available for any internal and external stakeholder to inform Allegion of concerns or report findings of non-compliance by sending an e-mail or by using our third-party hotline.

Reports can be made anonymously and will be kept confidential to the extent practicable and allowed by law.

Email: EthicsandCompliance@allegion.com

Phone: 1.800.461.9330 (United States and Canada)

Risk in Operations and Supply Chains

Allegion understands that modern slavery and child labour risks may manifest domestically and internationally. Allegion annually uses the Global Slavery Index (GSI), The U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor, and the U.S. Department of State Trafficking In Persons Report (TIP), and other pertinent international human rights frameworks to identify geographical, sector, and commodity specific risk areas within Allegion's own operations and the operations of our direct suppliers. We consistently conduct in-depth analyses of our prominent concerns through screenings and assessments of human rights risks.

Through these assessments, we understand that the following parts of our business and our supply chain carry a risk of forced labour or child labour:

Raw Material Extraction Risks: Raw material extraction, specifically mining presents a higher risk for forced labour and child labour due to factors such as informal operations, hazardous work conditions, complex supply chains, and lack of oversight. In our assessment, the sourcing of minerals and raw materials used in our products from certain geographic regions is an area of our supply chain that is at a higher risk of armed conflict and modern slavery.

Manufacturing Risks: The manufacturing sector including factories and production facilities can be subject to forced labour and child labour, particularly in regions with emerging economies, poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty.

Recruitment and Hiring Risks: The recruitment and hiring process can be vulnerable to forced labour and child labour risks, especially if conducted through unethical practices. This can include deceptive recruitment or charging recruitment fees.

Entity Risks: We are not aware of any entity risk with respect to the reporting entities or any of their direct suppliers.

We manage these risks through our supplier assessment and due diligence process. By evaluating our suppliers, we ensure adherence to ethical standards and minimize potential risks. Through this process, we scrutinize various aspects, such as labour practices, working conditions, and compliance with relevant regulations. We actively engage with suppliers to address concerns identified during the assessment, seeking improvement plans when necessary. Our commitment to this rigorous process ensures that our operations and our supply chain operates with integrity, safeguarding against potential risk and promoting responsible business practices.

Remediation

No remediation measures were taken in the 2023 fiscal year, given no forced labour or child labour was identified as being used in Allegion's supply chains. If modern slavery is found to have occurred in our operations or supply chains, Allegion will, as appropriate, adopt a remedial approach to prevent further incidents and seek legal support in due course for the victim's safety concern.

Allegion may also exercise remediation in suspected cases of modern slavery including in the absence of a criminal conviction, or formal court finding.

Loss of Income to Vulnerable Families

No instances or reports have occurred indicating any adverse impacts on the income of vulnerable families resulting from the elimination of forced labour or child labour in our operations and supply chains. Consequently, Allegion does not require the implementation of remedial measures in relation to this circumstance, given the absence of any need arising from the aforementioned situation.

Training and Capacity Building

Allegion provides training on modern slavery and anti-human trafficking and related regulations through our third-party provider, Assent. With this training platform, both internal personnel and suppliers can build their capacity to identify and respond to slavery and human trafficking risks. Annually, we review internal personnel with responsibility for supplier relationships in order to assign training and ensure awareness of relevant human rights concerns.

In addition to training, our supply chain compliance team attends continuing education webinars to help us better understand evolving risk areas and legislation changes.

Effectiveness of Actions

Assessment activity is undertaken by Allegion. We monitor the impact and influence of our efforts to promote respect for human rights throughout our operations and our supply chain. The Allegion supplier risk management process is designed to improve the performance levels of our suppliers and reduce or eliminate risk to plant operations. The measured risks include financial, economic, legal, regulatory, geopolitical, availability, geographical, contract, and cybersecurity. A sourcing council manages the supply risk process and risk mitigation plans.

Approval of this Statement

Forced Labour and Child Labour in Supply Chains Act

January 1, 2023 to December 31, 2023

This Report was approved pursuant to Section 11(4)(b)(ii) of the Act by the Board of Directors of Allegion plc.

In my capacity as a director of Allegion Canada Inc. and Allegion Canada Access Inc., and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the reporting entities identified in this Report. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

David Golych
General Manager, Canada
Director, Allegion Canada Inc.
Director, Allegion Canada Access Inc.

May 30, 2024

I have the authority to bind Allegion Canada Inc. and Allegion Canada Access Inc.



David Golych
General Manager, Canada
Director, Allegion Canada Inc.

May 30, 2024



David Golych
General Manager, Canada
Director, Allegion Canada Access Inc.

May 30, 2024