

AAK response to the Business & Human Rights Resource Centre regarding the case of Agropalma

AAK is committed to the sustainable and responsible sourcing and production of palm oil and other commodities that we source. We take reports of incidents such as those raised by Global Witness very seriously and welcome these being brought to our attention by stakeholders. We also welcome the opportunity to respond publicly through the Business & Human Rights Resource Centre.

To clarify our supply chain arrangements, Agropalma is not a direct supplier to AAK, although they are named in our most recent mill list through an indirect connection. Nonetheless our responsible sourcing policies also apply to indirect suppliers, so we are treating these allegations in accordance with our grievance procedure.

Since receiving a letter from Global Witness ahead of the publication of the report AAK has taken the following actions:

- Contacted Agropalma directly for comment.
- Contacted our suppliers that purchase directly from Agropalma for comment.
- Engaged two of our sustainability service providers to share their perspectives/ understanding/ evidence about the issues raised.

Agropalma has since shared with us their response to Global Witness, which we hope will also be published here. As the contrasts between the allegations in the Global Witness report and the company response shows, the complex nature of these types of historical land rights cases makes understanding where the truth lies challenging. This is further compounded when evidence is lacking to support claims and counter claims on either side. AAK encourages the relevant parties to remain in constructive dialogue to find a mutually agreed settlement. We will use our grievance procedure and commercial relationships to ensure operators in our supply chain act in accordance with our policies.

More broadly, upholding Human Rights in our sourcing operation is of key importance to AAK. In 2020 we carried out a social risk assessment (SRA) for our full palm oil supply chain and are currently developing our human rights implementation plan in collaboration with one of our sustainability partners, Proforest. We also operate a supplier engagement platform covering 100% of our Latin American suppliers that focuses on providing support and monitoring the progress of policy implementation. We run a whistle-blower service available to all to highlight any concerns about environmental or social issues in our operations or supply chains (<https://report.whistleb.com/en/aak>).

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We will continue collaborating with other industry stakeholders to improve the conditions for all people across the palm supply chain. We believe that where systemic issues exist, they require systemic collaboration. We are committed to ongoing dialogue and improvements to address these challenges in the palm oil industry, and to continue to support those who demonstrate best practice.

Best regards,

A handwritten signature in black ink, appearing to read 'Caroline', is centered below the text 'Best regards,'.

Caroline Westerik-Sikking

Global Manager Sustainable Oils