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AAK in smallholder partnership with Nestlé and Musim Mas to address deforestation

AAK has entered a partnership with Nestlé, the world's largest food and beverage company, and palm oil corporation Musim Mas to address deforestation outside of palm oil concession areas in Aceh, Indonesia. The five-year program will positively impact some 1,000 independent smallholders. Aceh is a priority landscape as 87 percent of the Leuser Ecosystem – a protected area important for both biodiversity and carbon storage – lies within the province.

"This partnership is an important part of AAK's sustainable sourcing approach", says Anne Mette Olesen, Chief Strategy & Sustainability Officer at AAK. "Engaging with partners and other stakeholders in the supply chain is fundamental, and only together can we make the global palm oil industry fully transparent and sustainable."

AAK and Nestlé will initially provide funding for the first two years of the program in which smallholders will be enrolled into Musim Mas' smallholder program. In a "train the trainer" approach, government extension officers will be trained in good agricultural practices and NDPE (No Deforestation, No Peat, and No Exploitation). The extension officers will in turn train oil palm smallholders.

Expected outcomes of the program are increased yields and earnings for the smallholders, reducing the incentive to encroach into protected areas as a way of increasing their income. As the majority of deforestation in Aceh occurs outside plantation concession areas, these types of programs are vital.

"Engaging with stakeholders in the most sensitive landscapes and focusing on deforestation outside concession areas is crucial", says Caroline Westerik-Sikking, Global Manager Sustainable Oils at AAK. "We believe that this partnership can significantly contribute to the protection and preservation of an important landscape and have a positive impact on the livelihoods of the smallholders involved."

This is AAK's third significant initiative supporting smallholders within palm. The other two are Forever Sabah in Malaysia, which seeks to apply RSPO jurisdictional certification to all smallholders in the state of Sabah, and a program in Mexico run together with Solidaridad supporting implementation of good agricultural practices as well as smallholders on their journey towards RSPO certification. AAK recognizes the importance of smallholders to palm oil production and the role they play in the supply chain. Supporting them to achieve better livelihoods through palm helps AAK realize its societal, environmental and commercial ambitions.

For more information, please contact:

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About AAK

Everything AAK does is about Making Better Happen™. We specialize in plant-based oils that are the value-adding ingredients in many of the products people love to consume. We make these products better tasting, healthier, and more sustainable. At the heart of AAK's offer is Customer Co-Development, combining our desire to understand what better means for each customer, with the



unique flexibility of our production assets, and a deep knowledge of many products and industries, including Chocolate & Confectionery, Bakery, Dairy, Plant-based Foods, Special Nutrition, Foodservice and Personal Care. Our 3,900 employees support our close collaboration with customers through 25 regional sales offices, 15 dedicated Customer Innovation Centers, and with the 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 150 years.