

AAK Group Environmental Policy

At AAK, we believe that building sustainability and environmental responsibility into our everyday activities is fundamental for our purpose, Making Better Happen™, and our vision of being the first choice for plant-based oil solutions.

We are dedicated to join and comply with national and international commitments and initiatives targeting universal environmental principles such as the UN Global Compact and the Sustainable Development Goals.

The purpose of our Group Environmental Policy is to prevent and manage potential risks to the environment and to outline our overall environmental commitments. The policy applies to all AAK entities, employees, activities, products and services.

AAK commitments

- **Accountability**

Environmental responsibility is integrated into our business, operations and activities. The Group acknowledges the responsibility that decisions and activities give rise to environmental impact. Our Group Environmental Policy is reviewed annually and approved by the Board of Directors. Governance starts at Board level and is cascaded down to management, objectives, roles and responsibilities, including climate change-related measures.

- **Raw materials**

In the raw material supply chain AAK engages with suppliers by sharing best practice and setting standards as outlined in specific supply chain policies and codes. AAK's objective is to ensure sustainability in the production and the supply of raw materials. Our commitments and requirements are stated in AAK Group Code of Conduct for Suppliers of Raw Materials and the AAK Group Policy: Responsible Sourcing of Vegetable Oils.

- **Suppliers and partners**

In the choice of suppliers, sub-contractors and transporters, we take environmental aspects into account and look for mutual improvements. We require minimum standards to be met in line with the Group Supplier Code of Conduct and various other AAK codes and policies. AAK shall inform customers, suppliers and contractors about its environmental work and cooperate with them with the ambition to find mutual improvements. AAK also engages with associations and NGOs as appropriate to improve supply chain performance.

- **Resource efficiency**

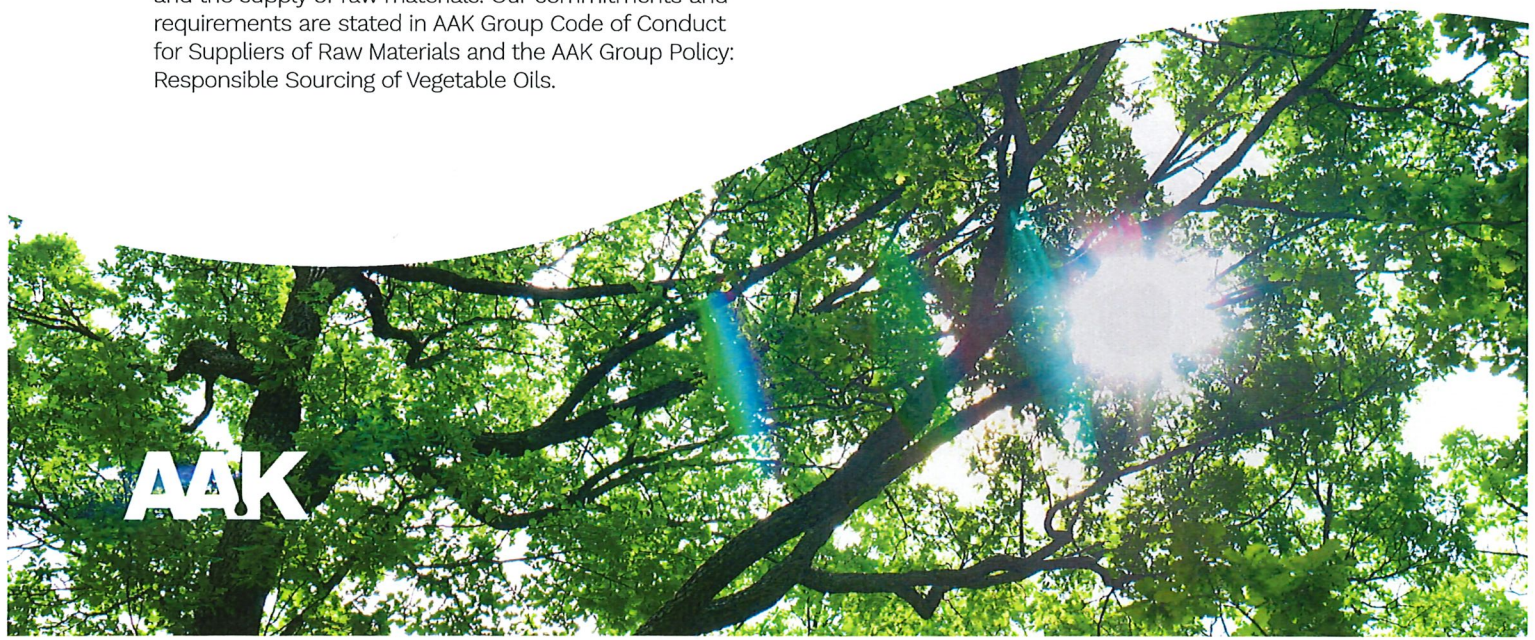
AAK production plants strive to use resources such as energy, water, raw materials, etc. as efficient as possible. Consumption is continuously monitored and options for improvements are regularly assessed.

- **Climate change**

AAK realizes the urgency of dealing with global warming and our role and responsibility as a company in this context. Climate change risk assessments are carried out to mitigate possible climate change-related risks and opportunities.

- **Emissions**

AAK is committed to prevent pollution and reduce greenhouse gas emissions to meet required reduction levels in line with the Paris Agreement. Emissions from AAK's production plants are continuously monitored, recorded and assessed for improvement options.



- **Waste**

AAK reduces waste material and strives to better utilize waste for recycling and avoid waste going to landfill. Options for selling by-products from process sidestreams and sorted waste material are continuously evaluated. Vegetable raw materials and products are handled, stored and processed in a way that minimizes food waste. Wastewater is treated prior to discharge, either by a municipality or an AAK treatment plant.

- **Environmental incidents**

AAK is working to prevent serious incidents and uncontrolled emissions by systematic risk analyses, preventive actions, emergency preparedness and long-term technical planning. Additionally, AAK is committed to consult with stakeholders on environmental issues.

- **Production plants**

Production plants establish environmental management systems and aim to have certification according to ISO 14001 standard or similar. Whenever there is a change of processes, plants or products, AAK uses the opportunity to evaluate the possibility of implementing environmental improvements. Hazardous materials are handled and stored safely. Prior to new acquisitions and partnerships, AAK is conducting an environmental assessment.

- **Innovation**

Innovation projects include ambitions to respect, as far as possible, the so-called precautionary approach. This means that AAK strives to implement more environmentally-friendly technologies, products and packaging to address impacts over the full lifecycle of our solutions.

- **Legislation and compliance**

AAK meets all applicable environmental laws, regulations and local requirements. Necessary and valid legal permits, registrations and compliance controls are held. AAK develops long-term plans related to the development of national and international legislation. Herein, tasks and responsibilities within the framework of the environmental management system are clarified.

- **Information**

As a minimum, AAK is annually reporting its environmental achievements and objectives publicly. The reporting framework follows the UNGC Principles, The Global Reporting Initiative (GRI) and EU Directives requirements. AAK has a responsibility to consult with stakeholders on material environmental issues. A stakeholder analysis is conducted every third year.

- **Evaluation and ambition**

AAK is annually reviewing the environmental ambition level based on achievements, market expectations, and long-term legal requirements, and adjusts as appropriate.

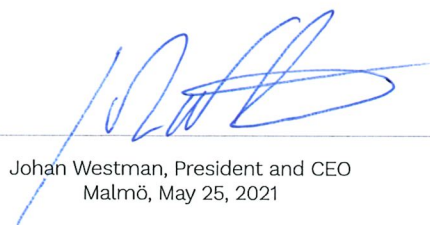
- **Training**

Targeted training is provided to all relevant employees to ensure knowledge about local legal permits and the AAK Group Environmental Policy in general.

Reference documents

Public versions of policies and codes referred to in the Environmental policy can be found at www.aak.com.

- AAK Group Policy Responsible Sourcing of Vegetable Oils
- AAK Group Policy Sustainable Palm Oil
- AAK Group Code of Conduct
- AAK Group Supplier Code of Conduct
- AAK Group Code of Conduct for Suppliers of Raw Materials
- AAK Group Code of Conduct for Agents and Distributors
- NEN-EN-ISO 14001 Standard
- Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01)



Johan Westman, President and CEO
Malmö, May 25, 2021