

## **Flowserve's Statement on Forced and Child Labor in Supply Chains**

At Flowserve, we prohibit forced and child labor and are committed to taking steps to ensure that forced and child labor do not occur in any part of our supply chain or business.

This joint report is submitted by Flowserve Canada Corp., its controlling entity Flowserve US Inc. (together, "Flowserve", "we", or "our") for our most completed fiscal year, which ended on December 31, 2023 (the "Reporting Period").

### **Structure, Activities, and Supply Chain**

Flowserve is a world-leading manufacturer and aftermarket service provider of comprehensive flow control systems. Flowserve designs, manufactures and services engineered process vacuum, compressor and liquid technology pumps, seals, valves, and more. Flowserve US Inc. is an operating entity which holds our North American operations, including Canada. Our ultimate parent, Flowserve Corporation, is located in Irving, Texas and listed on the New York Stock Exchange. Flowserve Canada Corp.<sup>1</sup> has a global annual revenue of more than 97 million USD.

Our product portfolio of pumps, valves, seals, automation and aftermarket services supports global infrastructure industries, including oil and gas, chemical, power generation (including nuclear, fossil and renewable) and water management, as well as certain general industrial markets.

Flowserve Canada Corp. conducts operations through two business segments: Flowserve Pump Division and Flow Control Division. The entire Flowserve global organization has approximately 16,000 employees globally with operations in more than 50 countries. Flowserve Canada Corp. has approximately 370 employees.

Flowserve recognizes our suppliers as critical partners in delivering innovative solutions and achieving our purpose. We are purposeful in selecting suppliers who uphold our standards on quality, value and service while keeping the highest safety and ethical practices at the center of their offerings.

Our supply chains include suppliers of services, parts and raw materials. The principal raw materials used in manufacturing our products include ferrous and non-ferrous metals in the form of bar stock, machined castings, fasteners, forgings and motors, as well as silicon,

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<sup>1</sup> Flowserve Canada Corp. is the operating/sales and manufacturing entity. Affiliated holding companies with no employees are 14714750 Canada Inc., Flowserve CA ULC, Flowserve Canada HoldCo ULC and FLS Canada ULC.

carbon faces, gaskets and fluoropolymer components. We continue to expand global sourcing to capitalize on localization in emerging markets and low-cost sources of purchased goods balanced with efficient consolidated and compliant logistics. Our suppliers operate in a number of different geographies across the globe to align with our global manufacturing and customer footprint.

## **Policies and Due Diligence**

We have policies and procedures in place that support our commitment to ensure that our business and supply chains are free from forced and child labor. These include:

- [Conflict Minerals Policy](#)
- [Flowserve Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Human Rights Policy](#)
- [Flowserve Ethics Hotline](#)

We continuously review and update all our policies and procedures. For more information on our policies and procedures to support our commitment to taking steps to ensure that slavery and human trafficking do not occur in any part of our supply chain or business, please see our [ESG Report](#).

## **Risk and Effectiveness Assessments and Remediation**

We are committed to conducting our worldwide business operations in a manner that complies with applicable laws and regulations and according to the highest ethical standards. We take a number of steps as part of our due diligence to identify and assess risks of forced and child labor within our global business and supply chains. Where we identify an elevated risk, we have in place systems to mitigate that risk and monitor potential risk areas going forward. These include but are not limited to:

- Contractually obligating suppliers to comply with the Supplier Code of Conduct that forbids forced labor, child labor, human trafficking, and slavery, and supporting Flowserve in enforcing and cascading its Code of Conduct and the Supplier Code of Conduct as necessary to their employees, subcontractors, and anyone representing or working on behalf of Flowserve.
- Prohibiting the use of forced labor, child labor and human rights abuses: we contractually reserve the right to terminate any supply chain contract for violation of the Supplier Code in relation to these issues.
- Utilizing the Flowserve Ethics Hotline to anonymously report any concerns over supplier noncompliance.

- Maintaining a risk repository and escalation tool accessible to Supply Chain associates globally, so they can report any risk related to forced or child labor.
- In 2023, we conducted a due diligence survey of a portion of our global supplier base and mitigation actions were taken to address any risk identified.
- Launched in 2023, SAP Master Data Governance – Supplier (MDG-S) allows us to have better visibility to supplier diversity and manufacturing locations worldwide. MDG-S acts as a single, authoritative record of our supplier base around the world and enables us to better identify ESG-related risks within the host country. Since go-live, our team has been working to coalesce global ERP data in order to bolster the tool, and we have already implemented increased controls around supplier workflows and approvals, enhancing our view of supplier risk and partnership.

With respect to assessing effectiveness, once selected as a Flowserve partner, suppliers are subject to ongoing risk audits as part of our Supplier Risk Assessment process. When suppliers' risk levels change substantially, we review the impact of the change on Flowserve's enterprise risk and develop a plan to mitigate any incremental impact, as appropriate. Each supplier's risk portfolio is well maintained and updated on a quarterly basis. We also regularly review our policies and procedures related to forced and child labor.

### **Training**

We provide training to our associates to ensure a high level of understanding of the risk of forced and child labor in our supply chains. This is done through the annual Code of Conduct training, required for all Flowserve associates, which includes training on the Human Rights Policy which prohibits use of forced labor, child labor, and human trafficking. Additionally, in 2023 we implemented an annual requirement for our Supply Chain associates to complete Supplier Code of Conduct training, which also addresses forced and child labor. Beginning in 2024, Flowserve will require our supplier base to complete Supplier Code of Conduct training as well.

### **Remediation**

We have not identified any instances of forced labor or child labor in our operations or supply chain and, therefore, have not needed to take any remediation measures in the Reporting Period. Given that no remediation actions have needed to be taken, there is no anticipated loss of income to the most vulnerable families.

### **Approval and Attestation:**

This joint report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Flowserve US Inc.

Name: /s/ Shakeeb Mir

Title: Director

Date: June 18, 2024

*I have the authority to bind Flowserve US Inc.*