 Watts Water Technologies, Inc.		<b>Corporate Policy and Practice</b>	
		<b>SUBJECT:</b> <b>Anti-Money Laundering (AML) Policy</b>	
<b>NUMBER:</b>	<b>ISSUED:</b> <b>April 11, 2025</b>	<b>LATEST REVISION:</b> <b>April 11, 2025</b>	<b>PAGE:</b> <b>1 of 2</b>

## **INTRODUCTION**

Money laundering occurs when people move money that was made illegally into legitimate accounts to conceal the illegal source of the funds and/or use the funds for other transactions. Watts Water Technologies, Inc. and its subsidiaries (“Watts” or the “Company”) do not condone, facilitate or support money laundering. Money laundering is prohibited by the laws of the United States and in other countries in which Watts operates. In the United States, money laundering is a criminal offense punishable by imprisonment and significant financial penalties.

Money laundering is often associated with certain financial crimes, such as tax fraud, corruption, fraud, and evasion of certain international regulations.

## **PURPOSE**

The primary objective of this policy is to safeguard Watts from being exploited by criminal actors for money laundering purposes. It aims to:


- Identify and define the risks associated with money laundering.
- Ensure compliance with relevant legal and regulatory requirements.
- Maintain the integrity and reputation of the Company.

## **SCOPE**

This policy applies to all employees, directors, officers, and agents of the Company, including subsidiaries and affiliates.

## **DEFINITIONS**

- **Money Laundering**: The process by which criminal actors conceal the origins of illegally obtained money and/or use such illegally obtained money for other purposes, usually by means of transfers involving foreign banks or legitimate businesses.
- **Suspicious Activity**: Any transaction that appears to be inconsistent with the known legitimate business activities or personal finances.

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## **REPORTING SUSPICIOUS ACTIVITIES**

Company employees must report any suspicious activities, which can be done through the Watts Hotline ([www.watts.ethicspoint.com](http://www.watts.ethicspoint.com)) or by raising the suspicious activity to the regional finance officer. Please include all supporting documentation and other facts to allow the Company to evaluate the allegation and identify the appropriate next steps.

Suspicious transactions include (but are not limited to) those involving unusual request to pay or receive funds, requests to pay or submit invoices to an off-shore company or shell companies that do not have legitimate business operations, and other requests that cannot be tied to a legitimate business transaction.

## **ENSURING COMPLIANCE**

Financial transactions on behalf of the Company must be made in accordance with verifiable purchase orders, invoices, contracts, agreements, debt instruments, and other legitimate commercial and financial transactions. Managers must ensure that financial transactions are properly authorized, including payments to customers, distributors and agents, or payments related to capital transactions or other investments. Finance employees must identify and report any transaction that raises a concern of a suspicious activity to their supervisor, or to the Hotline ([www.watts.ethicspoint.com](http://www.watts.ethicspoint.com)).

Watts employees must ensure the integrity of our banking relationships. When a bank or other financial institution requests information from Watts in connection with a financial transaction, we must ensure that we provide truthful, complete and accurate information. If you have any concerns about the type of information that may be disclosed to a bank or other financial institution, you must consult with your supervisor or the Legal Department.

## **CONCLUSION**

The Anti-Money Laundering Policy of Watts is part of the Company's comprehensive framework designed to prevent, detect, and report money laundering and terrorist financing activities. By adhering to this policy, the Company aims to protect itself from financial crimes and maintain its integrity and reputation.