



Sustainability Report 2024

Sustainability from *plant* *to brand*

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Everything we do is about Making Better Happen™

We have been Making Better Happen™ for more than 150 years

Net sales

45,052
SEK million

Operating profit

4,896
SEK million

No of employees

≈ 4,000



- 20 Production plants¹⁾
- 25 Sales offices
- 16 Customer innovation centers

¹⁾ The Hillside facility in NJ, US, was divested on December 31, 2024.

About AAK

AAK specializes in plant-based oils and fats, the value-adding ingredients in many products people love to consume. We make these products better tasting, more nutritious, cost-efficient, and sustainable. We are listed on Nasdaq Stockholm, with headquarters in Malmö, Sweden.

At the heart of AAK’s offer is customer co-development, combining our desire to understand what Making Better Happen™ means for each customer with the unique flexibility of our production assets and deep knowledge of products and industries we co-develop with.

- We are **passionate** about Making Better Happen™
- We are **agile** by intent
- We are **accountable** for our actions
- We are **collaborative** by choice

We co-develop with our customers for: better performance, better health, better experience, better planet and better futures in:

Chocolate & Confectionery Fats

Bakery

Dairy

Plant-based & New food solutions

Special Nutrition & Health

Foodservice

Personal Care

Technical Products

Feed

Natural Emulsifiers

Fish Feed

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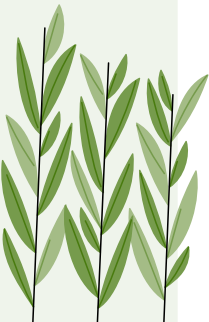
People

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“In 2024 we continued to make progress in sustainability. 91 percent of our palm supply is verified as deforestation-free and our global palm traceability to plantation stands at 97 percent.

Johan Westman, President and CEO



Statement by President and CEO

Driving sustainability in *food systems and beyond*

Sustainability is a continuous commitment, and to create lasting impact, we focus our efforts where they matter most—minimizing our climate impact, supporting biodiversity throughout our supply chain, and looking out for people. From a business perspective, a key focus for us is to replace fossil and animal-based solutions with plant-based alternatives, meeting the growing demand for sustainable products. By doing so, we aim to expand our addressable market and drive sustainable growth.

Driving change together

In 2024, we made tangible progress toward our long-term sustainability targets, reducing our environmental impact while supporting our customers and suppliers in their shift to greener practices. I am proud of the progress we have made, but I also recognize that real change takes time and ongoing effort. We are continuously focused on lowering GHG emissions, enhancing supply chain traceability, and strengthening our relationships with key partners.

AAK drives meaningful impact by collaborating across the value chain, whether through partnerships with suppliers, industry groups, and NGOs to eliminate deforestation, or by taking an active role in global settings such as the World Economic Forum.

Implementing measurable emission reduction in operations and supply chains

To achieve our climate targets, which were approved by the Science-Based Targets initiative (SBTi) in 2023, we have a clear climate strategy in place, built on four key pillars: providing sustainable solutions for customers, reducing our operational carbon footprint, mitigating supply chain emissions, and investing in climate-friendly technologies.

In 2024 we made progress toward our SBTi targets, particularly in Scope 1 and Scope 3 FLAG emissions. Using validated data, we quantified Scope 3 FLAG emissions, confirming a 28 percent reduction—bringing us close to our 2030 target of 33 percent. This progress was driven by sustainable sourcing as well as increased RSPO-certified palm oil uptake.

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One 2024 climate initiative that I am particularly proud of was the commissioning of our bio-boilers in Aarhus, which, when fully operational, are expected to save approximately 50,000 MT of CO₂ annually, equivalent to about a 15 percent reduction compared to the group’s 2023 Scope 1 and Scope 2 emissions.

Ensuring deforestation-free supply chains

AAK’s biodiversity roadmap focuses on sustainable land management and achieving a fully traceable, deforestation-free palm supply chain. By 2025, we are committed to 100 percent verified deforestation-free palm supply chains and 100 percent traceability to the palm oil source. Achieving these targets are key in reducing emissions, as 93 percent of AAK’s total emissions come from our supply chain.

Palm oil stands out for its exceptional land-use efficiency. For example, it takes just 0.3 m² of land to produce 1,000 kcal worth of palm oil, whereas rapeseed would require 1.2 m² for the same amount. Thanks to its high yield and versatility, palm oil plays a key role in meeting future food demand—while helping reduce reliance on less sustainable alternatives.

As of 2024, our global palm traceability to plantation stands at 97 percent, with 91 percent of our palm supply verified as deforestation-free. This progress is driven by enhanced verification, responsible sourcing, and stronger supplier engagement.

Ensuring a people-positive value chain

Building a strong, value-driven culture is a priority which is why we intensified our Culture Journey initiative in 2024 to strengthen team spirit, inclusion and collaboration. By embracing diverse perspectives and innovation, we want to create a workplace where people thrive.

Beyond our organization, we are committed to protecting human rights in our supply chain. We integrate due diligence processes, proactively address challenges, and consider the evolving expectations of our stakeholders. For example, our Kolo Nafaso program has established a direct trade relationship with nearly a quarter-million women in West Africa, giving the women a fair and reliable source of income that empowers them to invest in their children’s education and provide food for their families.

Enabling sustainable food solutions

Feeding a growing population while reducing environmental impact is one of the most pressing challenges of our time. We address this by advancing sustainable food systems and developing plant-based solutions that improve taste, texture, and shelf life while reducing reliance on fossil and animal-based ingredients.

To make a lasting impact, we integrate sustainability into every part of our business—from raw material sourcing to product innovation. With clear KPIs, strategic roadmaps, and action plans, we are committed to tracking progress and continuously improving our performance.

Going forward

The regulatory landscape is evolving rapidly, with new frameworks like EUDR, CSRD, and CSDDD. As these regulations take effect, we remain proactive, embracing the opportunities they bring while addressing the complexities they may introduce.

We remain dedicated to driving positive change. Making Better Happen™ isn’t just our promise—it’s the foundation of everything we do.

Johan Westman, President and CEO



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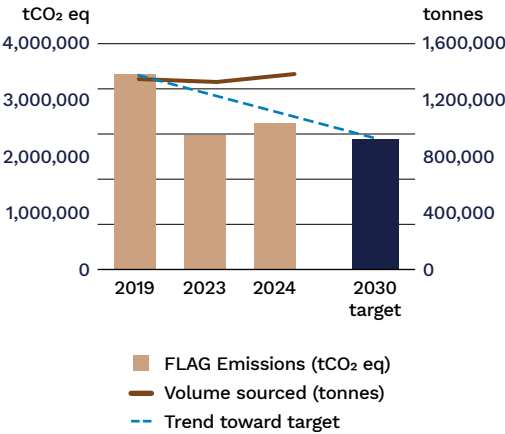
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2024 *Key events*

CO2 Scope 3 FLAG emissions on track toward 2030 target

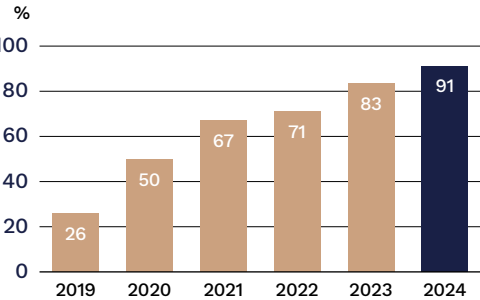
In 2024, we quantified our Scope 3 FLAG emissions using validated data, which showed a 28 percent reduction to date—putting us very close to our 2030 target of 33 percent. FLAG stands for emissions related to forest, land and agriculture.

Although we sourced higher volumes of raw materials¹⁾ in 2024, which led to slight increase in emissions we had a lower relative climate impact compared to 2023. Overall, we remain on track with our Scope 3 FLAG progress. Read more on pages 16–17 and 48–49.



¹⁾ Within the target scope.

Verified deforestation-free palm, %



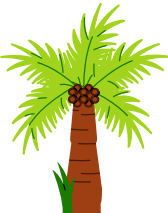
Verified deforestation-free palm 2024

Ambition 2025

91% 100%

Verified Deforestation Free (VDF) ensures no deforestation or peat conversion has occurred since December 31, 2015, at the point of harvesting, or that verified remediation has taken place.

AAK calculates VDF scores by assessing each mill’s RSPO certification, geospatial monitoring status, grievance status, and the volume proportion of concession & small-holders, then aggregating these scores at the refinery level based on average supply volumes. Read more about main drivers of progress in VDF for palm on page 21.



AAK recognized for leadership in sustainability innovation

- In 2024, AAK was recognized for our sustainability innovations:
- The Sustainability Innovation Award at Food Ingredients Europe for empowering women in West Africa through the Kolo Nafaso program, and for reducing emissions across the shea supply chain. The award recognizes AAK’s commitment to sustainable practices in the food industry along the entire supply chain, from plant to brand.
 - The Sustainability Pioneer Award at the 2024 Ecovia Intelligence; Sustainable Cosmetics Summit in Paris. The recognition highlights AAK’s commitment to addressing climate change.

Read more about Kolo Nafaso on pages 34–35.

Improved employee retention

While still a main focus area for AAK, we reduced the attrition rate to 13.8 percent in 2024, down from 17.2 percent in the previous year. By 2030, we aim to reduce it to below 8 percent. This year’s improvement is partly driven by our focus on building a strong workplace culture and investing in employee development through the AAK Culture Transformation initiative, Culture Journey.

Read more on pages 30–31.

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37% revenue contributing to SDGs



In 2024, 37 percent of AAK’s revenue contributed to the UN Sustainability Development Goals, maintaining the same level as in 2023. This percentage is based on product segments and raw materials that directly support sustainability, including shea-based products, certified palm oil and soy as well as plant-based dairy and meat, fossil-free candle wax, and special nutrition. Read more about the Sustainable development goals analysis on pages 64–65.

Co-Developing sustainable solutions

At AAK, we work closely with customers to develop sustainable solutions that meet the growing demand for better health, improved taste, and lower environmental impact—backed by science from plant to brand.

In 2024 we have seen a growing demand for our butter replacement solutions, which are both lower in saturated fats and have up to 65 percent less CO₂-emissions than dairy butter. Our Customer Innovation team has co-developed Butter, But Better™ solutions together with a number of bakery customers, including one of Europe’s leading manufacturers of pies and pastries. Read more about Sustainability from plant to brand on page 10–11.



New bio-boilers in operation

In 2023, we completed the installation of new bio-boilers at our production site in Aarhus, Denmark, and in 2024, they were brought into operation. When fully operational, the bio-boilers are expected to save approximately 50,000 MT of CO₂ annually, equivalent to about a 15 percent reduction compared to the group’s 2023 Scope 1 and Scope 2 emissions.

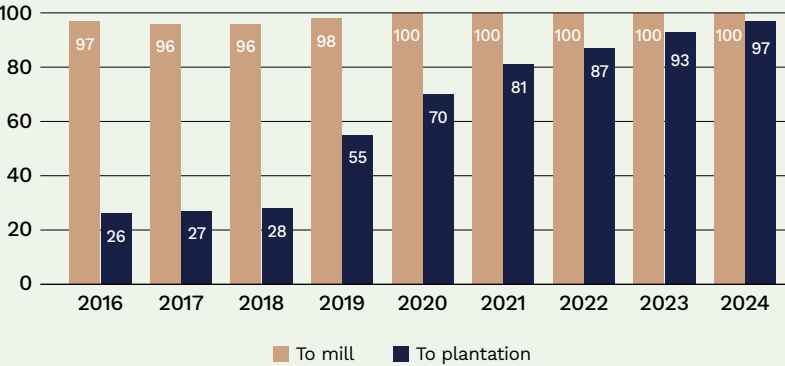
In 2024, the bio-boilers reduced AAK’s Scope 1 emissions but temporarily increased Scope 2 emissions due to testing and pausing electricity production, requiring additional electricity market purchases. Read more on pages 15–16.



Tree planting target reached

In 2024, we planted 13,635 trees in our shea supply chain, bringing the total to 158,458 planted shea trees since our 2019 baseline. With this, we have now achieved our 2025 target of 150,000 trees. In addition to this we have planted a total of 10,015 coconut trees since our 2020 baseline, reaching our 2025 target of 10,000 planted trees in 2024. Read more about our biodiversity targets on page 20.

Traceability to mill and plantation for palm, %



Traceability to mill 2024

100%

Traceability to plantation 2024

97%

Traceability to plantation ambition 2025

100%

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Progress isn't
always linear,
and challenges
remain, but we are
committed to real
transformation.
Lasting impact
requires
collaboration.

Q&A with President, Global Sourcing & Sustainability

Continued progress towards *verified deforestation-free* supply chains

In 2024, AAK continued to drive sustainability forward, making steady progress on our commitments and targets. Over the years, our sustainability approach has evolved, now spanning the entire value chain—from plant to brand.

What achievements are you most proud of in 2024?

We are closing in on our target of a 100 percent verified deforestation-free palm supply chain, now at 91 percent, up from 26 percent in 2019. We have also made good progress in delivering on our Science-Based Targets approved in 2023, moving closer to meeting our 33 percent Scope 3 FLAG reduction goal. Scope 3 non-FLAG is more challenging, with much depending on methane capture from palm oil mill effluent. However, as with other sustainability challenges, we will remain engaged to make a difference and continue to work with our supply chain.

What is the explanation behind the progress towards verified deforestation-free palm oil?

There has been significant progress over recent years to eliminate deforestation in palm oil producing countries, also outside our supply chain. This is really valuable, as underscored by various NGO's, and is partly attributable to industry-wide collaboration, for example the Roundtable on Sustainable Palm Oil (RSPO) of which

AAK was a co-founder 20 years ago and on which AAK has been a Board member ever since. Such organisations have been able to influence regulatory changes at source, complementing direct actions upstream. AAK has had a significant role in this development.

More directly, we also map our own supply chains and engage with suppliers, selecting those aligned with our sustainability goals. By influencing and encouraging them to accelerate progress, we drive transformation not only within AAK but across the broader industry.

In November 2024 the EU legislators postponed the implementation of the EU Deforestation Regulation (EUDR) by one year. What is AAK's view on this?

We find this last-minute deferral disappointing. Regulatory changes are key in addressing climate change challenges and a stable regulatory environment is essential for business confidence and strategic planning. AAK is well positioned to meet evolving EU requirements and remains adaptable as they continue to develop.

You have almost 30 years of experience at AAK—how has AAK's approach to sustainability changed over this period?

AAK has always had a strong commitment to being a good employer and responsible corporate citizen, but today the approach is much broader and deeper, covering our entire value chain from plant to brand. During the last five years, we have raised the bar in terms of setting ambitious targets and defining action plans to deliver real measurable impact.

I am incredibly proud of the progress AAK has made across upstream raw materials, particularly relating to palm oil and our flagship Kolo Nafaso project in West Africa, in challenging times. We have clear plans to build on those successes in future years, as well as on the dedicated work carried out by AAK employees, with our sustainability pathway becoming embedded in all parts of the business. The road will be forever challenging, but we are in a great position to contribute to a more sustainable future.

Tim Stephenson,
President, Global Sourcing & Sustainability

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2024 progress on *key sustainability* targets

Priority	Target	Data 2024 (2023)	Status
	50% revenue contributing to SDGs by 2025	37% (37)	●
Climate impact mitigation			
	50% reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030 from a 2019 base year ¹⁾	17.9% (9.3) ²⁾	●
	33.3% reduction in absolute Scope 3 FLAG GHG emissions by 2030 from a 2019 base year ¹⁾	28.4% (31.1)	●
	46.2% reduction in absolute Scope 3 non-FLAG GHG emissions by 2030 from a 2019 base year ¹⁾	7.4% (11.5)	●
	10.3% of our suppliers by emissions covering purchased goods and services, transportation and distribution will have SBTi by 2027 ³⁾	9.2%	●
	Source 100% renewable electricity for our operations by 2025	61.6% (64.4)	●
Protecting forests and ecosystems			
	100% verified deforestation-free (VDF) palm	Verified deforestation-free palm: 91% (83)	●
	100% verified deforestation- and conversion-free (VDFC) soy supply chains by 2025	Verified deforestation- and conversion-free soy: 28% (25)	●
	100% traceability to plantation (TTP) for palm	TTP for palm 97% (93)	●
	Certified sustainable palm uptake, shared responsibility 2% increase year on year	RSPO uptake: 39% (39)	●
	150,000 shea trees planted by 2025 (2019 base year)	Total shea trees planted: 158,458 (144,833)	●
Advancing wellbeing and human rights			
	Maintain a zero accidents culture	Lost time injury frequency rate: 0.42 (0.46)	●
	By 2030 we aim to have an inclusion index rate of 95%	87% (87) ⁴⁾ inclusion rate	●
	By 2030 we aim to have an attrition rate lower than 8%	13.8% (17.2) attrition rate	●
	Human rights due diligence embedded across all key raw materials by 2025	76% ⁵⁾ of Tier 1 key raw material suppliers connected to AAK on the Sedex platform	●
	Work to improve livelihoods within the supply chain with focus on smallholders and women	249,807 (241,188) women enrolled in the Kolo Nafaso program	●

● On track ● Ongoing ● Need for acceleration

¹⁾ SBTi approved.

²⁾ The data for 2023 has been revised due to a calculation error in Scope 2 emissions. See p 80.

³⁾ SBTi approved. Data from 2023.

⁴⁾ Inclusion rate measured in 2023. No new data for 2024.

⁵⁾ Extended scope since 2023, now including palm, coconut, soy and, rapeseed and sunflower suppliers by volumes.

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Sustainability from *plant to brand*

Sustainability is at the heart of our purpose, Making Better Happen™. Our commitment extends across the value chain, from promoting sustainable farming practices to delivering solutions that earn and deserve the trust of today's conscious consumers.

Feeding a growing world population sustainably

As the global population grows, so does the demand for food, presenting a significant challenge to produce food sustainably without harming the environment or compromising on availability, affordability, or taste. By providing plant-based solutions that enhance the taste and texture of food and extend its shelf life, AAK plays a central role in facilitating the shift towards sustainable food systems.

Replacing fossil ingredients

AAK's plant-based ingredients are also an enabler of the global transition to a fossil-free future. Our solutions replace fossil-based ingredients in a range of non-food products within both the Personal Care and Technical Products segments.

Co-development with our customers

In recent years, we have seen a strong increase in demand for sustainable and traceable ingredients. AAK's co-development

approach empowers us to respond effectively to these higher expectations. We work closely with our customers to develop the best ingredient solution that combines sustainability credentials with great taste and functionality.

Our co-development process starts with understanding the specific sustainability credentials that enable our customers to deliver on their sustainability promises.

Examples of AAK's co-developed sustainability solutions include:

- Meeting consumer demands for sustainable and traceable ingredients.
- Developing solutions that have a lower CO₂ impact, such as plant-based solutions to replace animal-based fats.
- Innovative ingredients for great-tasting and nutritious plant-based alternatives to meat and dairy.

Scaling our impact through collaboration

Collaboration is what defines us as a co-development company. We strongly believe

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that collaboration with multiple stakeholders is the best way to deliver on our Making Better Happen™ purpose and scaling our impact.

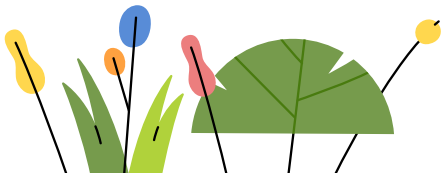
AAK has a long track record of partnering with customers, suppliers, non-profit organizations, and local communities to bring about sustainable and traceable value chains. One of the achievements that we are proud of is co-founding the Roundtable on Sustainable Palm Oil (RSPO) more than 20 years ago, and remaining deeply engaged ever since—including through our active participation and representation on the RSPO Board. The RSPO is a partnership to make palm oil sustainable.

Clear management framework

Our sustainability priorities focus on areas where we as a company can make the most significant impact for sustainable development. AAK’s House of Sustainability is our sustainability management framework that structures and connects our priorities with sustainability goals and performance indicators to measure and drive progress.

Prioritizing climate, biodiversity and people

Our sustainability strategy concentrates on areas that offer us the best chance to drive industry-wide change and achieve sustainable, scalable results. Our priorities are firmly anchored in roadmaps and action plans across our supply chain and operations. Our approach is to have sustainability embedded in all functions globally.



Driving change in our supply chain

Some of the oils that we source are derived from crops produced in biodiverse regions, where poverty and political instability are challenges. We are committed to improving the lives and livelihoods of these communities and work actively to mitigate environmental and human rights risks associated with sourcing in these regions. We believe it is crucial to face challenges head-on and work towards driving change in line with our purpose: Making Better Happen™.

Doing our part for the UN Sustainable Development Goals

The UN Sustainable Development Goals provide the global community with a roadmap to tackle global challenges. Our efforts to help achieve the SDGs focus on three global challenges where we as a company can make the biggest difference:

- We aim to reduce our environmental footprint and minimize the climate impact of our operations and supply chains.
- We develop new plant-based solutions to replace animal-based and fossil ingredients, and we co-develop new solutions for plant-based foods.
- We contribute to social progress by supporting poverty reduction and empowering women within our supply chain.

In these priorities we engage actively in multi-stakeholder collaborations with industry organizations, NGOs, academic institutions, and local communities. Our aim is to scale our impact beyond our own operations and supply chain and to drive positive change at a global level.

“Sustainability is about fostering a sustainability culture and mindset beyond the sustainability team. Collaboration and widespread engagement are necessary. It affects us all.

Caroline Westerik-Sikking, Sustainability Director



AAK’s House of Sustainability



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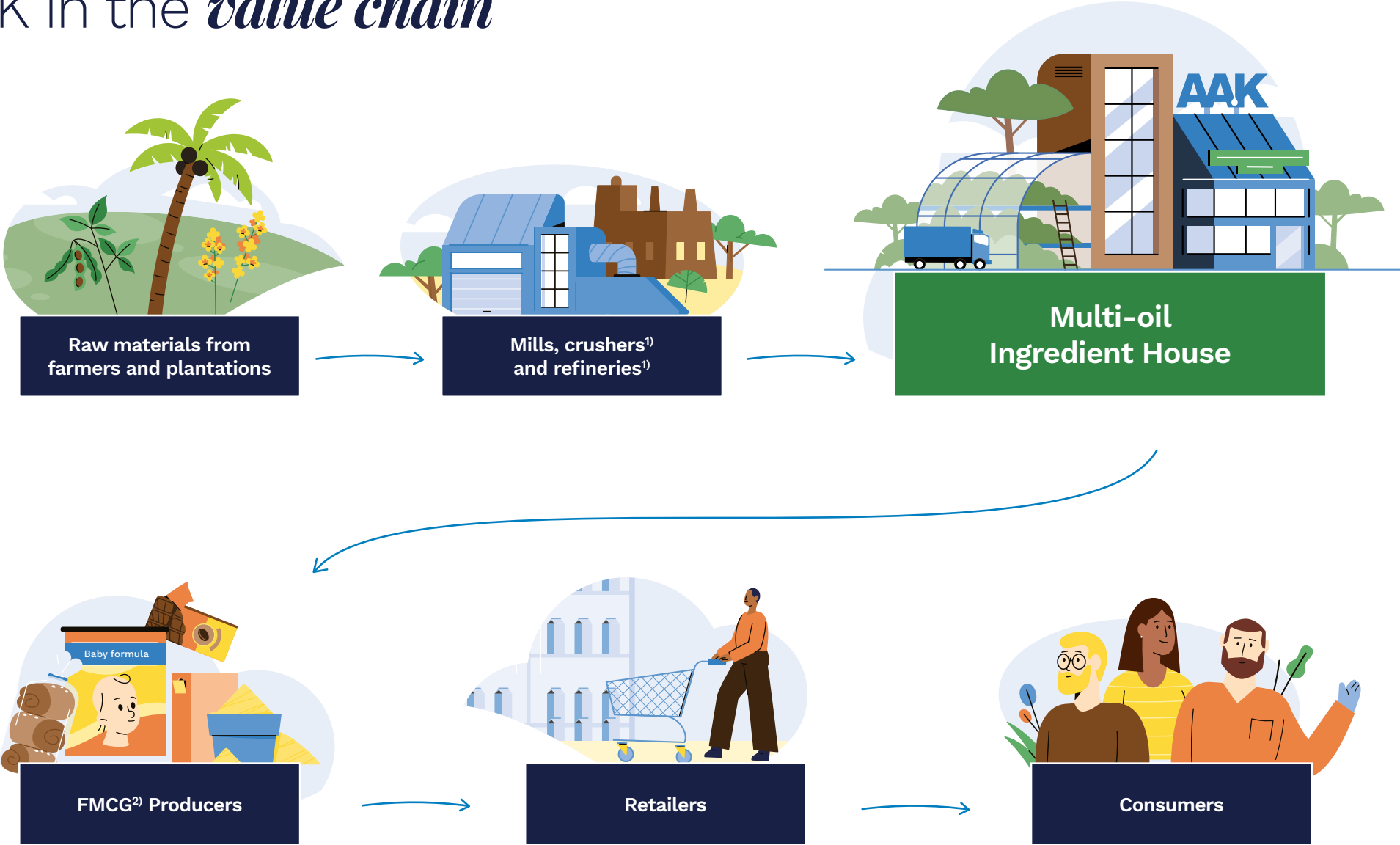
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AAK in the *value chain*



¹) Crushing and refining performed by AAK for selected raw materials. We mainly buy from 3rd party refineries.
²) Fast Moving Consumer Goods.

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Reducing our *Climate* impact

Delivering on our
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AAK key priority

Working toward net zero

Our targets approved by the Science Based Targets initiative (SBTi) set the path for reducing climate impact in our operations and supply chain, aligning with the Paris Agreement. At the same time, we support our customers in lowering the carbon footprint of their products through plant-based solutions.

Delivering on our Science Based Targets

In 2024, we made continued progress in implementing our strategy to achieve our climate targets. This included deeper collaboration with suppliers to reduce emissions and enhancing data quality for more precise tracking of CO₂ impact across our operations and supply chain.

2024—a year of raising the bar

In all our key markets, there is a growing focus on reducing CO₂ emissions and assessing climate impact more thoroughly. In light of this we have focused on these key initiatives:

- Plant-based solutions to reduce climate impact. Co-development initiatives including our Butter But Better™ solutions.

- Enhanced CO₂ impact reporting as we collaborate with suppliers to continuously improve data quality.
- Increasing and improving verification of our deforestation-free supply chain by working with suppliers and third party verifiers, and increasing use of digital technology.

Key targets & achievements 2024

AAK's SBTi approved FLAG Targets	Data 2024 (2023)	Status
33.3% reduction in absolute Scope 3 FLAG GHG emissions by 2030 from a 2019 base year	28.4% (31.1%)	On track
Achieve zero deforestation for primary linked deforestation-commodities by 2025.	91% (83) ¹⁾ verified deforestation-free (VDF) palm %	On track
AAK's SBTi approved Non-FLAG Targets		
50% reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030 from a 2019 base year.	17.9% (9.3) ²⁾	Ongoing
46.2% reduction in absolute Scope 3 non-FLAG GHG emissions by 2030 from a 2019 base year.	7.4% (11.5%)	Need for acceleration
10.4% of our suppliers by emissions covering purchased goods and services, transportation and distribution will have SBTi by 2027.	9.2 ³⁾	On track
Other target		
Source 100% renewable electricity for our operations by 2025.	61.6% (64.4)	Ongoing

On track Ongoing Need for acceleration

¹⁾ For more background on VDF target see p. 20–23, 54–55.

²⁾ The data for 2023 has been revised due to a calculation error in Scope 2 emissions. See p. 80.

³⁾ Assessment conducted for 2023.

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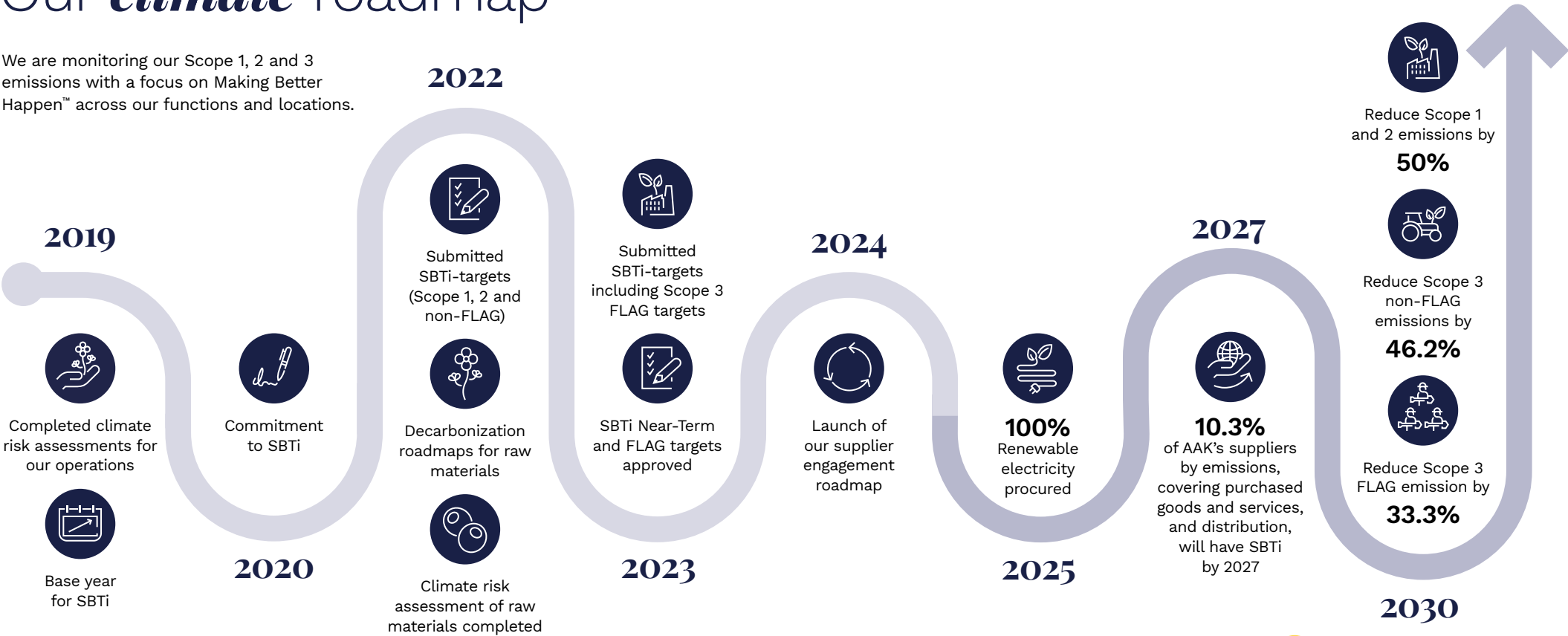
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Our *climate* roadmap

We are monitoring our Scope 1, 2 and 3 emissions with a focus on Making Better Happen™ across our functions and locations.



Key pillars of our climate strategy

- AAK's climate strategy has four main pillars:
- Better solutions—helping our customers replace animal-based and fossil ingredients in their products with plant-based solutions that have a lower carbon footprint.
 - Reducing the carbon footprint of our own operations.
 - Mitigating the climate impact of our supply chain.
 - Investing in emerging technologies for climate-friendly ingredient-solutions.



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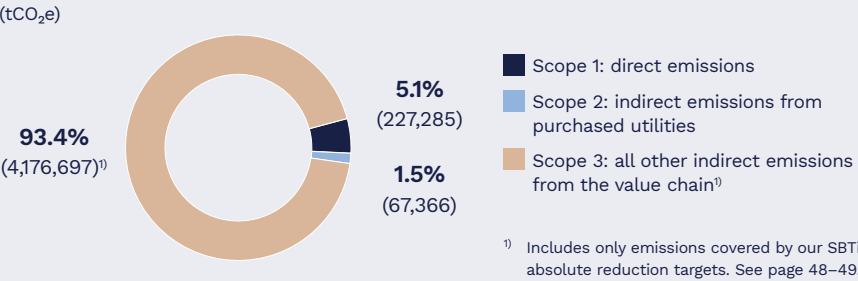
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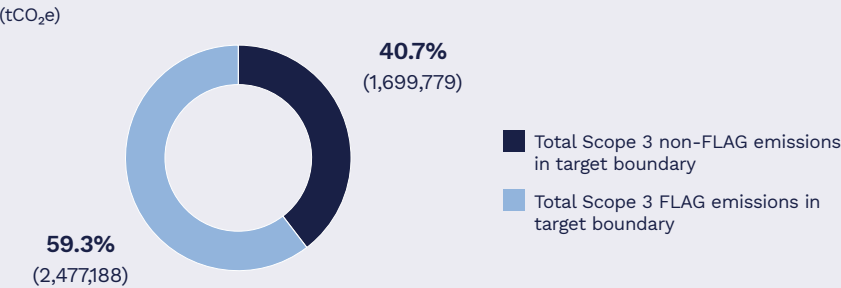
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GHG emissions breakdown, 2024



Breakdown of Scope 3 emissions within SBTi Absolute Reduction Targets Scope, 2024



Scope 3 constitutes the majority of our emissions

The majority of AAK’s GHG emissions come from our supply chain, from activities like farming and processing of the oil crops that we source. These Scope 3 emissions constitute 93.4 (93) percent of our climate footprint, and 59.3 percent of this comes from forestry, land and agriculture (so-called FLAG emissions). The remainder is related to the production processes in the mills and refineries that we source from, as well as activities downstream in the supply chain.

Pursuing our *Science Based Targets*

AAK’s Science Based Targets (SBTs) were approved in 2023. We are progressing toward our Scope 1 and 2 and Scope 3 FLAG targets as well as the percentage of suppliers which have SBTi commitments. Scope 3 non-FLAG reductions require further action.

Scope 1 and 2: Energy efficiency and circularity

AAK’s Scope 1 and 2 emissions come from the processing of oils, which include the heating of oils and fats to high temperatures. Our work to reduce Scope 1 and 2 emissions includes a range of activities, including:

- Energy mapping
- Energy management
- Energy efficiency investments
- Use of low-energy technology
- Use of bio-fuels for steam production
- Purchase of green electricity

When fully operational, the bio-boilers are expected to save approximately 50,000 MT of CO₂ annually, equivalent to about a 15 percent reduction compared to the group’s 2023 Scope 1 and Scope 2 emissions. The biomass boilers played a key role in reducing Scope 1 emissions in 2024, but contributed to a temporary increase in our Scope 2 emissions. Testing and pausing of the electricity production led us to purchase more electricity from the market temporarily, which also affected our share of renewable electricity, which decreased by 2.8 percent.

Reduction in Scope 1 and 2 emissions

In 2024, AAK continued to reduce its Scope 1 and Scope 2 emissions, achieving a 17.9 percent reduction from the baseline in 2019, indicating progress towards the target of 50 percent reduction by 2030. Compared to 2023, absolute Scope 1 and 2 emissions fell by a further 8.6 percent, with Scope 1 decreasing by 12.9 percent, while Scope 2 increased by 9.7 percent. In 2024, the new bio-boilers at our production site in Aarhus, Denmark, were brought into operation.

Scope 3: Reducing emissions in our supply chain

Given that 93.4 percent (93) of AAK’s footprint comes from emissions related to our supply chain, a reduction is crucial to tackle climate change effectively. Our work to achieve our Scope 3 targets focuses on sustainable land management, establishing a fully traceable and verified deforestation-free palm supply chain, as well as reducing the industrial emissions from processing and shipping.

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Progress towards our Scope 3 FLAG targets

In 2024 we quantified Scope 3 FLAG emissions with validated data, achieving a 28.4 percent reduction toward our 2030 target. We can conclude that we are on track with the Scope 3 FLAG progress. In 2024 we sourced higher volumes yet with a relative lower climate change impact of raw materials in scope for the target than 2023. Key drivers of the progress stems from sustainable sourcing initiatives and the increased amount of RSPO Certified volumes of palm reaching 39 percent in 2024, versus the 26 percent in 2019.

When SBTi released its FLAG guidance, AAK was one of the first 20 companies to set targets for both FLAG and non-FLAG emissions, which were then approved in December 2023. A significant part of the emissions in AAK's Scope 3 FLAG derive from land transformation, peat land management, pesticide and fertilizer use emissions in our supply chain.

AAK is actively monitoring deforestation in many ways, namely by:

- Partnering with our suppliers to deliver on our targets for verified deforestation-free raw materials.
- Intensified supply chain monitoring and verification in collaboration with NGOs and other external partners.
- Investing in further satellite monitoring which provides a broad, real-time, and objective way to monitor forested areas.

Our work on achieving deforestation-free supply chains is described in the chapter on Biodiversity, see pages 20–26.

Scope 3 non-FLAG progress is key to achieving our targets

Our 2024 assessment revealed slow progress of our key supply chains towards reducing our Scope 3 non-FLAG emissions, with a reduction of 7.4 percent achieved versus our baseline year. While AAK's sourced volume has deviated by less than 1 percent compared to 2019, this reduction is still highlighting the need to engage and support our partners more actively in reducing the industrial emissions of our supply chains.

Palm Oil Mill Effluent¹⁾ (POME) is our biggest source of non-FLAG emissions. AAK is conducting mapping at mill level. Some of our suppliers have introduced methane capture, and AAK is advocating the use of this technology more broadly. This requires action across the industry.

Engaging with suppliers to achieve our supplier engagement target

During 2024 we have engaged with our partners on adopting SBTi-aligned targets and gathering the data and information required to drive progress towards our non-FLAG targets. Results from our first request for information from suppliers, covering 2023 emissions but reported in 2024, shows that 9.2 percent of our suppliers by volume of emissions currently have SBTi commitments.

Stakeholder engagement and innovation is key

AAK utilizes technology solutions to promote and realize its sustainability agenda. One example is AAK's ImpAAKtful rapeseed program, enabled by the collection of primary

farm level data, using the technology of the Swedish company Improvin'. Since 2022, AAK has used Improvin's platform to measure and reduce emissions in our rapeseed sourcing. This partnership supports AAK's commitment to sustainability and provides verified emission data across the value chain.

Waste reduction

Our goal is to have 100 percent recycled waste by 2030. We also aim to minimize waste and promote responsible use of resources. In 2024, a total of 69.4 percent (78.4) was recycled.

Building climate resilience

AAK sources raw materials that originate from farmers and plantations that will be impacted by climate change. Such impacts stem from temperature increases, shifts in rainfall patterns, increased vulnerability to pests and diseases, and impact on plantation viability. Understanding the potential impact and having in place appropriate flexibility to mitigate impact through the supply chain is a priority for AAK.

A key strength of AAK's climate resilience lies in our diverse supply base, which allows us to adapt to changes in raw material availability by adjusting ingredients and sourcing regions. We also actively promote regenerative agriculture practices within our supply chain, which play a vital role in enhancing ecosystem health, improving soil productivity, and ensuring long-term sustainability. These combined efforts strengthen our ability to navigate climate challenges effectively.

¹⁾ POME is the liquid waste that comes from the sterilization and clarification processes in milling palm oil.

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CASE

Reducing carbon emissions *at our Zaandijk facility*

In spring 2024, the AAK team in Zaandijk, Netherlands, partnered with The Carbon Zero Club to reduce natural gas consumption and Scope 1 & 2 emissions. Through the “Making Zero Carbon Happen” project, the team aimed for a 5 percent reduction by implementing no/low CAPEX initiatives.

Workshops were held with representatives from all site functions, ensuring a broad perspective on energy-saving opportunities. The outcome was a prioritized list of nine projects, focusing on high-impact, low-cost solutions. Each initiative underwent a Management of Change (MoC) review to

prevent disruptions to production or product quality. Two projects were postponed until 2025 for further evaluation.

The implemented projects included optimizing existing systems, such as lowering tank heating temperatures and adjusting ammonia refrigeration controls, as well as recovering waste heat for reuse in site operations. These efforts have already led to a 5.6 percent reduction in natural gas usage and a 4 percent decrease in municipal water consumption since June 2024, contributing to Zaandijk’s progress toward its SBTi carbon and water reduction targets.



I am always thrilled by the enthusiasm of the participants at AAK workshops. You get a real sense of passion towards sustainability from everyone in the room.

Tom Grant, European Energy Engineer



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Protecting
Biodiversity
and eco-
systems

Our commitment to
a deforestation-free
supply chain



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AAK key priority

Protecting forests and ecosystems

Preventing deforestation and ecosystem conversion is vital to our biodiversity strategy. We collaborate with suppliers, farmers, governments, and NGOs to drive change within our supply chain and industry.

Future-positive agriculture
Biodiversity is the foundation for the long-term health of the planet, a sustainable farming system, and supporting the livelihood of food producers.

Committed to deforestation-free and conversion-free supply chains
Deforestation and ecosystem conversion contribute to 12–20 percent of global greenhouse gas emissions¹⁾. Preventing deforestation is a core part of AAK’s biodiversity strategy. Our top priorities include:

- Land use and ecosystem protection including deforestation-free and conversion-free supply chains.
- Integrating regenerative agricultural practices, including reforestation, into our supply chains.
- Supporting smallholders to implement sustainable farming practices.

By 2025, we are committed to 100 percent verified deforestation-free palm supply chains and 100 percent traceability to the palm oil source and a supply chain for soy that is 100 percent deforestation- and conversion-free. As of 2024, global palm traceability stands

at 97 (93) percent, with 91 (83) percent of our palm supply verified as deforestation-free. Key drivers behind progress presented on page 21. In soy, we have reached 28 percent verified deforestation- and conversion-free (VDCF) supplies. While third-party certification remains the primary verification tool, uptake in key regions has declined in recent years. To address this, we have worked to validate suppliers’ own VDCF protocols, though this currently applies to only a small portion of the supply chain. The biggest challenge remains achieving traceability to production level. In 2024 we reached our treeplanting targets a year in advance.

Key targets & achievements 2024

Target	Data 2024 (2023)	Status
100% verified deforestation-free palm (VDF) by 2025	91% (83) verified deforestation-free (VDF) palm Verified deforestation-free palm inside concessions: 100% (100% since 2021)	●
100% verified deforestation- and conversion-free (VDCF) soy by 2025	28% (25) verified deforestation- and conversion-free (VDFC) soy	●
100% traceability to plantation (TTP) for palm	97% (93) TTP for palm	●
Certified sustainable palm uptake, shared responsibility 2% increase year on year	RSPO uptake: 39% (39)	●
150,000 shea trees planted by 2025 (base year 2019) 10,000 coconut trees planted by 2025 (base year 2020)	Total shea trees planted: 158,458 (144,833) Total coconut trees planted: 10,015 (7,820)	●

● On track ● Ongoing ● Need for acceleration

¹⁾ climatefundsupdate.org

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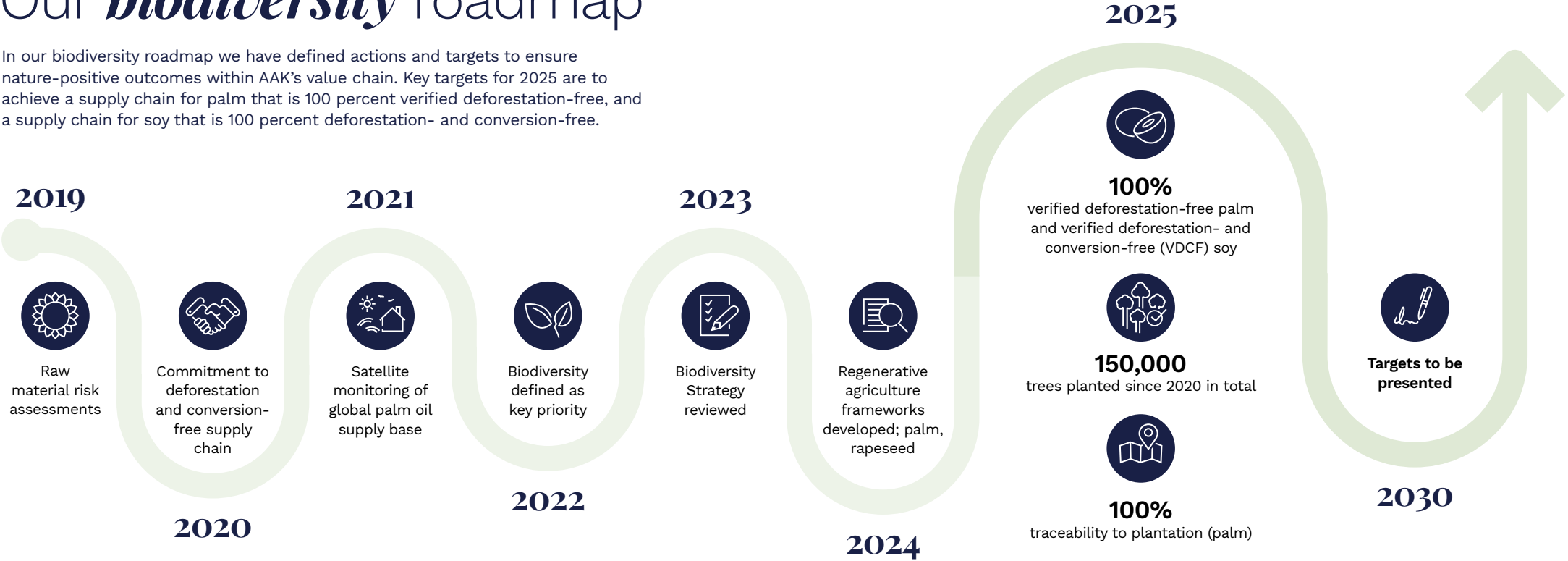
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Our *biodiversity* roadmap

In our biodiversity roadmap we have defined actions and targets to ensure nature-positive outcomes within AAK’s value chain. Key targets for 2025 are to achieve a supply chain for palm that is 100 percent verified deforestation-free, and a supply chain for soy that is 100 percent deforestation- and conversion-free.



Main drivers of progress in VDF for palm

- **Increased third-party verification:** Continuous TTP mapping and verification have played a critical role in advancing our efforts.
- **Strategic sourcing:** We place a strong emphasis on thoughtful sourcing by carefully selecting and deselecting suppliers. The focus is on mills and suppliers that consistently achieve high performance scores.
- **Stronger supplier engagement:** We have deepened our collaboration with suppliers through dialogues and workshops. Notably, we have provided workshops to help Tier 1 suppliers align with VDF requirements, promoting better compliance and performance.
- **RSPO purchases:** 39 percent.
- **On-the-ground audits:** Regular audits are conducted to ensure the compliance of our supply chain.
- **Satellite monitoring:** This is a critical component of our deforestation due diligence, covering 100 percent of the mills in our supply chain for palm and coconut.

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Driving progress towards *verified deforestation-free supply chains*

In 2024 we have continued to make progress towards our target of a 100 percent verified deforestation-free palm supply chain. The progress was achieved through a combination of measures; effective monitoring, engagement and training of suppliers, multi-stakeholder partnerships and supporting smallholder farmers.

Engaging and monitoring the supply chain

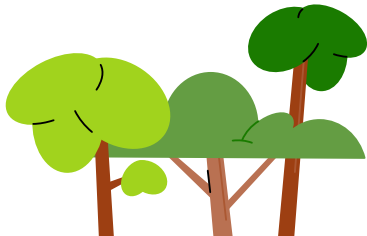
Traceability in the supply chain enables effective monitoring and engagement. It helps to understand risk exposures and responsibilities. We engage with suppliers and align traceability requirements with their operations. Outcomes are verified by third parties like Control Union, and high-performing suppliers are awarded larger volumes. In 2024, we achieved 97 percent traceability to plantations for palm and 100 percent to the country of origin for soy.

Satellite monitoring is a vital tool in our biodiversity strategy, enabling near real-time detection of illegal forest activities. This

technology allows us to take swift action, engage with suppliers effectively, and contribute to the long-term protection of ecosystems. In 2024, our satellite monitoring covered 100 percent of palm mills and 100 percent of coconut supply, totaling over 15 million hectares of land monitored by year-end.

Effective and constructive action against breaches

We investigate and track breaches of our AAK Group Policy and Code of Conduct for responsible sourcing. Our procedure covers all key raw materials, and our grievance tracker is publicly available. Our grievance management system ensures responsible sourcing by addressing breaches. Our main focus is constructive engagement with our tier-one suppliers to achieve remediation. This approach fosters long-term positive change and aligns with AAK’s purpose of Making Better Happen™.



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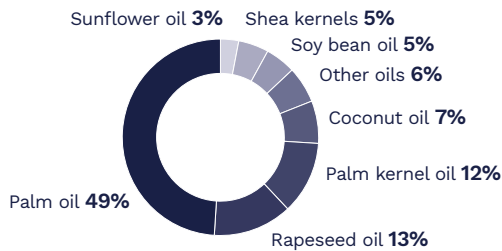
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Key raw materials per category

Share of sourcing volumes in tonnes



Solving challenges by working together

Multistakeholder collaboration is the most efficient way to prevent deforestation in our supply chain and scale impact beyond it. See our partners under column “Partnering to Make Better Happen™”. We are actively involved with major industry organizations for each commodity. Through these forums we develop industry-aligned tools and approaches to contribute to solving our collective challenges.

We engage with smallholders to address the root cause

Smallholders produce around 40 percent of the world’s palm oil, but many struggle with low productivity and economic challenges, increasing the risk of deforestation. AAK addresses these root causes by supporting smallholders with training and resources to adopt sustainable practices, aligning with our biodiversity goals.

Our four focuses to manage land use and protect ecosystems



Proactive monitoring and supply chain engagement

- Traceability across key raw materials
- Satellite monitoring of 100 percent of our palm and coconut supply chains



Reactive supply chain engagement

- Grievance management procedure including remediation
- Public grievance tracker
- Live alerts



Partnering to Make Better Happen™

- Roundtable for Sustainable Palm Oil
- Palm Oil Collaboration Group
- Global Shea Alliance
- Sustainable Coconut Partnership
- Round Table on Responsible Soy
- Rainforest Alliance
- ProTerra



Root cause mitigation and restoration

- New smallholder project in Mexico with Solidaridad, ANIAME & Roundtable for Sustainable Palm Oil (RSPO)
- Renewed smallholder project in Indonesia with Nestlé and Musim Mas
- Southern Central Forest Spine project with Earthworm Foundation

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Regenerative agriculture – *improving yields* and *protecting ecosystems*

Regenerative farming improves both environmental outcomes and crop yields. AAK supports replanting programs in our shea and coconut supply chains and engages with rapeseed suppliers to promote sustainable farming practices.

Regenerative agriculture focuses on restoring soil health, which can protect biodiversity, store carbon in the soil, and increase crop yields.

By addressing soil health, regenerative practices help build a more sustainable food system.

Engaging with our rapeseed supply chain
Since 2023 we have been engaging with our rapeseed supply chain on regenerative agriculture practices. By collecting data directly from farms, we have the ability to identify key metrics like soil organic carbon, buffer flower strips, and crop rotation. These serve as future benchmarks to promote regenerative farming practices in other parts of our supply chain.

Certification schemes that support regenerative practices
We believe that existing certification schemes offer good standards for regenerative agriculture practices. As active members of

the RSPO, we are exploring the role it can play in advancing regenerative agriculture in the future.

Reforestation and replanting
Since 2019, AAK has run replanting projects in our shea and coconut supply chains to secure raw material availability and promote landscape protection (see case on page 34). Our pilot tree-planting projects address tree loss and ecosystem pressure, and the objective of the projects are to educate suppliers and locals on tree replanting, share best planting practices, and combat tree loss through replanting.

In 2024, we planted 13,625 trees in our shea supply chain, reaching a total of 158,458 additional shea trees, which is 105.6 percent

of our 2025 target. Achieving and exceeding our 2025 target one year early was possible by relying on a strong network of local nurseries supplying quality seedlings and great dedication of our colleagues in West Africa. We have distributed 10,015 coconut trees to farmers as at the end of 2024, which is 100 percent of our 2025 target. We achieved our 2025 target one year ahead of schedule, supported by our strategic supply chain partner in the Philippines, which provided a highly effective germination setup for coconut seedlings. This tree-planting pilot has shown positive results, and the insights gained will be applied to future projects.

Going forward
Regenerative farming and ecosystem protection are topics that we will work to develop further as a part of our biodiversity strategy. In 2025, we plan to conduct an in-depth nature risk assessment of our supply chain, providing the foundation for setting ambitious biodiversity targets for 2030.



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CASE

Enabling smallholders to *achieve sustainable production*

AAK works with a global portfolio of smallholder projects to address specific smallholder-related supply chain issues. After a successful cooperation with Solidaridad in Mexico between 2019 and 2023, which engaged 1096 smallholders, we are now aiming our efforts at a new project in the region. In Mexico, AAK sources palm oil directly from mills, enabling closer collaboration with farmers. In 2024, we partnered with RSPO, the NGO Solidaridad, and ANIAME, the national association for Mexican oil producers, to launch a program supporting smallholder producers on their sustainability journey.

As part of this commitment, we signed the Zero Deforestation and Sustainable Palm Oil Production Agreement, reinforcing our dedication to responsible sourcing. The program provided training sessions and technical support for the smallholder producers to implement a digital self-assessment tool, enabling them to evaluate their compliance with the RSPO Independent Smallholder Standard.

Results:

- Supporting 260 smallholder producers to create a roadmap to achieve the sustainable production according to

the RSPO Independent Smallholder Standard.

- Capacity building for the smallholder producers, for a better access to a sustainable palm oil market.
- Action plan for implementing regenerative agriculture roadmap to enhance yields.
- Livelihood Conditions Study of Smallholder Producers in Mexico to deep dive into the production practices and the socio-economic indicators of the smallholder producers in the Mexican sector.

Including smallholders in sustainable supply chains

- More than 7 million smallholders rely on palm oil production for their livelihoods globally, and about 40 percent of palm oil cultivation in Indonesia and Malaysia takes place on farms smaller than 50 hectares.
- Smallholders often lack the resources to achieve sustainability certification, which limits their ability to market their produce globally. An important mission of the Roundtable of Sustainable Palm Oil is to support smallholders to become RSPO certified.

Source: ourworldindata.org, RSPO



“Thanks to the AAK project, we have received the support and needed guidance to help us as smallholder producers to become more sustainable.”

José Pascual Coello - Smallholder Producer, and President of Zitihualt, the Smallholder Producers Association in Mexico

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Protecting eco-systems with *Earthworm Foundation*

In 2024, AAK expanded its satellite monitoring program through a new partnership with the non-profit organization Earthworm Foundation. The purpose of the partnership is to help us close the remaining gaps on our Verified Deforestation Free (VDF) supply chain for palm oil and Traceability to Plantation (TTP) scores. Obtaining TTP data from upstream suppliers can be challenging due to business sensitive information, national information-sharing

regulations, and land ownership rules. For over a decade, Earthworm has collaborated with diverse stakeholders, including governments, to gain extensive traceability data. By integrating this with Starling’s satellite monitoring, they provide robust TTP verification. Additionally, the partnership enables AAK to quickly verify deforestation-free zones when switching supply sources across tropical regions.



As a direct result of this partnership, AAK has continued to improve its VDF scores. At the end of 2024 we are at 91 percent VDF for palm. The Earthworm Foundation has given us a leap forward towards our 2025 target of a 100 percent verified deforestation-free supply chain for palm.”

Jass Khaw, AAK Global Strategic Sourcing team, Singapore



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Well-being of *People* and communities

Ensuring a people-positive value chain



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AAK key priority

Ensuring a people-positive value chain

Our commitment to advance the well-being of people and to protect human rights spans across our value chain: our operations, our supply chain, and local communities.

Our commitment to people

Within our own operations we focus on human rights, employee safety, and wellbeing. We are fostering a diverse, inclusive environment to achieve market-leading employee satisfaction. Our community efforts center on building meaningful collaboration between production sites and local communities. Our local teams engage actively with communities on social and environmental issues to be

better neighbors. In our supply chain, we are focusing on ensuring ethical business partnerships and are supporting programs aimed at enhancing the livelihoods of people and communities.

Achievements in 2024

In 2024, we have continued to develop our work to engage with suppliers on human rights. In 2024 we expanded our scope and

are now tracking palm, coconut, soy, rapeseed and sunflower suppliers in Sedex, which is the platform we use for human rights due diligence. At year-end 2024, we connected 76 percent of all suppliers in scope by volume to Sedex, and 63 percent answered the Self Assessment Questionnaire (SAQ). This progress was achieved through team efforts and supplier engagement, including webinars and direct discussions.

Key targets & achievements 2024

Target	Data 2024 (2023)	Status
Maintain a zero-accidents culture	Lost time injury frequency rate 0.42 (0.46)	●
Drive employee engagement, diversity and inclusion <ul style="list-style-type: none">• By 2030, have an inclusion index rate of 95%• By 2030, have an attrition rate lower than 8%	87% (87) inclusion rate ¹⁾ 13.8% (17.2) attrition rate	● ●
Human rights due diligence embedded across all key raw materials by 2025	76% ²⁾ of tier 1 key raw material suppliers connected to AAK on the Sedex platform	●
Improve livelihoods within the supply chain with a focus on smallholders and women	249,807 (241,188) women enrolled in Kolo Nafaso program	●

● On track ● Ongoing ● Need for acceleration

¹⁾ Inclusion rate measured in 2023. No new data for 2024.
²⁾ Extended scope since 2023, now including palm, coconut, soy, rapeseed and sunflower suppliers by volumes.

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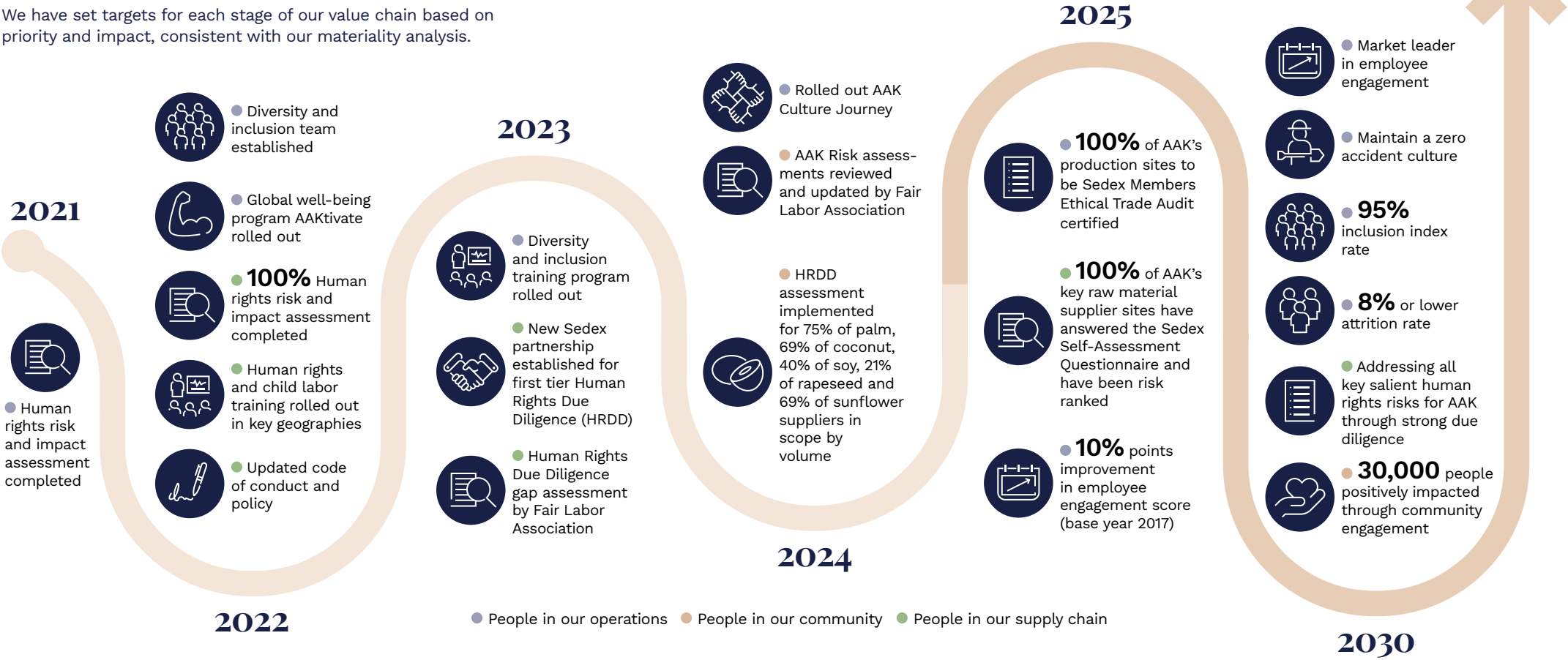
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Our *people* roadmap

We have set targets for each stage of our value chain based on priority and impact, consistent with our materiality analysis.



Our employee values: AAK's Better Behaviors

Passionate

We are passionate about Making Better Happen™

Agile

We are agile by intent

Accountable

We are accountable for our actions

Collaborative

We are collaborative by choice

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Empowering our people *to thrive and deliver results*

Our more than 4,000 employees are the heart of our business. Ensuring their well-being and safety remains our top priority. We are committed to fostering a workplace where our people can thrive and deliver results. In 2024, we have prioritized initiatives to achieve a best-in-class culture, guided by our core values: **Better Behaviors**.

Investing in a best-in-class culture

Engaged employees perform better and stay longer. Creating engagement starts with great leadership to ensure that every member of the AAK family contributes to and takes pride in delivering on our purpose; Making Better Happen™. In 2023, we launched an initiative that we call the AAK Culture Journey. In 2024 we have focused on equipping our leaders to empower employees and improve employee engagement.

Data-driven insights

Data-driven insights to measure people and organizational performance are key to our Culture Journey. These insights will guide

business decisions as we work toward our 2030 goals.

- **Employee engagement.** We use the Great Place to Work Institute™ to measure employee engagement every second year, and our target is to improve our score by 10 percentage points by 2025. No new engagement survey was sent out in 2024, the next engagement survey will take place in 2025. As a compliment to the GPW surveys we also conduct Index pulse surveys. In 2024, we conducted two Leadership Index pulse surveys, one in May and another in September, to assess progress in our culture journey initiative. The results indicate that employees are



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increasingly engaged and feel more safe to express themselves openly and honestly. Notably, participation in the September survey increased to 71 percent, compared to 65 percent in May, reflecting a growing commitment to shaping our workplace culture.

- **Attrition rate.** We aim to exceed industry averages for employee retention. As a result of our ongoing Culture Journey initiatives, our attrition rate decreased from 17.2 percent in 2023 to 13.8 percent in 2024. This positive trend reflects our commitment to fostering an engaging and supportive workplace culture, enhancing employee retention and overall job satisfaction. Moreover, in 2024, we introduced a mid-year review as part of our performance review process, incorporating development planning to further support employee growth. This initiative led to an increase of 780 (25) new development plans, reinforcing our commitment to continuous learning and career progression.
- **Inclusion index.** We aim to be an inclusive and diverse workplace, and we have developed an index to measure our progress. The Inclusion Index remains at 87 percent, unchanged from 2023, as no new survey was conducted in 2024. We plan to launch a new survey in 2025 to continue monitoring and advancing our inclusion efforts.

Maintaining a zero-accidents culture
Health and safety are top priorities at AAK. In 2024 our Lost time injury frequency rate went from 0.46 to 0.42. Through rigorous safety protocols, training initiatives, and a proactive approach to risk mitigation at all our sites, we aspire to create an environment where every employee feels secure and safe every day. Our journey towards a zero-injury workplace

reflects our commitment to the highest standards of occupational safety, ensuring that everyone returns home safely every day.

Giving back to our communities
At AAK, we believe that community involvement is integral to the enduring success of our business and the well-being of our local communities. We are dedicated to making a positive impact through sustainable and scalable initiatives that can be adapted to different locations. Our goal is for these initiatives to positively influence the lives of 30,000 people by 2030. We use our expertise and encourage our employees to participate in strengthening the bond between AAK and our communities. We believe that when our people generate a positive impact on their local communities, this improves our employee engagement scores through the sense of pride it brings.

AAK is engaging in a range of local activities. Here are some notable initiatives:

- In 2024, AAK Richmond continued its commitment to fighting hunger by supporting the Contra Costa and Solano County Food Bank through a virtual food drive—a fundraising initiative that allows people to donate money instead of physical food, enabling food banks to purchase essential items directly. With 82 team members participating, we extended the drive beyond Hunger Action Month, running it until October 31 to further support our community.
- The REPLENISH program, which is a food collection project that engages our employees in Edison, New Jersey. In 2024 this resulted in delivering 5.2 million pounds of food to a total of 160 local food pantries.

Our values—Better Behaviors



Initiatives for a best-in-class culture

At AAK, our ongoing cultural transformation is centered around our Better Behaviors, ensuring a unified and value-driven organization. In 2024, we have undertaken several key initiatives to embed these principles across the company:

- Culture Awareness Workshops—Launched in 2024 for leaders to enhance alignment with our Better Behaviors. This program will continue into 2025, expanding to all sites and employees globally.
- To support our cultural journey in 2024, and promote a sense of belonging, connectivity and interaction between teams, we introduced the AAKulture Fund. Its purpose was to provide funding for initiatives which could promote a sense of belonging, and or interconnectivity between teams during the year.

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Protecting human rights in *our raw material supply chain*

Protecting human rights is a key priority for AAK and our stakeholders are raising expectations for human rights due diligence. AAK’s supply chain includes countries where human rights risks can be significant. Mitigating these risks is one of AAK’s key priorities and an integrated part of our sourcing activities.

A process grounded in international standards

Our approach to protecting human rights is aligned with the OECD guidelines for responsible business conduct and the UN Guiding Principles on Business and Human Rights.

In our work to assess and mitigate human rights risk we collaborate with third-party experts and NGOs:

- The Fair Labor Association—identifying human rights risk by commodity and country.
- Proforest—Developing three year roadmaps towards CSDDD compliance.
- Sedex—Platform to evaluate and audit suppliers.

Addressing human rights in our upstream supply chain

Our process to identify and mitigate human rights risks is guided by the OECD Due Diligence Guidelines for Responsible Business Conduct. The process aims to ensure ethical practices across our supply chain.

During 2024 we continued to strengthen our work on human rights due diligence through:

- Updating and reviewing our human rights risk and impact assessments in collaboration with the Fair Labor Association and Ramboll.
- Updating the AAK Group Policy and Code of Conduct for responsible sourcing of plant-based oils to ensure alignment with upcoming legislation. A new version will be released in 2025.
- Continue onboarding palm and coconut suppliers to the Sedex platform and extending the scope to soy and rapeseed suppliers.
- Engaging with two mills in our supply chain located in Colombia and Brazil to strengthen their Human Rights Due Diligence process. These mills were identified as high-priority based on our comprehensive risk assessment, which evaluates both the maturity of Human Rights Due Diligence practices and the geographic context. Mills situated in regions known for human rights

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challenges and demonstrating low maturity in Human Rights Due Diligence management are classified as high risk. All mills categorized as high risk are further assessed for their business significance and subsequently prioritized for engagement.

Improving livelihoods for smallholders and women

In 2024, we engaged with 1,760 smallholders through AAK, our partner’s projects, and 2,000 additional smallholders as part of the joint efforts in the Southern Central Forest Spine project.

The number of smallholders engaged in our palm supply chain has changed in 2024, because we have concluded and finalized our partnership with Forever Sabah in Malaysia, Musim Mas and Nestle in Indonesia, and Solidaridad in Mexico at the end of 2023. We reviewed the learnings and results in 2024 and started three new partnerships: with Solidaridad and Anima in Mexico, a renewed partnership with Musim Mas and Nestle, and we joined the Southern Central Forest Spine. More details in our smallholder impact table on page 63.

Driving change beyond our supply chain

Collaboration is essential to driving meaningful change beyond our immediate supply chain. This is why we partner with NGOs, industry associations, and peers to extend our impact. In 2024, AAK played a key role in the following initiatives:

- We participated in a working group within the Palm Oil Collaboration Group (POCG) to develop tools to accelerate effective implementation of No Deforestation, No Peat Expansion, No Exploitation (NDPE) commitments.
- We collaborated with industry peers in the shea supply chain on a Dutch government-funded project addressing child labor.

AAK’s tools for human rights due diligence



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CASE

Kolo Nafaso—shea sourcing that *empowers women in West Africa*

For 15 years, AAK has operated a dedicated program in West Africa, committed to the sustainable sourcing of shea kernels. At the heart of this initiative is the establishment of direct trade relationships with women in rural communities who collect shea kernels. In 2024, the program reached 249,807 women. The purpose of the program is to drive social progress and empower women, in line with AAK’s commitment to improve livelihoods of the participating women and their families in our supply chain.



“Doing business in West Africa is complex, but for many of our AAK team members in the region, it’s the opportunity to create a tangible, positive impact. It’s a rewarding experience.

Jakob Nybroe, AAK Sustainability Manager, West Africa.

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Empowering women in the shea industry

The positive social impact of AAK’s Kolo Nafaso-program extends not only to the women involved but also to their families and local communities.

Women who are part of the Kolo Nafaso program benefit in several ways:

- **Fair compensation:** They receive a fair market price for their products.
- **Reliable income:** They are assured a guaranteed sales outlet.
- **Access to pre-financing:** They gain access to interest-free micro-credits during periods of limited income.
- **Skill development:** They learn improved shea processing techniques, enhancing their productivity and working conditions.

Social impact for families and communities

Empowering women through the Kolo Nafaso project extends its benefits to their families and communities, enabling the women to:

- Invest in their children’s education.
- Provide consistent and nutritious food for their families.
- Support local infrastructure projects, such as boreholes and dams, improving community living conditions.

Award-winning sustainability program

In November 2024, AAK won the Sustainability Innovation Award at Food Ingredients Europe for empowering women in West Africa through the Kolo Nafaso program and for reducing emissions across the shea supply chain. The award recognizes AAK’s commitment to sustainable practices in the food industry along the entire supply chain from plant to brand.

CASE



The reason I applied for this job is that it serves my long-term interests to help the vulnerable in society. It is about working with women, giving them access to micro-credits and buying their shea kernels at a fair market price.

Fuseina Abdul Rahman, AAK Program Coordinator for Ghana

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Sustainability *Disclosure*

Getting into the details; strategy,
governance, targets, programs
and performance.



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About this *report*

This is AAK AB’s sixteenth stand-alone Sustainability Report covering our activities from January 1 to December 31, 2024. It is published once each year and is separate from AAK’s Annual Report. This report was published on April 10, 2025.

AAK’s Sustainability report

This report was published on April 10, 2025. It is prepared in accordance with the Global Reporting Initiative Standards (GRI) 2021 and adapted to comply with the Swedish Annual Accounts Act based on the Directive 214/95/ EU rules on disclosure of non-financial and diversity information by large companies. The report includes an overview of our non-financial performance, including our Statutory Sustainability Report. This is also where we provide additional detailed information about strategy, goals, programs and performance.

Reporting scope

The scope of this report encompasses the AAK Group consisting of the Parent and all subsidiaries including production sites, administrative offices, sales offices, customer innovation centres, and sourcing operations. Where there is a deviation from this in the reporting, this is explained in the text or in a footnote. The scope of raw materials is based on risks, volumes and position in supply chain. Smaller volumes of specialty oils and lecithins are not included in the scope of the report. The scope of environmental data includes all operational sites in AAK and core data related to social

disclosures, such as employees, gender composition, and age. Moreover, it includes AAK sourcing, sales, and procurement offices. Data covering our operations are calculated per December 31, 2024. The scope and completeness of this is continuously reviewed to include relevant activities. Scope 3 data include supply chain, transportation and product life cycles. The auditors’ opinion on the statutory sustainability report is found on page 90.

Onboarding of new sites

Aligning new sites with AAK’s sustainability standards is an important part of their integration and for AAK’s responsible growth. Each onboarded site will have dedicated sustainability representatives and be part of the global sustainable operations community, also called “Better Operations”. This community is aimed at driving progress together for the key sustainability KPI’s, to benchmark the different sites and stimulate best practice sharing.

Methodology and restatement of information

In line with the Greenhouse Gas Protocol

operational control approach, the environmental data in this report refer to the production sites that have been fully operational for a full reporting year and have a significant impact relative to AAK’s total GHG emissions. During 2024 we used activity data to calculate our Scope 3 Category 1: Purchased Goods & Services emissions and estimate our Scope 3 Category 4: Upstream Transportation & Distribution emissions from shipping.

Data management and quality

This report contains results traceable to recorded evidence and based on local calculations that are then compiled at a group level. Some data errors were identified during the validation process and not considered significant enough to correct data reported in previous years. In order to improve the quality, availability and accuracy of the data, and to improve the overall non-financial reporting process for AAK, we have implemented a digital reporting system in AAK for all reporting units.

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Strategy & Governance

Sustainability is a key part of our strategy

AAK contributes to the transition towards a sustainable food system and provides plant-based alternatives for fossil-based ingredients. Sustainability is integrated across AAK's business, regions, and functions. We have established sustainability goals with detailed roadmaps and action plans throughout our supply chain and operations, ensuring our purpose to Making Better Happen™ is consistently demonstrated across our entire value chain.

AAK's House of Sustainability is our sustainability management framework that structures and connects:

- AAK's sustainability priorities and commitments, which have been defined based on a materiality assessment.
- Sustainability goals and performance indicators to measure and drive progress.

Read more on our progress towards our commitments on page 9.

AAK's strategic approach to material topics

Engaging with our stakeholders to determine material topics

A materiality analysis is the foundation for setting priorities and is conducted every

second year in AAK. The process to identify material topics includes a stakeholder survey. This survey evaluates our impact from plant to brand, and is conducted via personal interviews with external stakeholders, including investors, customers, NGOs, suppliers, and municipalities, and a digital questionnaire for internal stakeholders, such as employees. The results and key topics are highlighted in our Materiality Matrix. During 2023 we conducted several deep-dive workshops with the Better Sourcing Sustainability team that focused on biodiversity and people, to update our materiality assessment. That resulted in more detailed topics material to AAK. For 2024, the material topics identified in our materiality assessment remain the same as it reflects the focus of our work. Please, find more information regarding the Double Materiality Assessment process in the Legal Frameworks and voluntary standards section of this report.

Materiality assessment approved by Board of Directors

The materiality assessment has been presented to and approved by AAK's Executive Committee and Board of Directors. The European Green Deal and Action Plan on Financing Sustainable Growth come with several regulatory frameworks that are directly connected to the material topics for AAK. For more information, see Legislative developments in sustainability.

Our material topics

For 2024 AAK's focus remains on the topics located in the top right corner of the matrix on p 39. Overall climate, biodiversity, and people remain the most material topics and our efforts to manage risks and opportunities related to these topics are fully aligned with AAK's business strategy, current commitments, and targets and priorities going forward.

Together with an assessment of the planetary boundaries, a further contribution to the SDGs, and to demonstrate progress on these topics, we organized AAK's sustainability work around three key priorities:

- Reducing climate impact and building resilience.
- Protecting and restoring biodiversity.
- Ensuring the well-being of people in our operations, in our communities and in the supply chain.

The short- mid-, and long-term activities for reducing negative impact and increasing positive impact in these areas are described in roadmaps for each of the priorities on pages 15, 21 and 29. The operational model for driving progress related to priorities and governance, including oversight of the organization's due diligence, is described in our Strategy & Governance chapter. The progress and approach connected to each significant topic are described in the three related chapters Climate, Biodiversity, and People.

To ensure the completeness of this report, we have decided to include and assess the topics listed above using the GRI Universal

Standards. Each topic is addressed according to the page indication in the GRI Index starting on page 85.

Legal frameworks and voluntary standards

International standards and conventions

Maintaining high ethical standards is a top priority for AAK, and we foster a corporate climate that supports ethical behaviour from all our employees, suppliers, and business partners. AAK is committed to adhering to and upholding the following:

- UN Sustainable Development Goals
- UN Global Compact's ten principles in the areas of social relations, human and labor rights, environment, and anti-corruption
- OECD Guidelines for Multinational Enterprises
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Core Conventions
- UK Modern Slavery Act

We work to fully align our business practices accordingly and, as a minimum, we comply with local laws and adhere to international standards concerning human rights and fair employment.

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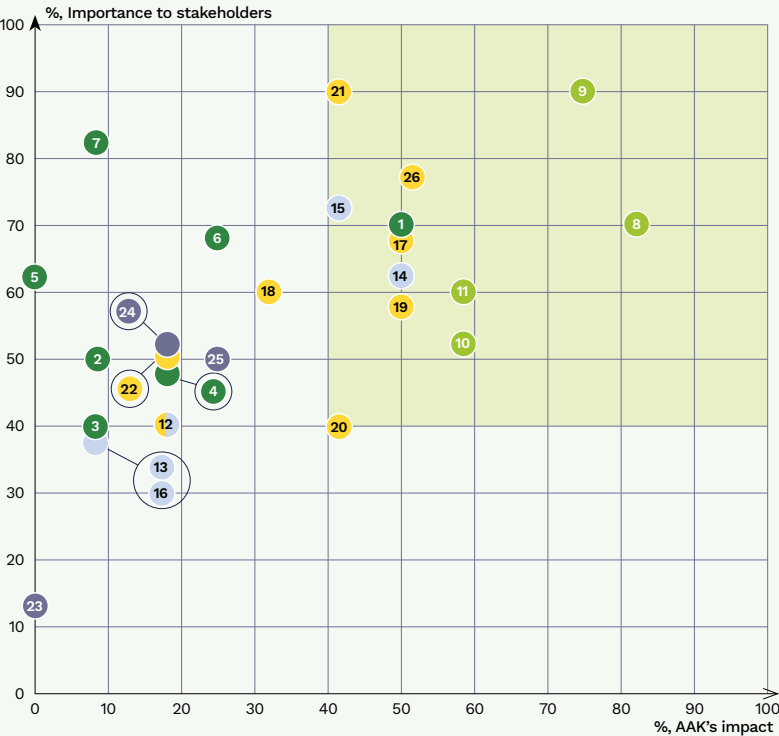
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Materiality matrix



Basis Y-axis: Share of stakeholders responding “Very important”
Basis X-axis: Share of experts responding “Very high impact”

After management’s validation, the focus remains on the topics located in the top right corner of the matrix, highlighted in green.

Environment, Climate		Our commitments and ambitions
1	Reduce GHG emissions throughout the value chain	Reduce GHG emissions commitment and SBT ambitions
2	Improve climate resilience	Group Environmental Policy commitment and reporting in line with TCFD
3	Strive towards climate neutrality	AAK’s climate target is aligned with a climate-neutral pathway. 2030–2050 commitments under development.
4	Act to reduce water consumption throughout the value chain	Resource efficiency ambition
5	Promote circular economy within own operations	Circular economy ambition
6	Use renewable energy solutions	Resource efficiency ambition
7	Strive towards energy efficiency	Reducing GHG emissions and SBT ambition

Environment, Biodiversity		Our commitments and ambitions
8	Work to protect biodiversity and all natural ecosystems throughout the supply chain	Protecting biodiversity and ecosystems; reducing environmental impact commitment and ambitions
9	Act to prevent land use change throughout the supply chain, e.g. deforestation and conversion	Verified deforestation- and conversion-free ambition
10	Work on reforestation and replanting throughout the supply chain	Reforestation and replanting ambition
11	Support regenerative agriculture	Agriculture Ambition and Commitment have been developed during 2023

Social, People		Our commitments and ambitions
17	Use responsible sourcing methods with focus on working conditions including health & safety	Embedding the respect for human rights and empowering smallholders and women commitment and ambitions
18	Use responsible production methods with focus on working conditions	Safety and well-being ambition
19	Work to improve livelihoods within the supply chain with focus on smallholders and women	Embedding the respect for human rights and empowering smallholders and women commitment and ambitions
20	Being a Better Neighbor: Engage with local communities on social issues or environmental issues	Being a better neighbor commitment and ambition
21	Act to ensure the well-being and safety of employees	Safety and well-being ambition
22	Support employee engagement as well as diversity and inclusion	Engagement ambition
26	NEW: Use responsible sourcing methods with a focus on human rights for all stakeholders and vulnerable groups	Embedding the respect for human rights

Governance, Compliance		Our commitments and ambitions
23	Report on sustainability efforts on a quarterly instead of an annual basis	Not reporting on quarterly basis yet
24	Work to ensure compliance with the AAK Code of Conduct	Activities ongoing but no commitment or ambition defined
25	Act in a transparent and responsible manner by using third-party verifications	Activities ongoing but no commitment or ambition defined

Solutions		Our commitments and ambitions
12	Increase the share of certified raw material volumes	(Below 40%) Increasing the demand for better solutions commitment and ambitions
13	Develop healthy product solutions	(Below 40%) Enhancing sustainable development with our solutions commitment and ambition
14	Increase uptake of raw materials with positive impact on people and environment	Livelihood ambition, part of increasing the demand for better solutions
15	Increase the traceability of our products	Enhancing sustainable development with our solutions commitment and ambition
16	Contribute to the development of plant-based production solution	SDG revenue ambition

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Legislative developments in sustainability

EU Green Deal

The European Green Deal consists of a series of major proposals, important commitments, and a detailed roadmap to create a net-zero EU by 2050. It is supported by an action plan that will direct investments towards and raise finance for activities that support the transition to a climate-neutral, climate-resilient, resource-efficient, and just economy. The Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy, and Sustainable Finance Disclosures Regulation (SFDR) form an integral part of the action plan. Read more about some of the major new legislative developments below.

Sustainable Finance Disclosures Regulation and PAI Report

In June 2024 AAK published a Principal Adverse Impacts (PAI) report. Although the Sustainable Finance Disclosures Regulation (SFDR) requires financial market players to publish PAI reports, this requirement is not directly applicable to AAK. However, we wanted to support our investors by giving them the necessary and relevant information to increase the transparency of their investments, and started publishing PAI reports in 2023.

Corporate Sustainability Reporting Directive

AAK, as a listed company, adheres to the current Non-Financial Reporting Directive (NFRD). The forthcoming Corporate Sustainability Reporting Directive (CSRD) will replace the NFRD, broadening the scope

of non-financial information reporting and encompassing a larger number of companies. The CSRD introduces new disclosure requirements, significantly expanding the scope of sustainability reporting.

To align with the CSRD and European Sustainability Reporting Standards (ESRS), AAK has continued its efforts in 2024 to address any potential qualitative or quantitative gaps in relation to the ESRS disclosure requirements. Given our existing reporting in accordance with the GRI framework, we are well-prepared to meet the anticipated ESRS disclosure requirements and will be prepared to report in line with CSRD when required.

As part of our preparation for the CSRD, AAK has completed a double materiality assessment (DMA) in 2024. This assessment, a cornerstone of CSRD disclosures, evaluates impacts, risks, and opportunities from both inside-out and outside-in perspectives, thereby defining the disclosure requirements on which our reporting will be based.

EU Deforestation Regulation (EUDR)

In 2023 the EU published a regulation on deforestation due diligence with an initial entry into application date December 30, 2024. The application date for EUDR has been postponed for 12 months to December 2025 by a last-minute decision of the European Commission. Its objective is to prevent deforestation linked to agricultural commodities by requiring importers to perform due diligence and submit evidence that the products being brought to the EU market are deforestation-free and legal. AAK was prepared to meet the requirements of EUDR at the initial application date, as deforestation free supply chains is one of our key commitments.

UK Forest Risk Commodities Regulation (UKFRC)

Following its commitment to Environment Act 2021, the UK Government initiated a new regulation called the Forest Risk Commodities, which aims to prevent deforestation and increase transparency in supply chains. The regulations will apply to UK businesses with a global turnover of 50 million pounds sterling that use non-dairy cattle products, such as beef and leather, cocoa, palm and soy commodities in their commercial activities, and a due diligence system will be required to ensure traceability to production and plot of land. The regulation seeks alignment with EUDR, and the timeline for adoption and implementation is not clear yet. AAK is closely monitoring developments and preparing to meet the legal requirements.

Corporate Sustainability Due Diligence Directive (CSDDD)

The Corporate Sustainability Due Diligence Directive (CSDDD) was formally adopted in July 2024 and will become applicable to companies based on a turnover and number of employees criteria, according to a staggered timeline starting with July 2027. In response to the evolving sustainability landscape, AAK is closely monitoring and actively preparing for the implementation of the CSDDD. The CSDDD is a comprehensive framework aimed at ensuring companies conduct thorough due diligence throughout their value chain, addressing both environmental and social issues. The directive requires companies to identify, assess, and prevent potential harm to both the environment and human rights arising from their activities.

Forced Labor Regulation

Forced Labor Regulation was formally adopted and entered into force in December 2024. AAK is actively monitoring the development of a regulation specifically addressing forced labor in supply chains. This regulation underscores the EU's commitment to eliminating forced labor from global supply chains and prohibits products made with forced labor from the European Union market. The ban will start to apply on the 14th of December 2027 and does not need any additional implementing legislation by the member states. It applies to all companies operating in EU market, regardless of the size of the company.

AAK is proactively engaging in industry working groups on both the CSDDD and Forced Labor Regulation. This proactive approach ensures that we align our development and implementation efforts with the evolving regulatory landscape. By participating in these groups, we aim to stay informed, contribute to industry best practices, and position ourselves to be fully compliant when these regulations take effect.

Taskforce on Climate-Related Financial Disclosures

For 2024, AAK reported in accordance with the Taskforce on Climate-Related Financial Disclosures (TCFD) framework. For more information, see page 73.

The TCFD framework has been incorporated in the International Financial Reporting Standards (IFRS) S1 and S2, and companies have the option to continue following the TCFD recommendations for reporting year 2024. For FY2025, AAK is preparing to start to report in accordance with the European Sustainability Reporting Standards (ESRS). A high level of

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interoperability is expected between IFRS S2 and ESRS. We are closely monitoring this development, and AAK will follow the interoperability map that will illustrate this from a practical standpoint for FY2025 reporting.

Taskforce for Nature-related Financial Disclosures

In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) was launched. TNFD’s recommendations and guidance aim to facilitate the seamless integration of nature-related considerations in business and financial decision-making processes. AAK is actively monitoring and evaluating the TNFD framework in perspective of the coming CSRD reporting framework. Biodiversity and environment are material topics to AAK, and in 2024 we evaluated how to further strengthen incorporating nature-related considerations in our reporting and decision-making processes, aligning with the global shift towards nature-positive outcomes. We started the process of updating our nature related goals and KPI’s.

Sustainability governance

Driving progress on sustainability

AAK’s sustainability work is implemented through existing structures to embed our commitments and targets and to manage risks and opportunities from plant to brand. Our work demonstrates the connection between our corporate governance model and our operational model in relation to the material

topics defined in our materiality analysis. Together they represent the organizational model for driving progress and ensuring board and management accountability and oversight.

Our corporate governance model

AAK’s sustainability strategy

Our approach to sustainability is integrated across the organisation, starting with our operations and own employees, our suppliers and the solutions that we develop with our customers.

The main responsibility for AAK’s sustainability strategy and management lies with the President of Global Sourcing & Trading and Sustainability, who is a part of AAK’s Executive Committee. The Director of Sustainability reports to the President of Global Sourcing & Trading and Sustainability and leads the Global Sustainability Leadership Team across the different functional areas: operations, people, sourcing and trading, commercial development & innovation, reporting & compliance, IR & communications, and finance. This structure provides a holistic approach to our commitments and targets as defined in our operating model.

Board of Directors

The tasks of the Board are regulated in the Swedish Companies Act and AAK’s Articles of Association. In addition, the work of the Board is regulated by the practices it adopts each year. AAK’s Board of Directors has overall responsibility for the company’s sustainability progress and performance. The Board of Directors is informed regularly about sustainability issues, including climate-related performance and AAK’s progress against set commitments, targets, risks, and

opportunities. The Board of Directors also approves the Sustainability Report, materiality assessment results, and our policy commitments.

Nomination and selection of the highest governance body

The owners and Chairman of AAK are responsible for the nomination and selection of the highest governance body. The Chairman of the Board also secures that conflicts of interest within the Board are prevented and mitigated. The Chairman of the Board is not a senior executive in the company. The performance of the Board is evaluated annually through a process that is initiated and managed by the Chairman of the Board. See the Annual Report for more details. For more details regarding the Board’s structure, composition and role, see the AAK Corporate Governance Report, part of the Annual Report.

Audit Committee

The Audit Committee deals with risk management evaluation and the integration of AAK Group procedures as well as monitoring and following up on policies and codes and their implementation throughout the organization. Instances of non-compliance with policies, codes, and corrective actions taken are presented to the Audit Committee when relevant.

Remuneration Committee

The main role of the Remuneration Committee is to assist and advise the Board on matters relating to the remuneration of the Board and senior management. This ensures that we can retain our executives, and that AAK can attract the best talent in the market. In 2021, ESG

targets became one of the qualifiers for the Executive Committee’s remuneration. For more information on our remuneration policies and the process for determining remuneration, see our Annual Report.

CEO and Group Management

The CEO and Group Management (Executive Committee) have operational responsibility for AAK’s sustainability progress and performance. The responsibility for ESG-related commitments and targets is delegated from Board level down to Group Management level and further cascaded to management. Regular Executive Committee meetings are held to review progress and actions related to sustainability. These meetings are part of the regular Executive Committee meeting structure and not held separately.

Sustainability Advisory Committee

In 2024 we established the Sustainability Advisory Committee (SAC), with representation of the Board and our Executive Committee. The aim of the SAC is to provide expert input to AAK’s sustainability transformation, to bring in external expertise, to challenge the strategy and to enable education of the Board.

Grievance Committee

The Grievance Committee is responsible for managing any potential breaches or violations of our responsible sourcing policy and supplier code of conduct. The committee consists of key sustainability team members, including the President of Global Sourcing & Trading and Sustainability, the Director of Sustainability, relevant sourcing and trading teams for different raw materials, and regional personnel who manage supply chain engagement.

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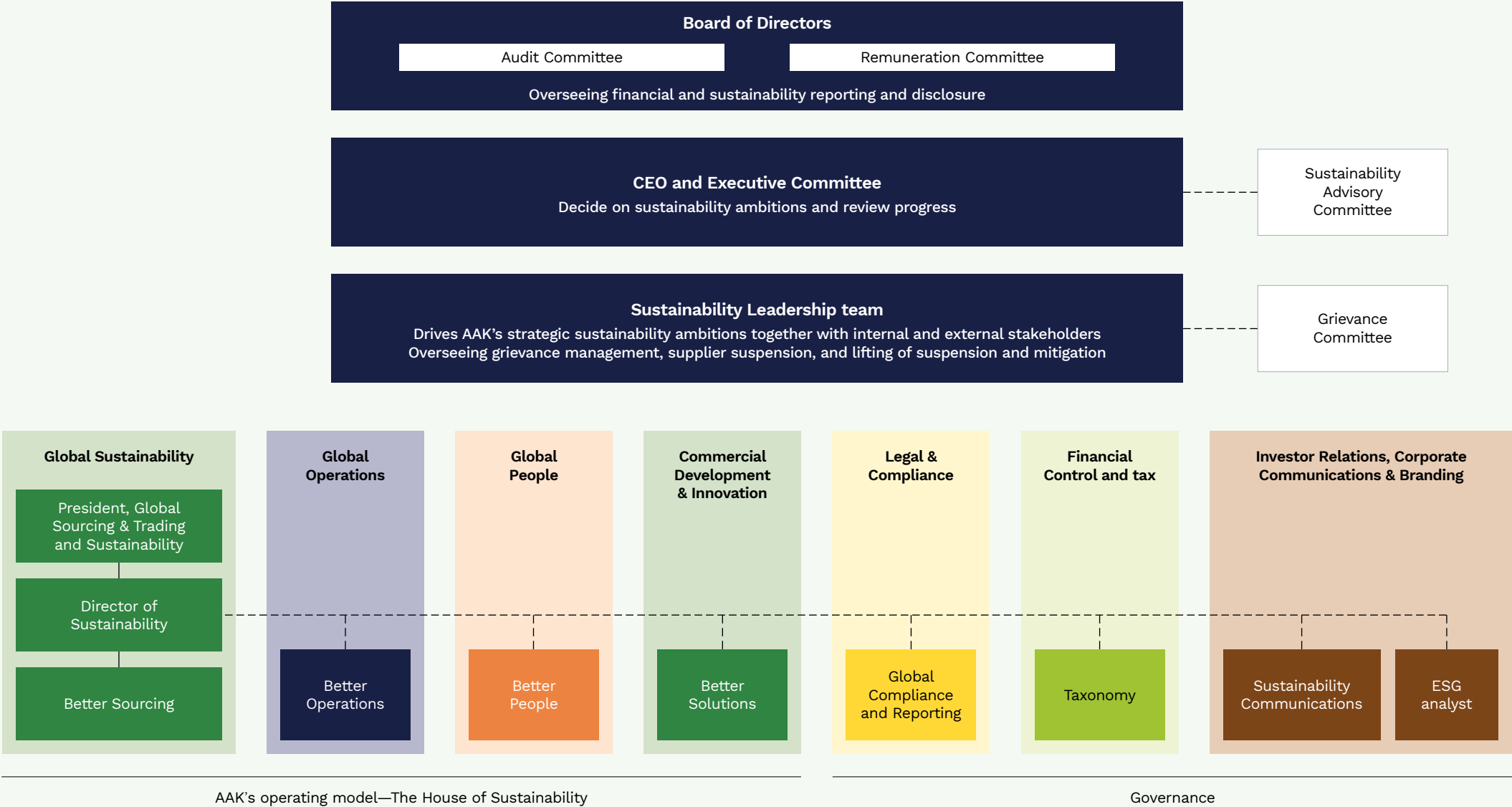
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AAK’s sustainability governance



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Business ethics

Our approach

AAK’s efforts around business ethics are guided by our Group Code of Conduct and our policies.

Policies

To achieve Making Better Happen™ and to deliver on our compliance responsibilities, we have put in place relevant policies and codes based on international best practices, and we continuously implement improvement initiatives based on insights from engagement surveys, health programs, risk assessments and legislative developments. Our Better Behaviours and Better Leadership principles help guide and inspire our employees in their everyday activities.

Supply chain

Our guiding principles for sustainable sourcing form the foundation of the AAK Group Code of Conduct for Suppliers and the AAK Group Policy for Responsible Sourcing of Plant-based Oils. AAK has the following steering documents in place related to our supply chain:

- AAK Group Code of Conduct
- AAK Group Code of Conduct for Agents and Distributors
- AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils
- AAK Group Grievance Management Procedure
- AAK Statement on Modern Slavery Act

Operations

All AAK employees have the right to freedom of association and collective bargaining, including to freely form and join independent trade unions. 39 percent of our employees are covered by collective bargaining agreements. In our operations, the following policies are in place:

- AAK Group Sustainability Policy
- AAK Group Environmental Policy
- Remuneration Policy

Our impact and progress

The AAK Group Code of Conduct undergoes regular reviews to ensure alignment with both external and internal requirements. We continuously monitor legislative developments and assess various initiatives, such as our employee engagement survey, to evaluate and enhance our ethical standards and compliance with legislation.

Our rules and expectations extend to our suppliers, agents, and distributors through distinct codes. To ensure comprehensive awareness and understanding of our commitments and requirements, AAK has implemented a Code of Conduct e-learning program.

In 2024, AAK updated the Group Code of Conduct and integrated the Code of Conduct training into the annual mandatory training program for all AAK employees, further strengthening employee awareness. The new Code was launched in December, and by the end of the year, 53.6 percent of AAK’s employees signed the updated Group Code of Conduct. Additionally, 92 percent of employees had signed the previous version of the Code of Conduct, which was deactivated in December 2024.

In 2024, there were two confirmed breaches of AAK’s ethical standards by AAK employees, which resulted in disciplinary actions.

Bribery and corruption

During 2023 AAK conducted corruption risk assessments that covered both fully owned and joint venture operational business units. In 2024 risks connected to corruption were assessed during the Double Materiality assessment process.

In 2024, AAK continued to enhance compliance awareness across the company through regular meetings with regional teams. These meetings focused on the implementation of the Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy, and Sanctions Policy, Competition Law and Know Your Counterparty procedure.

AAK conducts comprehensive audits covering various areas, including investments, customer relations and contracts, travel invoices, gifts, salary remuneration, and contracts with suppliers and customers.

All relevant employees are required to complete e-learning courses on anti-bribery and corruption and competition law. The anti-bribery and corruption training was assigned to 1,047 employees in total. By the end of 2024, 67.2 percent of relevant employees had completed the anti-bribery and corruption, and 34 percent had completed the competition law course, with a due date for completion in March 2025. The target group for this training includes employees from Sales, Product Management, Procurement, Sourcing & Trading, as well as relevant leadership positions.

In 2024, there were no confirmed incidents of corruption.

Compliance with laws and regulations

Our approach

AAK operates globally, which requires high standards on AAK’s control mechanisms to ensure compliance with our policies and codes. The trust we enjoy from both our stakeholders and our own employees is closely connected to our ability to uphold high ethical standards in all our activities, and we take all reports of possible material misconduct seriously. Compliance with laws and regulations is what earns AAK our license to operate. We aim to establish a value-driven culture where people are guided by a common moral compass when faced with difficult decisions, and where they act with integrity and speak up against misconduct or unethical behaviours. In 2024, AAK had no significant instances of non-compliance with laws and regulations that resulted in administrative or judicial sanctions or fines that had been appealed.

One key stakeholder group requiring robust due diligence mechanisms is our raw material suppliers of plant-based oils. Our due diligence mechanisms consist of policy rollout, supplier self-assessments, and supplier training to educate our suppliers on key sustainability compliance issues outlined in these policies and codes. Furthermore, we use supplier scorecards and sustainability audits.

Whistleblower system

AAK is committed to maintaining a transparent business environment and upholding high ethical standards. We prioritize the safety and integrity of everyone impacted by our

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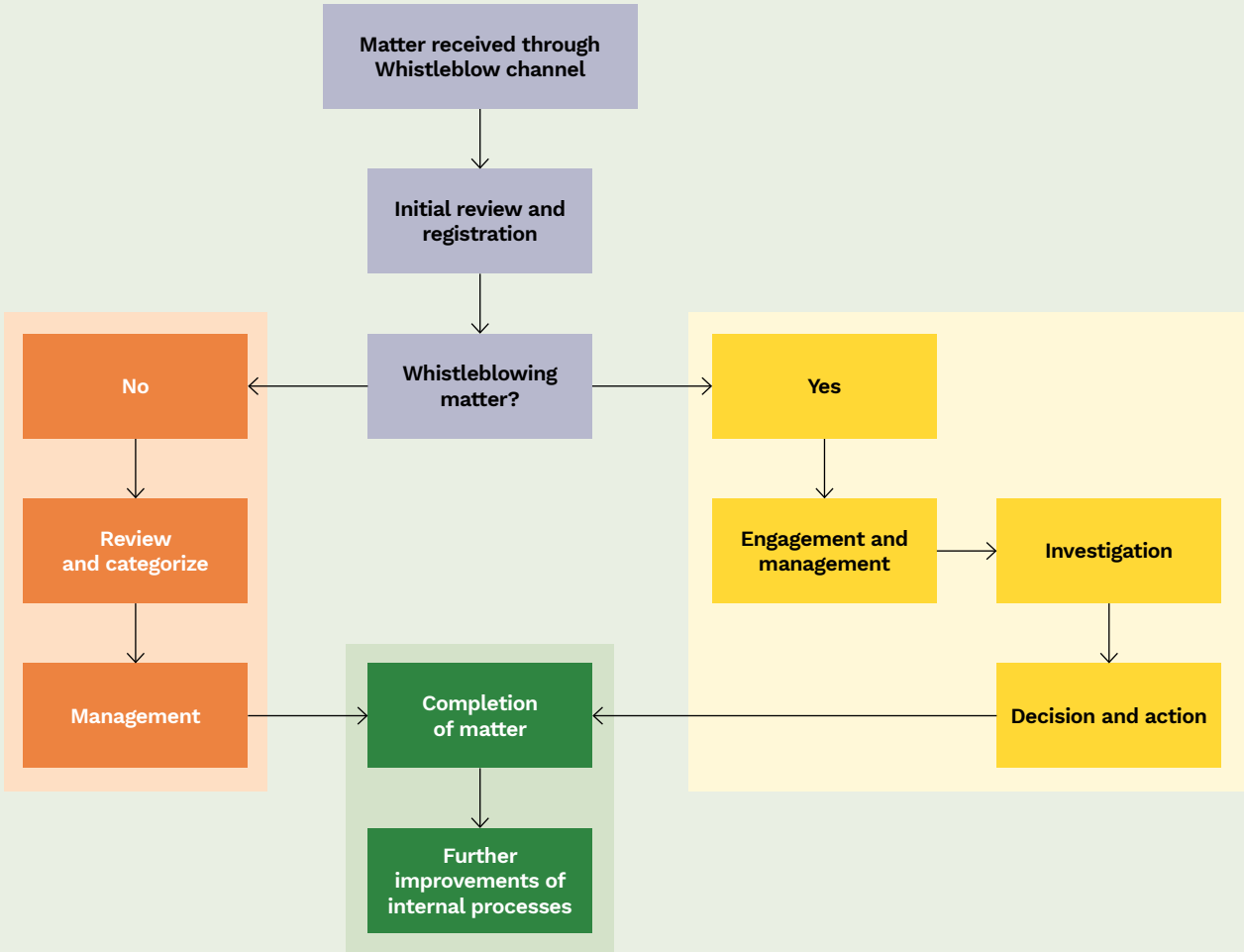
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operations, recognizing that each of us plays a crucial role in our success as an ethical company.

As a global organization with complex supply chains and operations in multiple countries, it is vital to have mechanisms in place to identify and address any misconduct. To this end, we offer a third-party whistleblowing service for both AAK employees and other stakeholders. This service allows individuals to anonymously report any suspicions of misconduct related to laws, legal requirements, or violations of our Group Code of Conduct in their own language. The whistleblowing service is accessible via our website, Group Code of Conduct, and intranet. Ensuring confidentiality and anonymity, this platform enables anyone to report incidents without fear of retaliation. Any form of retaliation against an employee who raises a concern is a violation of our Code of Conduct.

In 2024, six cases were reported through our whistleblowing service. We adhered to the established whistleblower process for investigation, and one case was found to be a breach of our Group Code of Conduct. Additionally, in 2024, we launched three new reporting channels to comply with applicable legislation. These channels were introduced at our sites in Karlshamn and Dalby in Sweden, and Aarhus in Denmark, to meet new Swedish requirements mandating that entities with more than 50 employees have their own separate channels in addition to the Group AAK Channel. Consequently, AAK employees in Karlshamn, Dalby, and Aarhus can choose to report to their respective site-specific channels or the Group AAK Channel.

Whistleblow Management Process



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Proactive supply chain management

Supplier due diligence progress

During 2024, a total of 65 (62) suppliers were audited across all categories: raw materials, packaging, transport etc. The audits continue to focus on suppliers with increased sustainability risks. Any suspected non-conformances identified 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 created 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. If a supplier is not willing to improve their performance, the relationship is either suspended or terminated depending on the specific issue and progress action plan. External audits are conducted by relevant auditing bodies or strategic environmental consultants specialized in specific certification or compliance standards (RSPO, Rainforest Alliance, ProTerra, ISCC, Proforest).

100 (100) percent of our palm oil suppliers have signed our AAK Group Policy for Responsible Sourcing of Plant-based oils, 100 (100) percent have been assessed in our palm oil scorecards, and 76 (58) percent have ranked in the “Preferred” and “Satisfactory” categories since our continuous engagement with the suppliers. Furthermore, 88 (35) percent of palm oil suppliers by volume have been connected to us on the Sedex platform and 75 (20) percent have answered the Sedex SAQ. In 2024 we had 5 (9) new palm suppliers. In their onboarding process, all of them went through

either our supplier management system or our supplier onboarding protocol, including social and environmental screening criteria.

99 (99) percent of our shea suppliers were assessed through our scorecard system for shea suppliers. We furthermore directly engaged with 249,807 (241,188) women in the Kolo Nafaso program. The shea season runs from July 1 to June 30 every year. In the 2023–2024 shea season, we had 33 new suppliers, and in the 2024–2025 shea season we had 56 new suppliers. All suppliers have completed our supplier onboarding process including social and environmental screening criteria.

100 (100) percent of our coconut oil suppliers have signed our AAK Group Policy for Responsible Sourcing of Plant-based Oils, and 66 (50) percent have been assessed in our coconut oil scorecards. 100 (100) percent took part in a traceability exercise, especially in relation to traceability to municipalities.

In 2024 we extended the scope of supplier engagement in Sedex to also include coconut, soy, rapeseed and sunflower. 74 percent of coconut suppliers by volume have been onboarded to Sedex and 69 percent have answered the SAQ, 42 percent of soy suppliers have been connected to Sedex and 40 percent have answered the SAQ. 38 percent of rapeseed suppliers by volume have been connected to Sedex and 21 percent have answered the SAQ. 76 percent of sunflower suppliers by volume have connected to AAK on Sedex and 69 percent have answered the SAQ.

In 2024, we invested in an external data provider for social and environmental screening of our non-raw material suppliers. We onboarded 95 priority suppliers predominantly in packaging and transport. From

2025 onwards we will further embed this screening into our non-raw material supplier management.

Reactive supply chain engagement

Grievance management

The AAK Grievance Management Procedure (GMP) facilitates the response to and monitoring of complaints arising within AAK’s upstream supplier operations. It describes the procedure and actions taken by AAK at each stage. We aim for the process to be easy to follow and transparent so that all relevant parties understand the expectations at each stage. For an overview of our previous and active grievance cases, see page 46. The impact of a transparent GMP and disclosure promotes a more transparent, trustworthy supply chain.

Our public grievance management tracker reflects the latest status of any specific grievance at any given moment. The decision on whether or not to lift suspensions at the end of a grievance management process is a key part of a well-functioning management procedure. At AAK, we have put a grievance management committee in place that reviews the status of our grievances and suspensions every quarter.

For our direct sourcing program Kolo Nafaso, we employ an integrated grievance mechanism that links women directly to Kolo Nafaso management. This gives the women the opportunity to deliver grievances and bypass their commercial contacts anonymously or personally. The verification of a functioning grievance mechanism is part of the yearly Kolo Nafaso external audit.

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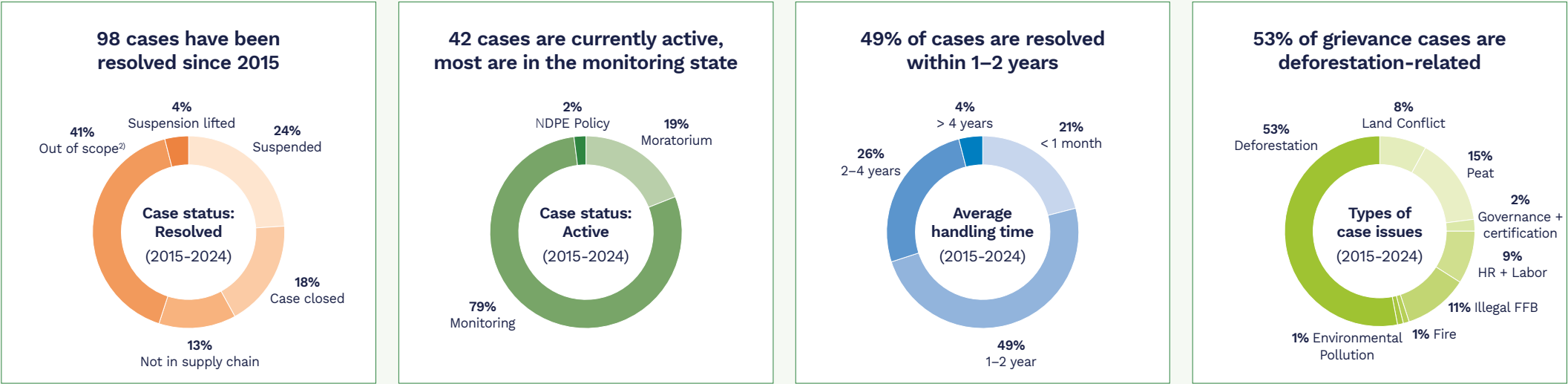
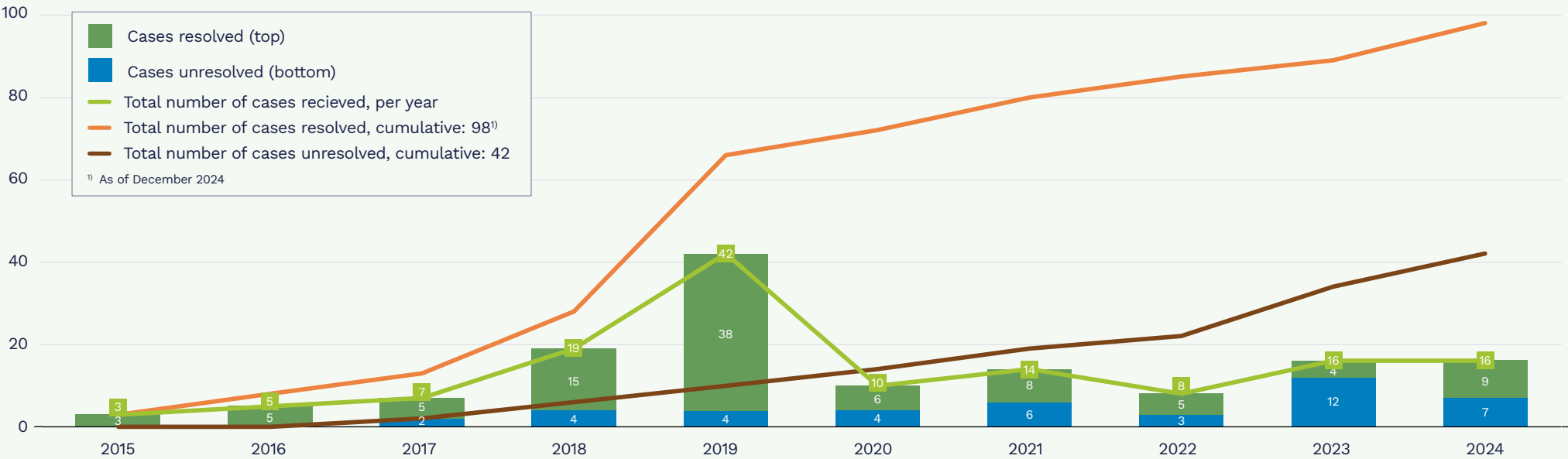
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Grievance statistics overview & highlights (FY2024)

- We have received 140 cases since 2015, of which 42 are still active
- In 2024, 16 cases were received, of which 7 are still active



²⁾ Cases not related to the commodities AAK sources or our sustainability policy scope

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Certified solutions

Accredited third-party sustainability certifications, often developed through multi-stakeholder roundtables, give greater transparency and demonstrate compliance with social, environmental, and financial requirements. By stimulating demand for certified solutions, we contribute to a more sustainable supply chain. Certification standards are part of AAK’s toolbox for credibly mitigating risks identified in our various raw material supply chains. For each raw material, it is crucial to select a suitable certification scheme. AAK supports the following key certifications.

Roundtable on Sustainable Palm Oil

The Roundtable on Sustainable Palm Oil (RSPO) is a global partnership to make palm oil sustainable. The RSPO actively facilitates collaboration and a shared commitment across the value chain. AAK is a founding member of the RSPO, established in 2004. RSPO has developed a set of environmental and social principles and criteria that companies must comply with to produce Certified Sustainable Palm Oil (CSPO). RSPO-certified palm involves accredited third-party certification of both the production and the supply chain. RSPO certification is applied to palm and palm kernel supply chains within AAK.

ProTerra

The ProTerra Standard focuses on key topics such as human rights and good labor practices, preventing child and forced labor, promoting good agricultural practices, and continuous efforts to improve soil, water management, and reducing the use of fertilizers and pesticides. A core principle of the ProTerra Standard is the prohibition of genetically modified organisms (GMOs), ensuring that certified products are non-GMO. The ProTerra Standard involves accredited third-party certification. AAK applies the ProTerra certification to soy supply chains and joined ProTerra in 2024.

Rainforest Alliance

The Rainforest Alliance is an international non-profit organization working at the intersection of business, agriculture, and forests. The organization seeks to build a network to protect forests, improve the livelihoods of farmers and forest communities, promote their human rights, and help them mitigate and adapt to the climate crisis. The Rainforest Alliance involves accredited third-party certification. Rainforest Alliance certification is applied to coconut supply chains within AAK.

International Sustainability and Carbon Certification

International Sustainability and Carbon Certification (ISCC) is a multi-stakeholder initiative with the objectives of contributing to environmentally, socially, and economically sustainable production and use of all kinds of biomass in global supply chains. ISCC aims to implement social and environmental sustainability criteria, monitoring deforestation-free supply chains, avoiding conversion of biodiverse grasslands, calculating and reducing GHG emissions, and establishing traceability in global supply chains. ISCC involves accredited third-party certification. AAK offers ISCC-certified shea, rapeseed, and sunflower products.

Roundtable for Responsible Soy

The Roundtable for Responsible Soy (RTRS) is a collaborative initiative focused on advancing sustainable practices in the soy industry. It brings together stakeholders from various sectors, such as producers, processors, retailers, NGOs, and government representatives, to develop strategies for promoting environmental and social responsibility. The roundtable establishes criteria for Certified Sustainable Soy and encourages adherence to these standards throughout the soy supply chain. AAK joined the RTRS in 2024.

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Climate

Our climate compass

In our mission to adress climate change within our operations, we are closely monitoring the international scientific community’s input and approaching the issues accordingly. AAK is already reporting data in accordance with:

- The Global Reporting Initiative (GRI). Provides a framework for sustainability reporting, including climate-related disclosures.
- The Carbon Disclosure Project (CDP). A global disclosure system that enables companies and cities to measure and manage their environmental impacts.
- The Greenhouse Gas Protocol guidance.

As of December 2023, AAK’s climate goals are aligned with the Paris Climate Agreement of 2015 by receiving the approval from the Science Based Targets initiative. Our Science Based Targets are all in line with the 1.5-degree global warming scenario.

Climate resilience

During 2020, we started applying the Task Force on Climate-Related Financial Disclosures (TCFD) framework. The analysis in 2022 found that all key raw materials that AAK currently sources are likely to be impacted in some form by both the Business-As-Usual and the Net Zero Emissions by 2050 scenarios. This impact will differ significantly depending on sourcing origin, with palm, coconut, and soy likely to be most heavily impacted. Read more on page 73 for the complete TCFD analysis.

Climate targets

Our approved Science Based Targets for Scope 1, 2 and 3 (FLAG and non-FLAG) are the basis for our climate ambitions and roadmaps. Information on our ambitions and progress can be found in the front section of this report (page 14).

Applying the FLAG guidance

For AAK, land intensive activities make up 67 percent of our Scope 3 emissions, which means that we are required to set a FLAG target. Our Scope 3 screening, based on 2019 baseline numbers, showed that supply chain accounts for about 93.5 percent of the emissions of AAK’s global environmental footprint, while the key raw materials included in the FLAG assessment were palm, palm kernel, coconut, and rapeseed. For these focus areas, AAK has set FLAG targets which in December 2023 were approved by the SBTi. AAK has been even before that moment striving to achieve reductions, removals and avoidances of carbon emissions in various ways, such as:

- Introducing the 100 percent Verified Deforestation Free target for our Palm and Soy supply chains, thus facilitating the avoidance of significant amounts of carbon emissions.
- Investing in shea and coconut tree planting initiatives, resulting in more than 150,000 trees planted since 2020 which led to considerable amounts of carbon removals. AAK plans to quantify that amount during 2025.

From 2025 onwards, AAK aspires to address other significant hotspots of the supply chain emissions that have been identified as critical for the achievement of its climate change targets, such as peatland management in the SEA palm supply chain, adopting of fossil-free fertilizers in our rapeseed supply chain and encouraging the adoption of regenerative agriculture practices across all key raw materials.

Emissions in the supply chain

Our impact and progress

AAK’s baseline assessment has highlighted the hotspots throughout the value chain and enables us to strategically prioritize our climate change efforts. From this assessment, it became clear that crop cultivation and processing contribute substantially to AAK’s corporate carbon footprint. In 2024, we continue our efforts to quantify these emissions through detailed measurement and analysis by utilizing IT solutions that enable us to automate the data collection processes. Our progress tracking principles follow the best practices of carbon accounting, in line with the Greenhouse Gas Protocol and Science Based Targets initiative guidelines.

Reducing greenhouse gas (GHG) emissions in our key supply chains

Our concentrated efforts to reduce our supply chain emissions vary across the key raw materials, namely by:

- Sourcing proportionately higher volumes of RSPO-certified Palm Oil (+13 percentage points since 2019) on an annual basis since

2019, and thus achieving carbon reductions up to 35 percent per kilogram through the best practices that the RSPO certification entails, while at the same time aiming to achieve a 100 percent verified deforestation free supply chain to reduce Land Use Change emissions.

- Engaging in tree planting initiatives (>10,000 coconut seedlings distributed since 2020) which future-proof the yield of the crop and remove carbon during their growth, while also holding multi-stakeholder workshops with farmers in our coconut supply chains,
- Introducing a farm-level emissions tracking tool which enables us to track and financially incentivize carbon reduction initiatives for the farmers in our Swedish rapeseed supply chain.
- Continuing and reinforcing the multi-awarded Kolo Nafaso direct sourcing program in West Africa, through which we have planted more than 150,000 trees since 2020 and have distributed more than 50,000 energy efficient cook-stoves that replace the traditional methods of boiling in our shea supply chain.

AAK’s climate change commitments are in full development; having identified the key decarbonization levers for our key raw materials, we are engaging with our supply chain actors, NGOs, and customers to collaboratively pull them. In 2024, AAK reports a reduction of 21 percent in total Scope 3 emissions compared to our baseline related to its key supply chains, while the volume of purchased raw material remains almost indifferent versus our 2019 baseline. The highest reductions are reported on the FLAG side of the emissions, which is expected and in line with our increased RSPO certified volume of palm uptake. AAK plans to account

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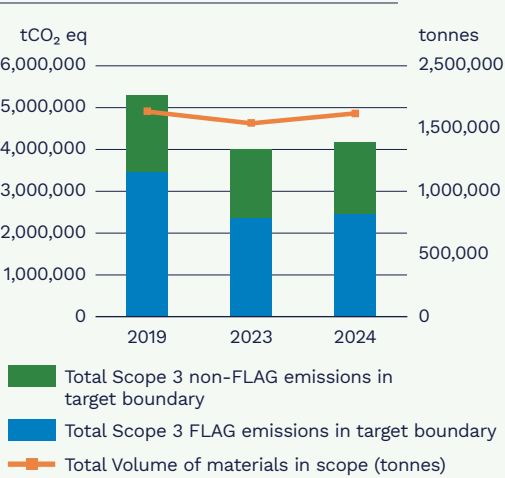
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for the benefits of its Verified Deforestation Free palm commitment within 2025 by investing in a Land Use Change emissions analysis specifically for its supply chain.

Total Scope 3 emissions within absolute reduction Science Based Targets' scope, 2024



2024 data shows a 28 percent reduction in AAK's Scope 3 FLAG emissions from the 2019 baseline, progressing toward our 2030 target of 33 percent. In 2024, we sourced higher volumes of raw materials within the target scope, but with a lower relative climate impact compared to 2023. Overall, we remain on track with our Scope 3 FLAG progress.

Stakeholder engagement

Engaging stakeholders across our supply chain remains important in addressing both agricultural and industrial emissions. By collaborating with our suppliers, from farms and plantations

to logistics providers and packaging vendors, we have fostered a dialogue about sustainable practices. Through workshops, training sessions, and partnerships, we have shared best practices for emissions reduction in our agricultural supply chains, while we have initiated a supplier engagement program to achieve our supplier engagement—SBTi approved target for our packaging and road transportation partners.

- Some examples of our engagement with our suppliers include:
- Continuously increasing the proportion of deforestation- and conversion-free palm and soy in both our sourcing strategy and our offerings.
 - Multi-stakeholder and two-farmer workshops in our coconut oil supply chain.
 - Educational sessions on the importance of preserving shea trees and using rocket stoves versus traditional methods of boiling the shea kernels.
 - Raising awareness about ways to measure on-farm emissions and how to track the positive impact generated through regenerative agriculture.

Getting to our 2027 Supplier Engagement Target for Packaging & Road Transportation

AAK's supplier engagement target of 10.3 percent of volume of emissions to be connected to suppliers with commitments to the Science Based Targets initiative was approved in December 2023 by the SBTi. This target's scope focuses on our road transportation and packaging suppliers. According to 2023 data, these two business activities are still material for AAK's climate change targets. In 2024, AAK launched a supplier engagement

process dedicated to identifying the progress towards this target, by taking inventory on the emissions and SBTi status of 2023 of its key suppliers within scope.

Results show that for 2023, AAK's supplier engagement score was 9.2 percent. This is the data which we currently have.

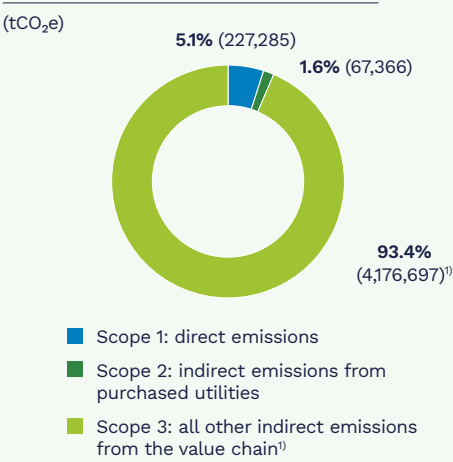
Key contributors

FLAG emissions break down to land use change and land management emissions. Zooming in AAK's supply chain, land conversion, peatland management, fertilizer and pesticide use are the primary contributors. Understanding these contributors enables AAK to target specific areas for improvement and prioritize. Our 100 percent Verified Deforestation Free palm supply chain commitment for 2025 is pivotal in achieving this target. At the same time, our collaborative efforts with farmers focus on encouraging sustainable land-management practices to mitigate emissions. AAK's non-FLAG emissions Palm oil mill effluent (POME) is a major source of greenhouse gas emissions. Capturing and treating POME through biogas recovery systems can significantly reduce emissions while generating renewable energy, comprising thus also an opportunity.

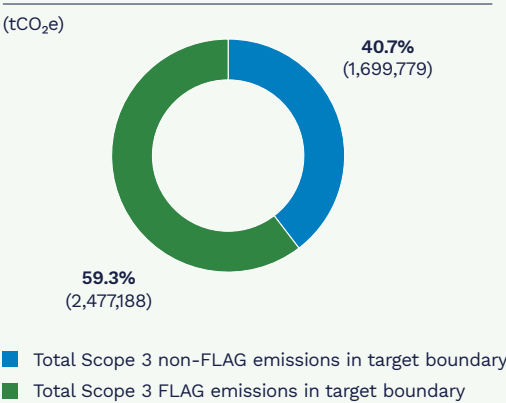
Identified risks and mitigation

Mitigating agricultural emissions involves multifaceted strategies. Implementing precision farming techniques reduces fertilizer use and minimizes emissions. Encouraging regenerative agriculture, such as no-till farming and crop rotation, aids carbon sequestration. Moreover, promoting agroforestry and integrating trees within farms serves

GHG emissions breakdown, 2024



Breakdown of emissions within SBTi Absolute Reduction Targets Scope, 2024



¹⁾ Defined Scope:
Non-FLAG: Scope 3.1: Purchased goods and services (100 percent of volumes of Palm, Coconut, Shea) and Scope 3.4: Upstream Transportation & Distribution (shipping emissions)
FLAG: Purchased goods and services (65 percent of volumes of Palm, 100 percent of Coconut, 100 percent Rapeseed)

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as a natural carbon sink. Continued research, innovation, and investment in sustainable technologies support our commitment to further mitigate emissions in our vegetable oil production supply chain.

Emissions in operations

Our impact and progress

Reducing greenhouse gas (GHG) emissions in our operations

In 2024, AAK generated 294,651 metric tonnes (322,166)¹⁾ of CO₂e emissions (Scope 1 + 2), a reduction by 8.6 percent compared to 2023. Our Scope 1 emissions decreased by 12.9 (4.9 percent) and the Scope 2 emissions have increased by 9.7 percent. The increase in Scope 2 emissions was mainly due to changes in electricity generation at our Aarhus site. In 2023, the site co-generated some of its own electricity, however, in 2024, during the testing and commissioning of the new biomass boilers, this electricity production was paused. As a result, we had to purchase significantly more electricity from the market, leading to an increase of nearly 13,000 tons of CO₂ in Scope 2 emissions. Despite this, the biomass boiler still played a key role in reducing Scope 1 emissions. During 2025 the biomass boiler is expected to be fully operational, and we expect to deliver emission reductions in line with our Science Based Targets.

This is an overall improvement in absolute Scope 1 and Scope 2 GHG emissions of 17.9 percent (9.3 percent)²⁾ compared with our base year 2019 and represents a total reduction of

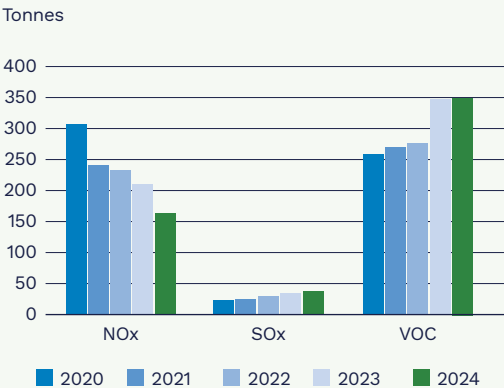
64,406 (43,116) metric tons of CO₂e emissions compared since 2019. In 2019 total CO₂-emissions were 359,057 metric tonnes.

During 2024, market-based and location-based Scope 2 emissions were 67,366 tonnes (46,767) and 66,454 tonnes (60,642) of CO₂e emissions, respectively. Due to a change in calculation system, Scope 2 emissions for 2023 have been revised.

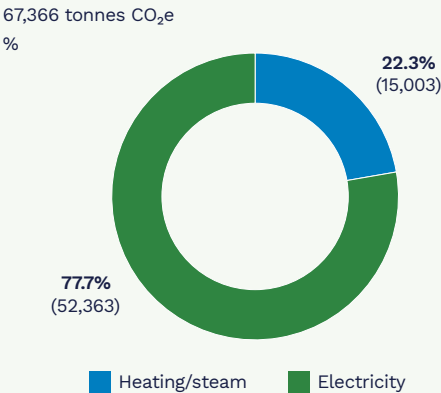
Our production sites emitted 163 (211) metric tonnes of NOx (nitrogen oxide) related to biomass boiler modern burners and 37.6 (34.7) metric tons of SOx (sulfur oxide) in 2024 through the combustion of fuel on site. Approximately 349.3 metric tonnes (347.7) of VOC (volatile organic compounds) were emitted, primarily from sites that run extraction and solvent fractionation processes.

Going forward, we will continue to mitigate these types of air emissions, and we are also tracking biogenic CO₂e emissions, which are produced from the combustion of biomass. During 2024, we had no biogenic emissions.

Direct emissions



Scope 2, GHG emissions



We purchased 1,394 kg (10,631 kg) of ozone depleting substances (ODS). The significant reduction compared to last year is explained by an ozone ammonia leakage at one of our sites in 2023.

Identified risks and mitigation

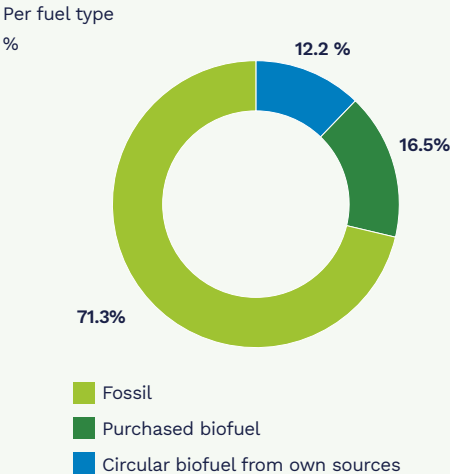
Our most significant environmental risks relating to GHG emissions in Scope 1 and 2 are our resource-intensive production and the amount of waste we generate. On an operational level, we assess and evaluate these risks supported by certifications, audits, reporting and continuous reviews of activities in our local, cross-functional sustainability teams. The results are connected to performance indicators that are annually presented to AAK's Executive Committee and benchmarked by our global Better Operations team to monitor the required progress. We apply precautionary management actions to mitigate and remedy potential adverse impacts on the environment and people. We systematically work to meet

environmental regulatory requirements and to reduce emissions. Our work is supported by international third-party certification systems such as the ISO 14001 environmental management system and ISO 50001 energy management system.

Energy in operations

In total, during 2024 our production sites consumed 6,233,913 GJ (5,412,930), where total primary energy consumption was 5,034,143 GJ (4,401,595), and total secondary energy consumption was 1,201,769 GJ (1,011,335 GJ). Of our total energy consumption 28.7 percent was from renewable sources. The renewable energy comes from purchased biofuel and from internally sourced biofuel that is a part of our circular production model. The purchased biofuels comes from: wood pellets, fuel oil and eucalyptus wood logs. The circular internally sourced biofuels are shea meal, vegetable

Energy consumption



¹⁾ The data for 2023 has been revised. see Restatement of Information.
²⁾ The data for 2023 has been revised due to a calculation error in Scope 2 emissions. See p 80.

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oil and rice husk. Our fossil energy sources are natural gas, coal, propane gas, liquified petroleum gas, diesel and petrol.

Our related climate target is:

- 50 percent reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030 from a 2019 base year.

In 2024, 61.6 percent (64.4) percent of our electricity was renewable, a decrease by 2.8 percent points. The reason behind this decrease is that the new biomass boiler in Aarhus had downtime during the year and we had to increase purchases of electricity from the open market. During 2025 we expect the boiler to be fully operational and all bought electricity will be renewable in line with our 2025 target.

Going forward, AAK will continue to explore energy efficiency solutions as well as circular production models as a part of our SBTi roadmap.

Circularity

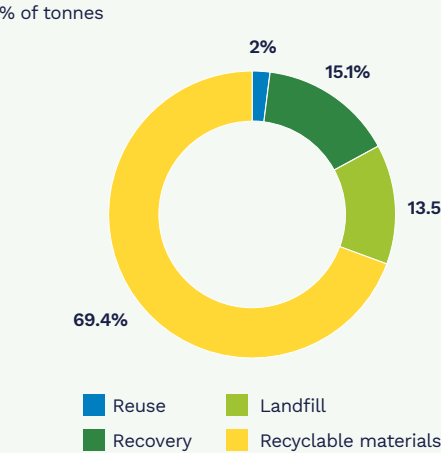
Our impact and progress

AAK has a comprehensive waste management process in place. During 2024, AAK generated 60,160 tons (52,755) of waste overall – an increase of 14 percent compared to 2023. The main reason behind this increase was a contamination problem of oil products at one of our facilities. The contaminated oil was used as fuel. The share of waste recycled amounted to 69.4 percent (78.4). Our sites generated 1512 tons (1394) of hazardous waste and 58,647 tons (51,361) of non-hazardous waste.

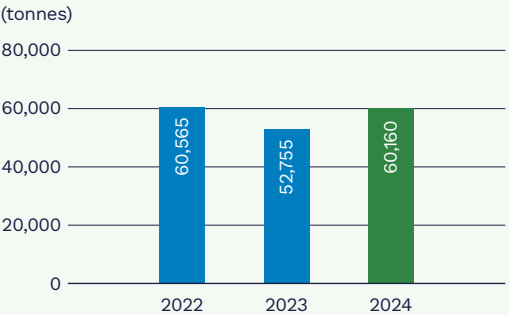
Hazardous waste has increased. This is mainly due to raised customer demands on the purity of our ingredients. The analytical process requires the use of hazardous chemicals.

Our waste to landfill has increased from 6,899 in 2023 to 8,117 tons in 2024 due to

2024 waste disposal



Total waste



increased production in the USA where the use of landfill is widespread. AAK used 2,255,739 (2,234,955) tons of material to produce and package primary products and services. In 2024, 1,836,699 (2,234,955) tons were renewable (including raw material), and 419,039.8 tons (942,209) were non-renewable material.

Identified risks and mitigation

To meet the market demand for more sustainable alternatives, side stream utilization and upcycling present important business opportunities for AAK. Progress is being made on offering more plant-based products, replacing non-sustainable materials such as fossil-based materials, and implementing solutions that reduce waste.

One of the biggest challenges connected to this is the recycling of spent bleaching earth. Bleaching earth is an essential processing aid for high-quality oil production, as it removes coloring and other impurities during the refining of plant-based oils. Work is ongoing to find replacements for bleaching earth to achieve our ambition.

The information reported has been collected from the operational sites and their disposal contractors.

Water

Water stewardship is an area of increasing importance and provides opportunities to reduce costs by using water and energy more efficiently.

Our approach

We mainly use water for cooling purposes in our operations. Our focus is on water optimization and the reduction of freshwater consumption, such as municipal water use. Our ambition is to reduce our freshwater consumption by 50 percent compared to a 2019 base year. By focusing on water efficiency, we are not only building a more responsible business, but also a more resilient company with regards to the anticipated consequences of climate change.

Our impact and progress

During 2024, there was an 0.7 percent reduction in water use compared to 2023. There were no instances of water withdrawal or consumption from water stress areas. The initiatives that have led to improvements during the last couple of years are related to improved water management, identified steam leakages, improvements in mitigation tools, and required repairs of components. During 2024, we continued to make progress in the reduction of the use of municipal water, replacing it with surface water.

Water withdrawal	Total withdrawal (m³)
Seawater	25,182,321 (25,643,548)
Municipal water	2,150,062 (1,903,331) ¹⁾
Ground water	411,685 (409,521)
Surface water	2,945,679 (2,995,186) ¹⁾

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Delivering clean water to communities
Together with Saha Global, our clean water solutions partner, we are installing water treatment units in Kolo Nafaso communities in Ghana. In 2024, three additional new water treatment units were installed. The 12 units that we have installed to date provide clean water to 3,775 businesses.

Identified risks and mitigation

Our approach to water stewardship is built on the assessment of local conditions at the sites where we operate. We measure and monitor water use to identify potential savings and communicate and engage with stakeholders to promote water efficiency. We apply precautionary management actions to mitigate and remedy potential adverse impacts on the environment and people.

Policies

The Group Environmental Policy is evaluated regularly by all relevant key stakeholders and approved by the Executive Committee and our Board of Directors. During the most recent review, a need was identified to further align the policy with our production plants in order to increase our focus on ISO 14001 certification, and to assess ESG progress more extensively.

During 2023, we have carried out re-evaluation and gap assessments in connection with our work on climate resilience, upcoming regulations and the reporting of ESG frameworks, and decided to update our Environmental Policy. In 2024 an updated Group Environmental Policy was launched.

Materiality topics risk assessment for climate change

Key theme	Risk definition	Risk classification ²⁾	Mitigation measures
Reduce GHG emissions throughout the entire value chain	<p>Definition: Greenhouse gas emissions are responsible for the greenhouse effect and global warming and, ultimately, cause climate change. Climate change has multifaceted and far-reaching consequences, impacting various aspects of the environment, society, the economy, and public health.</p> <p>Risk Exposure: AAK, as addressed in this report, contributes to climate change mainly via its Scope 3 upstream operations, while Scope 1 & 2 account for almost 6.5% of its total emissions. AAK is affected in a variety of ways by climate change. At the same time AAK is primarily sourcing agri-cultural products, which are then further processed. AAK relies on raw materials, which are directly affected by climate change, as discussed above. This raises risks when securing a supply chain network that can cover AAK’s needs. At the same time, AAK, or its customers around the globe, also risk being directly affected by extreme weather or other natural events, which will directly or indirectly influence AAK’s business. At the same time, AAK is active in 20 sites around the globe and employing more than 4,000 people, who are also likely to be affected by climate change’s consequences.</p>	<div></div>	<ul style="list-style-type: none">• Aim to increase VDF and RSPO-certified uptake.• Rapeseed climate platform.• Palm oil mill effluent data capture and supplier engagement.• Carbon saving rocket stoves in shea.• Green electricity ambition, including investments in renewable energy generation at site level.• Waste reduction initiatives.

Risk classification

High risk of negatively impacting climate change

Medium high risk of negatively impacting climate change

Medium low risk of negatively impacting climate change

Low risk impacting of negatively impacting climate change

¹⁾ The data for 2023 has been revised. see Restatement of Information.

²⁾ Before mitigation, risk classification has been allocated by assessing AAK material topics on the dimensions of risk likelihood and severity, considering factors such as scale, scope, and irremediability. The risk classification displays an overall and potential risk exposure.

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Biodiversity

Our biodiversity compass

In 2023 AAK assessed a range of physical biodiversity risks broader than the deforestation and conversion risks, which we have been working on for several years. The risk assessment was conducted using the WWF Biodiversity Risk Filter tool at country level and included a broad range of physical and reputational biodiversity risk indicators.

While this analysis offers great insights into a comprehensive list of biodiversity risk indicators, AAK will need to move from general country level assessments to sourcing analyses specific to regions and raw materials.

Overall, medium to high biodiversity risks across all sourcing countries have been identified with regional differences in hotspots. One focus area relevant globally is soil health, with most sourcing countries experiencing high to very high risk for soil health impacting yields and long-term raw material availability. This indicator is based on Soil Organic Carbon Content (SOC). Areas of very high risk are estimated to have poor soil condition due to an average of less than 30 tons of soil organic carbon per hectare.

In our biodiversity work, we are guided by three key themes that have specific targets:

1) Work to protect biodiversity and all natural ecosystems throughout the supply chain. Considering the broad scope of this theme, the implementation has been integrated

- into “Act to prevent land use change throughout the supply chain” and “Future-proof agriculture”.
- 2) Act to prevent land-use change throughout the supply chain, e.g. deforestation and conversion.
- 100 percent verified deforestation free palm supply chain by 2025 (year-on-year RSPO uptake growth contributes to this target).
 - 100 percent verified deforestation and conversion free (VDCF) soy supply chains by 2025.
- 3) Future-proof agriculture.
- Work on reforestation and replanting throughout the supply chain: 150,000 trees planted by 2025 in our shea supply chain and 10,000 trees planted in our coconut supply chains by 2025.

Act to prevent land-use change throughout the supply chain

Our approach

In relation to biodiversity, AAK has for several years prioritised eliminating deforestation and conversion from its supply chains. Traceability, satellite monitoring, and certification are examples of tools used to mitigate the risks of land-use change throughout the supply chain.

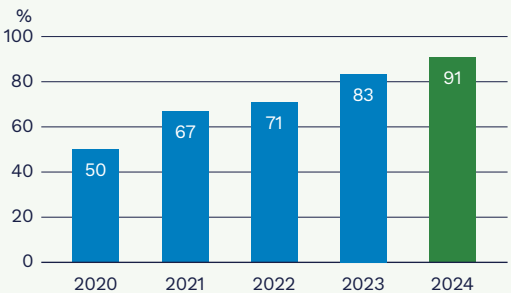
Deforestation reduction is widely recognised as a key driver impacting climate change as well as biodiversity. AAK has continued to work on a methodology to calculate “verified deforestation free” volumes in our supply base, while supporting industry wide efforts like the Palm Oil Collaboration Group (POCG). Since 2018 we have been working on our verified deforestation-free palm methodology. In 2023 we reviewed this methodology and continued implementing according to this methodology in 2024. Progressing on VDF volumes collectively with suppliers also shapes the supply base and partnerships over time. VDF has become an integrated requirement for being accepted as an AAK supplier now and in the future. In 2024 we achieved 91 (83) percent VDF palm volumes.

Our VDF calculations are founded on a methodology that calculates an overall “Deforestation-Free” score based on AAK’s lists of mills and refineries. For each mill

a refinery sources from, a VDF score is calculated by considering the mill’s RSPO certification status, satellite monitoring and grievance status. The mill’s VDF scores are then averaged over the total volume sourced by a refinery (assuming all mills contribute equal volumes to the refinery), and an overall VDF score for a refinery is calculated. This methodology has been used by AAK to calculate and report on VDF volumes and percentages every half year. For more details, visit aak.com.

Until 2023, AAK primarily relied on the ProTerra Certification to identify Verified Deforestation and Conversion Free (VDCF) soybean oil. Recognizing the evolving industry landscape, AAK conducted an update of the methodology. In a collaborative effort with Proforest to establish a robust framework with a regional risk-based approach, embracing a wider range of stakeholder solutions to monitor progress and ensure responsible practices, AAK has been working with suppliers to improve traceability information. In 2024, AAK achieved a total of 68 percent (50) DCF volumes, and 28 percent (25) total of that are considered VDCF. A great majority of the volumes are coming from low risk areas yet increasing the verification remains a challenge due to our position in the supply chain and our leverage. In 2024, AAK became member of the RTRS, Round Table on Responsible Soy and the ProTerra Network.

Verified deforestation-free palm



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Risk and mitigation

Deforestation can occur in the tropics, where agricultural production expands. AAK recognizes that biodiversity is important in maintaining the balance at ecosystems on which we all rely for our well-being. Eliminating deforestation is closely interlinked with biodiversity preservation. Forests also provide crucial ecosystem services, such as local climate regulation, water filtration, and carbon sequestration. Our contribution to preventing deforestation and promoting biodiversity in our value chain is a priority.

For AAK, the main deforestation risks relate to crops grown in the tropics, mainly

palm and soy. Palm oil supply chains are notoriously complex, with an estimated 2,000 mills globally supplied by a mix of plantations, third-party estates, and, crucially, smallholders that contribute about 40 percent of fresh fruit bunches (FFB) globally. Through increased transparency, collaboration, and data sharing, the industry has made significant efforts to increase traceability to plantation (TTP). Deforestation rates in the main palm producing countries of Malaysia and Indonesia have reduced notably over the last decade with significant contribution from industry associations such as the RSPO and producer country governments.

Traceability

Traceability is an enabler for achieving a sustainable supply chain. By tracing our raw materials to their source, we can understand the risks of negative sustainability impact and engage to mitigate them. We are committed to achieving 100 percent TTP for palm by 2025. Knowing the location of the palm oil mills that supply FFB is key to understanding whether the production is linked to deforestation. For smallholders, village or landscape approaches related to risks are used. Our TTP progress is based on first-tier supplier assurance of concession areas operated by larger companies and monitoring these concessions through our satellite monitoring service providers. Read more about this in the

next section on proactive satellite monitoring. These partners provide us with bi-weekly reports that pinpoint any potential deforestation events that we then investigate with our direct suppliers.

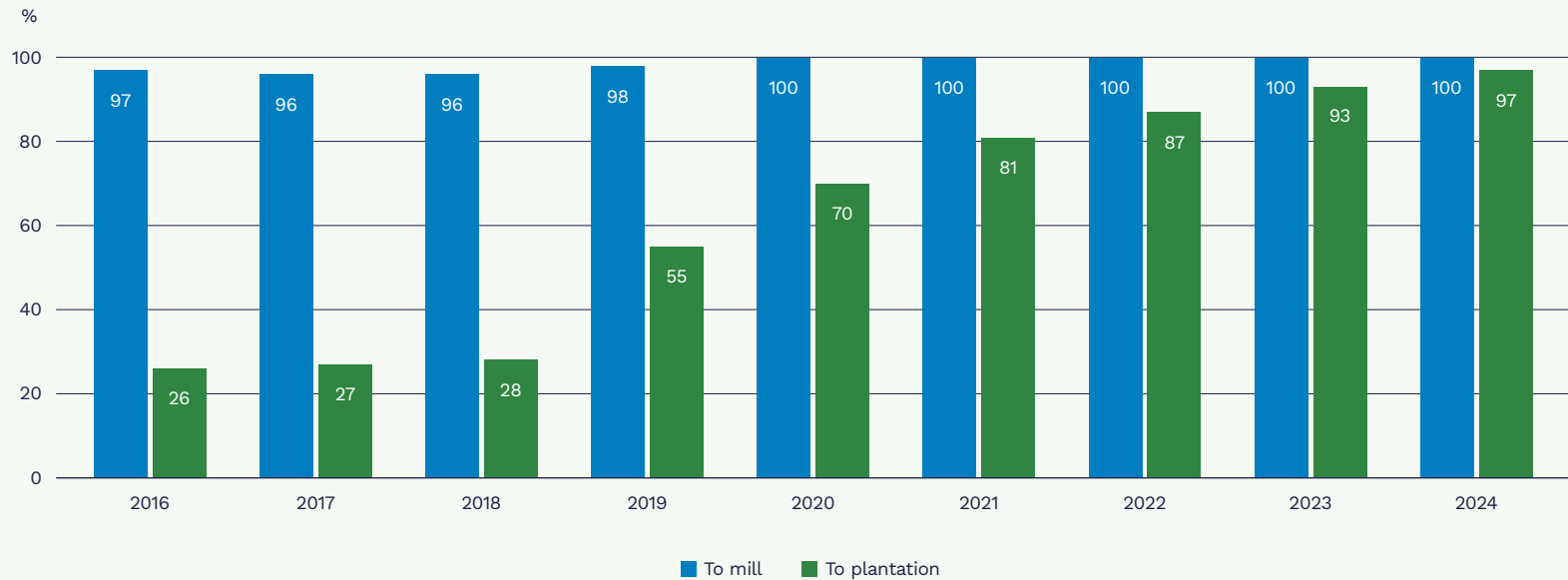
Proactive Satellite monitoring

In 2024, our satellite monitoring covered the deforestation risks in our palm and coconut oil supply chains. To monitor deforestation risks for palm in AAK’s supply chain, AAK is partnering with Earthqualizer and Earthworm Foundation. This monitoring covers 100 percent of the mills in our supply chains and covers over 15 million hectares globally. This includes the monitoring of forest, peat forest and peatland. Areas with endangered species (as listed by the IUCN), HCV areas, HCS forest, and customary land are also under coverage.

In addition, we have customized a bespoke supplier monitoring program for any supplier for TTP. The TTP data will be used to cross-check on a satellite monitoring platform to identify the deforestation free percentage. For instance, supplying palm oil mills in Latin America and India with thousands of smallholders have achieved 100 percent TTP and VDF, fully verified by Earthworm Foundation and Starling. We encourage all suppliers to share their TTP data with AAK. Since 2024, we appointed Control Union to conduct audit on our key suppliers’ TTP and VDF performance.

Since 2022, AAK has also been partnering with Satelligence to monitor coconut supply chains in our main sourcing region. In 2023, we engaged our suppliers and the farmers on the ground to increase the awareness of future deforestation risk by using the Forest Lost Risk Index approach. The age mapping through this partnership helps to prioritize replanting needs for the farmers.

Traceability to mill and plantation



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Future-proof agriculture

Our impact and progress

In 2024, AAK continued to approach regenerative agriculture in a measurable way. Although the way we work needs to mature in the next years, we have started to specify our target and investigate tools that we can use. Partnerships were also assessed for our several key raw materials. For rapeseed, we have continued our initial work on regenerative agriculture and developed a framework to define regenerative agriculture practices, incentives and potential impacts in line with the SAI Platform Regenerate Together Programme together with our upstream supply chain partners and our third-party service provider. This framework is expected to be rolled out in pilot form in 2025. For palm oil in Latin America, we have also progressed in defining a regenerative agriculture framework and completed a first pilot in Mexico.

Efforts on ecosystem conservation have been made in the West African Kolo Nafaso Shea supply chain. AAK’s extension officers engage with women and communities, stressing the importance of protecting trees for the shea supply chain’s longevity. Recognizing the significance of trees as a source of firewood, AAK, together with customers, funded improved cook stove training again in early 2024. These locally made stoves, which are easily replicated and repaired, reduce firewood use by up to 66 percent, minimizing

smoke production and burn incidents. AAK’s initiative supported the construction of 9,439 improved stoves in 2024 and 51,492 in total since 2016. Through customer partnerships, we explore ways to expand our parkland management approach, further safeguarding biodiverse spaces across West Africa. On top of this, AAK has planted more than 158,458 shea trees in the region since 2019, achieving 105,6 percent of our 2025 target to plant 150,000 trees.

In the coconut supply chain, AAK distributed 2,195 seedlings in 2024, reaching a total of 10,015 seedlings since 2019. This helped us achieve 100 percent of our 2025 target to plant 10,000 trees.

Risks and mitigation

Focusing on sustainable farming practices while increasing yields will be key to ensuring that our environment and ecosystem services can support the agricultural system in the long run. Therefore, future-proof agriculture including regenerative agriculture has been added as second key priority to AAK’s biodiversity efforts. We have started to develop a management approach and have initiated the first projects, but this work needs to expand in the coming years.

Sites in endangered areas

19 percent of AAK’s operational sites are located in or adjacent to protected areas and areas of high biodiversity value outside protected areas. Villavicencio in Colombia is a 41,438 m² operational site located in the freshwater ecosystem area protected by national legislation. Zhangjiagang in China is a 66,666 m² production site located in a freshwater ecosystem area protected by national legislation. Zaandijk in the Netherlands is a smaller operational site located next to a Natura 2000 area protected by legislation. Karlshamn in Sweden is a 260,000 m² production site located next to a terrestrial ecosystem area protected by Natura 2000. Runcorn in the UK is a smaller production site located in a marine ecosystem protected under the status of Special Protected Area (SPA) in the EC Birds Directive.

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Material topics risk assessment for biodiversity

In the context of AAK’s commitment to biodiversity within the supply chain, the table below serves as an overview of key topics related to biodiversity risks and their corresponding mitigation measures. The scope of the analysis

outlines the impact of various themes on biodiversity within AAK’s supply chain. For each topic, the risks based on their potential negative impact on biodiversity and their materiality to the company were assessed,

based on the dimensions of likelihood and severity, considering factors such as scale, scope, and irremediability.

Material topics risk assessment for biodiversity

Key themes	Focus areas	Risk definition	Risk classification ¹⁾	Mitigation measures
<ul style="list-style-type: none">• Work to protect biodiversity and all natural ecosystems throughout the supply chain• Act to prevent land-use change throughout the supply chain, e.g. deforestation and conversion	Zero deforestation	Definition: Deforestation or forest clearance is the removal of a forest or stand of trees from land that is then converted to non-forest use. Risk exposure: AAK is exposed to the potential risk of deforestation mostly through our palm and soy supply chains. Whereas for the potential risk of conversion, AAK is mostly exposed through the soy supply chain. AAK is monitoring the risk of deforestation in our coconut supply chains, but currently it has been assessed as low risk.		<ul style="list-style-type: none">• AAK zero deforestation commitment• AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils• AAK Group publishes methodology to calculate VDF volumes• Bilateral supplier engagement and scorecards• Supplier engagement on traceability, including projects• Satellite monitoring• Third-party data verification• NDPE IRF framework• POCG membership and active contribution• RSPO board of directors• RSPO certified volumes• Smallholder projects addressing deforestation root causes• Sustainable Coconut Partnership (SCP) membership and steering committee
	No conversion	Definition: Land use conversion refers to a change in the primary use of the land from all natural ecosystems to agricultural use. Risk exposure: AAK is exposed to the potential risk of conversion, mostly through the soy supply chain.		<ul style="list-style-type: none">• AAK zero deforestation commitment• AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils• Round Table of Responsible Soy (RTRS) membership• RTRS certified volumes, ProTerra certified volumes• Supplier engagement and capacity building

Risk classification

 High risk of negatively impacting biodiversity  Medium high risk of negatively impacting biodiversity  Medium low risk of negatively impacting biodiversity  Low risk impacting of negatively impacting biodiversity

¹⁾ Before mitigation, risk classification has been allocated by assessing AAK material topics on the dimensions of risk likelihood and severity, considering factors such as scale, scope, and irremediability. The risk classification displays an overall and potential risk exposure.

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Material topics risk assessment for biodiversity

Key themes	Focus areas	Risk definition	Risk classification ¹⁾	Mitigation measures
<ul style="list-style-type: none">• Work to protect biodiversity and all natural ecosystems throughout the supply chain• Future-proof agriculture	Regenerative agriculture	<p>Definition: Regenerative agriculture is a set of tools and practices that can be applied in farming in order to create positive impact through farming practices rather than by only avoiding negative impact (4). Conventional agriculture places a serious burden on the environment, being the largest consumer of water and the main source of nitrate pollution of groundwater and surface water, as well as the principal source of ammonia pollution. It is a major contributor to the phosphate pollution of waterways and the release of the powerful greenhouse gases (GHGs) methane and nitrous oxide into the atmosphere (5).</p> <p>Risk exposure: AAK predominantly sources raw materials from conventional agricultural systems, posing a medium-high risk of further biodiversity loss if this system remains unchanged. While the scale of the risk is high, its severity is not at the maximum level since significant biodiversity loss has already occurred.</p>		<ul style="list-style-type: none">• KPIs for further measurement for the rapeseed supply chain identified• Regenerative agriculture framework developed on pilot scale for palm in Latin America and rapeseed in Sweden
	Work on reforestation and replanting throughout the supply chain	<p>Definition: Reforestation is defined as the process of replanting trees in areas that have been affected by natural disturbances like wildfires, drought, and insect and disease infestations—and human-induced ones like logging, mining, agricultural clearing, and development. This can mean anything from supporting natural regeneration in an area that has been degraded to planting ecologically appropriate tree seedlings after forest fires. Replanting is understood as rejuvenation within an existing and degraded perennial farming system (7).</p> <p>Risk exposure: AAK is sourcing from areas that have traditionally experienced tree loss, but this can be spread over long periods of time. Therefore, the acute potential risk has been identified as medium/low. Source: WWF's Biodiversity Risk Filter.</p>		<ul style="list-style-type: none">• AAK tree planting ambition in shea• AAK tree planting ambition in coconut

Risk classification

● High risk of negatively impacting biodiversity ● Medium high risk of negatively impacting biodiversity ● Medium low risk of negatively impacting biodiversity ● Low risk impacting of negatively impacting biodiversity

¹⁾ Before mitigation, risk classification has been allocated by assessing AAK material topics on the dimensions of risk likelihood and severity, considering factors such as scale, scope, and irremediability. The risk classification displays an overall and potential risk exposure.

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People

Our people compass

At AAK, we strive to create a positive impact for people in our operations, the communities where we operate, and our supply chains. AAK does business in countries where human rights risks are significant, including the risk of exploitation of vulnerable workers. To mitigate and alleviate these risks, we have identified and assessed material risks, an essential step in understanding where we should focus our attention and resources. This section of the report focuses on risk assessments, including our efforts to mitigate risk as well as our impact and progress.

- International standards and conventions**
- Maintaining high ethical standards is a top priority for AAK, and we foster a corporate climate that supports ethical behavior from all our employees, suppliers, and business partners. AAK is committed to adhering to and upholding the following:
- UN Global Compact's ten principles in the areas of social relations, human and labor rights, environment, and anti-corruption
 - OECD Guidelines for Multinational Enterprises
 - United Nations Guiding Principles on Business and Human Rights (UNGPs)
 - ILO Declaration on Fundamental Principles and Rights at Work
 - ILO Core Conventions
 - UK Modern Slavery Act

We work to fully align our business practices accordingly and, as a minimum, we comply with local laws and adhere to international standards concerning human rights and fair employment.

People in our operations

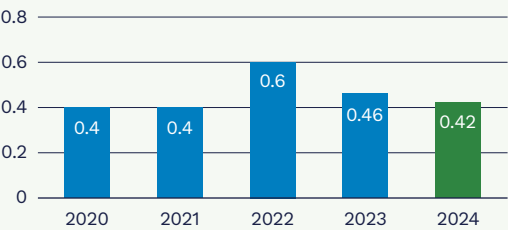
Health and safety

Our Global Safety Program ensured that we work together on continuous improvement and share best practices. AAK's overall objective is to achieve zero lost-time injuries (LTI) across the Group.

During 2024 AAK ensures continuous improvement in workplace safety through risk assessments, training, and preventive measures. Our goal remains zero lost-time injuries (LTI), with all sites undergoing safety evaluations and audits to maintain secure operations. In 2024, we enhanced engineering controls, including fall prevention installations. For example, in Colombia investments were made to eliminate workplace hazards related to working at heights and electrical risks. These included replacing ladder-type catwalks with secure access ladders for all storage and formulation tanks and replacing ladders that did not meet the required safety specifications for use. Moreover, on other sites certified lifelines were installed for the safe execution of work, and all personnel received training. Employees in high-risk areas received

specialized Personal Protection Equipment (PPE) such as helmets, safety glasses, ear plugs and dust masks. To strengthen preparedness, sites conducted fire drills, first aid training, evacuation exercises, and hazard mapping. Employees participated in daily safety inspections and structured training, and a permit-to-work system was introduced for risk-controlled operations. Additionally, we reinforced chemical safety by training employees on proper handling, emergency response, and regulatory compliance. Through engineering improvements, structured training, and active safety monitoring, AAK remains committed to a safe, inclusive, and accident-free workplace for all employees and business partners.

Work-related accidents with more than one day of absence per 200,000 working hours (LTIFR)



Our impact and progress

The most common safety risk at AAK involves slips, trips, and falls, so we have identified a need for an intensified focus in these areas. We had a total of 19 (20) lost-time injuries (LTIs) in 2024 with 8.9 million hours worked,

corresponding to a 0.42 (0.46) lost time injury frequency rate (LTIFR). We had no incidents resulting in fatalities.

Identified risks and mitigation

A company-wide safety culture means that everyone is responsible for a healthy and safe workday—starting with AAK's top management and throughout the company. At AAK, we regularly review and improve how we provide a safe workplace environment and ensure operational integrity. Safety is at the top of our agenda at every level, from the Board of Directors down to the local units. We actively engage all stakeholders for co-creation in safety by sharing learnings, good practices, training, and tools. From a global perspective, we have started a cultural journey with a planned two-year program that, once fully implemented, will boost cultural and leadership development throughout AAK.

In 2024, AAK conducted thorough investigations into reported incidents to ensure a fair and inclusive workplace. In cases where no evidence of misconduct was found, full feedback was provided to complainants, and no further action was required. For incidents where inappropriate behaviour was identified, corrective actions were taken. To mitigate future risks, AAK has reinforced its commitment to a respectful workplace by providing additional online training on discrimination and inclusion. Employee participation will be monitored to assess the effectiveness of these measures and determine if further action is needed.

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AAKtivate

Promoting the well-being of our people also involves proactively preventing any risk of physical or mental illness. For the past ten years, parts of our organization have successfully been involved in an employee well-being program called AAKtivate. This program focuses on physical and mental health, including key factors such as nutrition. We believe that this program contributes to a healthier lifestyle and brings greater motivation, increased productivity, lower absenteeism, and reduced healthcare costs. During 2024, AAK's absence due to illness rate remained at a low 1.5 percent compared to 1.7 percent in 2023.

Training and development

At AAK, continuous learning is key to employee retention and business success. In 2024, we expanded our CCV Core training, equipping Go-To-Market teams with skills to identify, communicate, and create customer value, reinforcing our Making Better Happen™ strategy. To strengthen decision-making and problem-solving, we continued our Structured Problem-Solving program, ensuring leaders share a common language and tools for improved communication and collaboration. We also enhanced self-paced learning through LinkedIn Learning and AAK eLibrary (Bookboon), offering e-books, audiobooks, and courses for diverse roles. Additionally, our Educational Subsidy program provides employees with opportunities for formal education aligned with career growth. By combining structured training, digital learning, and education support, AAK continues to foster a strong learning culture that empowers employees and drives success. In 2024, we

introduced a mid-year review as part of our performance review process, incorporating development planning to further support employee growth. This initiative led to an increase of 780 (25) new development plans, reinforcing our commitment to continuous learning and career progression.

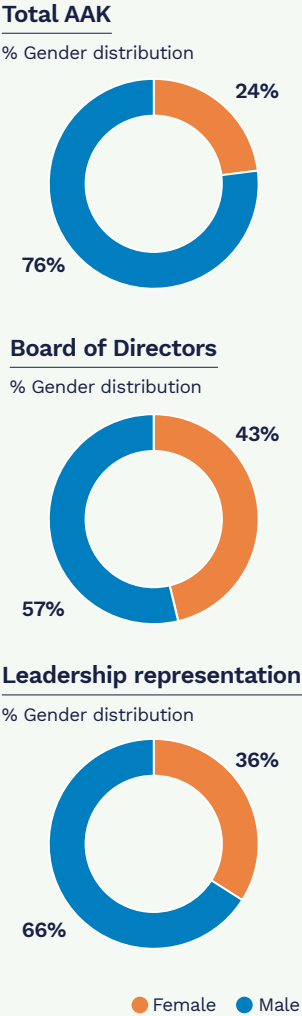
Diversity and inclusion

Our approach

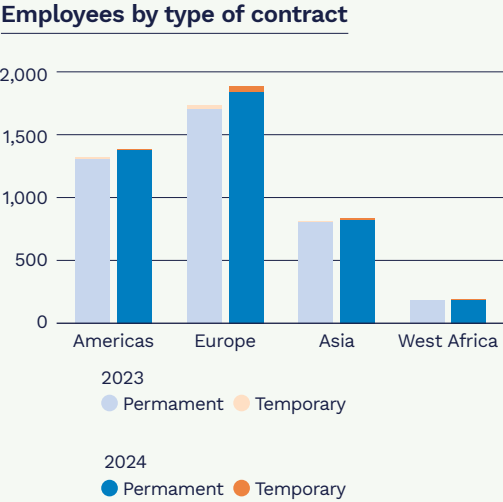
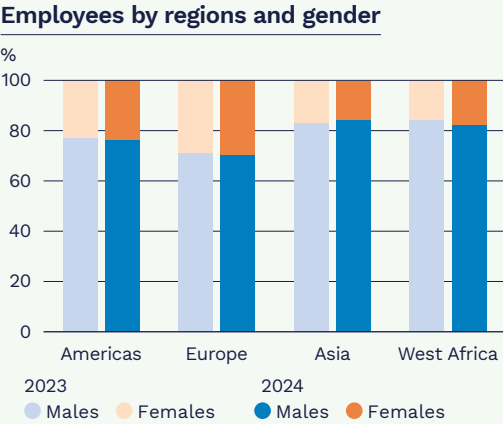
We follow our progress on diversity and inclusion through our Diversity & Inclusion Committee, which consists of employees from various locations around the world. AAK had at year end 4131 employees and 298 agency workers. We track the gender and nationality of people who leave, start, and are internally promoted at AAK, and we conduct exit interviews with people who leave the company. In addition, we perform annual follow-ups on our Remuneration Policy in every country where we operate to make sure that salaries are equitable. Our workforce spans multiple generations, ranging from 20 to 76 years old, with the highest representation in the 30–44 age range. The distribution gradually decreases in older age groups, reflecting natural workforce dynamics. We are committed to supporting employees at all career stages, ensuring sustainable talent growth.

Our impact and progress

We aim to attract more women to the company. Of AAK's employees, 24 (23) percent are women. At the managerial level, 34 percent (36) of our leaders are women. Despite this small decrease, we remain committed to fostering a more balanced gender representation in leadership. Through continuous efforts in recruitment, promotion, and



leadership development, we strive to create a diverse and inclusive workplace that supports equitable career growth opportunities for all. Our Executive Committee consists of 1 woman out of 8 people, including our CEO.



The Board of Directors has a 43/57 (50/50) gender distribution. The decrease is due to one woman that left the board without a replacement.

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People in our communities

Our impact and progress

We engage with the communities where we operate through various local initiatives. To ensure we remain engaged in relevant community activities, we make an impact assessment of the most relevant challenges and evaluate whether our activities are directly linked to the impact and how AAK can make improvements. All initiatives AAK has been involved in have been made possible thanks to the passion and willingness of our employees. We are very proud to see their level of commitment.

People in our raw material supply chain

Our approach

AAK sources its key raw materials from across the world. Our commitment to support the well-being of the people in our raw material supply chain is one of our key sustainability priorities.

Our activities focus on three key aspects identified in our materiality analysis:

- Use responsible sourcing methods with a focus on human rights for all stakeholders and vulnerable groups.
- Use responsible sourcing methods with a focus on working conditions and health & safety.
- Work to improve livelihoods within the supply chain, with a focus on smallholders and women.

Our key targets are:

- 100 percent of tier 1 suppliers connected to AAK on the Sedex platform by 2025.
- 100 percent of tier 1 supplier sites respond to the Sedex SAQ by 2025.
- Increase the number of women enrolled in the Kolo Nafaso program.

The focus on human rights and working conditions is summarized in our human rights due diligence approach and embedded in our responsible sourcing and supplier engagement approach. Smallholders and women have been identified as particularly vulnerable groups that require further support for their livelihoods and act as stakeholders for root cause mitigation of other risks identified within our supply chains (e.g., deforestation).

Embedding human rights due diligence

For our human rights due diligence (HRDD) approach, AAK follows the UNGP’s Guiding Principles for Business and Human Rights and the OECD’s Due Diligence Guidance for Responsible Business Conduct. We work across our value chain looking “within our business”, “within our supply chain,” and “beyond our supply chain”. “Within our business,” we are making sure to have all necessary policies, codes, and commitments in place for a strong HRDD approach. This is aligned with Step 1 in the OECD due diligence approach “Embed responsible business conduct.” “Within our supply chain” focuses on embedding steps 2–6 of the OECD due diligence approach in our supply chain. Here, we focus on assessing and managing human rights risks and the due diligence procedures of our suppliers, starting with the tier closest to us—our tier 1 suppliers. “Beyond our supply



chain” also looks at steps 2–6 but from an industry collaboration perspective. In this pillar, we partner with industry associations, peers, and NGOs in order to develop tools to assess, prevent, mitigate, track, communicate, remediate human rights risks at industry level. Updating our salient human rights risks and impacts is part of our HRDD approach and falls under Step 2 of the OECD due diligence approach. This further contributes to meeting the EU Taxonomy Minimum Safeguard requirements (see pages 66–72).

Our impact and progress

Our suppliers are assessed through questionnaires and supplier scorecards, and we define a supplier engagement program based on the risk and the impact AAK might have from our position in the supply chain. Our target is to have human rights due diligence embedded across all key raw materials by 2025. We have prioritized Tier 1 supplier production facilities and are monitoring suppliers connected to Sedex and

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the number of supplier facilities that have responded to the Sedex self-assessment questionnaire. Based on their scores, further actions might be required in the future. In 2024 we expanded our scope and are now tracking palm, coconut, soy, rapeseed and sunflower suppliers in Sedex.

Overall we connected 73 percent of all suppliers in scope by volume to Sedex and 63 percent answered the SAQ. In detail, 88 (35) percent of palm oil suppliers by volume have been connected to us on the Sedex platform and 75 (20) percent have answered the Sedex SAQ. 74 percent of coconut suppliers by volume have been onboarded to Sedex and 69 percent have answered the SAQ, 42 percent of soy suppliers have been connected to Sedex and 40 percent have answered the SAQ. 38 percent of rapeseed suppliers by in scope volume have been connected to Sedex and 21 percent have answered the SAQ. 76 percent of sunflower suppliers by volume have registered to Sedex and 69 percent have answered the SAQ

For palm, coconut and shea suppliers, specific scorecards have been developed focusing on key risks and connected to our ambitions, mitigation programs, and plans. Specific controls related to bribes and corruption are also in place via our supplier assessment process. For conventional shea suppliers, training is being conducted with a focus on eliminating child labor and anti-corruption requirements.

AAK does not accept child labor in any form, and we are committed to ensuring that workers are not exploited through forced or compulsory labor. In 2024 no child labor case has been reported to AAK. Anti-child labor

initiatives remain a key focus in West Africa and AAK continued and strengthened the anti-child labor campaign at yard level and engagement with logistics suppliers.

West Africa has been identified as an area with an elevated risk of corruption. AAK is therefore making additional efforts in this region to implement the AAK Group Policy and Code of Conduct for Plant-based Oils and to carry out anti-corruption training in ways that surmount linguistic and cultural challenges.

Identified risk and mitigation

In alignment with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises AAK has identified the key human rights risks and salient issues for AAK's value chain for 2024¹⁾. This assessment is replacing the risk tables published in the 2023 report. By focusing on the most severe and probable risks, our salient human rights risk and impact assessment provide a foundation for prioritizing AAK's efforts to mitigate human rights impacts. Vulnerable groups, including women, children, migrant workers, and indigenous communities are in focus. The most severe and prioritised human rights issues are linked to high-risk commodities such as coconut, shea, and palm oil, as well as sourcing challenges in countries like Mexico, India, and Indonesia, and in the West Africa region, where governance and enforcement gaps are prevalent. Read more about AAK's salient human rights risks on our website.

Continuous efforts, though not limited to, include adopting responsible sourcing methods that emphasize respecting human rights across all stakeholder groups, with particular

attention to improving working conditions and ensuring health and safety standards are met. AAK also strives to improve livelihoods within its sourcing supply chain, with a specific focus on empowering smallholders and women, recognizing their critical roles in sustainable production systems.

AAK aims to address these issues systematically while continually improving its due diligence approach based on evolving risks and operational changes. This continuous improvement is supported through AAK's engagement of third-party technical advisory services reviewing the implemented process and assessing potential gaps.

Key areas of focus for AAK are human rights including working conditions, labor rights, forced and child labor, lack of fair and equitable treatment, land and livelihood related rights and corruption.

AAK follows the "cause, contribute to and directly connected to" approach for human rights risk mitigation and remediation throughout our supply chains, as outlined in the UN's Guiding Principles on Business and Human Rights.²⁾ In all cases listed above, we consider our business "directly linked" to the actual and potential risks in our supply base.

This means that our risk mitigation focuses mainly on using our leverage with existing business relationships that are causing or contributing to adverse impacts within our upstream supply base. We aim to increase suppliers' and farmers' understanding of their current risk exposure and improve their due diligence procedure to prevent adverse impacts from happening in our shared upstream supply chains. Our focus is to progress from them signing our policy toward full implementation of the risk mitigation roadmaps.

¹⁾ The scope of the assessment includes AAK's own Operations and raw materials value chain.
²⁾ https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

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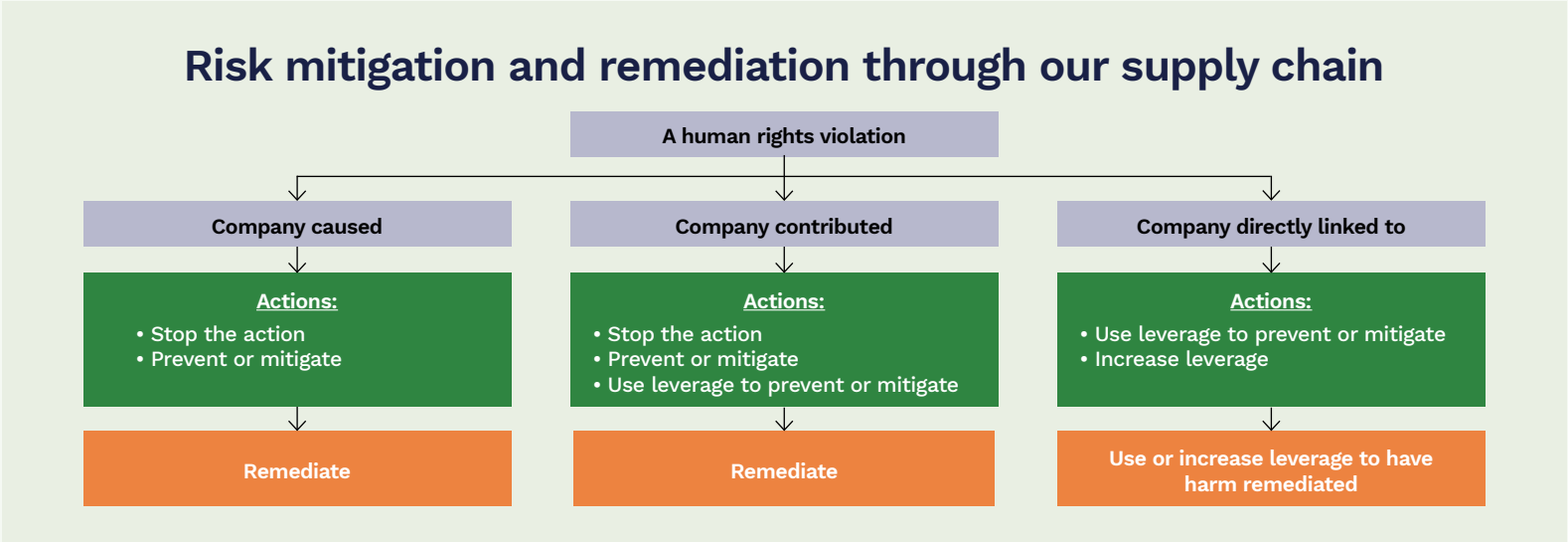
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Work to improve livelihoods within the plant-based oil supply chains, with a focus on smallholders and women

Our impact and progress

AAK is working actively across raw material supply chains to integrate impactful projects and programs for mitigating underlying risks for more vulnerable supply chain stakeholder groups, such as women and smallholder farmers. The following table offers an overview of our key programs for women and smallholders including 2024 impact. For more in-depth information, we refer to our website.



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Impact and progress to improve livelihoods within the supply chain, with a focus on smallholders and women

	Solidaridad	Solidaridad	Forever Sabah	Southern Central Forest Spine	Leuser Ecosystem	Leuser Ecosystem	Kolo Nafaso	Saha Global
Supply chain	Palm	Palm	Palm	Palm	Palm	Palm	Shea	Shea
Country	Mexico	Mexico	Malaysia	Malaysia	Indonesia	Indonesia	Burkina Faso, Ghana, Ivory Coast	Ghana
Established	2019–2023	2024	2019–2023	2024	2021–2023	2024	2009	2020
Status	Finalized	Ongoing (New)	Finalized	Ongoing (New)	Finalized	Extended (New)	Ongoing	Ongoing
Purpose	Smallholder farmers producing responsibly and profitably, considering socioeco-nomic aspects No deforest-ation, reducing contaminants	Enabling small-holder farmers to achieve sustainable production according to RSPO Independent Smallholder standard (ISH)	RSPO certification for smallholder farmers, land titles and no deforestation	Supporting supply chain transfor-mation towards NDPE commitment in forest protection and restoration, farmers livelihood, workers right.	Smallholder farmer capacity building and impact on livelihoods Reduced risk of deforestation	Enhancing small-holder and women with advance knowledge and skills on topics such as gender inclusion, youth engagement, financial literacy and business management	Direct sourcing Poverty alleviation Women's empowerment	Providing safe drinking water in rural communities Empowering entre-preneurial women
Impact 2024	Number of farmers engaged: 1,096 (accumulated)	Number of farmers engaged: 260	Number of farmers certified: 342 (accumulated) Number of farmers trained: 2,735 (accumulated)	Total number of smallholder engaged: 2,000	Number of farmers engaged: 1,177 (accumulated)	Number of farmers engaged: 1,500 Number of women engaged: 108	Number of women enrolled: 249,807 (241,188)	Total number of people reached: 3,775 through 12 water businesses In 2024 we opened three additional water businesses reaching 934 additional people

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Sustainability Key Performance *Indicators and progress*

Sustainable development goals analysis





AAK has a strong commitment to contribute to the achievement of the UN Sustainable Development Goals (SDGs) in line with our purpose Making Better Happen™. Below we highlight the link between our sustainability commitment and ambitions and the 10 SDGs that we have defined as business critical.

Sustainable solutions, Commitments





SDG	Targets	Status 2024
Enhancing sustainable development with our solutions		
	<ul style="list-style-type: none">50% revenue contributing to SDGs by 2025¹⁾	<ul style="list-style-type: none">37% (37) contributes to the SDGs

¹⁾ Calculated by including our product segments that contribute to the SDGs. This includes all our shea-based products, certified palm oil, certified soy, plant-based dairy and plant-based meat, fossil free candle wax, and special nutrition.

Climate, Commitments

SDG	Targets	Status 2024
Reducing climate impact		
	Reducing GHG emissions <ul style="list-style-type: none">2025: Source 100% renewable electricity for our operations by 20252030: 50% reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030 from a 2019 base year2030: 33.3% reduction in absolute Scope 3 FLAG GHG emissions by 2030 from a 2019 base year2030: 46.2% reduction in absolute Scope 3 non-FLAG GHG emissions by 2030 from a 2019 base year2030: 10.4% of our suppliers by emissions covering purchased goods and services, transportation and distribution will have science-based targets by 2027	Reducing GHG emissions <ul style="list-style-type: none">61.6% (64.4) annual sourcing of renewable electricity, a decrease of 2.8 percentage points from 202317.9% (12) reduction of absolute Scope 1 and Scope 2 GHG emissions from a 2019 base year25.1% (311) Scope 3 FLAG GHG emissions7.4% (11.5) Scope 3 non-FLAG GHG emissions9.2% of suppliers have science-based targets
  	Resource efficiency <ul style="list-style-type: none">2030: Reduce annual energy consumption per processed unit by 2.5% from base year 20192030: Reduce annual freshwater consumption by 5% from base year 2019 Circular economy <ul style="list-style-type: none">2030: 100% of our waste recycled	Resource efficiency <ul style="list-style-type: none">Energy consumption per processed unit increased by 14.0% (14.3)Annual freshwater consumption increased by 13% (51) Circular economy <ul style="list-style-type: none">The share of waste recycled amounted to 69.4% (78.4), an increase of 8.4 percentage points

Biodiversity, Commitments

SDG	Targets	Status 2024
Protecting biodiversity		
   	Preventing deforestation <ul style="list-style-type: none">2025: 100% verified deforestation-free (VDF) palm100% traceability to plantation (TTP) for palmCertified sustainable palm uptake, shared responsibility 2% increase year on year2025: 100% verified deforestation- and conversion-free (VDFC) soy supply chains by 2025 Reforestation <ul style="list-style-type: none">2025: 150,000 shea trees planted by 2025 (2019 base year)	Preventing deforestation <ul style="list-style-type: none">Palm: Verified deforestation-free palm 91% (83), an increase of 8 percentage points from 2023Palm: Verified deforestation-free inside concessions: 100%Traceability to plantation palm 97% (93)39% (39) of all palm oil products sold by AAK RSPO certifiedSoy: Verified deforestation- and conversion-free soy 28% (25) Reforestation <ul style="list-style-type: none">In 2024, we planted 13,625 trees (34,388) in our shea supply chain, reaching a total of 158,458 (144,833) shea trees which is 105.6 % of our 2025 target

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People, Commitments

SDG	Targets	Status 2024
Enabling the well-being of our people		
   	<p>Engagement</p> <ul style="list-style-type: none">• 2025: 10% improvement in employee engagement score from a 2017 base year• 2030: By 2030 we aim to have an inclusion index rate of 95%• 2030: By 2030 we aim to have an attrition rate lower than 8% <p>Safety and well-being</p> <ul style="list-style-type: none">• No lost time injuries <p>Human rights</p> <ul style="list-style-type: none">• 2025: Human rights due diligence embedded across all sites	<p>Engagement</p> <ul style="list-style-type: none">• 8 percentage points (8) increase in employee engagement score since 2017• 87% (87) inclusion rate (Measured in 2023. No new data for 2024)• 13.8% (17.2) attrition rate <p>Safety and well-being</p> <ul style="list-style-type: none">• 19 Lost time injuries (20). Lost time injury frequency rate: 0.42 (0.46) <p>Human rights</p> <ul style="list-style-type: none">• 2024: 68% of sites risk-assessed (100), salient issues identified, and plans initiated
Being a better neighbor		
  	<p>Community engagement</p> <ul style="list-style-type: none">• Impacting 30,000 people positively through community engagement by 2030	<p>Community engagement</p> <ul style="list-style-type: none">• Main projects during 2024 in Richmond and Edison, New Jersey, read more about these projects on page 31
Embedding the respect for human rights		
  	<p>Human rights</p> <ul style="list-style-type: none">• 2025: Human rights due diligence embedded across all key raw materials by 2025	<p>Human rights</p> <p><i>Human rights due diligence Implementation:</i></p> <ul style="list-style-type: none">• Overall we connected 76% of all suppliers in scope by volume to Sedex and 63% answered the SAQ<ul style="list-style-type: none">- 88% (35) of palm oil suppliers by volume have been connected to us on the Sedex platform and 75% (20) have answered the Sedex SAQ- 74% of coconut suppliers by volume have been onboarded to Sedex and 69% have answered the SAQ- 42% of soy suppliers have been connected to Sedex and 40% have answered the SAQ- 38% of rapeseed suppliers by volume have been connected to Sedex and 21% have answered the SAQ- 76% of sunflower suppliers by volume have connected to AAK by volume and 69% have answered the SAQ• 2024: Updated Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils signed by 100% of the tropical oil suppliers• 2024: Updated raw material supply base Salient Human Right Risk and Impact assessment (every three years)
Empowering smallholders and women to improve livelihoods		
   	<p>Women and smallholders in engagement programs</p> <ul style="list-style-type: none">• Work to improve livelihoods within the supply chain with focus on smallholders and women	<p>Women in engagement programs</p> <ul style="list-style-type: none">• 249,807 (241,188) women enrolled in our Kolo Nafaso program <p>Smallholders in engagement programs</p> <ul style="list-style-type: none">• In 2024 we initiated three new smallholder collaborations in 2024 and engaged directly with 1,760 smallholders and 2,000 smallholders as part of a consortium

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EU Taxonomy

The EU Taxonomy is a classification system establishing a list of “environmentally sustainable” economic activities. The purpose of the EU Taxonomy Regulation (2020/852) is to channel capital towards environmentally sustainable investments and help reach the EU’s climate and environmental targets and the objectives of the European Green Deal published in 2019.

As a large listed non-financial company¹⁾, AAK is subject to disclosure obligations under Articles 19a and 29a of the Non-Financial Reporting Directive (NFRD) (2013/34), and thus in scope to report on the disclosure requirements of the EU Taxonomy Regulation. AAK discloses their share of EU Taxonomy-eligible and -aligned economic activities in accordance with the two climate-related objectives outlined in the Climate Delegated Act (2021/2139) and the four environmental-related objectives set out in the Environmental Delegated Act (2022/2464) under the EU Taxonomy Regulation.

At AAK we welcome efforts by regulators that support sustainable development

AAK’s approach to the EU Taxonomy is to proactively leverage this framework for disclosing sustainable development in alignment with our broader business objectives, sustainability commitments and agenda within Making Better Happen™. However, **our main economic activity within production of**

plant-based oil solutions is not yet covered by the EU Taxonomy, which explains the limited EU Taxonomy-eligibility and -alignment reported under the three financial KPIs (turnover, CapEx and OpEx). AAK will continue to follow the evolving development of the EU Taxonomy Regulation to remain prepared for any future eligibility of our primary economic activity, production of plant-based oil solutions.

As a large international company, AAK sees this as a journey over the short- and long-term. To make sure that all our AAK colleagues understand the purpose and their role in contributing to AAK’s newly established process for EU Taxonomy disclosures, a staggered implementation throughout our entire organization is required. Especially, in relation to alignment, where resources, skills, and system development are needed.

AAK’s continuous work with the EU Taxonomy

EU Taxonomy-Eligibility

For each environmental objective the EU Taxonomy defines a list of eligible activities that may substantially contribute to that objective. To identify EU Taxonomy-eligible activities, AAK screens the economic activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the

Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

The assessment on EU Taxonomy-eligibility shows that AAK’s main economic activity, namely the production of plant-based oil solutions, is covered by neither the Climate Delegated Act nor the Environmental Delegated Act for disclosure in the financial year 2024.

Nevertheless, AAK will continue to report on eligible and aligned CapEx and OpEx related to our investments in tangible and intangible assets that relate to Climate Change Mitigation (CCM). See tables 1-4 below.

EU Taxonomy-Alignment

To qualify as environmentally sustainable, known as EU Taxonomy-aligned, an eligible economic activity must satisfy three conditions: a) **Substantial contribution** to one or more of the six environmental objectives; b) **Do No Significant Harm (DNSH)** to the remaining environmental objectives, and c) **Minimum safeguards** compliance at the company level.

EU Taxonomy alignment has been reached under activity 4.24, "Production of heat/cool from bioenergy," as outlined in Annex I of the Climate Delegated Act. The assessment of technical screening criteria

is specific to this activity, while compliance with Minimum Safeguards has been evaluated at the Group level.

Since AAK’s core revenue-generating activity, production of plant-based oil solutions, is not categorized as eligible under the Regulation, the alignment of CapEx and OpEx percentages will inherently fluctuate year by year. These variations are influenced by the project-specific nature of such expenditures, which are closely tied to investment cycles and operational priorities. This dynamic makes alignment percentages subject to change based on the scope and timing of investments.

Substantial contribution and do no significant harm

The assessment on Taxonomy-alignment shows that AAK’s installation of the biomass boilers meet the technical screening criteria associated with activity 4.24, "Production of heat/cool from bioenergy", contributing to Climate Change Mitigation. The biomass boilers were already assessed as aligned with the technical criteria in financial year 2023, as outlined in the AAK Sustainability Report for 2023.

The substantial contribution criteria associated with the aligned activity are outlined in the Climate Delegated Act and involve: i) the labelling of the biomass used, for which AAK uses biomass that is sustainably certified according to the prescribed EU directive (2018/2001) on agricultural biomass, and ii) thresholds for greenhouse gas emission

1) Large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess.

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savings (at least 80 percent savings compared to a fossil fuel comparator), for which the biomass boiler will enable greenhouse gas emission savings above the threshold. Moreover, there are other substantial contribution criteria, such as anaerobic digestion and the rated thermal input, that have been assessed as non-applicable for AAK.

Furthermore, the assessment on Taxonomy-alignment also shows that the biomass boilers meet the Do No Significant Harm (DNSH) criteria. The applicable criteria concern climate risk and vulnerability assessment, Environmental Impact Assessment (EIA) considering both impacts to water and biodiversity as well as emission levels (other than greenhouse gas emissions). A climate risk assessment has been performed on the site in Aarhus, Denmark, where the biomass boilers have been installed, according to TCFD, showing no material risks identified. For more information on how we manage climate-related risks, please see pages 48–52 and our TCFD chapter. Moreover, for the construction and installation of the biomass boilers an Environmental Impact Assessment (EIA) was performed according to the prescribed EU Directive (2011/92) as part of obtaining the permit from the Danish authority. Finally, the biomass boilers are built and designed according to the latest technology and with all permits granted by the Danish authority.

Minimum safeguards

Every year, AAK performs an assessment to understand our ongoing level of compliance with the Minimum Safeguards as referred to in Article 18 of the EU Taxonomy Regulation. This means that we analyse our implementation of the principles on responsible business conduct, outlined in the OECD guidelines

for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, with regards to our policies, processes and procedures for ensuring respect for human rights, including labour rights. The assessment also covers our continuous work with anti-corruption, anti-bribery, taxation, and fair competition.

This year’s analysis showed that, while we identified a few areas that need further improvement, AAK aligns with the Minimum Safeguards. With regards to the areas of improvement identified, an action plan has been developed to address these in the coming year. This is in line with AAK’s ambition to continuously striving to Making Better Happen™. For further information on our work with human rights please see pages 28–33, 43–45 and 60–61.

Calculation of the financial KPIs

Article 8 of the EU Taxonomy Regulation and the Disclosures Delegated Act (2021/2178) specifies the type of information to be disclosed.

Specifically, it states that companies shall include information on the methodology for reporting, contextual information, and descriptions of the nature of economic activities that qualify as EU Taxonomy-eligible and -aligned. It further specifies that companies shall do this based on three financial KPIs, meaning that they must disclose the proportion of their turnover, CapEx, and OpEx associated with eligible and aligned activities, in line with Annex I, Annex II and Annex XII of the Disclosures Delegated Act.

We have avoided double counting across economic activities in the allocation of the numerator for turnover, CapEx, and OpEx by using activity-specific factors to allocate the financials across our EU Taxonomy activities. The factors are either 100 percent or 0 percent, as we did not use a value in between or proxies to split the financial numbers into Taxonomy-aligned or non-eligible activities. Here, the factors cannot sum to more than 100 percent, which eliminates the possibility of double counting the resulting financial numbers.

A general comment on the result relates to the fact that AAK has, due to operating within plant-based oil solutions, a significant amount of turnover, CapEx and OpEx in its Income statement and Balance sheet which is not within the scope of EU Taxonomy. This explains the limited proportion of EU Taxonomy-eligibility and -alignment outlined on the following pages.

EU Taxonomy-eligible and -aligned Turnover

The Disclosures Delegated Act states that the Turnover KPI shall be calculated as the ratio of turnover associated with EU Taxonomy-eligible and -aligned economic activities (numerator) to net turnover (denominator). Net turnover comprises the revenue recognized pursuant to IFRS International Accounting Standard (IAS) 1 as specified in AAK’s consolidated Income statement. Please see table 1.

AAK’s turnover derived from plant-based oil solutions revenue streams are included neither in the Climate nor the Environmental Delegated Act of the EU Taxonomy and is therefore reported as non-eligible.

EU Taxonomy-eligible and -aligned CapEx

The Disclosures Delegated Act states that the CapEx KPI shall be calculated as the numerator divided by the denominator. CapEx is calculated on a gross basis before depreciation, amortisation, impairment losses, and re-measurements without changes in fair value.

The denominator thus comprises additions to tangible (property, plant, and equipment) and intangible assets during the financial year as stated in the notes to AAK’s consolidated financial statements in the Annual Report 2024. This also includes all property, plant and equipment, and intangible assets that result from business combinations. The numerator covers the part of CapEx that

a) relates to assets or processes from EU Taxonomy-aligned economic activities, b) are part of a plan to expand EU Taxonomy-aligned economic activities or to transition eligible activities into aligned activities, c) relate to the purchase of output from EU Taxonomy-aligned economic activities, and to measures enabling target activities to become low-carbon or reducing the greenhouse gas emissions of the activity. This year AAK has updated its methodology to account for EU Taxonomy-eligible and -aligned CapEx in correspondence to IFRS 16 - Leases. Furthermore, we established a new section in our Global CapEx system, allowing sites to add EU Taxonomy information for each investment to enable identification of eligible and aligned activities.

Again, since AAK’s main economic activity, production of plant-based oil solutions, is not yet included in the Regulation, a large portion of our CapEx falls outside the scope of the EU

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Taxonomy. This accounts for the limited share of EU Taxonomy-eligible and aligned CapEx shown in table 2 below.

The source of aligned CapEx contributing to the numerator of the CapEx KPI in 2024 comes from additions to our investment in biomass boilers, totaling 86.505 mSEK. In 2023, we invested 286.181 mSEK in aligned biomass boilers, and the 2024 costs represent further investments in the same asset to enhance long-term operational performance. These continued investments align with our commitment to reducing emissions and supporting the transition to renewable energy sources.

Based on the full list of investments in, and acquisitions of property, plant, and equipment as well as intangible assets for the financial year, AAK identified those investments that originated from eligible activities of the Climate Delegated Act and the Environmental Delegated Act. These investments, primarily relate to type c mentioned in the above section, were added to the numerator for the purposes of calculating AAK's EU Taxonomy-eligible and -aligned CapEx. This exercise shows that AAK made investments in EU Taxonomy-eligible and -aligned economic activities in the financial year 2024, as visible from table 2.

EU Taxonomy-eligible and -aligned OpEx

The Disclosures Delegated Act states that the OpEx KPI shall be calculated as the numerator divided by the denominator.

The denominator includes direct non-capitalised costs related to R&D, building renovation measures, short-term lease,

maintenance and repair, and any other direct costs relating to the day-to-day servicing of assets of property, plant and equipment that are needed to ensure the continued and effective functioning of such assets. The numerator covers the part of OpEx that a) relates to assets or processes from EU Taxonomy-aligned economic activities, b) are part of a plan to expand EU Taxonomy-aligned economic activities or to transition eligible activities into aligned activities, c) relate to the purchase of output from EU Taxonomy-aligned economic activities, and to measures enabling target activities to become low-carbon or reducing the greenhouse gas emissions of the activity.

Given that AAK does not have any eligible turnover, the operating expenditures reported under the OpEx KPI mainly relate to the maintenance and repair of assets related to property, plant, and equipment. In other words, these costs primarily relate to type c, and were added for the purposes of calculating AAK's EU Taxonomy-eligible and -aligned OpEx.

Last year, we engaged with selected large sites to establish a standardized process for consistent data collection, ensuring alignment despite variations in financial systems. In the financial year 2024, we broadened this data collection process to include all AAK sites within the scope of EU Taxonomy reporting. By incorporating data from all relevant sites, we were able to calculate the denominator of the OpEx KPI using actual figures, eliminating the need for allocation keys. The numerator was determined using the same methodology as last year, with sites directly allocating OpEx to eligible activities without relying on assumptions or allocation keys.

This refined, data-driven approach resulted in a higher percentage of eligible OpEx in 2024 compared to the previous year, see table 3.

To further strengthen the reporting process, we incorporated a dedicated section within our existing consolidated reporting system, which has streamlined data collection, provided clearer insights, and allowed us to verify compliance efficiently across sites. This enhancement has been beneficial in facilitating a smoother, more robust OpEx reporting process and improving data transparency across the organization.

Nuclear energy and fossil gaseous fuel related activities

From January 2023 the Complementary Climate Delegated Act (2021/2178) applies to AAK which concerns public disclosures regarding economic activities in certain energy sectors. The Complementary Climate Delegated Act outlines eligible economic activities and their respective technical screening criteria for nuclear energy and fossil gaseous fuels. In this regard, on the 21st of December 2023 the EU Commission published a FAQ that clarified some of the disclosures that needs to be presented in the EU Taxonomy report. Specifically, it requires companies to include additional reporting templates as prescribed in Annex XII of the Disclosures Delegated Act, as illustrated in table 4.

Table 3: Proportion of operating expenditures from products or services associated with Taxonomy-eligible and Taxonomy-aligned economic activities.

FY2024				Substantial Contribution Criteria						DNSH criteria ('Do No Significant Harm')									
Economic activities	Code	OpEx	Proportion of OpEx, FY2024	Climate Change Mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or –eligible (A.2.) OpEx, FY2023	Category enabling activity	Category transitional activity
OpEx		SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Production of heat/cool from bioenergy (OpEx C)	CCM 4.24	458,434	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.49%	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		458,434	0.00%	0.00%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.49%	-	-
Of which enabling		0	0.00%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.00%	E	-
Of which transitional		0	0.00%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.00%	-	T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Storage of hydrogen (OpEx C)	CCM 4.12	1,187,157	0.15%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Installation and operation of electric heat pumps (OpEx C)	CCM 4.16	27,455	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Production of heat/cool from bioenergy (OpEx C)	CCM 4.24	2,296,320	0.35%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Construction, extension and operation of waste water collection and treatment (OpEx C)	CCM 5.3	1,057,236	0.14%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Renewal of waste water collection and treatment (OpEx C)	CCM 5.4	16,292,073	2.08%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Acquisition and ownership of buildings (OpEx C)	CCM 7.7	62,625,809	8.01%	-	-	-	-	-	-	-	-	-	-	-	-	-	7.47%	-	-
Installation, maintenance, and repair of energy efficiency equipment (OpEx C)	CCM 7.3	35,623,436	4.56%	-	-	-	-	-	-	-	-	-	-	-	-	-	2.97%	-	-
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (OpEx C)	CCM 7.5	22,892,614	2.93%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14%	-	-
Renovation of existing buildings (OpEx C)	CCM 7.2	15,211,336	1.95%	-	-	-	-	-	-	-	-	-	-	-	-	-	1.74%	-	-
Data processing, hosting and related activities (OpEx C)	CCM 8.1	3,213,216	0.41%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Flood risk prevention and protection infrastructure (OpEx C)	CCM 14.2	114,139	0.01%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Transport by motorbikes, passenger cars and light commercial vehicles (OpEx C)	CCM 6.5	3,990,559	0.51%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06%	-	-
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		164,531,350	21.10%														12.38%		
OpEx of Taxonomy-eligible activities (A.1+A.2)		164,989,784	21.10%														12.87%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		616,682,901	78,90%																
Total (A+B)		781,672,685	100%																

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Table 4: Proportion of nuclear energy and fossil gaseous fuels associated with Taxonomy-eligible and Taxonomy-aligned economic activities—for financial year 2024.

Template 1: Nuclear and fossil gas related activities		
Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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TCFD and the financial *impact of climate change*

Full transparency in climate reporting

We aim to provide climate-related financial reporting that supports our stakeholders’ ability to assess AAK’s climate-related risks and opportunities. Our progress is structured around the following four thematic areas recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and represents the core elements in AAK’s strategy to build climate change resilience. Our progress is presented in the TCFD Index overview on page 79.

<p>Governance</p> <p>AAK’s governance around climate-related risks and opportunities.</p> <p>In 2024, we conducted a Double Materiality Assessment, identifying climate change as one of the key material topics. For FY2025, we plan to issue a comprehensive sustainability report based on the Corporate Sustainability Reporting Directive (CSRD), which will include detailed results of this assessment. Additionally, in FY2025, we will undertake a climate change risk assessment with a specific focus on raw materials. The risks identified in the Task Force on Climate-related Financial Disclosures (TCFD) are still valid and addressed in our climate mitigation plans and the work we do with the Science Based Targets (SBTs).</p>	<p>Strategy</p> <p>The actual and potential impacts of climate-related risks and opportunities on AAK’s business, strategy, and financial planning.</p> <p>In previous years, AAK assessed climate-related risks and opportunities connected to operations. The financial risk related to climate change was evaluated as low to medium, depending on developments such as local actions taken by governments and countries themselves.</p> <p>Work continued with the application of our reduction plans and identification of climate-related risks and opportunities related to our key raw materials to our assessment of the financial impact of climate change. More specifically, climate change and water security impact have been assessed, using two different scenarios with various socio-economic assumptions in line with TCFD disclosure requirements.</p>	<p>Risk Management</p> <p>The process AAK uses to identify, assess, and manage climate-related risks, opportunities, and financial impacts. Scenario analysis and climate-related key issues.</p> <p>Palm, coconut, and soy are the crops most likely to be more heavily impacted overall by climate change than shea, rapeseed, and sunflower. Flooding and drought will likely impact palm and soy, as well as temperature rises especially in Latin America. India will be the origin potentially most heavily impacted. Coconut will be impacted by tropical cyclones and flooding as well as droughts.</p> <p>These climate risk insights are important for our teams to consider for future sourcing strategies. The findings will also be used to prioritize the on-the-ground climate risk mitigation efforts that AAK will embark on in the upcoming years.</p>	<p>Metrics and Targets</p> <p>The metrics and targets used to assess and manage relevant climate-related risks and opportunities.</p>
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Building resilience based on a solid foundation

AAK’s climate resilience journey was initiated in 2019, when we started identifying and assessing climate-related risks for all production sites and for key raw materials. This initiative continued in 2020, when we started applying the TCFD framework to our findings, focusing on significance and likelihood. In 2021, the approach was further developed by adding climate risk to a site-specific scoring system, supported by a third party. The risk scoring is performed annually and followed up to ensure corrective actions in dialogue with each site.

During 2022 we initiated climate change risk assessments for key raw materials. To ensure a proper methodology in line with IEA World Energy Outlook Scenarios (WEO)¹⁾, Representative Concentration Pathways (RCPs)²⁾ and Shared Socioeconomic Pathways (SSP), the work continued together with a third party to apply the right tools for scenario analysis.

¹⁾ IEA World Energy Outlook (WEO) articulated four scenarios built on different sets of underlying assumptions. The scenarios serve as a tool to enable comparability of possible future scenarios.

²⁾ The Intergovernmental Panel on Climate Change’s (IPCC) Fifth Assessment Report (AR5) and Sixth Assessment Report (AR6) articulated various climate scenarios. These “representative concentration pathways” (RCP) and “shared socioeconomic pathways” (SSP) are referred to as “pathways” to emphasize their primary purpose in providing time-dependent projections of atmospheric GHG concentrations.

Scenario analysis and time horizons

The risks were assessed looking at two scenarios: Business-as-Usual and Net Zero by 2050, at different moments in time. The analysis focused on physical risk, which includes the physical impact of climate change on the raw material in a specific sourcing origin.

Scenario 1

The Net Zero Emissions by 2050 Scenario and Sustainable Development Scenario

– “The low carbon revolution”

The Net Zero Emissions by 2050 Scenario (NZE) is an ambitious scenario that limits global warming to +1.5°C by 2100, in line with the assessment in the IPCC Special Report on Global Warming of 1.5°C, through stringent and immediately introduced climate policies and innovation in the energy sector. The Sustainable Development Scenario (SDS) is based on many of the same elements as NZE and also calls for advanced economies to reach net zero by 2050, and China by 2060 and India by 2070. Both scenarios involve more transition risks early on but manage to limit physical risks to a minimum.

Scenario 2

IPCC AR5 (RCP8.5), IPCC AR6 (SSP5-8.5) and Business-as-Usual (BAU) Scenario

– “Climate chaos”

Assumes that only currently implemented policies are preserved. The world does not cut emissions and climate change accelerates, causing 2.5°C of warming by 2050 and >+3°C by 2100 and bringing irreversible changes. It is linked to RCP8.5 and SSP5-8.5, and involves little to no transition risks early on, but results in irreversible and globally disruptive physical damage.

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Assessing transition and physical climate risks

The two scenarios inform the identified transition risks and physical risks. Transition risks are related to financial risks of not being prepared for the socio-economic changes of a world striving to meet the Paris ambition of limiting global warming to 1.5°C. Physical risks are related to the financial risks of not being prepared for the physical changes of a world where ambitious climate policies fail or fall short, and the global warming pushes towards 3°C. The risks are being assessed based on IEA and IPCC reports, with supportive input from reports and articles from specific geographies and industries.

Scenario Narrative	Net Zero 2050 Scenario +1.5°C global warming (SSP1-2.6, SDS & NZE)	Business-as-Usual Scenario >3°C global warming (SSP1-8.5 & BAU)
Risk assumption	Implementation of policies aimed at agriculture, such as the EU Green Deal and Farm to Fork strategy, affect the prices of food raw material.	Emissions will increase, leading to higher temperatures and more natural disasters. There will be an increase in bushfires, higher sea level rise, more extreme flooding, more extreme drought, and deadly extreme heat.
Main outcome	The NZE scenario involves a long-term strategy for climate neutrality by 2050. Advanced economies will reach net zero in 2050, followed closely by countries like China and India. An introduction of carbon pricing, through both ETS and carbon taxes, will enable the transition to low-emissions energy.	The BAU scenario is dominated by increased physical risk due to the lack of coordinated policy actions. This scenario will be affected by price volatility due to extreme weather events disrupting the crops.
Main impacts on business	Increased carbon pricing enables a shift towards renewable energy sources and other emission reduction interventions within the supply chain. This will lead to higher operational costs and prices for food raw material.	A high frequency of extreme weather events leads to scarcity in raw materials and higher prices. Extreme heat can lead to decrease in quality or volume of raw material. Acute extreme weather events can lead to the disruption of crops either in part or in whole.

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Identified risks and opportunities for AAK

Risks						
	Type	Risk	Likelihood	Financial impact	Time horizon	Description of risk and evaluation
Transition risk	Laws and regulation	Carbon pricing (Scope 1)	Almost certain	Low	Medium-term	The cost of EUA mandatory carbon credits will increase going forward. However, the financial impact is considered low for AAK in short and mid-term and will not be relevant since not many sites use carbon credits. Aarhus, one of the main ones, has applied Biomass boilers (to reduce their climate footprint by 90% and around 15% for the AAK Group when running at full speed).
		Regulations (EUA and RECs, carbon pricing) (Scope 2)	Almost certain	Low	Short-term	Increasing the scope of green electricity stepwise year on year, the impact has already been embedded in SBT roadmaps. Since significant cost is defined in line with our delegation of authority policy, it will not reach authorization level. Thus, this is not considered to have significant financial impact.
	Technology	Investments in necessary technologies and innovations	Possible	Low	Medium-term	To reach AAK's reduction targets, the company might need to invest in new technology or innovations. Costs are evaluated and embedded in the SBT roadmap for Scope 1.
	Market	Change in consumer behaviour	Possible	Low	Long-term	The risk of consumers changing their behaviours due to climate change and new regulations makes AAK's multi-oil setup and close collaboration with customers a strong approach, with high adaptability to changes.
	Reputation	Failure to meet climate ambitions set by AAK	Not likely	Low	Medium-term	Failure to meet AAK's own ambitions can lead to bad publicity, harming our reputation. However, robust and aligned plans are in place, so this risk is considered low. In case this happens we will report transparently.
Physical risk	Acute	National hazards impacting sites and surroundings	Possible	Low	Medium-term	National hazards like power outages, or higher energy costs, are likely to increase, which can harm AAK's sites. Low risk at site level is also described below.
		Limited availability of water	Almost certain	Low	Medium-term	Drought events will cause water scarcity, affecting both raw materials and production sites. We expect several types of global raw material to be potentially affected by increased droughts. In particular, India, Mexico and West Africa will need to be monitored as countries of origin for specific raw materials.
		Wildfire, wind, hail-storm, seismic hazard, lightning	Possible	Low	Medium-term	Extreme acute weather events will disrupt crops of key raw materials. The risk of wildfires was mostly linked to sunflower crops, with the highest risk by 2030 in Italy and by 2050 in Italy, Hungary, and Romania. Tropical cyclones or tornados have been identified as key risks for several raw materials from multiple origins. Soy and coconut from Latin America and south-east Asia in particular could be at risk in the future. As AAK sources from multiple origins, the overall financial risk is currently considered low. This risk is low for operations.
	Chronic	Increased sea level	Almost certain	Low-medium	Medium-term	Ports across the world will be affected by the combination of storm surges and sea level rise. This may impact shipments of AAK's key raw materials.
		Contamination of land	Possible	Low	Medium-term	Chemicals and pesticides used in agriculture can contaminate soil and disturb biodiversity. Increased salt levels in soils can furthermore disturb existing ecosystems.

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Identified risks and opportunities for AAK

Opportunity					
Type	Opportunity	Likelihood	Financial impact	Time horizon	Description of opportunity
Resource efficiency	Energy consumption reduction	Almost certain	Low-medium	Medium-term	By investing in green energy, AAK can reduce our emissions significantly.
	Waste reduction	Almost certain	Medium	Medium-term	Reduce plastic use and improve recycling processes.
	Circularity	Possible	Low-medium	Medium-term	Increase by-products from side streams.
Energy source	Sustainable alternatives to boilers	Possible	Medium	Long-term	Hydrogen is growing in Europe, showing great potential. Biomass boilers are also a possibility and have already been implemented in Aarhus.
Market	Increased demand and volume growth in plant-based foods and natural alternatives to fossil-based solutions	Possible	Medium	Medium-term	Greater interest in and adoption of plant-based foods, so AAK can strive to be the preferred supplier to plant-based food companies and plant-based alternatives for fossil-based ingredients in personal care and technical solutions.

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Physical and transition risks to AAK’s sites

The physical climate-related risks to our operational sites have been assessed by a third party and were finalized during 2021 and will be updated in 2025. The results of these assessments are listed below.



Type of risk	Corrective action
Extremely high risk	No sites identified
High risk (Acute)—Minimum financial response needed Water exposure presents the greatest risk in Zhangjiagang, China, in terms of flooding, and in Louisville, Kentucky (US), where exposure to tornadoes poses the greatest risk.	China: Inherent risk taken into account in the site's design, including raised ground level. Mitigating actions have been implemented to reduce the risk to a medium residual risk level. Our Louisville water treatment facilities have been constructed to withstand higher windspeeds, and emergency planning has been updated to handle more severe weather (tornadoes) and to limit personal injury and property damage.
Medium to high (Acute)—No additional financial cost Four medium- to high-risk sites were identified (Karlshamn, Aarhus, Richmond, and Jundiai). All are exposed to flooding from high sea levels caused by storms.	All sites located in harbours have their own docks and safety precautions. All sites have action plans in place, including pumps and other important materials including training in the event of an incident.
Low to medium (Chronic)—Most relevant but not cost significant Limited availability of cooling water due to increased sea temperature at 3 sites in Europe and 2 in the US. Worst case scenario additional cooling towers, additional electricity consumption.	Karlshamn is low risk, as they are already pursuing alternative cooling and technical solutions. No financial response to be estimated. Cost-wise not significant, as costs are a natural part of AAKs CapEx system and daily operational activity planning.
Low risk—No significant cost impact	All other sites considered low risk, so no further corrective action is needed.

Next step

Climate change risks are included in our raw material program management and reflected in our Science Based Target roadmaps.

Countries in scope where AAK operates:	
Belgium	India
Brazil	Mexico
China	Netherlands
Colombia	Sweden
Denmark	Uruguay
England	USA

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TCFD Index overview

Area/target	TCFD recommendations	References in the Sustainability Report 2024
Climate: organi- zation and governance	a) Describe the organization's governance around climate-related risks and opportunities.	Read the Sustainability Governance section on pp. 37–45. For a deeper understanding of our climate-related risks and opportunities, read the Climate chapter on pp. 48–52. AAK's CDP disclosures are found at CDP.net .
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Climate strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Read the Climate chapter on pp. 13–17, 48–52 and the CDP disclosures at CDP.net .
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	For more information on processes and action taken to assess and address climate-related risks, see AAK's sustainability strategy and priorities on pp. 10–12 and our climate roadmap on p. 15.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Read our scenario analysis and our identified risks and opportunities for AAK on p. 73.
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks.	The process of identifying climate related risk is described in the TCFD section, and financial impact of climate change on pp. 73–79.
	b) Describe the organization's processes for managing climate-related risks.	Read the Sustainability Governance section on pp. 37–45. For a deeper understanding of our processes for managing climate-related risks, read the Climate section on pp. 48–52. AAK's CDP disclosures are found at CDP.net .
	c) Describe the processes for identifying, assessing, and managing how climate-related risks are integrated into the organization's overall risk management.	Read about our high-level governance of climate-related risks in the Sustainability Governance section on pp. 37–45. AAK also has a risk council that identifies, mitigates and reports on risks that can significantly affect the business, including the findings from our climate change risk assessments. Significant financial risks need to be communicated to the Audit Committee and the Board of Directors in line with AAK's Delegation of Authority policy. AAK is also committed to conduct climate change risk assessments regularly in line with the AAK Group Environmental Policy.
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Read the sections about our Climate Commitments on p. 14, Climate on pp. 48–52, and Sustainability Governance on p. 49. AAK also applied an environmental scoring system to continuously assess site performance, including climate change mitigation and adaptation.
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) omissions and the related risks.	The following climate-related KPIs are reported in our Sustainability Report: Energy consumption within the organization (GRI 302-1), direct and indirect CO ₂ emissions, including fugitive emissions (GRI 305-1, 305-2), reduction of GHG emissions (GRI 305-5), and emissions of ozone-depleting substances (GRI 305-6). For science based target results (Scope 1, 2, and 3), see pp. 48–52. AAK's CDP report is found at CDP.net .
	c) Describe the metrics used by the organization to manage climate-related risks and opportunities against targets.	Read about our climate roadmap and Science Based Targets on pp. 13–17.

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Restatement *of information*

As part of our commitment to continuous improvement, we regularly refine and enhance our data collection methods, reporting processes, and methodologies. This ensures greater accuracy, consistency, and alignment with best practices. In this section, we outline any updates or corrections made to previously reported information.

Water consumption

Prior to 2020, AAK’s water consumption was calculated based on the total volumes of municipal water and groundwater. From 2020 onwards, this calculation was updated to include seawater and surface water volumes, in accordance with GRI 303-5. Seawater and surface water are withdrawn exclusively for cooling purposes and are discharged back to their original sources. Consequently, water consumption is now defined as the difference between withdrawn and discharged water. Therefore, water consumption data prior to 2020 is not comparable to subsequent periods.

Reported figures for water withdrawal have been revised. See table below. The reason is a calculation error that has been corrected. The total amount of reported water withdrawal for 2023 is unchanged.

Water withdrawal	2023 Total withdrawal (m³)	
	Previously reported	Revised
Municipal water	3,298,706	1,903,331
Ground water	409,521	409,521
Surface water	1,549,786	2,995,186

Waste

In 2020, AAK started to report volumes of by-products separately from waste statistics. Waste is reported according to GRI Standard 306 (2016). Volumes of waste before 2020 are therefore not comparable to the following period. The comparable period starts in 2020 and includes the years 2020–2022.

Reported waste figures for 2023 have been revised. See table below. The reason is a calculation error that has been corrected.

Restatements of 2023 figures	2023 Waste	
	Previously reported	Revised
Waste, tons	28,858	52,755
Hazardous waste, tons	556	1,394
Non-hazardous waste, tons	28,303	51,361

GHG emissions

During 2020, AAK committed to set Science Based Targets. 2019 was chosen as the base year to represent the most recent inventory, reflecting activities not largely affected by the pandemic. Scope 1 involves AAK’s direct GHG emissions from energy use. Scope 2 involves AAK’s indirect GHG emissions from purchased energy, and Scope 3 involves supply chain GHG emissions beyond Scope 1 and 2. All GHG data reported are provided in CO₂ equivalents, including global warming potential from CO₂, CH₄, N₂O, HFCs, PFCs,

SF₆, and NF₃. Methodology and data sources used for GHG emission calculations are IPCC, GHG Protocol, DEFRA and Science Based Targets initiative.

In December 2023, AAK submitted its climate change ambitions for Scope 1, Scope 2 and Scope 3 to the Science Based Targets Initiative, which were approved.

Scope 1

Scope 1 emissions are calculated from fuel consumption and associated heating values and emission factors. Combustion from AAK’s own vehicles, smaller working machines, and fugitive emissions are included in the GHG inventory. The GHG biogenic emission factors have been defined with support from an external party. Emission factors for biogenic emissions were sourced from the UK Department for Environment, Food & Rural Affairs (DEFRA).

Scope 2

This is the fifth year that AAK has disclosed Scope 2 indirect emissions in GRI Index 305-2, both market and location-based. The Scope 2 data used to compare the GHG intensity rate during 2012–2018 was emissions based on ecoinvent version 3.51. The grid-average emission factors were utilized in the location-based accounting. The numbers were based on AIB (2024) for market-based and IEA (2024) for location-based.

The data for Scope 2 emissions for 2023 has been revised. The correct number is 61,432 ton. The previously reported number was 55,107 ton. This is due to a calculation

error in 2023. This has resulted in a revised reduction in absolute Scope 1 and Scope 2 GHG emissions for 2023 from 12 percent to 9.3 percent.

Scope 3

Our climate commitments refer to a near-term timeline (2030) and comprise of absolute reduction FLAG and non-FLAG targets, and supplier engagement non-FLAG targets. 2024 is the second year after AAK’s baseline setting in 2019 that AAK calculated its Scope 3 emissions. Calculations are based on activity data. For AAK’s Scope 3 FLAG and non-FLAG assessment, we use emission factors sourced from Agri-footprint, The Palm Oil Club and supplier-specific data, ensuring alignment with industry standards to accurately estimate greenhouse gas emissions across our value chain.

People in our operations

For people data in AAK operations, we used data from the end of the reporting period (December 2024). Figures are reported in full-time employees, FTEs.

People in our supply chain

For Tier 1 suppliers on-boarding on Sedex platform, the percentage changed due to expanded scope of engagement from palm to all key raw materials. The percentage reported will change to cover palm, coconut, rapeseed, and soybean oil.

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Sustainability notes

Food safety standards

AAK takes a proactive approach by investigating upcoming legislation, scientific progress, and the priorities of food safety agencies, with the goal of identifying issues that could become emerging customer requirements. We provide visibility to our customers around the progress made on emerging issues, and we stay fully committed and engaged in searching for and implementing mitigation solutions. AAK uses its influence in the supply chain to ensure implementation of these principles, working collaboratively with our suppliers to ensure continuous improvement, especially on potential substances of concern, such as mineral oil traces (MOSH-MOAH). This is done through root cause analysis of the issues, committed cooperation with selected suppliers of strategic raw materials, and involvement in process control, especially the application of synthetic-based food-grade lubricants in all points where lubricant might incidentally be in contact with food. All AAK plants are certified in accordance with internationally recognized food safety standards and audited by third parties. Critical Control Points (CCPs) are identified, monitored, kept under control and recorded, and our food safety management system is frequently audited by local audit teams. Products are released for delivery only after the local Quality Control function has verified that food safety and product specification requirements are met.

Certifications

ISO 9001 and ISO 14001

Area	Percentage of AAK production sites	Certificate
Food safety	100	FSSC 22000, BRC
Environment	35	ISO 14001
Energy	10	ISO 5001
Ethics	60	Members of Sedex have passed SMETA audit
Palm oil	100	RSPO

AAK sees great value in the ISO 14001 environmental certification. This certification creates a solid management system to drive progress towards our environmental goals. The annual evaluation of the AAK Group Environmental Policy has revealed an opportunity to increase focus on the number of ISO 14001-certified sites going forward. Work is ongoing to drive the implementation across our operations, with the aim of having all sites certified accordingly.

Sedex Members Ethical Trade Audit

Sedex Members Ethical Trade Audit (SMETA) is one of the world’s most widely used audit formats for ethical trade. It assesses the company’s systems, documentation, and facilities against the UNGPS (United Nations Guiding Principles), the Ethical Trading

Initiative (ETI) Base Code as well as local laws. The audit, lasting up to four days, is carried out on-site by accredited third-party auditors. In 2024, 13 of AAK sites were Sedex certified, and we aim for all relevant sites in scope to follow Sedex including regular SMETA audits. AAK used the Sedex self-assessment questionnaire for our Tier 1 suppliers across our key raw material supply chains in palm, coconut, rapeseed and soy supply chains globally. We extended our scope to include raw materials beyond palm in 2024. We measure percentages of suppliers covered on a volume basis.

EcoVadis

EcoVadis is a platform that allows companies to monitor the sustainable performance of their suppliers. This enables us to focus on the AAK management system and how we can make further improvements. AAK is assessed on environment, labor practices, fair business practices, and sustainable procurement. In January 2024, AAK received a silver medal and is among top 15 percent of all companies rated globally.

Memberships

- Founding member of the Roundtable on Sustainable Palm Oil (RSPO) Board member
- Founding member of the Global Shea Alliance (GSA)
- Founding member of the Coconut Roundtable (2022)
- Founding member of the Sustainable Coconut Partnership (2023) Board member

- EU Oil and Protein Meal Industry (FEDIOL) Board member
- Federation of Oils, Seeds and Fats Association (FOSFA)
- Food Drink Europe
- European Oleochemicals and Allied Products Group (APAG)
- National Institute of Oilseed Products (NIOP)
- Plant Based Foods Association
- MISTA
- European Institute of Innovation and Technology (EIT)Food Accelerator Network (FAN)
- Big Idea Ventures (BIV)

Product Information

Product data sheets (PDS)—Contain specific attributes for a product. Can include key specification parameters, areas of application, nutritional information, list of ingredients, packaging, storage recommendations and labelling.

Product Manufacturing Information (PMI)—Contains further specific information on a product and related manufacturing that may not appear in the PDS, including details on contaminants, origin, allergens, legislation compliance, GMOs, etc.

Safety data sheet (SDS) or Material Safety Data Sheet (MSDS)—A standardized document that contains crucial occupational safety and health information.

Certificate of analysis (COA)—Provided by local AAK laboratories with the delivery of each product batch. The COA offers traceability information and the analytical results of quality control programs.

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Key abbreviations

Abbreviation Definition		Abbreviation Definition		Abbreviation Definition	
APAG	European Oleochemicals and Allied Products Group	GSA	Global Shea Alliance	TTP	Traceability To Plantation
CBE	Cocoa butter equivalent	ISCC	International Sustainable and Carbon Certification	VDF	Verified Deforestation-Free palm oil
CSPO	Certified Sustainable Palm Oil	NDPE	No Deforestation, no Peat and no Exploitation	WISH	Women In Shea
DEFRA	Department for Environment, Food & Rural Affairs	NIOP	National Institute of Oilseed Products	WEO	IEA World Energy Outlook scenarios
FFB	Fresh Fruit Bunches	RCPs	Representative Concentration Pathways	SCP	Sustainable Coconut Partnership
FLAG	Forest Land and Agriculture	RSPO	Roundtable on Sustainable Palm Oil		
FOSFA	The Federation of Oils, Seeds and Fats Association	SMETA	Sedex Members Ethical Trade Audit		

Governance of AAK’s material topics

Environment, Climate	Environment, Biodiversity	Social, People	Governance	Product solutions
Impact (actual and potential, negative or positive impact)				
<ul style="list-style-type: none">• GHG emissions in Scope 1 and 2 reduced by 17.9% since 2019• Improved environmental conditions from AAK’s water treatment units• Target set to recycle 100% of our waste by 2030• Target set to have 100% renewable electricity produced by 2025• Reduction of CO₂ emissions linked to AAK’s VDF commitment	<ul style="list-style-type: none">• Prevention of deforestation through AAK’s contribution• Promotion of biodiversity through AAK’s contribution• Reforestation and planting of trees• Sourcing raw materials sustainably• Supplier commitment to NDPE	<ul style="list-style-type: none">• Employee development• Equality, diversity, and inclusion• Healthy and safe work environment• Better living conditions for people thanks to community engagement programs on sites• Supplier commitment to NDPE• Employee well-being thanks to the AAKtivate program• Responsible sourcing methods with focus on human rights for all stakeholders and vulnerable groups	<ul style="list-style-type: none">• Transparent and responsible business conduct	<ul style="list-style-type: none">• Sourcing raw materials sustainably• Developing and delivering healthy product solutions• Providing product traceability• Contributing to the development of plant-based production solution• Contributing to a more sustainable food system• Driving the shift from fossil-based to natural solutions
Negative effects as a consequence of activities and business relationships				
<ul style="list-style-type: none">• Disposal to the environment of bleaching earth waste• Emissions from land use• Disposal of palm oil mill effluents	<ul style="list-style-type: none">• Negative environmental effects from sourcing palm oil, coconuts and soy	<ul style="list-style-type: none">• Stress and ill health among employees• Workplace injuries• Negative effects from AAK’s business on local livelihoods	<ul style="list-style-type: none">• Potential corruption, bribes and unethical business practices	<ul style="list-style-type: none">• Pollution from production (suppliers) and use of AAK’s solutions

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Environment, Climate	Environment, Biodiversity	Social, People	Governance	Product solutions
Policies and commitments				
<ul style="list-style-type: none">• AAK Group Code of Conduct• AAK Group Sustainability Policy• AAK Group Environmental Policy• ISO 14001• ISO 50001• Roundtable on Sustainable Palm Oil• Global Shea Alliance GSA• AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils	<ul style="list-style-type: none">• AAK Group Code of Conduct• AAK Group Sustainability Policy• AAK Group Environmental Policy• AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils• AAK Group Grievance Management Procedure• EU Vegetable Oil and Proteinmeal Industry• Federation of Oils, Seeds and Fats Association• National Institute of Oilseed Products• Sustainable Coconut Partnership	<ul style="list-style-type: none">• AAK Group Code of Conduct• AAK Group Sustainability Policy• AAK Group Environmental Policy• AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils	<ul style="list-style-type: none">• AAK Group Code of Conduct• AAK Group Sustainability Policy• AAK Supplier Code of Conduct• AAK Group Code of Conduct for Agents and Distributors• AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils• AAK Group Palm Grievance Process• AAK Group Environmental Policy• Sedex/SMETA• AAK Anti-Bribery and Corruption Policy• AAK Anti Money Laundering Policy• AAK Sanctions Policy	<ul style="list-style-type: none">• AAK Group Code of Conduct• AAK Group Sustainability Policy• AAK Supplier Code of Conduct• AAK Group Code of Conduct for Agents and Distributors• AAK Group Policy and Code of Conduct for Responsible Sourcing of Plant-based Oils• AAK Group Grievance management Procedure• AAK Group Environmental Policy• SBTi• UN Global Compact• ISO 9001• FSSC 22000• BRC• EcoVadis• Food Drink Europe• European Oleochemicals and Allied Products Group• Plant Based Foods Association

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Actions to manage impact				
<ul style="list-style-type: none">• Measuring and monitoring water use to identify potential savings• Communicating and engaging with stakeholders to promote water efficiency• Switching energy suppliers to renewable energy• Increasing uptake of RSPO—certified/VDF palm oil• Engaging with primary data management platforms, e.g. Improvin’• Efficient processing practices through improved stoves in shea• Supplier engagement	<ul style="list-style-type: none">• Continuously increasing the share of deforestation- and conversion-free palm and soy in sourcing and offerings• Satellite monitoring of our whole palm supply chain• Extending our verified deforestation-free supply chain commitment to all key raw materials until 2030• Extending satellite monitoring to our Philippines and India coconut sourcing base• Planting shea trees• Planting coconut trees• Initiatives in regenerative agriculture in palm and rapeseed	<ul style="list-style-type: none">• Self-assessment questionnaire and training for shea suppliers• Continuous updating of policies for suppliers and supplier training and engagement• Continuous involvement in the AAKtivate program• Smallholder engagement• Human rights due diligence efforts through Sedex and other industry platforms	<ul style="list-style-type: none">• House of Sustainability framework• Continuously embedding ESG matters in the risk council• Third-party verifications• Supplier scorecards and supplier self-assessments• Compliance training provided to relevant functions in all the regions	<ul style="list-style-type: none">• Raw material traceability• Screening of suppliers• Certification of solutions, e.g., food safety, quality, environment, energy, ethics, social and palm-specific• ESG parameter on investment activities• Customer Innovation Centres of Excellence and AAK Academies
Follow-up of the effectiveness of activities				
<ul style="list-style-type: none">• Supplier scorecards and evaluations• Annual reporting of sustainability KPIs	<ul style="list-style-type: none">• Supplier scorecards and evaluations• Quarterly progress review internally• Annual reporting of sustainability KPIs	<ul style="list-style-type: none">• Supplier scorecards and evaluations• Quarterly progress review internally• Annual reporting of sustainability KPIs	<ul style="list-style-type: none">• Supplier scorecards and evaluations• Quarterly progress review internally• Annual reporting of sustainability KPIs	<ul style="list-style-type: none">• Supplier scorecards and evaluations• Quarterly progress review internally• Annual reporting of sustainability KPIs
How stakeholders are informed about the effectiveness of activities				
<ul style="list-style-type: none">• Sustainability Report• Stakeholder dialogues	<ul style="list-style-type: none">• Sustainability Report• Stakeholder dialogues	<ul style="list-style-type: none">• Sustainability Report• Stakeholder dialogues	<ul style="list-style-type: none">• Sustainability Report• Stakeholder dialogues	<ul style="list-style-type: none">• Sustainability Report• Stakeholder dialogues

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GRI *content index*

Statement of use: AAK AB has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024
GRI 1 used: GRI 1: Foundation 2021
Applicable GRI Sector Standard(s): Not applicable

GRI Standard	Disclosure Name	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	3, 78			
	2-2 Entities included in the organization’s sustainability reporting	37			
	2-3 Reporting period, frequency and contact point	37,			
	2-4 Restatements of information	37			
	2-5 External assurance	90			
	2-6 Activities, value chain and other business relationships	3, 11–12			
	2-7 Employees	59			
	2-8 Workers who are not employees	n.a.	AAK does not yet report this information.	Information incomplete.	AAK will prepare to report this information for the implementation of ESRS.
	2-9 Governance structure and composition	42, 49			
	2-10 Nomination and selection of the highest governance body	41			
	2-11 Chair of the highest governance body	41			
	2-12 Role of the highest governance body in overseeing the management of impacts	38, 41–42			
	2-13 Delegation of responsibility for managing impacts	41–42			
	2-14 Role of the highest governance body in sustainability reporting	41			
	2-15 Conflicts of interest	41			
	2-16 Communication of critical concerns	41			
	2-17 Collective knowledge of the highest governance body	41			
	2-18 Evaluation of the performance of the highest governance body	41, 44–45			
	2-19 Remuneration policies	41, 45			
	2-20 Process to determine remuneration	41, 45			

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GRI Standard	Disclosure Name	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	n.a.	AAK does not yet report this information.	Information unavailable.	AAK will prepare to report this information for the implementation of ESRS.
	2-22 Statement on sustainable development strategy	4			
	2-23 Policy commitments	43, 61, 83			
	2-24 Embedding policy commitments	43, 84			
	2-25 Processes to remediate negative impacts	41, 45–46, 61–63			
	2-26 Mechanisms for seeking advice and raising concerns	43–46			
	2-27 Compliance with laws and regulations	40–41, 43			
	2-28 Membership associations	85			
	2-29 Approach to stakeholder engagement	38, 40, 60–63			
	2-30 Collective bargaining agreements	43			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	38,			
	3-2 List of material topics	39			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	73, 82–84			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	73–75			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	43, 82–84			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risk related to corruption	43, 61			
	205-2 Communication and training about anti-corruption policies and procedures	43			
	205-3 Confirmed incidents of corruption and actions taken	43			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	82–84			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	51			

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GRI Standard	Disclosure Name	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Material topics					
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	50–52, 82–84			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	50–52			
	302-3 Energy intensity	50–52			
	302-4 Reduction of energy consumption	50–51	AAK does not fully report this information.	Information incomplete.	Work is ongoing to improve the inventory of energy efficiency projects and increase granularity of data collection.
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	51–52, 82–84			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	51–52			
	303-5 Water consumption	51–52			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	53–57, 82–84			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3, 55			
	304-2 Significant impacts of activities, products and services on biodiversity	20–26, 53–57			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	48–50, 73–79, 82–84			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	37, 48–50			
	305-2 Energy indirect (Scope 2) GHG emissions	37, 48–50			
	305-3 Other indirect (Scope 3) GHG emissions	37, 48–49			
	305-4 GHG emissions intensity	48–50			
	305-5 Reduction of GHG emissions	14, 16, 49–50			
	305-6 Emissions of ozone-depleting substances (ODS)	50			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	50			

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GRI Standard	Disclosure Name	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Material topics					
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	50–51, 82–84			
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	50–51			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	82–84			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	44–45			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	58–59, 82–84			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	58–59			
	403-9 Work-related injuries	58–59			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	59, 82–84			
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	59			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	59, 82–84			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	59			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	82–84			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	58			

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GRI Standard	Disclosure Name	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Material topics					
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	61–63, 82–84			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	61			
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	82–84			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	60–61			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	82–84			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	11, 34–35, 52, 62–63			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	82–84			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	44–45			

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Auditor’s opinion *regarding* the statutory *sustainability report*

To the general meeting of the shareholders in AAK AB (publ), corporate identity number 556669-2850

Engagement and responsibility

The Board of Directors is responsible for the 2024 sustainability report, prepared in compliance with the Annual Accounts Act as it stood prior to July 1, 2024.

The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Malmö, April 8, 2025
KPMG AB

Jonas Nihlberg
Authorized Public Accountant

Everything we do is about Making Better Happen™

We specialize in plant-based oils that are the value-adding ingredients in the products people love to consume. We make these products better tasting, healthier, and more sustainable.

At the heart of AAK's offering is Customer Co-Development, combining our desire to understand what better means for each customer with the unique flexibility of our production assets and deep knowledge across products and industries. 4,000 employees support our close collaboration with customers through 25 regional sales offices, 15 dedicated Customer Innovation Centers and support of more than 20 production facilities.

Listed on Nasdaq Stockholm and with our headquarters in Malmö, Sweden, AAK has been Making Better Happen™ for more than 150 years.



Explore more at
www.aak.com

Or contact us at
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