TER GROUP

TER Chemicals
DISTRIBUTION GROUP

TER CHEMICALS DISTRIBUTION GROUP
Slavery and human traffic statement 2019
(Relating to the financial year 2018)

1. Premise

Founded in Hamburg, Germany in 1908, TER HELL & CO. GMBH is the headquarter of the conglomerate TER CHEMICALS – a worldwide group of distribution companies for specialty chemicals. With an expansive portfolio of over 200 product groups, TER CHEMICALS delivers to a vast array of customers, which are active in, but not limited to, adhesives, paints & coatings, personal & home care, as well as food & feed.

2. Our stance on modern slavery

"Modern slavery" is a term used to describe current criminal offences of slavery, servitude, forced labour and human trafficking. Respective deprivations in a person's liberty often aim at maximizing financial gains and are in strict violation of fundamental human rights.

The dignity of man is unimpeachable and we at TER CHEMICALS DISTRIBUTION GROUP are fully dedicated to ensure that modern slavery does neither occur within our direct business, nor within any segment of our supply chain. This credo has been essential to our business for more than 110 years and we therefore fully comply to the expectations of the "Modern Slavery Act" set by the United Kingdom in 2015.

The conventions stipulated by the European Association of Chemical Distributors (www.fecc.org) and the German Association For Chemical Trade and Distribution (www.vch-online.de) are the foundation of our continuing understanding and adherence to Corporate Social Responsibility requirements and expectations.

Our Code of Conduct outlines our commitment regarding honesty, integrity, mutual respect within an open and diverse environment and is openly available at the company's website at the following link:

https://www.terchemicals.com/fileadmin/downloads/certificates/Code-of-Conduct-2018_TER-Chemicals_29MAR2018.pdf

3. Our activities

<u>Active memberships</u>

A multitude of internal and external audits ensure that we actively mitigate any threats we may have towards encountering business endeavours that do not comply with our strict anti-slavery anti-human trafficking stance.

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Additionally, we are a proud member of the voluntary programme "Responsible Care" and also maintain the SQAS system, which enables for an independent assessment of our business endeavours, as developed by the *European Association of Chemical Distributors (FECC).*

Furthermore, our membership in Ecovadis allows us to be an active member in the Corporate Social Responsibility movement entitled "Together for Sustainability". Within this context, we submit our activities to an annual self-audit procedure and are thus honestly rated through a score card.

Employee enforcement

To maintain this level of professionalism and quality, we continuously train and develop the knowledge and skills of our employees towards this abhorrent issue. More precisely, we sensitize our team to understand the risks and consequences of allowing modern slavery and human trafficking to enter our business and/or supply chain, as well as how to identify and deal with non-compliant business entities.

We also operate on a "whistleblowing" principal without the fear of reprisals – meaning that we openly encourage our employees to come forward and confidentially tell us about any suspicions they may have (be they internal or external) that could jeopardize our way of business.

Any new suppliers that may wish to do business with us, must first pass through a lengthy approval process, including an in-depth questionnaire, which has to be filled out in full by the possible supplier. It is the first step for us to identify and assess any possible risks towards the risk of any slavery and human trafficking infractions.

4. Corporate decree

The above statement fully complies with the requirements of section 54(1) Modern Slavery Act 2015 and is valid for the financial year ending 31st of December 2018 and is validated for the conglomerate TER CHEMICALS in its entirety by the signatures below of the management board.

15.02.2019
Andreas Früh, CEO

15.02.2019
Uta Seiler, CFO