



Modern Slavery Statement 2019

(published in 2020)

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INTRODUCTION



Edwards* published its first Modern Slavery Statement in 2017. Since then, we have published our findings annually to reflect the ongoing activity that we have taken within our organisations. The UK Modern Slavery Act 2015 (the “Act”) requires businesses to state the actions they have taken through the financial year

to ensure modern slavery is not taking place in their operations and supply chain. We are fully committed to playing our part in the eradication of modern slavery. We are strong advocates for transparency and collaboration to eliminate the risks or potential risks in our supply chain.

This statement refers to the financial year ending 31 December 2019. Following current Home Office guidance, we are also extending this report to cover the way we have addressed modern slavery tracking during the Covid-19 pandemic from March 2020 to the date of publication of this report.

This report sets out the steps taken by Edwards to prevent slavery and human trafficking in our own operations and supply chain. Our commitments are embedded in our Business Code of Practice to ensure that we are running our business with a positive contribution to our colleagues, customers and communities.

This statement has been published in accordance with the Act and has been approved by the Board of Edwards Limited and its subsidiary, Edwards High Vacuum International Limited.

A handwritten signature in black ink, appearing to read 'G. Follens', written over a horizontal line.

Geert Follens
President
Edwards Limited
30 October 2020

A handwritten signature in black ink, appearing to read 'G. Harte', written over a horizontal line.

Gary Harte
Director
Edwards High Vacuum International Limited
30 October 2020

*Edwards refers to Edwards Limited and Edwards High Vacuum International Limited

OUR BUSINESS STRUCTURE AND SUPPLY CHAINS

Edwards is a global leader in vacuum and abatement. We are part of the Vacuum Technique business area of Atlas Copco Group which is listed on the Swedish Stock Exchange. Our head office is in the UK where we have over 900 employees. We serve customers in over 65 countries across the globe, and have product companies in Europe, North America and Asia.

At the heart of what we do, is innovation, sustainability and outstanding customer service. This purpose is underpinned within our 3 values: Interaction, Commitment and Innovation. All Edwards entities are ISO 9001, 14001 and 45001 compliant and we have the same expectations of our key suppliers.

We believe our global trade with people across countries and continents should have a positive impact, creating job opportunities for people around the world.

We have hundreds of direct and indirect suppliers who manufacture and transport raw materials and components globally. These suppliers include small to medium enterprises and larger scale companies.

We work closely with our distributors, who engage with our customers directly assisting with our sustainable growth.

Both our suppliers and distributors are required to operate in accordance with Atlas Copco's Business Code of Practice. This includes abiding by a commitment to ensure there is no slavery activity within their organisation and supply chain.

Due to the structure of our business, we have the ability both upstream and downstream to promote respect for human rights and make a real and positive impact on people's lives.

We highlight that our General Terms and Conditions of Purchase specifically refer to the Atlas Copco Business Code of Practice which sets out our expectations in respect of business ethics, social and environmental performance. Compliance is mandatory for all employees, managers and business partners. Failure to adhere to the Business Code of Practice will result in a termination of any business relationship unless material steps to comply are taken. The Business Code of Practice is embedded in our culture and we carry out regular training sessions for all members of staff.

POLICIES RELATING TO MODERN SLAVERY

We believe that there are several international declarations, standards or codes that are important to our work. These include:

- The UN International Bill of Human Rights;
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights and Work;
- The UN Global Compact;
- OECD's Guidelines for Multinational Enterprises; and
- The Responsible Business Alliance Code of Conduct.

Our commitment to address modern slavery is supported in the Atlas Copco Business Code of Practice which applies to all affiliates of the Atlas Copco Group and the Responsible Business Alliance Code of Conduct which applies to all affiliates of Edwards Limited. They set out our obligations and the way we should do things. In addition, we provide a confidential hotline for anyone to raise concerns <https://www.speakupfeedback.eu/web/atlascopco>

Due diligence

Over the past four years we have put in place due diligence processes and we are committed to continually developing these. Risks regarding slavery are dynamic and ever changing. We actively respond to potential risks in our business and supply chain. Our dedicated Procurement Managers are our first lines of defence. They lead the work, alongside our Product Companies and sourcing teams.

Before we begin business with a supplier, we undertake an assessment and where necessary, a detailed audit of the supplier's premises. The type of due diligence method depends on the risk assessment performed at the initial stage of potential engagement. This includes criteria such as; quality, delivery, finance, environment, health and safety. Information is initially gathered via a Quality Assessment Framework questionnaire.

We have a Business Partner Criteria Checklist which is based on the UN Global Compact and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. Business partners who are proactive in implementing our criteria or those who have already met these criteria are considered for preferred partnerships. The checklist includes two red flag points; 'elimination of all forms of forced and compulsory labour' and 'rejection of child labour'. We use this when carrying out on-site audits of selected suppliers and we systematically carry out internal audits on our own companies annually. If violations are detected, business partners are immediately requested to adapt or change to meet our criteria.

We will continue to build our knowledge of slavery by examining labour trends produced by the Association of Labour Providers. With any shortage in labour, naturally the risk of slavery is increased.

RISK ASSESSMENT AND MEASURING EFFECTIVENESS

Within Edwards, we review our supply chain, including internal suppliers within the Atlas Copco Group annually to identify any vulnerabilities. In addition, we regulate our temporary and agency workers internally, as we recognise that these types of workers pose a greater risk and we apply the same training standards for temporary workers as for full time employees. Should we find evidence of modern slavery it will be reported to the Gang-masters and Labour Abuse Authority (GLAA).

Our Product Companies are third party certified via a common global management system to the international management systems standards for

- ISO14001 environment;
- ISO 45001 safety; and
- ISO9001 quality.

In addition, Edwards is proud to be a member of the Responsible Business Alliance (RBA), formerly the Electronics Industry Citizenship Coalition (EICC). The RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. RBA members commit and are held accountable to a common Code of Conduct and utilise a range of RBA training and assessment tools to support continuous improvement in the social, environmental and ethical responsibility of their supply chains. All our suppliers are required to adhere to the RBA's code of conduct which defines the acceptable safety, environmental, product quality, product stewardship, labour, human rights, social and legal standards, under which products shall be made and services provided. This includes all work contracted or sub-contracted.

AWARENESS RAISING, TRAINING AND CAPACITY

Raising awareness of modern-day slavery, what it looks like, what it may appear to look like and how we address it are important parts of our strategy. We know that identifying possible cases requires training and upskilling individuals in vital roles to understand the drivers behind it, not just the possible signs. This is intended to create joint responsibility under our decentralised model.

With effect from 2020, it is obligatory for all employees and any new employees to annually complete two e-learning introduction training modules on the Atlas Copco Business Code of Practice and also six micro-learnings in ethics to promote understanding and visibility. They must also sign a Compliance Statement to ensure that they are reminded of their obligations under the Business Code of Practice and so that the key principles are at the forefront of every employee's mind.

ADDRESSING MODERN SLAVERY DURING THE COVID-19 PANDEMIC

The Home Office has requested that this year's Modern Slavery Statement take into account the steps that have been taken during the ongoing pandemic that has struck the UK during 2020 (March – present). It is for this reason that the publication of our 2019 statement is slightly later this year. These are unprecedented times and Edwards has remained agile in response to changes in policy and market conditions. We recognise that supply chains may be at higher risk of slavery violations during such times and have remained vigilant with our controls and processes.

We confirm that, as an organisation, we have kept up-to-date with many changes in government policy during 2020 – particularly in respect of our employees – and we believe that we have done our best to look after our employees through this ongoing pandemic.

Our Safety, Health and Environment (SHE) team and line managers have worked extremely hard to alleviate concerns as to Health and Safety in the workplace – huge efforts have been made to promote social-distancing in the workplace and positive Covid-19 behaviour in line with government guidance.

During lockdown, we kept in touch with all parts of our business keeping everyone positively motivated; highlighting the various UK Covid 19 support initiatives for local hospitals, arranging children's art competitions and online social events. Our communication teams locally and globally have been fundamental in keeping all employees updated. Mental Health awareness is an important issue and employees have been encouraged to participate in various on-line Well Being events. All our normal grievance procedures have remained in place during this time.

We have continued to maintain contact with our customers and key suppliers during this challenging period and offered support as appropriate.

FUTURE PLANS

We are proud of the standards that we seek to maintain across the group. In the next financial year, we look to continue to strengthen our approach and position regarding eliminating modern slavery. We also intend to continue to monitor action in our external supply chains.

Our business:

- Continue to track our internal completion of the Atlas Copco Business Code of Practice training involving dilemma scenarios covering areas relating to modern slavery issues; and
- All employees to complete internal training in the Responsible Business Alliance Code of Practice.

Supply chain:

- Continue to communicate our policies to our suppliers to drive improvements;
- Continue with our work with selected suppliers who employ the biggest number of foreign and migrant workers to improve their internal practices in hiring foreign workers;
- Require all significant suppliers and distributors to confirm their acceptance of our Business Code of Practice; and
- Continue to risk assess all significant suppliers and conduct on-site audits at selected suppliers for all Product Companies.