



**Modern Slavery Statement
2018**

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INTRODUCTION




Edwards published its first Modern Slavery Statement in 2017. Since then we have further focused our efforts with particular attention on:

- Raising awareness within our internal teams, Customer Centers and Product Companies
- Strengthening our work in areas of greatest risk


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 2018. It sets out the steps taken by Edwards Limited to prevent modern 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 Modern Slavery Act 2015 and was approved by the Board of Edwards Limited and its subsidiary, Edwards High Vacuum International Limited.



Geert Follens
President
Edwards Limited
19 June 2019



Gary Harte
Director
Edwards High Vacuum International Limited
19 June 2019

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 750 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.

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 also work closely with our Distributors, who engage with our Customers directly assisting with our sustainable growth.

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.

POLICIES RELATING TO MODERN SLAVERY

We believe that there are a number of 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
- 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 any affiliate of the Atlas Copco Group and the Responsible Business Alliance Code of Conduct which applies to any affiliate of Edwards Ltd. They set out our obligations and the way we should do things. In addition, we provide a confidential hotline for anyone to raise concerns hotline@se.atlascopco.com.

DUE DILIGENCE

Over the past three years we have put in place due diligence processes and we are committed to continually developing these. Risks regarding modern 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.

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. It 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.

We will continue to build our knowledge of modern slavery by examining labour trends produced by the Association of Labour Providers. With any shortage in labour, naturally the risk of modern slavery is increased. Therefore, it is important we continue to monitor this, along with the implications of Brexit.

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;
 - OHSAS18001 safety,
 - ISO9001 quality,
- and we have the same expectations of our suppliers.

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.

During 2018, Edwards was involved in a responsibility and commitment programme in conjunction with one of our key customers, through which we conducted a risk assessment of our supply chain for forced and bonded labour. Selected suppliers employing the biggest number of foreign and migrant workers have been assigned with projects to improve their internal practices in hiring foreign workers. Activities are still ongoing to the end of Quarter 3 2019, which will improve our corporate responsibility programme around anti-slavery in the supply chain.

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.

It is obligatory for all employees and any new employees to complete e-learning training on the Atlas Copco Business Code of Practice which covers Modern Slavery issues. This promotes understanding and visibility. The Atlas Copco Business Code of Practice is embedded in our culture. We require employees to sign a Compliance Statement to ensure they are reminded of their obligations under the Business Code of Practice and provide training where necessary.

PLANS FOR 2019/2020

In the next financial year, we look to strengthen our approach and position regarding eliminating modern slavery. We also intend to take further action in our external supply chains.

Our business:

- Continue to track our internal completion of the Atlas Copco Business Code of Practice training
- Implement internal training in the Responsible Business Alliance Code of Practice
- Identify a set of high-risk countries based on global indices and require all managers in those countries to conduct annual Business Code of Practice training involving dilemma scenarios covering areas relating to modern slavery issues

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
- Risk assess all significant suppliers and conduct on-site audits at selected suppliers for all Product Companies