

AAK Group Statement: The use of Paraquat in palm oil plantations

Paraquat is a herbicide, a pesticide protecting the crop in the fields from competition from weed. It is a broad spectrum herbicide, destroying the green tissue of the plant it gets in contacts with. In nature paraquat breaks down to un-harmful substances very quickly.

Paraquat is one of the most used herbicides globally, used in more than 100 countries to protect major crops like corn, soy, apples, bananas, olives, oranges – and also palm oils.

As a founding member of The Round Table for Sustainable Palm Oil (RSPO) AAK only work with suppliers in Asia who adopt to the principles of the RSPO and we urge our suppliers to comply to the standards and to certify the plantations. RSPO accepts the use of paraquat but insists on a continuous improvement program to gradually phase it out. We have confirmed that some have already phased out paraquat, some have a plan to do so in the very near future.

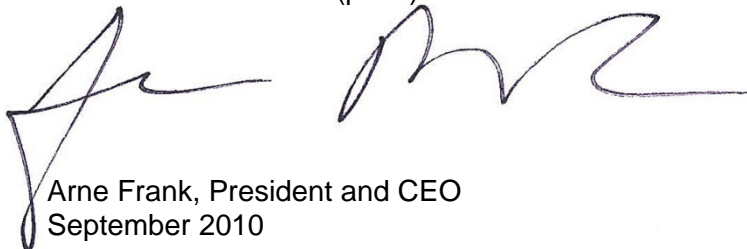
As paraquat is toxic also to humans its usage is restricted and has to follow very strict guidelines. In Malaysia, one of the world's major producer of palm oil, plantations are only permitted to use paraquat during the first 3 years when the oil palm is in its immature phase. Upon maturity, paraquat usage is disallowed. Therefore it is not a food safety issue. At AAK we also have an extensive monitoring program covering all relevant risk factors, in this program we have never detected residuals of Paraquat in palm oil.

AAK has no knowledge about injuries on humans caused by the use of Paraquat in relation to palm oil production in any of the plantations we are using.

AAK is conducting follow up on this subject.

At AAK we believe in continuous improvement and full openness about our activities, and we encourage all our suppliers to phase out the use of Paraquat as fast as possible and to publish auditable plans on this process.

Yours faithfully
AarhusKarlshamn AB (publ.)



Arne Frank, President and CEO
September 2010