



Modern Slavery Act Statement 2016/17

Introduction

Terma supports the UK Modern Slavery Act 2015 and its objective to eradicate forced labor, slavery, and human trafficking. We want to be recognized as a trusted partner acting in accordance with our core values while taking into account internationally recognized principles for environmental protection, human and labor rights, business ethics, and anti-corruption.

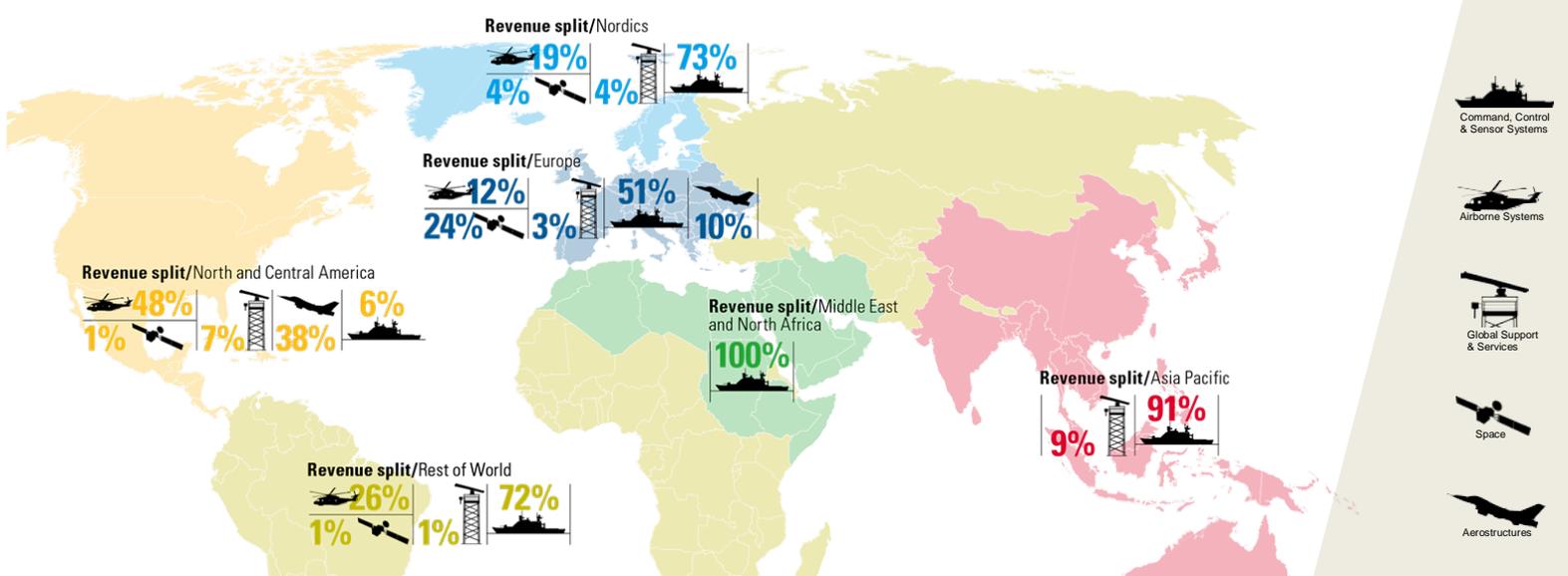
Our structure

Terma is an international group with Danish roots, established in 1949 and owned by the Thomas B. Thrige Foundation. Its headquarters and two production facilities are located in Denmark. Terma's international subsidiaries and liaison offices are based in Belgium, Germany, India, The Netherlands, Singapore, United Arab Emirates, United Kingdom, the United States.

Our business

During the fiscal year 2016/17, Terma was present in the following Business Areas: Command, Control & Sensor Systems, Airborne Systems, Global Support and Services, Space, and Aerostructures. Terma works closely with national defense forces, public authorities, and international organizations worldwide to provide security for people on land, at sea, and in the air. In space, we are engaged in reaching new frontiers and enabling people on our planet to deal with new and future challenges.

Our employees are our most important resource and the building blocks of our organization. We aspire to be recognized as a company with a professional working environment where our employees can strive and progress, and where the diversity of talents is recognized. We work towards ensuring that our commitment against human trafficking and slavery is implemented in our company and that our employees are empowered to raise any issues or concerns that might arise.



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Terma is signatory to the UN Global Compact and supports its ten principles.

Our global supply chain

Our supplier base is wide, with more than 2,000 suppliers of goods and services, spanning over 50 countries. Being a part of a high technological industry delivering mission critical solutions, it is natural that we place strict requirements on our suppliers, in terms of quality, specifications, and general professionalism. In addition, we require that our suppliers respect and support our commitment towards responsible and ethical business practice, and we have implemented a process to screen suppliers for their level of compliance with our requirements. As part of this, we assess the risk of modern slavery and human trafficking occurring in our business and supply chains on an ongoing basis.

We acknowledge that components used in some of our products are at risks of modern slavery, among which we have a particular focus on the electronics components. These products typically contain tantalum, tin, tungsten, and gold. These metals, often named 3TG, have become known as “conflict minerals” because they may in part be sourced from the Democratic Republic of Congo or neighboring countries where their exploitation and sales play a

role in the ongoing civil war and unrests. We recognize that “conflict minerals” bring an increased risk of modern slavery. Therefore, we have integrated this dimension in our process towards our suppliers.

A journey towards continuous improvement

We recognize and understand the importance of the Modern Slavery Act and are committed to periodically reviewing and assessing the risks in our supply chain. Over the course of the coming fiscal year, we will be reviewing our supplier risk assessment process to ensure continued compliance with the Modern Slavery Act.

We are aware that ensuring Human Rights is a dynamic process, and we expect to continue to learn and integrate the knowledge we gain in our processes. In the coming years, we are looking at an updated third party compliance program, including a revised third party code of conduct.

Approval

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the fiscal year ending on 28 February 2017. This statement was approved and signed by the Executive Management.

The Business Areas' share of the total

Command, Control & Sensor Systems

Scalable command and control systems for naval and air defense and protection of critical infrastructure. Radar sensors for small target detection in extreme weather conditions



36%

Airborne Systems

Advanced and combat proven airborne electronic warfare and 3D-Audio solutions



27%

Global Support & Services

Maintenance, support, and update of Terma products and solutions



8%

Space

All phases of a space mission's lifecycle: from feasibility studies, realization, operation, to the exploitation of results



10%

Aerostructures

Advanced composite aeronautical structures for commercial and military aircraft



19%

Jens Maaløe
President & CEO

Per Thiesen
Executive Vice President & CFO

Steen M. Lyneskjold
Executive Vice President & CCO