

## AAK Group Code of Conduct for Suppliers of Raw Materials

### INTRODUCTION

Responsible sourcing of raw materials is core in AAK's business model. Our commitments and requirements are stated in **AAK Group Policy: Responsible Sourcing of Vegetable Oils**.

AAK requires all external suppliers and their subcontractors to comply with this Code. The Code applies to all actors in the supply chain back to the origin of the raw material. The Code may include higher standards than required by national law. Should any requirement in the Code violate applicable law, the law takes precedence.

Through implementation of these commitments, AAK puts its policy in action and aims to mitigate unacceptable social and environmental impacts in its supply chains, and to foster positive impacts of procurement and improved livelihoods in communities.

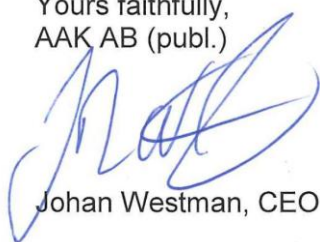
### COMPLIANCE AND VERIFICATION

Suppliers must maintain documentation necessary to demonstrate compliance with the requirements of this Code. The documentation must be made available to AAK on written request. AAK will conduct on-site assessments of our suppliers and their supply chain including with external third-party assessors.

Should a supplier fail to comply with the requirements of the Code, AAK will through dialogue and cooperation try to solve the situation or as a last resort terminate the relationship.

Any area causing concern or requiring clarification should be addressed to [code@aak.com](mailto:code@aak.com).

Yours faithfully,  
AAK AB (publ.)



Johan Westman, CEO and President

### INDICATION OF COMPLIANCE

"We have read, understood and confirm that we live up to AAK's requirements for the categories ticked underneath and we will support AAK with the necessary documentation to demonstrate compliance"

Date:                      Company name:                      Name and function:                      Stamp and signature:

# 1. Code of Conduct for Raw Materials Suppliers

## **Legal compliance**

Suppliers shall operate in compliance with applicable national and local legal requirements

## **Fair competition**

Suppliers shall comply strictly with all antitrust and competition law

## **Human rights**

Suppliers shall support and respect the protection of internationally proclaimed human rights and ensure that they are not complicit in human rights abuse.

## **Freedom of association**

Suppliers shall respect freedom of association and the right to collective bargaining.

## **Forced labour**

Suppliers shall not accept any form of forced labour such as bonded labour, prison labour, slavery, human trafficking or retention of important personal documents of employees.

## **Child labour and young workers**

Suppliers shall not accept the employment of children. The minimum age of employment shall not be less than the age of completion of compulsory schooling and in any case not less than 15 years (14 years in some developing countries).

Where national law permits it, children between the age of 12 and 15 may perform a few hours of light work per day. The work must not interfere with children's education.

For young workers below the age of 18, special precautions shall be taken to protect them against accidents and damage to their health.

## **Discrimination**

Suppliers shall not engage in or support any form of discrimination such as discriminating practices for employment, benefits, promotions or training. Employee related decisions shall be based on relevant and objective criteria.

## **Working hours**

Suppliers shall comply with all applicable national and legal standards on working hours and overtime.

## **Wages and benefits**

Suppliers shall comply at least with international legal minimum standards concerning wages and benefits including compensation for overtime. The size of wages shall enable workers to meet basic needs and shall be paid on time.

## **Working environment**

Suppliers shall offer a safe working environment for all employees. Adequate health and safety procedures and the use of relevant protective equipment shall be implemented. Employees shall have access to drinking water and appropriate sanitation facilities.

### **Workplace violence**

Suppliers shall protect employees in the working place against physical, verbal, sexual or psychological harassment, abuse or threats.

### **Anti-corruption**

AAK is committed to zero tolerance for corruption in all its forms, including bribery and extortion. Any evidence of corruption will be addressed with immediate effect. Suppliers shall actively work against corruption in all its forms.

### **Environment**

Suppliers shall strive to minimize the environmental impact of their activities through responsible management, widespread environmental awareness and the use of technologies with low environmental impact.

AAK will only source raw materials that have been produced without **High Carbon Stock** deforestation, conversion of **High Conservation Value** areas, or development on **peatland** soils.

AAK requires that agricultural practices aim to mitigate degradation of water quality, in particular through implementation of best practice controls on chemical use.

### **Housing**

Actors in our supply chain offering housing to employees shall ensure adequate standard and hygiene of facilities, sufficient space per occupant and offer appropriate privacy options.

### **Land rights and tenure**

AAK will only source raw materials from growers with the necessary land rights, and where legal or customary rights of others are not adversely affected. In particular, our requirement is that new development only takes place with the free, prior and informed consent (**FPIC**) or equivalent of other land rights holders such as local communities.

### **Traceability**

AAK's objective is to ensure traceability in our raw material supply chains, sufficient to ensure that we achieve transparency of raw material origins, as the basis for assuring compliance with these policy requirements.

## **DEFINITIONS**

### **Free, Prior and Informed Consent (FPIC)**

FPIC is a principle requiring that indigenous and local communities have the right to give or withhold their consent to proposed projects that may affect the lands to which they hold legal title, or they customarily own, occupy or otherwise use. More details on best practices are available at the RSPO guidance:

[http://www.rspo.org/files/resource\\_centre/FPIC%20and%20the%20RSPO%20a%20guide%20for%20companies%20Oct%2008%20\(2\).pdf](http://www.rspo.org/files/resource_centre/FPIC%20and%20the%20RSPO%20a%20guide%20for%20companies%20Oct%2008%20(2).pdf)

### **High Conservation Value (HCV) areas**

High Conservation Value areas are biological, ecological, social or cultural values which are considered outstandingly significant or critically important, at the national, regional or

global level. More details are available at the High Conservation Value Resource Network: <https://www.hcvnetwork.org/about-hcvf>

### **High Carbon Stock (HCS) forests**

The HCS Approach defines a methodology to identify natural forest ecosystems, and distinguish them from degraded lands that only have small trees, shrubs or grasses remaining.

More details are available at:

<http://www.highcarbonstock.org>

### **Peatland**

Peatland are areas with soil that contains at least 65 percent organic material, over a depth of 50 cm or more.