

**CODE OF CONDUCT FOR SETTING UP A MONITORING SYSTEM  
IN BUSINESS FOR PRECURSOR CHEMICALS THAT  
CAN BE USED FOR THE ILLEGAL MANUFACTURING OF EXPLOSIVE SUBSTANCES**

**(Hydrogen Peroxide in aqueous solutions)**

**1. OBJECTIVES**

The object of this Code of Conduct is to help fight against the misuse of chemical precursors for the manufacture of illegal explosives by identifying suspicious transactions and reporting them to the appropriate country authorities.

It aims to help companies that are involved in the manufacture, use or supply of the hydrogen peroxide solutions to:

- make their staff and customers aware of the risks related to the precursors issue,
- encourage vigilance at the production, storage, sale and transport stages,
- increase co-operation and information exchange between companies and the authorities,
- undertake monitoring of hydrogen peroxide that could be diverted for use in the manufacture of illegal explosives



## 2. SCOPE

This Code of Conduct applies to hydrogen peroxide in aqueous solutions  $\geq 12\%$ :

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## 3. IN-HOUSE PROCEDURES

### 3a. Appointing “Responsible Officers”

The establishment/company concerned will name a “Responsible Officer” and clearly define the duties, role and powers of this individual; the “Responsible Officer” could be a manager in charge, for example, of sales, logistics, quality-assurance, health and safety or legal/administrative matters. Each company is free to organize itself internally in order to provide an efficient, reactive response to situations requiring communication with the authorities.

The “Responsible Officer” will play a key role in the monitoring system: as part of his obligation to exercise due care, he will be responsible for coordinating all matters relating to the control of the substance covered by this Code of Conduct.

He will guarantee close co-operation between the company/establishment and the appropriate country authority.

The “Responsible Officer” will ensure that:

- regular awareness-building takes place among the staff concerned ;
- in-house vigilance and monitoring procedures have been set up and are actually being followed by staff ;
- any suspicious or manifestly unusual order relating to the products is notified to the appropriate country authorities.

### 3b. Training and awareness-building

The “Responsible Officer” will raise staff awareness regarding the substance.

The staff affected are managers and individuals in sales, operating and logistics departments who supervise staff whose jobs entail warehousing, handling, selling, transporting and using these same substance. Awareness-building must be accompanied by introduction of appropriate in-house vigilance and monitoring procedures.

By way of awareness-building among staff, “Responsible Officers” are invited to arrange briefing sessions on the subject of monitoring the substances. Companies will also work to create awareness with customers, especially distributors, outsourcing partners such as transport and packaging companies and will also work with industry associations such as Cefic, FECC, UIC, VCI...to achieve this goal. Companies will do their best to discourage practices which are not judged “responsible” in order to minimise the risk that the substance falls into the hands of individuals wishing to manufacture illegal explosives.

### 3c. Transaction monitoring

The “Responsible Officer” ensures that:

- during manufacture or storage any unusual incidents are identified (disposal, disappearance, etc.);
- prior to delivery,
  - that the accuracy of information supplied by the customer has been checked :
    - ☐customer’s name (business name) and address ;
    - ☐substance’s place of delivery ;
    - ☐intended use of substance ;
  - that the customer’s reliability has been checked, including :
    - ☐propriety of its business relations ;
    - ☐conformity of its behavior with business practice ;
    - ☐absence of factors apt to arouse suspicion ;
- subsequent to delivery :
  - that the delivery has duly taken place ;
  - that any incident during transport of the substance has been identified ;
  - that any disposal, disappearance, etc. has been identified.

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They must be carried out particularly in the case of sales of small quantities (also known as “counter sales”), requests for or supply of samples, and disposal of these substances.

**Monitoring is based on identifying factors apt to arouse suspicion and notifying them to the appropriate country authorities.**

### 3d. Notifying suspicions

When, as discreetly as possible and using his professional experience, the “Responsible Officer” has identified any suspicious circumstances, he will contact the appropriate authority.

These suspicious circumstances may arise from attempts to order or request information on the substance. The “Responsible Officer” will report, wherever possible, the place, time, basic substance, quantity involved and will use his best efforts to obtain personal data such as his interlocutor’s fax and telephone numbers, e-mail address. If possible a description of the customer should be provided. However, caution will be taken not to alert the suspicious person by his behavior or by excessive questions.

This information will enable the appropriate authority to make any checks and inquiries necessary.

To allow the investigating authorities to work effectively, it is essential for the transaction concerned to be pursued in an apparently natural way.

The “Responsible Officer” will report:

- any suspicious order or request for information ;
- deliveries not made on the ground of such suspicion as well as any other suspicious factor or circumstance ;
- any other facts of which he is aware and which may be pertinent to an investigation into a suspicious transaction (unjustified break of bulk, unusual change of route, unusual delivery period, disposal, sampling, disappearance, etc.).

Upon the authority’s request, the “Responsible Officer” will place the relevant commercial documents at its disposal and provide access to production and storage sites and facilities, establishments, administrative and office equipment, and available samples of goods.

### **3e. Including the Code of Conduct in internal management systems**

Each company adhering to this Code of Conduct will undertake to implement the measures in this Code of Conduct at its head office; it will ensure that the procedures described in this Code of Conduct are included in the company’s internal rules of management. Each company signing the implementation charter of the Code of Conduct will undertake to set up a procedure for immediately notifying the “Responsible Officer” of any Internet contact or order from a party not already known to or a customer of the firm.

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## GUIDELINES FOR THE DETERMINATION OF SUSPICIOUS BEHAVIOUR

### 1. Customer identity

- A customer who presents himself without making prior contact;
- A customer who obviously has a lack of business acumen;
- The customer hesitates or refuses to provide an address or telephone number or to place a written order;
- The customer does not have any business paper;
- The customer can only be contacted by mobile phone;
- The order is placed by a company which is unknown and which cannot be found in the mercantile directories;
- The customer is not a member of a commercial or professional organisation;
- The order is placed by a company which is unable to provide the customary references.

### 2. Business practices

- A private address or a mailbox is stated as the delivery address or sender of the order;
- Orders are placed at irregular, incomprehensible intervals and for amounts which are not plausible;
- The payment is made in cash, by postal order, bank draft, cash before delivery or other anonymous forms of payment;
- The terms of payment are not in accordance with customary practice;
- An increased price is offered for a certain product or for a fast delivery;
- The orders are placed by universities or known companies and correspond with the customary proceedings, but it is expressly demanded that the delivery be made to a named person;
- It is demanded that the delivery be made to an intermediary, who does not normally trade with chemicals.
- Use of the Internet

### **3. Delivery methods**

- The delivery is collected with a private vehicle;
- The products are ordered in small containers which are not customary in the trade (neutral), although the delivery is claimed to be for industrial purposes;
- The stipulated forwarding route is suspicious;
- The delivery and transportation costs are higher than the value of the goods;
- Altered order practice which is sudden and on grounds which are not discernible.

### **4. Use of the products**

- The orders are for unusual quantities;
- There is a disparity between the ordered products and the stated use;
- The export is to countries in which there are no possibilities of use which would justify the importing of the order products;
- Orders are placed and purchases made by companies which do not have an obvious requirement for the products concerned;
- The orders are for more than one monitored chemical;
- The recorded chemical substances are a part of the order for a long list of non-recorded substances;
- The use for the stated purpose is not plausible.