# Allegion Canada Inc. and Allegion Canada Access Inc.

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

January 1, 2024 to December 31, 2024

### Introduction

Allegion Canada Inc. and Allegion Canada Access Inc. (subsidiaries of Allegion plc, hereafter, "Allegion") believe 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 labour 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 work 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 and 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, 2024. This Report is aligned with our Global Anti-Slavery and Human Trafficking Statement made pursuant to Section 54 of the UK Modern Slavery Act of 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 work 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®. Allegion had \$3.77 billion in revenue in 2024, and its security products are sold around the world.

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 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. 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.

Allegion 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 <a href="https://www.allegion.com">www.allegion.com</a>.

#### 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 human rights, ethical behaviour, and compliance is reflected 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 to deliver the best combination of quality, value and risk from our suppliers in support of Allegion's global enterprise goals.

Allegion dedicates time and resources to support continuous improvement in our policies and guidelines and to 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/ESG/governance/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: <a href="https://www.allegion.com/content/dam/allegion-corp/migration/esg/docs/Global%20Human%20Rights%20Policy\_ENG.pdf">https://www.allegion.com/content/dam/allegion-corp/migration/esg/docs/Global%20Human%20Rights%20Policy\_ENG.pdf</a>

#### **Terms and Conditions of Purchase:**

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

## **Due Diligence**

Allegion's human rights due diligence efforts are focused on risk identification and prevention of human trafficking, forced labour, and child labour in its supply chain activities. To maximize our potential for positive change and improvement, we have a due diligence process that prioritizes assessment of our highest risk direct suppliers and our key direct suppliers.

Risk identification encompasses geographic, commodity, and historical risk. To determine geographic risk, Allegion uses the Global Slavery Index (GSI) and the U.S. Department of State Trafficking In Persons Report (TIP) which provides country tier classifications corresponding with risk for modern slavery. Additionally, to identify our highest risk suppliers for potential adverse human rights impacts, Allegion has partnered with third-party provider, Assent.

After establishing the supplier subset through initial risk scoping, 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 2024, we campaigned on version 3.3 of the STRT to our key direct suppliers.

In efforts to increase long-term due diligence goals, this year we elevated our practices to learn more about the workforce characteristics of our highest risk suppliers. With this focused information gathering, we can mature our risk analysis over time to focus further efforts on our most vulnerable value chain workers. A specialized assessment was sent to our highest risk suppliers to learn more about their individualized workforce characteristics, recruitment practices, and age verification procedures.

In addition to our annual assessment of suppliers, our new software platform resource equips us with up-to-date news articles reflecting positive or negative press on our supply chain base. This addition to our human rights due diligence program offers the value of more immediate information gathering and response capability.

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 labourbrokers 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 compliance risks which encompass social responsibility and material risks. Additionally, financial, economic, legal & contract, geopolitical, cybersecurity, availability, and natural disaster risks are tracked and assessed. 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 the Code applies to our officers, employees and directors. Our Code guides our business relationships with customers and suppliers, and emphasizes expectations of Allegion shareholders, government regulators and the communities that we serve.

All Allegion employees must abide by 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 expressly prohibit modern slavery practices. Our terms and conditions state that our suppliers are prohibited from utilizing child, slave, prisoner, any other form of forced or involuntary labour, or engaging 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. In addition, we introduced adequate wage remuneration in key supplier agreement templates and negotiated contracts.

### **Reporting Mechanism**

Allegion has an established formal complaint mechanism through its 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 and guidelines. Allegion elevates accessibility of the formal complaint mechanism through its availability in multiple timezones, languages and educational awareness during annual training.

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), business and human rights non-profit resources, 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.

<u>Manufacturing Risks</u>: The manufacturing sector including factories and production facilities can present challenging work ecosystems vulnerable to forced labour practices, child labour or forced labour indicators, 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, charging recruitment fees, or the withholding of identity documents. Migrant workers are an especially vulnerable work group for such practices.

<u>Entity Risks</u>: 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 2024 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 did not require the implementation of remedial measures in 2024 in relation to this category.

## **Training and Capacity Building**

Allegion provides training on modern slavery and anti-human trafficking and related regulations through our third-party provider, Assent and through its in house capabilities with specialized knowledge on human rights and relevant legal framework. Training offered through Assent is available to both internal personnel and suppliers to 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 to elevate awareness of relevant human rights concerns in our manufacturing supply chain.

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

#### **Effectiveness of Actions**

Allegion is focused on continuous improvement in business and human rights practices. We assess and monitor the impact and influence of our efforts to promote respect for human rights throughout our operations and our supply chain. Our dedicated efforts to corporate social responsibility are increasingly in collaboration with additional risk management processes to elevate awareness and influence. 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.

In addition to dedicated staff who work on social responsibility risk analysis, Allegion also integrates social responsibility agendas into its long-term ESG goals and planning through its ESG Committee Leadership.

## **Approval of this Statement**

# Forced Labour and Child Labour in Supply Chains Act

## January 1, 2024 to December 31, 2024

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 20, 2025

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

David Golych

General Manager, Canada

Director, Allegion Canada Inc.

May 20, 2025

David Golych

General Manager, Canada

Director, Allegion Canada Access Inc.

May 20, 2025