

## Climate Compensated Shea Statement

AAK consistently works to reduce carbon emissions within our supply chains through inseting initiatives. We systematically measure emissions and identify specific carbon hotspots for mitigation action, as detailed in our annual sustainability report. For our shea products described as climate compensated, we offset unavoidable emissions by utilizing Gold Standard and Fairtrade carbon credits that fund climate action in the shea supply base. Climate compensation applies to the following products, and the methodology is detailed below:

- LIPEX® Shea
- LIPEX® SheaLiquid TR™
- LIPEX® SheaSoft TR™
- LIPEX® SheaLuxe TR™

**Scope of emissions offset:** AAK includes cradle-to-factory gate emissions in the scope of this claim, which means that we account for growing the raw material in West Africa, local processing, transportation, crushing into oil and the fractionation of it, refining (including potential specialty processing) as well as packaging material. We do not include transport from our factory to our customers' factories worldwide.

**Footprints offset** by AAK: We work with the following product carbon footprints, calculated according to the ISO 14040 method by external partners.

Products	kg CO2 eq/kg
<b>LIPEX SheaLiquid TR</b>	
LIPEX SheaLiquid TR drums	3,19
LIPEX SheaLiquid TR IBC	3,19
LIPEX SheaLiquid TR cans	3,19
<b>LIPEX SheaSoft TR</b>	
LIPEX SheaSoft TR boxes	3,18
<b>LIPEX Shea</b>	
LIPEX Shea boxes	3,18
LIPEX Shea drums	3,20
LIPEX Shea pail	3,20
<b>LIPEX SheaLuxe TR</b>	
LIPEX SheaLuxe TR drums	4,21
LIPEX SheaLuxe TR cans	4,21

**Emissions offset for 2023:** The total emissions offset for 2023 is 9.916 Mt CO2eq based on projected sales volumes for the above-listed products, including their relevant packaging material. We offset emissions with Gold Standard and Fairtrade carbon credits generated by Fair Climate Fund from a high-quality stove project in Burkina Faso, one of our shea supply bases. Although the project is not directly within our value chain, it uses the same stove technology we teach our Kolo Nafaso communities.

**Note:** We have based the above on projected sales volumes and will review these annually in February. If there is a shortfall of credits, we will purchase the additional amount required, and if there is a surplus, we will roll these into the balance for next year.

A handwritten signature in black ink, appearing to read 'Staffan', followed by a long horizontal stroke that curves upwards at the end.

Name: Staffan Norberg  
Product Technology & Innovation Director  
Date: 03.01.2024

A handwritten signature in blue ink, consisting of a stylized 'E' followed by a long horizontal stroke that curves upwards at the end.

Name: Elias Angelopoulos  
Sustainability Manager Climate  
Date: 03.01.2024