



Responsible Palm Oil Policy

TER Chemicals Distribution Group

Version 2.0 – June 2025



Introduction

TER Chemicals Distribution Group ("TER Chemicals") specializes in the trading and distribution of specialty chemicals and we have been involved in chemical trade for more than one hundred years with excellent and sound market expertise in this industry. Our goal is clearly defined: we are the specialty chemical distributor of choice for our suppliers, customers, and employees. As experts in technical and application-related product solutions, we offer holistic services for procurement and logistics, without operating own storage, transportation, or production facilities. Our mission is to create value as a dedicated technical and chemical advisor in Europe by leveraging our skilled professionals, quality products and exceptional service.

The use of palm and palm kernel oil is widespread worldwide and plays a central role in many industries, from food to cosmetics and biofuels. However, the conventional cultivation of palm oil has a significant negative impact on the environment, including the deforestation of rainforests, the loss of biodiversity and the destruction of habitats of endangered animal species. In addition, social problems such as land grabbing and poor working conditions are widespread in palm oil producing regions.

As a member of the Roundtable on Sustainable Palm Oil (RSPO), we are actively committed to shaping the cultivation and use of palm oil responsibly and thereby protecting the environment and improving the living conditions of people in the growing regions. Aligned with the United Nation's Sustainable Development Goals (SDGs), this policy promotes and supports the following specific sustainable development goals that are of particular relevance to our group: Decent Work and Economic Growth (SDG 8), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13).

Our policy on sustainable palm oil aims to tackle the challenges that come with the cultivation of palm oil and make a positive contribution to the environment and society and is an important step in our commitment to sustainability and social responsibility.

Andreas Fröh

06.06.2025
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CEO

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CFO

Scope

Our policy applies to the TER Chemicals GmbH & Co. KG and TER Ingredients GMBH & Co. KG as well as all the legal entities, both domestic and foreign. It covers all employees and business partners.

RSPO membership (Number 2-0815-17-000-00) is maintained for the parent entity Ter Hell & Co. GmbH and its Group member TER Chemicals GmbH & Co. KG and TER Ingredients GmbH & Co. KG. Both group members maintain a distributor license for trade and distribution of certified Palm oil or Palm kernel oil and related products.

Statement

At TER Chemicals, we are committed to proactively addressing environmental challenges and integrating sustainable practices into all aspects of our operations. As part of this commitment, we hereby declare our intentions and direction for the procurement of palm oil and products containing palm oil:

- We require our suppliers and service providers to comply with internationally recognized labor and human rights standards as well as environmental standards and confirm compliance with our Supplier Code of Conduct.
- We provide our customers with transparent information about the cultivation and origin of palm oil and palm oil-based products in our product portfolio.
- We encourage our trading partners in the industry to use products that rely on certified sustainable palm oil.
- We report annually to the RSPO on our progress in increasing the share of certified palm oil in our portfolio.
- We have maintained our RSPO membership since 2017 and will continue to do so in order to support the development and implementation of global standards for producing and sourcing certified sustainable palm oil.

Through these commitments, we seek to make a meaningful and lasting contribution to the well-being of our planet and future generations. This Responsible Palm Oil Policy outlines our position on issues material to our group as well as commonly known issues in the cultivation of oil palms.

Roundtable on Sustainable Palm Oil

Palm and palm kernel oil predominately origins from oil palms plantations in the tropics of Southeast Asia. It is used worldwide in the food and feed industry as well as in many areas of the chemical industry such as detergents, cleaning and personal care products.

In view of the rising demand for palm oil and products made thereof, increasingly large area of forest have been cleared to give space to oil palm monoculture. In order to minimize the negative impact of palm oil production on the local environment, wildlife and communities and to meet the pressing global demand for sustainably produced palm oil, the Roundtable for Sustainable Palm Oil (RSPO) was formed in 2004.

RSPO Certified Sustainable Palm Oil (CSPO) production is based on the following principles:

- Commitment to transparency.
- Compliance with applicable laws and regulations.
- Commitment to long-term economic and financial viability.
- Use of appropriate best practices by growers and millers.
- Environmental responsibility and conservation of natural resources and biodiversity.
- Responsible consideration of employees and of individuals and communities affected by growers and mills.
- Responsible development of new plantings.
- Commitment to continuous improvement of key approaches.

At TER Chemicals, we fully support these principles as they are in line with our stance on sustainable procurement, environmental protection and respect for human rights. We have therefore been a committed member of the RSPO since 2017.

Stakeholders and allocation of responsibility

All involved stakeholders, like Product Management Teams, Quality Management and Sustainability Management, are well aware of this policy and the respective commitments.

Review Mechanism

Sustainability and Quality Management conduct an annual review to ensure the policy remains up to date and to assess progress toward our commitments.

Policy Implementation

This policy has been developed to introduce our intentions and principles to stakeholders.

This policy applies to all TER Chemicals entities and serves as a comprehensive guide for trading sustainable palm oil. It is subject to annual review and, if necessary, revision by our Sustainability and Quality Management to ensure its continued relevance and effectiveness.

The policy is fully endorsed by Executive Management and is accessible to all stakeholders on the TER Chemicals' website.