

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

UK Modern Slavery Act 2015

Modern Slavery Act 2018 of Australia

INTRODUCTION

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labor and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Ljungström, a division of the ARVOS Group ("LJUNGSTRÖM"), is committed to combat slavery and human trafficking.

This statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and Section 6 of Modern Slavery Act 2018 of Australia. This statement constitutes LJUNGSTRÖM's slavery and human trafficking statement for its financial year ending on March 31st, 2024, and was approved by the Executive Board of the ARVOS Group on April 26th, 2024.

ORGANISATIONAL STRUCTURE

LJUNGSTRÖM is a global technology and innovation leader, specializing in full life-cycle services and environmental solutions for thermal power plants and industrial facilities. With a history of heat recovery advances spanning over 100 years, LJUNGSTRÖM is redefining clean thermal power technologies through its deep customer and technical knowledge, worldwide, including its diversification efforts in offshore wind, acid gas mitigation, and carbon capture.

LJUNGSTRÖM serves the thermal power plant market with three key applications: air preheaters, gas-gas heaters and LJUNGSTRÖM AdvX™, based on our genuine Ljungström® technology platform.

LJUNGSTRÖM has approximately 740 employees in the USA, Germany, Australia, India, Japan, China, Poland, and the Czech Republic, with approximately 46% in the USA.

OUR SUPPLY CHAINS

Our supply chains include procurement of steel, construction and erection services, manufacturing of machined and non-machined small and major metal parts to be integrated into our products and services. Steel purchases, primarily in the USA and Canada, account for a large portion of LJUNGSTRÖM's total supply chain spends. Although we believe that there is limited incidence of modern slavery and human trafficking in the steel industry, especially in the United States and Canada, we remain extra vigilant in our developing countries where modern slavery and human trafficking are more prevalent.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

In light of the obligation to report on measures to ensure that all parts of our business and supply chain are slavery free, we, as a part of the ARVOS Group (“ARVOS”), have established a number of provisions in our Group’s [Code of Conduct](#) and in our Group’s [Sourcing Policy](#) to wit, in pertinent part:

16. Human Rights, Employment and Work Safety

Human Rights: ARVOS respects and supports the protection of internationally proclaimed human rights in line with the United Nations Universal Declaration of Human Rights.

International Labor Organization (“ILO”): ARVOS supports the principles set forth in the ILO’s Declaration on Fundamental Principles and Rights at Work. It supports the work of the ILO in formulating and enforcing international labor and social standards and creating work in conditions of human dignity as a core requirement for combating poverty.

Freedom of Association: ARVOS acknowledges and promotes the freedom of association and the right of workers to collective bargaining within the bounds of prevailing laws and statutes. ARVOS ensures that union representatives are not discriminated against.

Forced Labor: ARVOS does not tolerate any form of forced or compulsory labor.

Human Trafficking: ARVOS does not tolerate or condone or engage in any form of human trafficking or slavery in any part of its global organization.

Child Labor: ARVOS supports the elimination of exploitative child labor. It employs only workers who are at least 15 years, or if a higher age limit applies in the country, then this age limit is complied with.

ARVOS accepts only a minimum age of 14 years by way of an exception, if a statutory minimum age of 14 years applies in the country in which the work is being performed. ARVOS commits to complying with the Convention concerning the minimum age for admission to employment (Convention No. 138 of the International Labour Organization) as well as the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labor (Convention No. 182 of the International Labour Organization). If a national regulation concerning child labor provides for stricter measures, these shall have precedence.

Equal Employment Opportunities: ARVOS observes all regulations in the relevant countries providing for equal employment opportunities and does not tolerate any illegal discriminatory treatment of its Employees, unless national law expressly provides for

selection according to specific criteria. It hires, compensates and promotes Employees on the basis of their qualifications and performance.

2. LABOR

ARVOS' Suppliers and Contractors shall in particular comply with the following:

- Elimination of all forms of illegal, forced or compulsory labor, including direct or indirect use of labor generated by human trafficking
- Elimination of child labor: Suppliers and Contractors shall not employ persons not having reached the minimum age required for work and shall never support the use of child labor, except as part of an official government approved educational youth training scheme
- Elimination of discrimination of any kind in respect of employment and occupation
- Compliance with applicable laws and regulations related to maximum working hours and minimum days of rest
- Compliance with applicable laws and regulations related to the minimum level of wage
- Respect for freedom of association for their employees, in compliance with applicable laws
- Compliance with applicable laws and regulations related to layoff.

Those Sections demonstrate our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk we have made accountable the responsible LJUNGSTRÖM heads of supply chain to report any issues pertaining to modern slavery and human trafficking to the ARVOS Group Management, who in turn report any issues to the Group's Risk Management Function for immediate action and remediation.

LJUNGSTRÖM reserves the right to audit our business partners and our supply chains to help:

- Identify and assess potential risk areas in our supply chains
- Identify inappropriate employment practices
- Mitigate the risk of slavery and human trafficking occurring in our supply chains
- Monitor potential risk areas in our supply chains
- Protect whistle blowers, including a world class anonymous whistle blower procedure

SUPPLIER ADHERENCE TO OUR VALUES

At LJUNGSTRÖM, we have zero tolerance for slavery and human trafficking. To help ensure that all those in our supply chain and contractors comply with our values, we operate in line with principles of responsible sourcing, including paying employees at the prevailing minimum wage applicable within their relevant county of operations. Also, we have in place a compliance programme, which is designed to require our suppliers and other business partners to confirm adherence to the principles set forth above or to, at least, demonstrate that they have equivalent principles and policies in place (self-certification).

TRAINING

To help ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to all of our employees as part of our overall Compliance Trainings. This includes all employees in a live session conducted at least every other year on adherence to our Code of Conduct and other compliance policies.

GOING FORWARD

Going forward, we will continue to be vigilant in this area and intend to increase our training and enforcement efforts in the LJUNGSTRÖM divisions in developing countries where modern slavery and human trafficking have had the highest incidence.

LJUNGSTRÖM, a division of the ARVOS Group

Chattanooga, TN,

April 29, 2024

Randolph R. Mossing

Randolph Mossing CEO/President