

# AAK Group Environmental Policy

At AAK, we believe that integrating 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 complying with national and international commitments and initiatives targeting universal environmental principles such as the UN Global Compact and the Sustainable Development Goals and Science Based Targets Initiative.

AAK's sustainability commitments for the sourcing of plant-based oils are fully aligned with our commitment to No Deforestation/Conversion, No Development on Peat and No Exploitation of rights-holders (NDPE).

The purpose of the Group Environmental Policy is to manage our material impacts, financial risks and opportunities to the environment and to outline our overall environmental commitments. The policy describes our commitments related to climate change mitigation & adaptation, pollution, water, biodiversity & ecosystems and resource use. The policy applies to all AAK entities, employees, activities, products and services. Detailed requirements for AAK business partners are outlined in the AAK Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds, AAK Group Code of Conduct for Suppliers of Non-Oil Goods and Services, AAK Code of Conduct for Agents and Distributors together with all other applicable AAK codes and policies (hereinafter the "AAK Codes"). The AAK Group Environmental Policy, and related policies, are available on the AAK website to inform all stakeholders.

## Governance

Environmental responsibility is integrated into our business, operations and activities. The Group acknowledges the responsibility that decisions and activities have impact on the environment. Our Group Environmental Policy is reviewed annually and approved by the Board of Directors. Governance starts at board level and cascades down to management, objectives, roles and responsibilities, including emission reduction targets and climate change-related measures. Timebound Sustainability Roadmaps have been created, and progress or updates are communicated publicly in our publications (e.g., Annual Reports). Roadmaps are regularly updated to keep up with the regulations and progress of the company. AAK reviews, and adjusts where appropriate, the environmental ambition level annually, based on achievements, market expectations, stakeholder dialogue and long-term legal requirements.

### 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.

### 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, solutions, and packaging to address impacts over the full lifecycle of our solutions.

### Information

As a minimum, AAK is annually reporting its environmental achievements and objectives publicly. The reporting framework follows the UNGC Principles, and EU Directives' requirements. AAK has a responsibility to consult with stakeholders on material environmental issues. The scope of this policy has been informed by impact, risk and opportunity assessment for our entire value chain, in line with the Double Materiality Assessment requirements for the Corporate Sustainability Reporting Directive (CSRD), as AAK is a Swedish company registered under Swedish law. A stakeholder analysis is conducted every third year.

### Training

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

### Incident prevention

AAK is working to prevent serious incidents and uncontrolled emissions with systematic risk analyses, preventive actions, emergency preparedness and long-term technical planning. Additionally, AAK is committed to consult with stakeholders on environmental issues. AAK provides targeted training to all relevant employees to avoid incidents and emergency situations, and when they occur, to control and limit their impact on people and the environment.

### Production plants and environmental management systems

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. Prior to new acquisitions and partnerships, AAK is conducting an environmental assessment.

## 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, as outlined in the AAK Codes. 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.

# AAK commitments

## Climate change mitigation and adaptation

AAK's core and supply chain operations contribute to Greenhouse Gas emissions' generation. AAK realizes the urgency of dealing with climate change and our role and responsibility as a company in climate change mitigation and adaptation.

AAK is committed to reducing our climate impact. This is reflected in our action plans for achieving the science-based target commitments. This commitment includes our entire value chain: our own production sites, upstream to our supply base and downstream with the sustainable plant-based solutions that we co-develop with our customers. As such, we recognize and work to implement practices based on climate change assessments to mitigate possible climate change-related impacts and explore climate change related financial risks and opportunities.

AAK is also committed to building climate resilience. As part of this work, AAK identifies and assesses climate-related risks for all production sites and for key raw materials, that form the basis for mitigation and climate adaptation strategies.

AAK works to minimize emissions to meet required reduction levels, in line with the Paris Agreement. As such, AAK has signed up and received approval of our binding targets under the Science Based Targets Initiative (SBTi) for Scope 1, Scope 2 and Scope 3 (supply chain) emissions and will work to reduce emissions in our own operations and the entire value chain.

## Energy efficiency and renewable energy deployment

AAK's own operations do involve energy-intensive processes, and actors in AAK's value chain involve energy-intense activities. AAK works to optimise the energy efficiency in our production sites by using the latest technology and through the continuous improvement of our specific process equipment, to reduce our energy usage year on year.

Furthermore, we also play a key part in enabling the transition away from fossil-based ingredients towards options that are sustainable, renewable, and biodegradable. AAK is co-developing solutions that enable our customers to reduce their emissions.

## Pollution

AAK is committed to minimise and prevent pollution of air, water and soil across our entire value chain. Emissions from AAK's production plants are continuously monitored, recorded and assessed for improvement options.

AAK strives to minimise the use of substances of concern, and substances of very high concern, in our own operations.

AAK works to prevent serious incidents and uncontrolled emissions by systematic risk analyses, preventive actions, emergency preparedness and long-term technical planning. Additionally, AAK consults with stakeholder on such issues.

AAK encourages our suppliers to commit to adopting best management practices to protect soil quality, including but not limited to preventing pollution and contamination of soil and pollution of living organisms and food resources.

## Water

AAK is committed to minimize any adverse effects of our operations related to the quality and quantity of surface water, wet-lands or groundwater resources. We continuously work towards reducing impacts related to water withdrawal, consumption, and discharge, both in our own operations and in our value chain.

**Water management:** AAK continuously works towards reducing water consumption in areas at water risk in our own operations. AAK has no operational sites in areas with high water stress, some of AAK operational sites are near areas with sensitivity. AAK has all required permits and controls in place. AAK works towards reducing the use of water by increasing the efficiency of water use. This is done through initiatives on water reduction and a focus on water reuse and recycling. In production processes, water is primarily used for cooling purposes, AAK's use of water for products and services is minimal.

**Water treatment:** All AAK sites have a system in place for water treatment themselves or are connected to local sewer systems. Water pollution is prevented by water treatment, separation of areas, bonded areas with dedicated sewer systems and separation from rainwater.

**Water discharge:** Wastewater is treated prior to discharge, either by municipality or an AAK treatment plant. AAK has no water discharge to oceans and monitors any water discharge to sea and any potential effects on ocean and marine resources, to manage potential material impacts. At some AAK sites sea water is used for cooling under strict control to prevent any potential pollution.

AAK suppliers are required to always comply with national and local legal provisions related to the use of water resources and ensure that operations do not contribute to the pollution of water. Detailed requirements for AAK suppliers are outlined in the AAK Codes.

## Biodiversity and ecosystems

AAK is committed to ensure that our business operates with respect for planetary boundaries related to biosphere integrity and land-system change. AAK is working to mitigate the social causes and effects of biodiversity loss, particularly in the context of deforestation.

Biodiversity-related impacts are increasingly important for our upstream value chain. There are negative or potentially negative impacts in our upstream value chain related to biodiversity loss, the state of species, the extent and condition of ecosystems and impacts and dependencies on ecosystem services. AAK is committed to supporting actions within and beyond our supply chain that contribute to protecting and/or restoring biodiversity. Requirements for suppliers regarding biodiversity and ecosystems can be found in the AAK Codes

AAK aligns with and adopts the High Conservation Value and High Carbon Stock approaches deployed by the Roundtable for Sustainable Palm Oil, of which we are a founding member . We also work with the ProTerra Foundation, the Roundtable for Responsible Soy, Rainforest Alliance and the International Sustainability Carbon Certification, among others. These third-party organizations provide certifications and standards for sustainable and deforestation-free supply chains.

AAK proactively engages in monitoring, information sharing and engagement, to improve traceability of raw materials in the supply chain and actively reduce the upstream biodiversity-related impacts. AAK has a publicly available grievance management procedure that may result in the suspension of a supplier, in case of breaches of AAK policies and Codes, including those related to AAK's biodiversity commitments.

## Deforestation and conversion of all natural ecosystems

AAK is committed to eliminating deforestation and conversion of other natural ecosystems from our supply chains. AAK also works towards protection of species and animal welfare, as they relate to natural ecosystems.

Specific requirements for suppliers regarding deforestation restoration can be found in our Grievance management Procedure.

The cut-off dates after which deforestation or conversion is non-compliant with this policy are 22<sup>nd</sup> July 2008 for soy from the Brazilian Amazon biome<sup>1</sup>, 31<sup>st</sup> December 2015 for palm oil and related products, and for all other raw materials and regions a cut-off date aligned with the EU deforestation regulation .

## Land degradation, regenerative agriculture and resource use

AAK is committed to halting or preventing land degradation, desertification and promoting sustainable agricultural practices.

AAK is committed to supporting actions within and beyond our supply chain that contribute to the restoration or protection of forests, peatlands, wetlands and other natural ecosystems as well as to the adoption of regenerative agricultural practices that mitigate degradation of water and soil quality and promote their restoration.

Some of AAK's operational sites are adjacent to protected areas and areas of high biodiversity value outside protected areas. AAK is committed to mitigating potential impacts of our operations and continuously monitoring and mitigating impacts during operations, and to minimize pollution and greenhouse gas emissions to prevent any biodiversity loss.

## Resource use and circular economy

AAK is committed to ensure that our business operates with respect to planetary boundaries and ensure resources will be available for future generations.

### 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 sourcing of raw materials. Our commitments and requirements for sourcing of raw materials are stated in the AAK Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds .

### Resource efficiency

AAK is committed to optimize resource use and to minimize waste across the value chain. AAK strives to adapt to increasingly circular practices through innovation and sourcing practices.

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<sup>1</sup> This is the cutoff date used by Soy Moratorium that just covers Brazilian Amazon.

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

### **Waste**

AAK reduces waste material and strives to better utilise waste for recycling and avoid waste going to landfill. Options for selling by-products from process side streams and sorted waste material are continuously evaluated. Plant-based raw materials and products are handled, stored and processed in a way that minimizes food waste. Hazardous materials are handled and stored safely.

### **Packaging**

We are committed to full compliance with the EU Packaging and Packaging Waste Regulation (PPWR). This includes minimising packaging weight and volume, limiting empty space in packaging applications, achieving required recyclability, avoiding restricted packaging materials, and applying mandatory labelling and sorting instructions to support proper waste management and recycling.

In line with AAK's commitment to the sustainable sourcing of raw materials and procurement of non-oil goods and services, specific requirements are outlined in the AAK Codes.

AAK's commitments on food loss and waste management are outlined in Annex 1 of this policy.

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Malmö, May 8, 2026

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# Annex 1

## Food Loss and Waste 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.

### Context

The United Nations General Assembly has adopted a series of 17 Sustainable Development Goals (SDGs)<sup>5</sup>. One of them is goal nr 12, Responsible consumption and production, where target 12.3 states *“By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses”*<sup>2</sup>.

Sustainability is at the heart of AAK’s purpose, Making Better Happen™ and guides us to bring a holistic approach to the way we think and act as an organization. Sustainability is a core commitment and a dedicated journey, not a destination. We continuously develop and strive to do even better across all of AAK and throughout the entire value chain – from plant to brand.

Under the sustainability umbrella we have an established environmental policy that addresses food loss and waste. The FSSC22000 food safety standard requires a documented policy and objectives to reduce food loss and waste within our organization and supply chain, without negative impact on food safety<sup>6</sup>. Given that all AAK sites are GFSI certified, an AAK Group policy needs to be established to demonstrate compliance.

### Purpose

The purpose of the policy is to enhance AAK commitment for sustainability goals and to define targets and actions that should be implemented to reduce food loss and waste. Within our operation and direct supply chain in alignment with AAK Group Environmental Policy. All activities at AAK sites in connection with this policy shall comply with applicable legislation, AAK Group policies and codes.

### Definition

**Food loss** occurs before food reaches the consumer as a result of non-appropriate practices along the supply chain (production, processing, storage and distribution phases)<sup>6</sup>. For example, situation of recalls/withdrawals, return of products due to different quality/food safety non-conformities, re-processing and rework needs to be minimized.

**Food waste** refers to food that is fit for consumption but consciously discarded at the retail or consumption levels.<sup>6</sup>

Food loss and waste only relates to food. Packaging material wastage is excluded.<sup>3</sup>

### Food loss and waste strategy

The goal is to minimize the food loss within AAK.

- In 2025 AAK takes the first steps of the journey towards the goal.
  - Each AAK site reports their food loss twice a year to be able to establish a baseline/base year.
  - The data is reported in the Position Green platform, that is currently used by AAK.
- At the end of 2025/beginning 2026 a target for each AAK site will be set based on the base year 2025.
- In the journey 2026+, towards the goal:
  - Each AAK site shall investigate and determine the causes for the target not being met and then implement suitable actions to address this.
  - Where the target has been met, the AAK site should evaluate the current quantity of food loss so see whether further reductions are possible and whether another feasible destination could have a larger sustainable impact.

### Reference documents

- AAK Group Code of Conduct
  - AAK Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds
  - AAK Group Code of Conduct for Suppliers of Non-Oil Goods and Services
- AAK Group Code of Conduct for Agents and Distributors
- NEN-EN-ISO 14001 Standard

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<sup>2</sup> The United Nations General Assembly has adopted a series of 17 Sustainable Development Goals (SDGs), specifically Sustainable Development target 12.3 (link) says that by 2023, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

<sup>3</sup> FSSC 22000 Guidance Document: Food Loss and Waste – version 6, September 2023

- European Sustainability Reporting Standards  
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