



## TER Chemicals Distribution Group Slavery and human trafficking statement 2017 (Relating to the financial year ending 2016)

### 1. Background

“Modern slavery” is a term used to describe criminal offences of slavery, servitude, forced labor and human trafficking. Respective deprivations in person’s liberty often are aiming at maximizing financial goals only and are a violation of fundamental human rights.

We, TER Chemicals Distribution Group, are committed to ensuring that modern slavery does not take place within our business or supply chain.

TER Chemicals is a worldwide operating group of trading companies for raw materials and specialty chemicals, managed from the head office at the company Ter Hell & Co. GmbH which was founded in 1908 and is located in Hamburg, Germany. The range of traded products extends from additives for most diverse applications, binding agents, dispersions and polymers to resins, bulking agents and pigments. Our most important customers stem from the paints-, coatings-, adhesion-, food- and cosmetics industry.

Companies, namely TER France, TER AS, TER Italy, TER Nordic and our UK operation TER UK are part of TER Chemicals. Because of its UK operation and as determined by the UK Modern Slavery Act 2015 TER Chemicals is bound to publish a transparency statement describing the steps taken in the last financial year to ensure the business and supply chains are free from modern slavery and human trafficking. The statement is given herewith.

Effective systems and measures with the aim of controlling and preventing slavery and human trafficking are also headed centrally by Ter Hell & Co. GmbH in Hamburg.

This statement sets out the steps that TER Chemicals companies have taken during the previous financial year to prevent slavery and human trafficking from taking place within our business and supply chain.

### 2. Our policy on modern slavery

We understand the importance of putting business conduct at the heart of everything we do.

Our Code of Conduct outlines our commitment to honesty, integrity, mutual respect and an open and diverse work culture. The Code of Conduct is available to suppliers and the public on the Group’s website:

[http://www.terchemicals.com/media/downloads/certificates/Code\\_of\\_Conduct.pdf](http://www.terchemicals.com/media/downloads/certificates/Code_of_Conduct.pdf)

Respectively we have based our understanding of Corporate Social Responsibility on the grounds of Ethical and Business Principles as developed by the European Association of Chemical



Distributors ([www.fecc.org](http://www.fecc.org)) and the German Association for Chemical Trade and Distribution ([www.vch-online.de](http://www.vch-online.de)).

### 3. Our activities

We are member of the voluntary program “Responsible Care” and also maintain the SQAS system. The latter allows for an independent assessment as developed by the European Chemical Industry Council CEFIC and the European Association of Chemical Distributors FECC according to the guidelines of the Responsible Care Program.

Moreover we maintain a membership with the organization Ecovadis and thus are part of the CSR movement that is also defined under the term “Together for Sustainability”. In this context we submit our CSR activities to a yearly self-audit and are rated with a score card issued by Ecovadis.

Because of our internal and external audits we understand that the risk of slavery and human trafficking with TER Chemicals and its supply chains is mitigated.

Furthermore we built into the knowledge and skills of our staff. More precisely we provide training to our staff on the risks of modern slavery and human trafficking within our business and supply chains, as well as how to identify non-compliant practices.

We encourage our employees to tell us confidentially about any suspicions they may have that slavery or human trafficking is taking place within our business or supply chains.

We operate a whistleblowing policy so that all employees know that they can raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals.

We have in place questionnaires for the approval of new suppliers to our company group. Such questionnaire needs to be filled in submitted by any supplier and is suited to Identify and asses potential risk areas for slavery and human trafficking in our supply chains. Moreover updates on questionnaires are suited to monitor changed conditions and potentially arising new risks.

### 4. Corporate Statement

The statement above is issued and signed as valid for TER Chemicals.

This statement complies with the requirements of section 54(1) Modern Slavery Act 2015 and is valid for the financial year ending 31 December 2017.

16.03.2017

Andreas Fröh, CEO

16.03.2017

Uta Seiler, CFO