# PAI Report

June 2023

AAK is a multi-oil ingredient house and the leading expert in plant-based oils. Sustainability is at the heart of our purpose, Making Better Happen™. For AAK, sustainability is a journey, not a destination. We always strive to go further, constantly taking new steps to improve and deliver solutions that are more sustainable.





AAK PAI Report | June 2023

#### **Purpose**

The purpose of this report is to enhance transparency and support the investment community in assessing AAK from a sustainability perspective. In line with SFDR requirements, AAK reports on the PAIs - standardized metrics and refer to a specific list of indicators that allow investors to monitor the adverse impacts of their investments.

Reporting period: 1 Jan 2022 - 31 Dec 2022

## Climate and other environment-related indicators

N/A

#### Greenhouse gas emissions

#### 1. GHG emissions

Scope 1 GHG emissions 276,679 tCO<sub>2</sub>e Scope 2 GHG emissions 67.256 tCO₂e Scope 3 GHG emissions (2019) FLAG: 5,780,176 tCO<sub>2</sub>e Non flag: 2,818,185 tCO<sub>2</sub>e Total Scope 3 emissions 8,598,361 tCO<sub>2</sub>e Total GHG emissions 8,942,296 tCO<sub>2</sub>e

2. Carbon footprint N/A

3. GHG intensity of investee companies N/A

4. Exposure to companies active in the fossil fuel sector N/A

5. Share of non-renewable energy consumption

and production 74 percent non-renewable energy

6. Energy consumption intensity per high impact climate sector

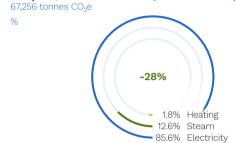
#### Water

8. Emissions to water N/A

#### Waste

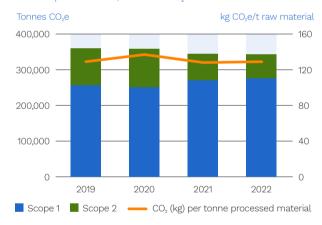
9. Hazardous waste ratio 1.647 tonnes

#### Scope 2, GHG emissions (market based)



#### Scope 1 and 2, GHG emissions

Total Scope 1 and 2: 343,935 tonnes CO2e



## Our Climate Roadmap

# 10% of AAK's suppliers by emissions,

Reduce Scope 1 and 2 emission with 50%

Reduce Scope 3 non-FLAG emissions by 46%



Submitted Science Based Targets

Decarbonization roadmaps for raw materials

Climate risk assessment raw materials completed

Committment to Science Based Targets

Completed climate risk assessments for

Base year for Science Based Targets

AAK PAI Report | June 2023

# Social and employee, respect for human rights, anti-corruption and anti-bribery matters

#### Social and employee matters

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

AAK has a Code of Conduct for Suppliers where UNGC principles and OECD Guidelines are implemented.

Two incidents of child labor were reported in AAK during 2022\*.

11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

During 2022, a total of 463) suppliers were audited through third party sustainability audits. The audits continued to focus on suppliers with heightened sustainability risks.

On top of this, AAK has a grievance mechanism in place, our whistleblower system.

#### 12. Unadjusted gender pay gap

AAK annually performs follow-ups on our Remuneration policy in every country where we operate to make sure that salaries are eaual.

13. Board gender diversity 60% female

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)













### Our People impact Roadmap

Diversity and Inclusion team established

Global well-being program AAKtivate rolled out

Human rights due diligence embedded across all sites

10%-points

in employee inclusion score (base year 2017) Human rights risks mitigation plans

Impact assessment of community engagement activities Maintain **Zero** accidents culture

Market leader in employee satisfaction

Inclusion index rate of 95%

Less than 8% attrition rate

Impacting **30,000** people positively through

community engagement

2030

VlaauS chain

**Employees and** 

communities

Human rights risk assessment completed and due diligence approach defined

2022

Human rights and child labor training rolled out

2025 Human rights due

diligence embedded across all raw materials Human rights salient

risk mitigation started Transparent human rights due diligence reporting

Human rights mitigations plans and

2027-2029

actions

AAK is being recognized for human rights governance

and reporting

positive impact on people in our supply chains

If you are curious to know more about Making Better Happen™ from plant to brand, please visit our Sustainability Report 2022.

\*Any suspected non-conformances dentified during supplier visits or audits, or brought to AAK's attention through grievance channels, are duly investigated. The findings are discussed, and a corrective action plan is devised together with the supplier in question. The supplier must commit to the plan, and AAK follows up on its implementation. If a supplier does not take the necessary corrective actions, new discussions are held to examine the reasons, and at a higher management level if necessary. In cases where a supplier is not willing to improve their performance, the relationship is either suspended or terminated depending on the specific issue and progress on human rights action plan.

