



**Atlas Copco Limited**

**Modern Slavery Statement 2020**

(published June 2021)

**Contents**

- Introduction
- Business structure & supply chains
- Policies relating to Modern Slavery
- Risk assessment & management
- Due diligence processes
- Effectiveness and KPIs
- Training

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## INTRODUCTION



This is Atlas Copco Limited's (Reg. No. 159809) ("Atlas Copco") Modern Slavery statement issued under the UK Modern Slavery Act 2015 Section 54 (the "Act"). It sets out the steps taken by Atlas Copco 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

This statement refers to the financial year ending 31 December 2020. Since, Covid-19 continues to affect the UK, we again report the way how we have addressed modern slavery tracking during the Covid-19 pandemic.

This report sets out the steps taken by Atlas Copco 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.

For the avoidance of doubt, our senior management have confirmed that they have **not** found any instances or indicators of modern slavery within their business areas.

This statement has been published in accordance with the Modern Slavery Act 2015 and has been approved by the Board of Atlas Copco Limited.

**Kevin Prince**  
Director  
Power Technique  
29 June 2021

**James McAllister**  
Director  
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Director  
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## **OUR BUSINESS STRUCTURE AND SUPPLY CHAINS**

Atlas Copco is a global industrial engineering company headquartered in Stockholm, Sweden. Atlas Copco AB is a Nasdaq listed company and is one of the largest companies in Sweden. We have around 40,000 employees and customers in more than 180 countries. Our industrial ideas empower our customers to grow and drive society forward. We are pioneers and technology drivers and industries all over the world rely on our expertise. Our market-leading compressors, vacuum solutions, generators, pumps, power tools and assembly systems can be found everywhere.

Atlas Copco AB is the ultimate parent of Atlas Copco Limited, held via a number of Holding Companies which is normal for a global organisation. We strongly adhere to the strict global processes and controls that are mandated by Atlas Copco AB. Here in the UK, Atlas Copco Limited comprises of a number of key business areas which collectively, form one of the largest customer centres within our UK Group. Atlas Copco Limited has operated in the UK for over 100 years and remains strong to this day.

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 Atlas Copco entities are heavily certificated to demonstrate our compliance and adherence to good industry practice and we have the same expectations of our suppliers. Atlas Copco Limited has a number of industry certificates including, but not limited to: ISO9001, ISO14001, ISO 45001, Alcumus Safecontractor, Achilles FPAL... the list goes on.

Being a collection of "Customer Centres" focussing on Sales to market, it follows therefore that our main suppliers are Atlas Copco companies that all adhere to the same globally recognised high standards (more detail follows). We do have some suppliers that supply us with materials and services, but it's in a minority to that incoming from our own Group Companies. Our external suppliers vary in size from SMEs to nationally recognised names. We carry out checks on all key suppliers and require them to adhere to our high standards through compliance with our Business Code of Practice which includes their being opposed to Modern Slavery in any form. Through our business structure, 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 within the Atlas Copco Group. 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

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 and 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 are strictly against 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 supply chain 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.

Employees and external stakeholders can easily raise concerns about ethics, human rights, compliance or safety issues through our 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**

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. Before we begin business with a supplier, we undertake an assessment and where necessary, an 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.

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. All key suppliers are required to sign up to our Ten Criteria Letter and our Business Code of Practice.

Additionally, we have a Business Partner Criteria Checklist which significant business partners must sign. This 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 three red flag points; '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 that are marked with a red flag.

Business partners who are proactive in implementing our criteria or those who have already met these criteria are considered for preferred partnerships. We use the Business Partner Criteria Checklist when carrying out 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.

#### **RISK ASSESSMENT**

Within Atlas Copco, 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 to complete a self-assessment survey which helps us identify potential modern slavery risks. Their responses are checked before working with them as a key 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; ISO 45001 safety and ISO9001 quality,

#### **MEASURING EFFECTIVENESS**

[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 Atlas Copco Limited.



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 AND TRAINING**

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 mandatory 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 related issues to promote understanding and visibility. These micro-learnings include modules on human rights, discrimination and harassment. Managers and Employees must sign a Compliance Statement and this demonstrates that they are annually reminded of their obligations under the Business Code of Practice and are armed with the key principles at the forefront of every employee's mind.

We are passionate about the ethical standards that we abide by and we are working towards ensuring all of our significant suppliers, agents and distributors have been sent and confirmed their compliance with, our Atlas Copco Business Code of Practice.

#### **FUTURE PLANS**

We are proud of the standards that we seek to maintain both within Atlas Copco Limited and across the Group as a whole. In the next financial year, we look to continue to strengthen our approach and position ensuring there is no modern slavery within our organisation. We will continue to monitor action in our external supply chains, ensuring that we can demonstrate that checks are being carried out consistently and appropriately with our Business Partners and suppliers.

**Atlas Copco Limited**  
June 2021