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Pressrelease

AAK, Herbicides and Environment

The important and critical subject relating to the use of herbicides within the worldwide farming industry has lead to many constructive public debates. Recently this has concerned the production of palm oil and more specifically the use of the herbicide Paraquat in the cultivation of oil palms.

In relation to this AAK wishes to state the following:

Paraquat is one of the most widely used herbicides in the world today. AAK's view is nevertheless that concerted efforts should be made by all Palm Oil Producers, particularly all members of the Roundtable for Sustainable Palm Oil (RSPO members) to work towards minimising or phasing out Paraquat as soon as possible. As one of the world's major Specialty Fats and Food Ingredient players, AAK buys large quantities of vegetable oils derived from several different raw materials, palm oil being one. This is then refined and often further processed at AAK's facilities around the world into a broad spectrum of products.

AAK purchase palm oil from a number of large and respected suppliers, one of them being United Plantations, who is widely recognised for pioneering within sustainable agriculture and remains at the forefront of the developments in terms of environmental improvements. "Nevertheless, the supply of palm oil from United Plantations, only represents a smaller share of our total palm oil supply chain says Arne Frank. United Plantations are owned by one of the main share holders of AAK. However supplies from United Plantations are dealt with as per "arms length" principles and always based upon strictly professional decisions to the best interest of AAK.

Work environment is a part of our supplier code of conduct, Arne Frank continues. "Suppliers shall offer a safe working environment for all employees. Adequate health and safety procedures shall be implemented. As a minimum, suppliers shall comply with all local and national health and safety legislation. AAK audits all of its suppliers on a regular basis and we follow up if anyone does not follow rules and regulations".

Arne Frank continues, "We have just completed the production of our first sustainability report". It is now available at www.aak.com. Here, you can follow our very focused and ambitious work on all of the sustainability subjects for all of our raw materials and more.

We see this as our tangible commitment towards taking responsibility and also leadership towards more sustainable practices, which will be to the benefit of all.

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Facts about AAK

AarhusKarlshamn is the world's leading producer of high value-added speciality vegetable oils and fats. These fats are characterized by a high technological content and are used as substitute for butter-fat and cocoa butter, transfree solutions for fillings in chocolate and confectionery products, and in the cosmetics industry. AarhusKarlshamn has production facilities in Denmark, Mexico, the Netherlands, Sweden, Great Britain, Uruguay and the US. The company is organised in three Business Areas; Chocolate and Confectionery Fats, Food Ingredients and Technical Products & Feed. Further information about AarhusKarlshamn can be found on the company's website www.aak.com

Appendix

AAK is one of the initial founders of Roundtable of Sustainable Palm Oil (RSPO), an organization representing all stake holders, plantations, processors, customers, environmental NGOs and social NGOs. AAK still retains a seat on the Executive Board of RSPO. AAK believe RSPO is the best positioned organization to effectively encourage and develop the palm oil industry towards not just only better environmental practices but also better social practices. In this work, RSPO also strongly drives the herbicide/pesticide debate and has clearly recommended that any RSPO member shows measurable intentions of minimizing and/or phasing out the use of Paraquat. Paraquat has been used as an herbicide during the immature phase. Also substances deriving from Paraquat have never been found in the final product as the substance breaks down very rapidly.

“We promote environmental subjects strongly to all our suppliers,” says Arne Frank. “We find it hugely satisfying that more and more growers are becoming members and active participants in RSPO. They are then thereby obliged to drive their operations in line with the demands being defined and communicated. Based on our discussion with United Plantations, which was the world’s first certified producer of sustainable palm oil in accordance with the principles and criteria of the RSPO, we can confirm they will completely out-phase the use of Paraquat within the next few months. Then United Plantations will be, to our knowledge, the 2nd plantation company to achieve this very important objective. As documented by publicly records, United Plantations has been taking measurable steps to reduce their usage of Paraquat since 2008 thus reducing their usage to levels which are amongst the lowest in the industry today.