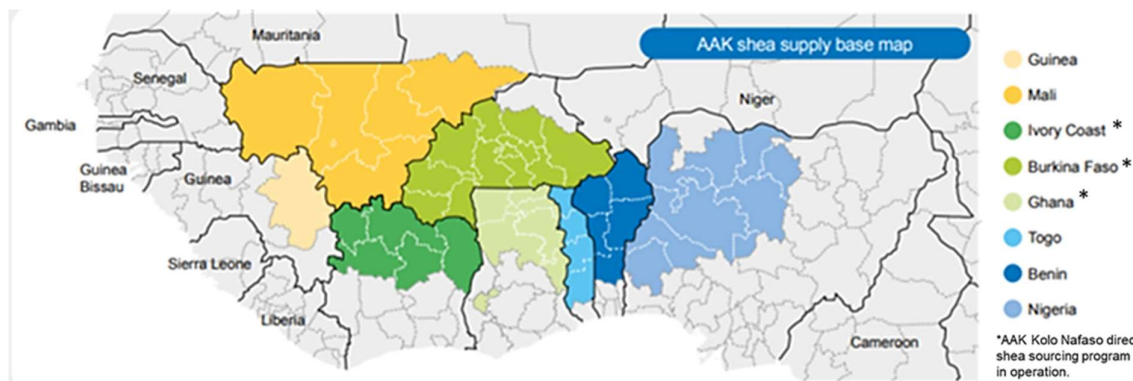


AAK PERSONAL CARE SHEA-BASED PORTFOLIO

SEGREGATED (TRACEABLE) AND MASS BALANCE SUPPLY MODELS

AAK has established a solid and sustainable shea sourcing system in West Africa, built up over many decades, using two parallel supply chains to serve the food, confectionery and personal care divisions. AAK works in close co-operation with shea traders, middlemen who play an important logistical function in transporting kernels from remote areas to big towns, and directly with women's groups engaged in the AAK Kolo Nafaso program.



In the segregated model, shea kernels from the AAK Kolo Nafaso program are kept separate at every stage of the supply chain. AAK Personal Care shea-based products marked **TR** are produced using only the segregated kernels, fully traceable to the Kolo Nafaso program:

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

In the mass balance model, shea kernels from the AAK Kolo Nafaso program and from traditional shea traders are mixed during processing and manufacturing for use in different AAK divisions, including Personal Care. 100% Kolo Nafaso Mass Balance is an assurance that the amount of shea kernels AAK as a company purchases from the program is equivalent to the amount of shea kernels required to produce the total Personal Care shea-based portfolio. Although it is not a guarantee that Kolo Nafaso kernels are present in some or any of the products, the mass balance model allows customers to support the growth of the Kolo Nafaso program on the ground in West Africa, without limiting supply chain requirements. The following catalog products are 100% Kolo Nafaso Mass Balance:

- | | |
|------------------|------------------------|
| • LIPEX® 102 | • LIPEX® SheaClear™ |
| • LIPEX® Shea | • LIPEX® SheaSolve™ |
| • LIPEX® 205 | • LIPEX® SheaTris™ |
| • LIPEX® L'sens™ | • LIPEX® 102 E75 100%™ |
| | • LIPEX® 102 E75 50%™ |

For the women shea collectors engaged in the AAK Kolo Nafaso program, what matters to them is that they receive pre-financing, training and support. Benefits that enable them to generate more income, improve livelihoods, and secure a long-term, fair, and transparent business partnership with AAK. Whether their shea kernels end up in a segregated or mass balance supply chain model does not matter to them and has no material impact.

Signed



Laura Schlebes
AAK Global Sustainability Manager

Signed



Elena Genesca Pont
AAK Personal Care Commercial Product Manager