



# KLUMAN AND BALTER LIMITED

## MODERN SLAVERY STATEMENT 2020

### INTRODUCTION FROM THE PRESIDENT BRENNTAG UK HOLDING LIMITED

Slavery and human trafficking remains a hidden blight on our global society. We all have a collective and individual responsibility to be alert to the risks in our business and in the wider supply chain, however small. Brenntag UK Holding Limited and its subsidiaries, which includes Kluman and Balter Limited, (“**Brenntag**”) are committed to improving our practices to prevent all forms of modern slavery (including servitude, forced or compulsory labour, human trafficking, and child labour), taking place in any part of our business or supply chain.

This statement sets out the steps we have taken up to this point, as well as during our past financial year, to implement this commitment and our expectations from suppliers, contractors and business partners.

### ORGANISATION STRUCTURE

Brenntag is the global market leader in chemical distribution. We manage complex supply chains for both chemical manufacturers and consumers by simplifying market access to thousands of products and services. Brenntag operates at 19 locations, employs 876 people and generates a turnover of £437 million annually.

### OUR SUPPLY CHAIN

Brenntag is a full-line chemical distributor of both industrial and specialty chemicals. We use logistics and transportation services and benefit from specialist support from subcontractors and manufacturers all over the globe. Our supply chain includes various forms of assets (human, financial and physical) and goods and services. As a global distributor, our people are our greatest asset. We acquire goods and services from our worldwide network to support delivery of products to customers within the life science, environmental and material science sectors.

### GLOBAL SOURCING ORGANISATION (“GSO”)

Brenntag GSO is the centre of excellence for sourcing industrial and specialty chemicals and ingredients from emerging markets to Brenntag’s customers all over the world. GSO provides access to selected suppliers with quality products and value-added services who share in Brenntag’s commitment to quality, reliability, innovation, sustainability and customer satisfaction.

The Brenntag GSO team holds offices in Beijing, Shanghai, Taipei, Mumbai, Singapore and Seoul and is formed of 50 experienced highly skilled specialists for the different industries who closely cooperate with Brenntag regions worldwide.

Our purchasing staff in the UK has full access to the GSO network when purchasing goods globally which is a major benefit to Brenntag’s customers.

## **OUR POLICIES**

For many years, Brenntag has been committed to the highest forms of business conduct and ethics in our operations and supply chain. That commitment forms a cornerstone for many of our policies, procedures and our approach to business.

At Brenntag, safety, responsibility and sustainability are fundamental aspects of the corporate strategy. In October 2014 we joined the UN Global Compact (UNGC), the first ever chemical distributor to join. This was a conscious and logical step for us, through which we officially signed up to the initiative's ten principles.

UNGC is a strategic initiative for companies committing to align their business activities and strategies with ten universally recognised principles in the areas of human rights, labour standards, environmental protection and fighting of corruption. With more than 12,000 participants from over 145 countries, it is the world's largest joint initiative of socially committed companies and other stakeholders. These principles complement the standards which we apply in evaluating all of our business activities.

Brenntag recognises that only through the joint commitment of all stakeholders within the chemical industry can we be sure that any form of slavery is eradicated. Sustainability issues such as health, safety and environmental protection, working practices, supplier management and governance are becoming increasingly important criteria when choosing business partners and making purchasing decisions.

Therefore, Brenntag maintains a close and ongoing dialogue with its suppliers and customers. The company is a member of the chemical industry's initiative "Together for Sustainability" ("TfS"), has developed a bespoke Supplier Code of Conduct, and undergoes external assessment by EcoVadis, a leading independent provider of Corporate Social Responsibility ("CSR") assessments. CSR Assessments evaluate policies and actions implemented by suppliers to comply with internationally recognised human rights standards and frameworks for slavery and human trafficking. This includes the Guiding Principles on Business and Human Rights, the United Nations Global Compact and ISO 26001.

## **DUE DILIGENCE**

Brenntag requires its suppliers to provide information and supporting evidence on their policies and actions through sector specific questionnaires before they can become approved partners. These questionnaires cover human rights, due diligence and certification schemes used by suppliers to verify that fair labour practices are used.

Suppliers are also expected to disclose information on their sustainable procurement selection criteria, third party audits and supplier capacity building. This provides buyers with visibility of suppliers' efforts to prevent slavery and human trafficking. If Brenntag have any concerns about information provided by suppliers, a desktop audit is carried out to ensure that Brenntag's high standards are being met.

Our Anti-Slavery and Human Trafficking Policy prohibits the use of child or forced labour anywhere within our business. It also forbids Brenntag having any involvement with entities that support prohibited labour practices or human trafficking, including slavery, bonded labour or debt-bondage, or securing labour or services by force, threat, or deception.

Brenntag's supplier/subcontractor on-boarding requirements mandate that business partners adhere to Brenntag's policies. Our standard form agreements further strengthen this commitment by requiring that suppliers and subcontractors continue to observe Brenntag's policies on an on-going basis.

## **EFFECTIVE RISK ASSESSMENT AND MANAGEMENT**

Brenntag has processes in place to support periodic assessment and management of risks associated with our partner engagements, direct business operations and business relationships. We will not work with customers, suppliers or sub-contractors who do not share our commitment to high ethical standards, particularly in relation to modern slavery.

Our Code of Business Conduct and Whistleblowing Policy provide a process for reporting or raising concerns about any wrongdoing to the Group Compliance Officer, in confidence and without fear of retaliation.

## **COMMUNICATION**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide regular training to relevant members of staff. Brenntag's Directors are committed to the subject and ongoing reviews of the training criteria.

## **ACTION TAKEN AND NEXT STEPS**

In 2018, training was delivered to all Brenntag staff members on the subject of Modern Slavery and how to recognise signs of when a breach may have occurred.

During 2019 refresher training was delivered to all relevant staff on the topic of Modern Slavery which included making staff aware of the wider steps that the company is taking globally to ensure that we only engage with suppliers who adhere to Brenntag's high ethical standards.

Brenntag specifically audited its GSO order process to establish if similar procedures apply to relationships with global suppliers, as part of its risk based assessment approach. This entailed engaging with key staff members in the UK who frequently purchase products via the GSO network. The exercise allowed us to map out the current end to end process when it comes to purchasing goods from the relevant regions.

Over the course of 2020/21 we will work towards ensuring that audit procedures for GSO suppliers are more closely aligned with those in place with our European partners, as part of our risk based assessment process and commitment to on-going evaluation of partner relationships.

In its April 2020 EcoVadis assessment, Brenntag Group was awarded 71 points thereby maintaining its 'gold' status already achieved in 2016 (Gold Recognition Level). The result ranked Brenntag among the top companies in our industry, as well as among the top suppliers assessed overall by EcoVadis across all industry categories.

As part of its TFS membership, Brenntag has been encouraging its own suppliers to undergo an EcoVadis self-assessment. Brenntag set itself a target to assess at least 80% of its total chemical spend through sustainability assessments and audits by the end of 2020. By the end of 2019, some 72% of total chemical spend had undergone assessment. Where reassessments had been triggered, an improvement rate of 59% had been achieved and some 36% of suppliers had bettered scores on labour and human rights.

This statement is made pursuant to section 54(i) of the Modern Slavery Act 2015 and constitutes the Modern Slavery statement for Brenntag UK Holding Limited and its subsidiaries.

## **SIGNED ON BEHALF OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE:**



**RUSSEL ARGO**  
**PRESIDENT**



**RICHARD WARD**  
**COMMERCIAL VICE PRESIDENT**



**CHERYL-ANNE SALTON**  
**HEAD OF HR**

**PRESIDENT SIGNED 10 JUNE 2020 FOR THE FINANCIAL YEAR 2019 (1 JANUARY 2019 TO 31 DECEMBER 2019) FOR BRENNTAG UK HOLDING LIMITED**