



Modern Slavery Statement 2024

Walker Filtration Limited

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INTRODUCTION

This is the Modern Slavery statement issued under the UK Modern Slavery Act 2015 Section 54 (the "Act") for Walker Filtration Limited. It sets out the steps taken to prevent slavery and human trafficking in our operations and supply chain during the financial year ending December 2024 and has been published in accordance with the Act.

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

This statement has been approved by the Board of Walker Filtration Limited:

A handwritten signature in black ink, appearing to read 'S. Bittle', positioned above a dotted line.

Stephen Bittle
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 270 staff) and part of the Atlas Copco Group which is a global industrial engineering group headquartered in Stockholm, Sweden. The Atlas Copco group has around 55,000 employees and customers in more than 180 countries and is listed on the Nasdaq Stockholm 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 Code of Conduct. 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 Code of Conduct 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 Code of Conduct is embedded in our culture and we carry out regular training sessions for all members of staff.

POLICIES RELATING TO MODERN SLAVERY

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 in the Code of Conduct. In addition, we provide a confidential hotline for any member of staff, business partner or third party to enable them to raise concerns through hotline@Walkerfiltration.com or via the Atlas Copco Group Speak Up reporting system where employees and external stakeholders can easily raise concerns about ethics, human rights, compliance, or safety issues.

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.

Business partners, including suppliers, subcontractors, joint venture partners, agents and distributors are made aware of our commitments and expectations in accordance with the Code of Conduct. 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 Code of Conduct regularly. Additionally, all significant business partners must sign our Business Partner Criteria.

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 red flag points; 'elimination of all forms of forced and compulsory labour' and 'rejection of child labour' and 'integrity'. 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.

During 2024, Walker Filtration started to work with EcoVadis, as part of a wider Group program, who perform customised assessments for invited partners, based on their size, country and industry. The voluntary assessments measure the quality of a company's sustainability management system and covers four main themes, one of which is Labor and Human Rights.

RISK ASSESSMENT AND MEASURING EFFECTIVENESS

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. Significant suppliers must confirm compliance with the Code of Conduct. We determine which suppliers are higher risk based on location and sector information.

If a supplier is selected, they must follow our terms of purchase which require suppliers to strictly comply with our Code of Conduct. We assess suppliers against the Code of Conduct criteria, which include health, safety, environment, ethics, labour and social rights, and management systems.

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).

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.

MEASURING EFFECTIVENESS AND KEY PERFORMANCE INDICATORS

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

Goal	Target	Target year	2021**	2022**	2023**	2024**
Employees sign the Code of Conduct compliance statement	100%	Annual	98%	99%	99%	99%
New employees participate in the ethics training within 12 months of joining, starting 2023	100%	One-off	-	-	94%	95%
Employees participate in the Group's Code of Conduct classroom training, starting 2023	100%	Bi-Annual	-	-	99%	-
Significant suppliers have confirmed compliance with the Code of Conduct by signing our Business Partner Criteria	100%	Annual	93%	93%	90%	91%
Significant distributors confirm compliance with the Code of Conduct by signing our Business Partner Criteria	100%	Annual	87%	92%	94%	94%
Significant direct material suppliers engaged in assessment of environmental, social and governance aspects	To be defined	2027				

** 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.

All employees are required to sign the Code of Conduct compliance statement every year and, with effect from 2023, all employees participate in the Group's biennial ethics training. New employees are expected to participate in the ethics training within 12 months of joining the group. Significant business partners need to sign the Business Partner Criteria every five years. Additionally, we have put additional focus on human rights to the divisional risk workshops in the annual Enterprise Risk Management (ERM) process.

To strengthen internal competence, we offer the United Nations Compact's human rights due diligence training module to all employees through our online training platform. Short introductions to both the topic of human rights and human rights due diligence are also available on the online platform.

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 and will continue to communicate our policies to our suppliers and distributors to drive a path for understanding the risks and improvements. We will continue to require our significant suppliers and distributors to drive a clear path for understanding the risks and improvements required.

