

# AAK's palm oil grievance management procedure

*This document is an external summary of the AAK grievance management procedure SOP.*

## 1. Context

AAK is committed to sourcing responsibly produced palm oil in accordance with our Sustainable Palm Oil Policy (SPOP) and supplier Code of Conduct (CoC). The proactive implementation of these commitments within our supply base is an ongoing activity with our sustainability partners, and progress is reported through our update reports and sustainability dashboard. Nonetheless, given the size and complexity of palm oil supply chains, AAK is aware that practices that breach AAK's policy commitments can occur in upstream supplier's operations.

AAK takes any alleged activity that runs contrary to the standards set out in our policy commitments seriously and we will engage with our direct suppliers about direct and indirect grievances raised. The grievance management procedure (GMP) described here is used to register, assess, manage and monitor grievances raised against AAK's Tier 1 suppliers and third-party suppliers that are part of AAK's upstream supply base as defined below.

## 2. Purpose and objectives

The AAK GMP facilitates the response to and monitoring of complaints arising within AAK's upstream supplier operations. It describes the procedure and the actions taken by AAK at each stage. It is a transparent process, so that all relevant parties understand the expectations for each stage.

The objective of the GMP is to provide a process which allows AAK:

- To engage swiftly and systematically with Tier 1 suppliers that have grievances raised either against them directly or in their or their supplier's operations;
- To assess, manage, and monitor grievances in upstream supply chains;
- To provide guidance for suppliers on AAK expectations on grievance management, and what information AAK expects to receive from suppliers as feedback on the resolution of issues.

## 3. AAK's grievance procedure

### 3.1. Scope

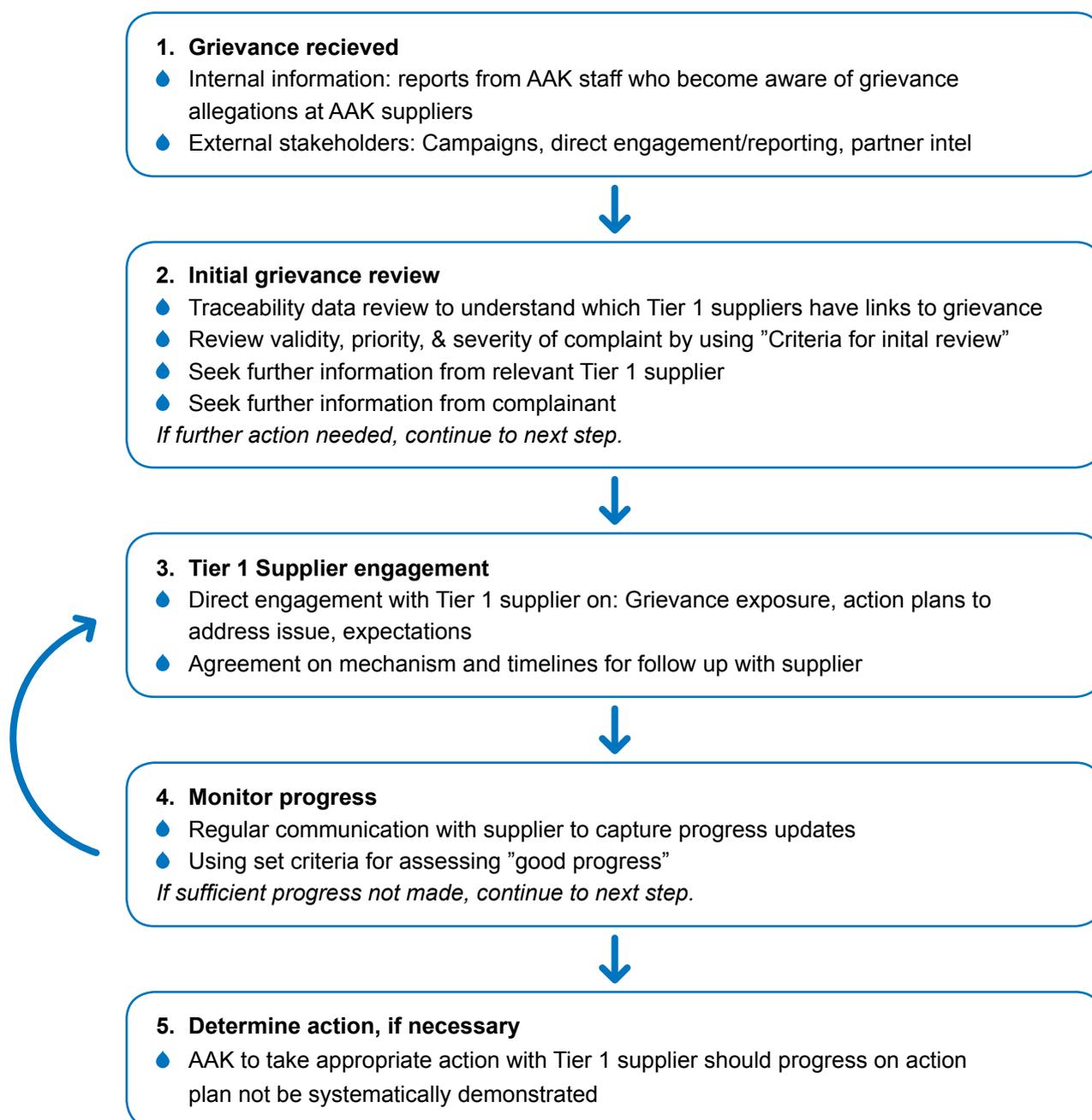
Grievances are defined as alleged practices in oil palm production that do not comply with AAK's SPOP or CoC, e.g. reports of deforestation or poor labour practices. These are often received from sources such as NGOs, the press, or other civil society organisations, but also through the internal company network and industry sources.

The procedure is applicable to all production sites (plantations, mills and refineries) that supply AAK palm oil or derivatives either directly (an AAK Tier 1 supplier), or indirectly (a third-party supplier to an AAK Tier 1 supplier).

The procedure supports the logging of grievances, dissemination of information to the internal grievance team, verification of grievances and classification based on established decision-making criteria, and supplier engagement and monitoring. The procedure is embedded within AAK and handled by a dedicated grievance management team comprised of the procurement department, who are the first point of contact with AAK's suppliers, the sustainability team, and our implementation partners Proforest. Updates and progress reports are delivered regularly to senior management. AAK also engages third-party experts to assist in determining the validity and severity of grievances.

### 3.2. Process

When allegations of practices that do not comply with AAK policy are received they are registered in the AAK system as a grievance. AAK's traceability data is then screened to ascertain the level of exposure to AAK's supply chains and will be logged according to the AAK Tier 1 supplier/s linked to the grievance in question. The complaint is reviewed using criteria to determine the validity, priority to AAK, and severity of the allegation. AAK will seek further information from the relevant Tier 1 supplier through whose supply chains AAK is receiving palm products from the subject of the grievance. This process is summarised in the flowchart below:



### 3.3. *Criteria for decision-making*

When AAK receives information about an alleged grievance it is evaluated against a set of criteria for decision-making. These criteria are used to establish: 1) the validity of the complaint, 2) the priority rating for AAK, 3) the level of severity of the grievance, 4) the assessment of sufficient progress to resolve the grievance. This enables AAK to deal with each complaint fairly, systematically, and consistently, and to take proportionate action in line with AAK's priorities and exposure. These criteria have been developed with our implementation partner, Proforest, who validate their application to grievances in our supply chain.

## 4. **Contacts**

For further information about AAK's palm oil grievance management procedure or information related to specific cases please contact [palmgrievances@aak.com](mailto:palmgrievances@aak.com).