



Modern Slavery Statement 2022

Walker Filtration Limited

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INTRODUCTION

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 report sets out the steps taken by Walker Filtration 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 refers to the financial year ending December 2022. It has been published in accordance with the Modern Slavery Act 2015 and has been approved by the Board of Walker Filtration Limited.



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Stephen Bittle
Director, Walker Filtration Limited



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Alex Bongaerts
Director, Walker Filtration Limited



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Ben Van Hove
Director, Walker Filtration Limited

OUR BUSINESS STRUCTURE AND SUPPLY CHAINS

The Walker Filtration Group has been operating in the United Kingdom for over 40 years. Worldwide, we are a Global manufacturing organisation (employing circa 370 staff). We are part of the Atlas Copco Group which is listed on the Swedish Stock Exchange.

At the heart of what we do, is innovation, sustainability, and outstanding customer service. All Walker Filtration Limited entities are ISO 9001 and ISO 45001 compliant with the ambition to also be ISO 14001 certified, 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 a large number 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 Walker Filtration'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 Business Code of Practice which highlights 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 our Code will result in termination of any business relationship unless material steps to compliance 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 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 (GC)
- OECD's Guidelines for Multinational Enterprises
- The Responsible Business Alliance Code of Conduct

Our commitment to address modern slavery is supported in the Business Code of Practice. In addition, we provide a confidential hotline for any member of staff, business partner or third party to enable them to raise concerns hotline@Walkerfiltration.com

DUE DILIGENCE

Over the 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.

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 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 Organisation 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. If violations are detected, business partners are immediately requested to adapt of change to meet our criteria.

RISK ASSESSMENT AND MEASURING EFFECTIVENESS

We regulate our temporary and agency workers, as we recognise that these types of workers pose a greater risk. We apply the same training standards for these members of staff as for fully employed employees. Should we find evidence of modern slavery it will be reported to the Gang-masters and Labour Abuse Authority (GLAA).

Walker Filtration is third party certified via a common global management system to the international management systems standards for;

- ISO 9001:2015 Quality Management System

- ISO 13485:2016 Medical Devices
- ISO 45001:2018 Occupational health and safety management system

We have the same expectations of our suppliers. All potential suppliers are assessed regarding Quality, Environmental, Energy, Health & Safety certification and performance and graded appropriately. Based on this grading, supplier’s complete questionnaires to ensure they are the right business partner for our company. In addition, we have visited and audited significant suppliers.

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

Goal	Target	2020**	2021**	2022**
Employees sign the Code of Conduct compliance statement annually	100%	99%	98%	99%
Significant suppliers have confirmed compliance with the Code of Conduct	100%	93%	93%	93%
Significant distributors confirm compliance with the Code of Conduct	100%	84%	87%	92%

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

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.

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 Business Code of Practice which covers Modern Slavery issues. As part of this training employees are requested to complete six micro-learnings in ethics which helps to promote understanding and visibility. We require all staff to sign a Compliance Statement to ensure they are reminded of their obligations under the Business Code of Practice so that the key principles at the forefront of every employees’ mind.

FUTURE PLANS

We are proud of the standards that we seek to maintain across the group. Therefore, starting from a high standard already, 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:

- New employees participate in the Atlas Copco ethics training within 12 months of joining the Company (Target 100% completion).
- Employees participate in the Atlas Copco Group's ethics training every other year, starting 2023 (Target 100% completion).

Supply chain:

- Continue to communicate our policies to our suppliers to drive improvements
- Require all significant suppliers and distributors to confirm their acceptance of our Business Code of Practice (Target 100% completion).
- Develop a Risk Assessment scoring process and continue the roll out of Quality assessment and physical site audits.

