



## MODERN SLAVERY STATEMENT

### Introduction

Modern Slavery (forced or involuntary labour, human trafficking etc.) is a worldwide growing issue, especially as migration becomes more and more common. In the industry we work in there are some levels of risks of individuals committing these types of crimes and as a worldwide, ethical company Hydroscand is committed to ensuring a high standard of ethical and environmental practices, including the provision of safe working conditions and the protection of workers' rights across its supply chain. Hydroscand purchases goods and/or services globally in accordance with the provisions of this Code of Ethical Policy and expects its suppliers to observe the Code's provisions and to demonstrate a similar ongoing commitment to ensuring high levels and the improvement, when necessary, of ethical practices. In our supply chain we operate a zero-tolerance policy against anybody committing offences of any kind in line with modern slavery. Any incidences or concerns of non-compliance are expected to be reported through the proper channels and any reports made will be acted upon and a formal investigation opened.

### Organisational Structure

In the late 60s, Hydroscand went from an exciting idea to establishing a small family business. This small company has expanded over decades and is established and well renowned in 19 countries worldwide, with more than 200 branches. Hydroscand landed in the UK in 2002 with 2 Hydraulic & Industrial Centres and has since expanded to include 9 UK branches and numerous mobile workshops.

### Supply Chain

Hydroscand evaluates all suppliers' performance both as part of the initial selection process and as part of the continuous evaluation process. In these evaluations, Corporate Social Responsibility and sustainability are important assessment criterion alongside commercial and quality expectations. Hydroscand may ask our suppliers to provide information like filling in of questionnaires and accepting visits and/or audits, especially when major engagement and /or products or services that are critical to Hydroscand are involved. The measurement covers products quality, delivery precision, reduction of price, packing condition, response of e-mail, reflection of requirement, action of solution, support, service, communication, understanding and CSR. Supplier performance is measured at different periods and when it's needed.

Hydroscand follows EU policy to have in place a process to integrate social, environmental, ethical and human rights concerns into our business operations and core strategy in close collaboration with our stakeholders.

Hydroscand expects all suppliers will follow applicable laws, rules and regulation in the country where it operates. However, we encourage all our suppliers to go beyond legal compliance and follow better practices and internationally recognized standards in the area of sustainability. Hydroscand also expects the supplier to share Hydroscand score on social and ethical aspects. Hydroscand uses the objectives of the OECD Guidelines for Multinational Enterprises and incorporating the principles of Corporate Social Responsibility (CSR) and the ten principles of the UN Global Compact as a guideline. All the suppliers shall connect Hydroscand in their efforts to achieve these goals.

### Relevant Policies and Practices

Hydroscand has in place the following policies and practices that highlight the way we approach Modern Slavery risks and steps to eradicate any instance of this in our supply chain.



#### **Hydroscand Core Requirements are as follows:**

1. Hydroscand UK & suppliers must not use any form of forced, bonded or involuntary labour.
2. Hydroscand UK & supplier workers must not be subject to physical or verbal abuse or threats or intimidation of any description.
3. Hydroscand UK & supplier workers must not be required to work extreme hours of work without adequate rest periods.
4. Hydroscand UK & suppliers must not use workers under the age of 15, or the minimum legal working age in the country in question.
5. Factories and worksites used by Hydroscand UK & suppliers must be safe and hygienic with an adequate number of safe and accessible fire exits from all buildings.
6. Hydroscand UK & suppliers must maintain proper and accurate employment records.
7. Hydroscand UK & suppliers must not engage in bribery, corruption or other similar unethical practices in order to gain a competitive advantage.

#### **Whistle Blowing Policy**

The company is committed to creating a secure working environment, and all employees are placed in a position of trust and expected at all times to act within the law. Failure of any employee to report, whilst knowing of any wrong doings by colleagues or other persons, which may bring harm to the name or to the detriment of the company, may result in disciplinary action being taken. You are protected by law if you feel you need to raise an issue and do so in good faith. You should speak directly to the human resources consultant if you experience, observe or suspect any activity which is unlawful or which violates the company's policies and procedures, i.e.,

- Corporate Fraud
- Questionable accounting, internal accounting controls and auditing matters
- Health, safety & environmental violations
- Theft or destruction of company property
- Physical or emotional abuse of employees
- Illegal drug possession or abuse
- Harassment

The whistle blowing procedure must only be used for genuine concerns. Malicious allegations will be a disciplinary matter.

#### **Anti-Bribery and Corruption Policy**

The Anti-Bribery and Corruption policy applies to all employees of Hydroscand. The company is firmly committed to complying with all applicable laws, rules and regulation designed to combat bribery and corruption. We expect our employees to comply with all such laws, rules and regulations and not to be involved with bribery or corrupt activities. Hydroscand prohibits the offer, arrangement or acceptance on its own behalf or any form of bribe, whether the bribe is paid directly or indirectly.

In the event that the company uses a third party to assist in securing or retaining business, the greater the risk may be. However, the company cannot directly control the actions of third parties in the same way that they can control their own actions. Employees may also be at risk of being offered an inducement, which may not always be a monetary value and take other forms of payment. Such an inducement is dishonest, illegal or a breach of trust in order to give another individual or entity a commercial advantage. If an employee is aware or suspects that a customer, third party or another employee is involved in bribery or corrupt practices, then they have a duty to report this matter to the managing director at the earliest opportunity. In their absence, this matter would be reportable to another member of the senior management team.

The Hydroscand Anti-Bribery policy should be read in conjunction with the company's policy on "The acceptance of gifts or benefits" as outlined at Section 6 item (20) (below); We as a company, expect all our employees to act in good faith at all time in every aspect of their work. The Hydroscand Anti-Bribery and Corruption Statement sets out the standards through which the company will continue to operate and the standard expected of all Hydroscand associates.



### Acceptance of Gifts or Benefits

The company accepts that employees may receive small gifts from suppliers, such as stationery, calendars, and single bottles of wine or invitations to attend corporate events. If you are offered a more expensive gift or money, please consult your manager. In these circumstances, it is likely that the gift will be returned to the supplier or given to a local charity. You must not claim or accept any fee, gratuity, commission or other benefit from any person or persons other than the company in payment for any services concerned with duties performed for the company where such a fee, commission, gratuity or other benefit would not be payable other than as a consequence of your connection with Hydroscand Limited.

This applies when offers of bribes or benefits are made to influence anybody to “look the other way” for example when there are unethical practices that are happening and are attempted to be hidden.

### Recruitment

Hydroscand operates an approved suppliers list and only works with recruitment agencies who share our ethical values and attitude towards the prevention of Human Trafficking & Modern Slavery.

### Non-Compliance

The consequences are explained to suppliers and are as follows: We cease trading with said supplier, remove them from our approved suppliers list and report them to the authorities.

### Due Diligence

Hydroscand undertakes due diligence when the possibility of taking on new suppliers arises, we also regularly review our existing suppliers. This includes:

- Reviewing the supply chain to assess something specific e.g. product, country, sector etc.
- Conducting evaluations of any potential risks with new suppliers.
- Identifying and evaluating the high-risk areas in our supply chain.

**This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes the Hydroscand anti-slavery and human trafficking statement for the financial year ending March 2018.**

This statement has been approved by the management team of Hydroscand UK Ltd, who will review and update it regularly in line with legislation changes.

SIGNED:

A handwritten signature in black ink, appearing to read "Rebecca Galley".

**Rebecca Galley**  
**Managing Director**

December 2019