



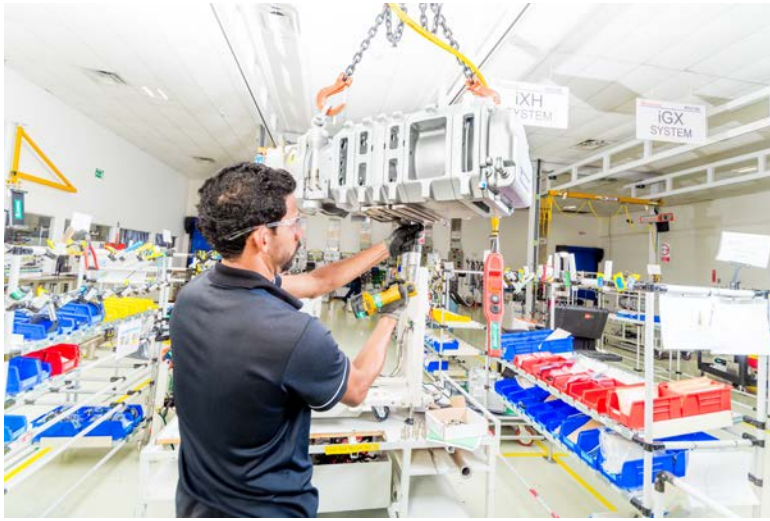
# **Modern Slavery Statement 2020**

(published in 2021)

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## INTRODUCTION



This is Edwards’\* fifth Modern Slavery statement issued under the UK Modern Slavery Act 2015 Section 54 (the “Act”). It sets out the steps taken by Edwards to prevent slavery and human trafficking in our own operations and supply chain during the financial year ending December 2020 and has been published in accordance with the Act.

Edwards continues to have an unwavering commitment to the highest ethical behaviour, including zero tolerance for human rights abuses, bribery, and corruption. We continue to be strong advocates for transparency and to collaborate to eliminate risks of modern slavery in our supply chain.

This statement has been approved by the Board of Edwards Limited and its subsidiary, Edwards High Vacuum International Limited.

Geert Follens  
President

Gary Harte  
Director

Edwards Limited  
24 June 2021

Edwards High Vacuum International Limited  
24 June 2021

\*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 and our vision is to be First in Mind-First in Choice for vacuum and abatement solutions. We are part of the Vacuum Technique business area of the 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. Our markets can be categorized into semiconductor, industrial vacuum, and scientific vacuum. Each of these sectors contains several sub-sectors and specific applications. Vacuum products include a broad range of dry pumps, turbomolecular pumps and other vacuum pumps.

We want to be part of a solution for a better tomorrow. We recognize that our long-term success depends on how we behave towards our colleagues, business partners, society, and the planet. All Edwards entities are ISO 9001, 14001 and 45001 compliant and we have the same expectations of our key suppliers.

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 and we have suppliers globally.

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 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 (GC)
- OECD's Guidelines for Multinational Enterprises
- The Responsible Business Alliance Code of Conduct

Our commitment to address modern slavery is supported by the provisions in the [Atlas Copco Business Code of Practice](#) (BCOP). The BCOP applies to all affiliates of the Atlas Copco Group, its employees, suppliers and distributors, and sets out our expectations in respect of business ethics, social and environmental performance. Forced and compulsory labour is prohibited, and we do not accept child labour and other forms of exploitation of children. Suppliers must abide by a commitment to ensure there is no slavery activity within their organisation and a 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.

We are also proud to be a member of the Responsible Business Alliance (RBA). 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. In addition to the BCOP, 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.

Employees and external stakeholders can easily raise concerns about ethics, human rights, compliance or safety issues through our third party reporting system, [Atlas Copco Speak Up](#). Suspicions of misconduct can be reported in 30 plus languages and all reports are anonymous. Substantiated reports may result in disciplinary action, including termination and legal action, where appropriate.

#### **DUE DILIGENCE PROCESSES**

We are committed to continually developing our due diligence processes. 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.

As part of our due diligence activities for existing suppliers, during 2020, we completed more than sixty ethics, environment, health and safety audits, despite the negative influence of the COVID-19 situation. Where possible, we replaced onsite with remote audits so that we could continue our important work in this area.

Business partners, including suppliers, subcontractors, joint venture partners, agents and distributors are made aware of our commitments and expectations in accordance with the Business Code of Practice. If suppliers use subcontractors for the production of our products or services, it is the responsibility of that supplier to ensure that all subcontractors throughout the supply chain comply with these requirements.

Significant suppliers and distributors are expected to sign up to the BCOP regularly, and we report performance on this as a KPI annually.

The BCOP is based on the UN Global Compact, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the United Nations Global

Compact, and the OECD's Guidelines for Multinational Enterprises. The checklist includes : 'elimination of all forms of forced and compulsory labour' and 'rejection of child labour' and "integrity". It is mandatory for business partners to fully comply with all issues.

Business partners who are proactive in implementing our criteria or those who have already met these criteria are considered for preferred partnerships. If violations are detected, business partners are immediately requested to adapt or change to meet our criteria.

In addition, we systematically carry out internal assessments and audits of our own facilities against our internal management systems, the BCOP and RBA Code and ISO standards.

We continue to build our knowledge of slavery by examining labour trends produced by the Association of Labour Providers. With any shortage in labour, we are aware of the potential increased risk of slavery.

#### **RISK ASSESSMENT AND MANAGEMENT**

Within Edwards, we take steps to evaluate, verify and address modern slavery risks in our supply chain with the intention of protecting people and eliminating these risks. Risk assessment begins during the supplier selection process. Suppliers who want to do business with us are expected, as a minimum to complete a self-assessment survey, and if necessary, have an onsite audit, which helps us identify potential modern slavery risks. We determine which suppliers are higher risk based on location and sector information.

If a supplier is selected, they are required to follow our terms of purchase which require suppliers to strictly comply with our BCOP. We review our supply chain, including internal suppliers within the Atlas Copco Group annually to identify any vulnerabilities. We assess suppliers against both the BCOP and RBA Code of Conduct criteria, which include health, safety, environment, ethics, labour and social rights, and management systems. How a supplier is risk assessed is based on principals of supplier significance which include location, spend, sector/industry and criticality (for example whether or not they are a single source supplier). If, as a result of our risk assessment, the supplier is shown to be high or extreme risk, additional information is requested from those suppliers via a RBA Self-Assessment Questionnaire (SAQ). The SAQ's returned from suppliers are then analysed using the independent RBA platform which has embedded methodology. If the supplier is shown to be high or extreme risk again as a result of this second analysis, an independent onsite RBA Validated Audit Programme is arranged with the supplier.

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,
- ISO45001 safety,
- ISO9001 quality,

#### **MEASURING EFFECTIVENESS AND KEY PERFORMANCE INDICATORS**

[Key performance indicators](#) which include areas relating to people and ethics have been set by our parent, Atlas Copco AB.

<b>Goal</b>	<b>Target</b>	<b>2020**</b>
Employees sign the Business Code of Practice	100% annually	99%
Employees are trained in the Business Code of Practice	100% annually	99%
Managers in risk countries lead trainings in the Business Code of Practice	100% annually	99%
Significant suppliers sign the Business Code of Practice	100% annually	93%
Significant distributors sign the Business Code of Practice	100% annually	84%

\*\* results reported indicate the performance across the whole of the Atlas Copco group and not just Edwards.

These key performance indicators form part of the group’s commitment to ensure we live up to the highest ethical standards, with zero tolerance for corruption throughout the supply chain.

In addition, during 2021, Edwards will continue to increase internal awareness of the Responsible Business Alliance Code of Practice by rolling out a training programme to all employees. We will continue to undertake enhanced due diligence on suppliers identified as being in high risk sectors or high-risk jurisdictions.

#### **TRAINING AND RAISING AWARENESS**

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, including six micro-learnings in ethics related issues to promote understanding and visibility. These micro-learnings include modules on human rights, discrimination, and harassment. Employees must also sign a Compliance Statement each year 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. When every purchase order is placed, our suppliers are informed about our Terms and Conditions of purchase and the BCOP conditions.

In Quarter 3 of 2021, we intend to launch a multi-lingual online training tool in the BCOP for our business partners

#### **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 and work towards meeting the key performance indicators set. We also intend to continue to monitor action in our external supply chains.