



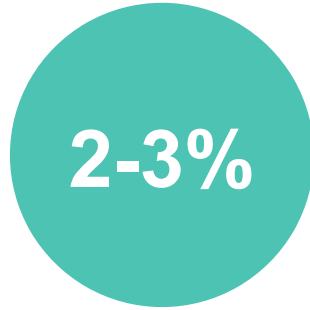
Swedish Canola

A sustainable
source for cosmetic
ingredients

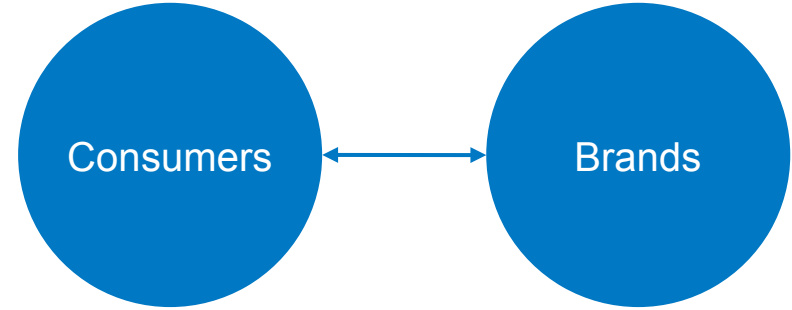
March 2021
AAK Personal Care

AAK

After Covid-19, the Personal Care market will recover but consumers expect more from brands



Expected growth rate between
2021-2024 in personal care



Safety
Transparency
Ethical sourcing
Social responsibility
Morally-aligned brands
Sustainable products that work

Source: Euromonitor reports, 2020

Sustainability continues to be on the consumer agenda. Covid-19 has increased its importance

% who agree that they avoid personal care products which are harmful to the environment

France

62%

Germany

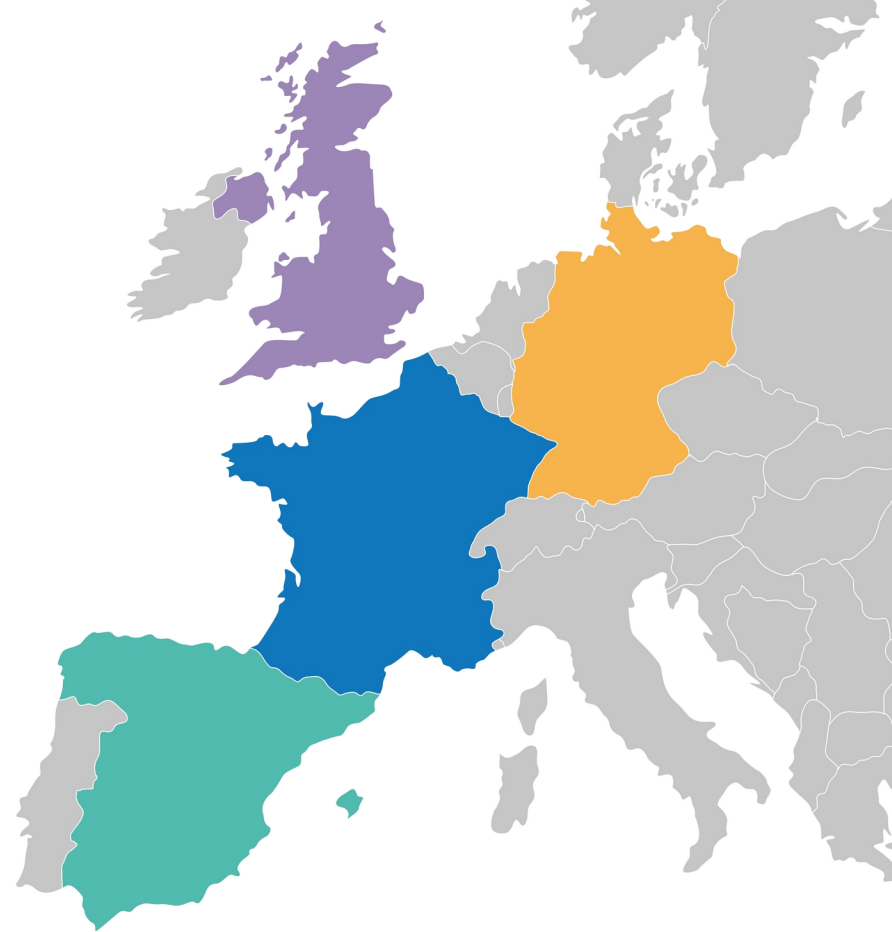
58%

Spain

56%

UK

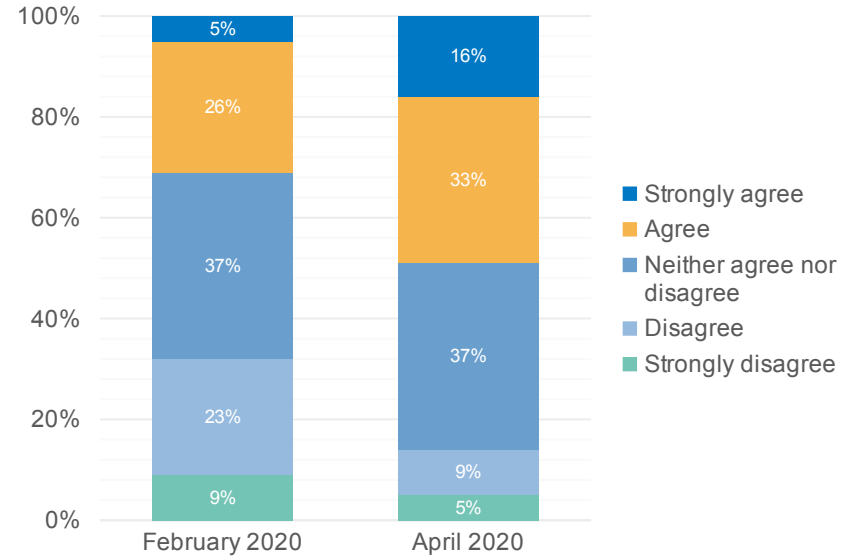
50%



Source: Kantar studies. Worldpanel division, June 2020

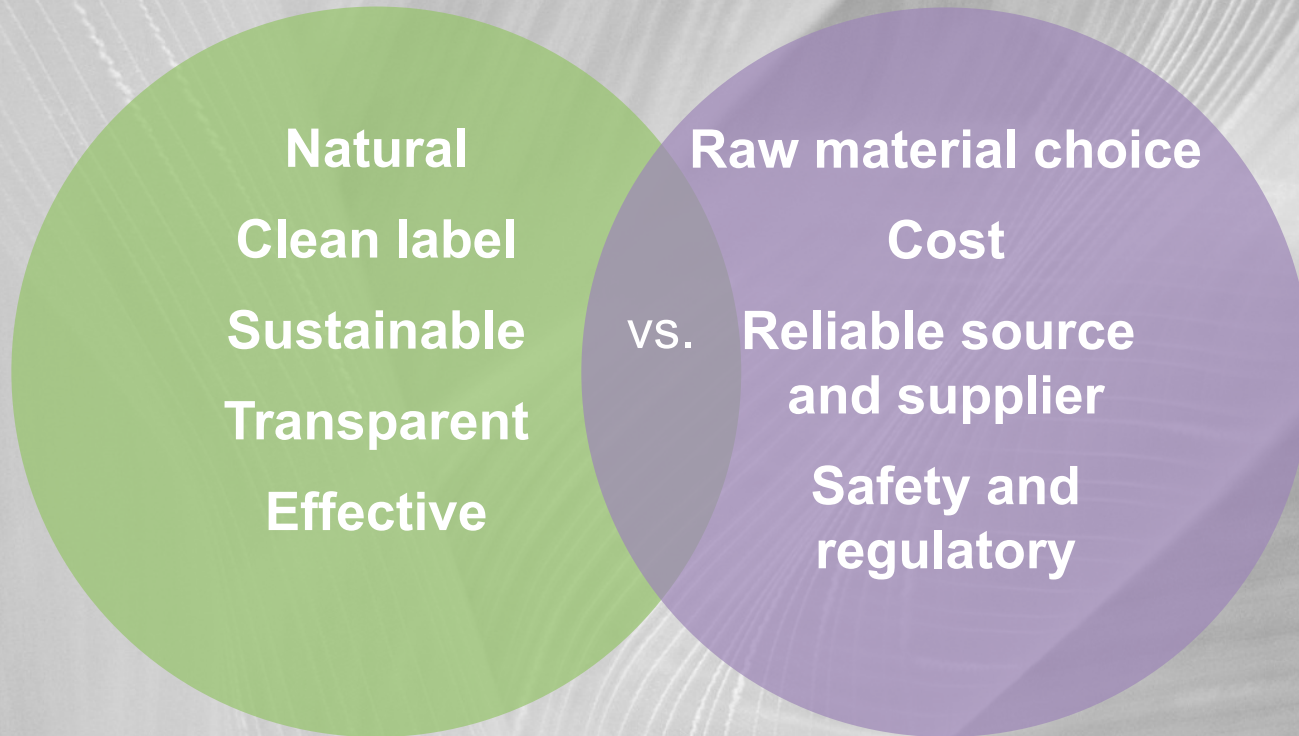
Sustainability continues to be on the consumer agenda. Covid-19 has increased its importance

“I prefer products
and services that
offer ways to offset
their impact on
the environment”



Source: Kantar studies. Kantar's sustainability foundational study, February 2020

The dilemma for the cosmetic producer





Have you considered canola
emollients from AAK as
an answer to this dilemma?



Canola – an eco-friendly and sustainable choice

- ◆ Canola is grown in crop rotation systems to improve soil fertility, prevent erosion and control pests.
- ◆ The stiff stems and thick canopy provide an ideal environment for a wide range of wildlife. When in flower, the bright yellow blossoms provide an abundant food source for honeybees and other pollinators.
- ◆ Canola fields often have buffer strips of wild flowers and shrubs to provide food and increase insect biodiversity outside the flowering season.

Canola originates from Canada but today is produced across the world

The term canola comes from **Can**adian **Oil** **L**ow **A**cid and is a trade name for low erucic acid rapeseed oil. Originally cultivated in Canada in the early 1970s, this variety of rapeseed contains < 1% erucic acid (C22:1) in its fatty acid profile.

- ◆ Canola belongs to the Brassicaceae family and other members include varieties of cabbage, turnip, mustard and crambe.
- ◆ Botanical name: *Brassica campestris* / *Brassica napus* (numerous crosses between the species).

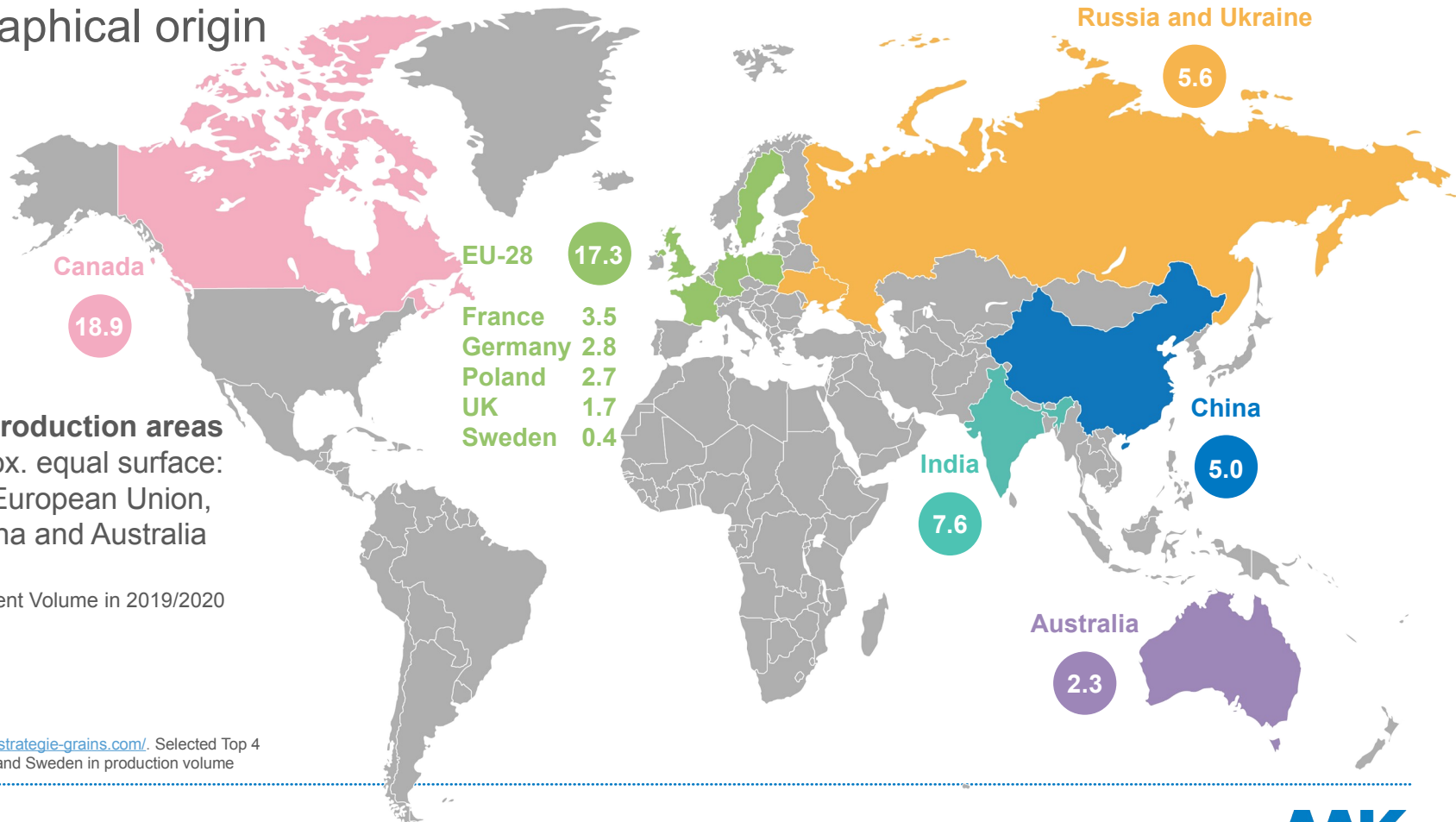


Geographical origin

5 major production areas
with approx. equal surface:
Canada, European Union,
India, China and Australia

Values represent Volume in 2019/2020
in Mn/MT

Source: <https://www.strategie-grains.com/>. Selected Top 4
European countries and Sweden in production volume



AAK canola-based emollients are from non-GMO Swedish crops and traceable to farms – why is Sweden significant?

Swedish land has a **higher production yield** compared to other production regions outside Europe

Yield for refined canola oil** (Kg/ha)

Sweden

3104

Canada

2211

Australia

1359

More than double yield compared to Australia
and almost **50%** more than Canada

** Source: Agri-footprint database. Yield 2014-2018 from FAOSTAT

AAK canola-based emollients are from non-GMO Swedish crops and traceable to farms – why is Sweden significant?

Within Europe, Swedish canola has **a much lower carbon** footprint than canola from other major European producers.

Carbon footprint* (Kg CO₂ eq per Kg of product)

**Canola oil
(SE)**

1.40

**High Oleic
Canola oil
(SE)**

1.57

**Canola oil
(EU*)**

2.34

**High Oleic
Canola oil
(EU*)**

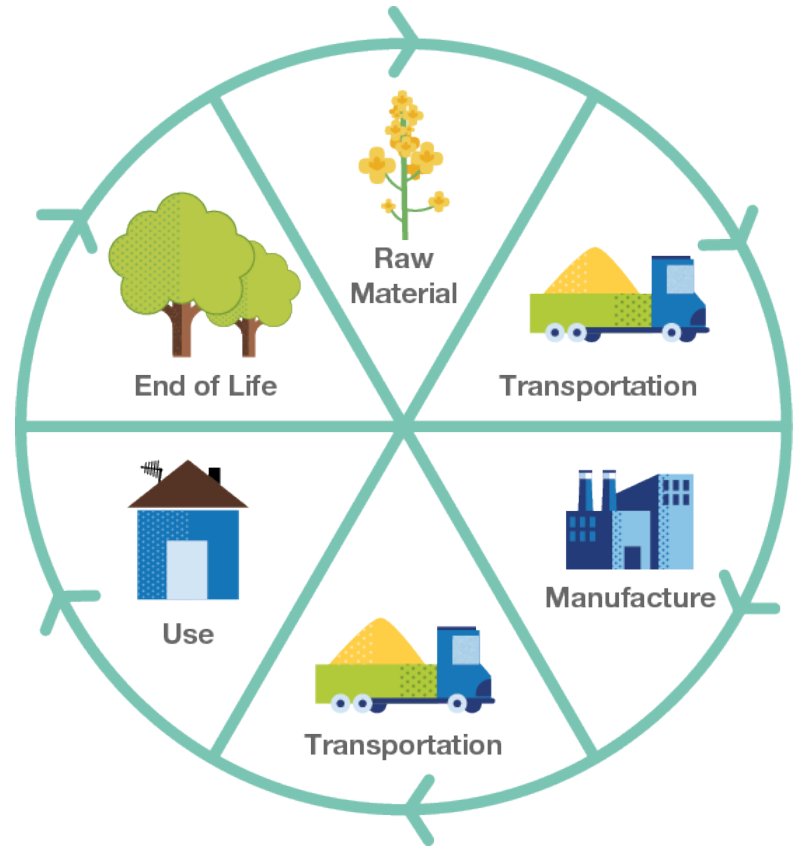
2.85

Swedish Canola has up to **45% less carbon footprint** than canola from other major European producers, such as France and Germany.

*Source: " Update of LCAs on vegetable oils at AAK", February 2016. RISE report.
EU is an average of French and German data (top 2 producing European countries)

Background to the LCA study done for AAK

Life cycle assessment is a cradle-to-grave or cradle-to-cradle analysis technique to assess environmental impacts associated with all the stages of a product's life, from raw material extraction through to materials processing, manufacture, distribution and use.



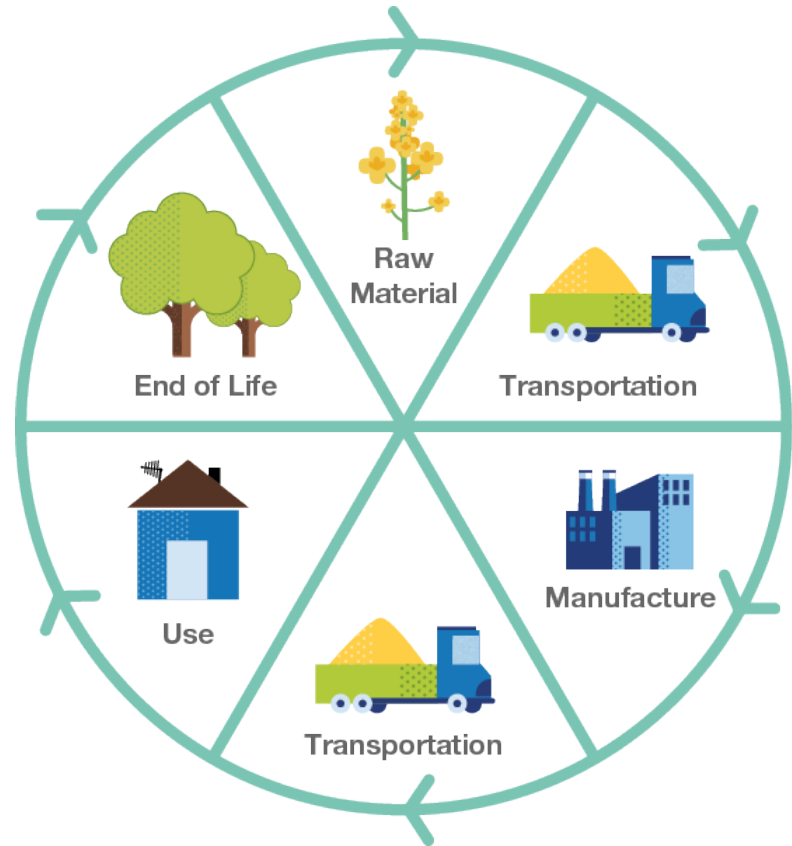
Background to the LCA study done for AAK

Goal To provide environmental information on three different canola oils from Swedish, Australian and Canadian origin being consumed in the US. The analysis provides information about the environmental impact from oil seed cultivation, oil processing and transport to and within the US.

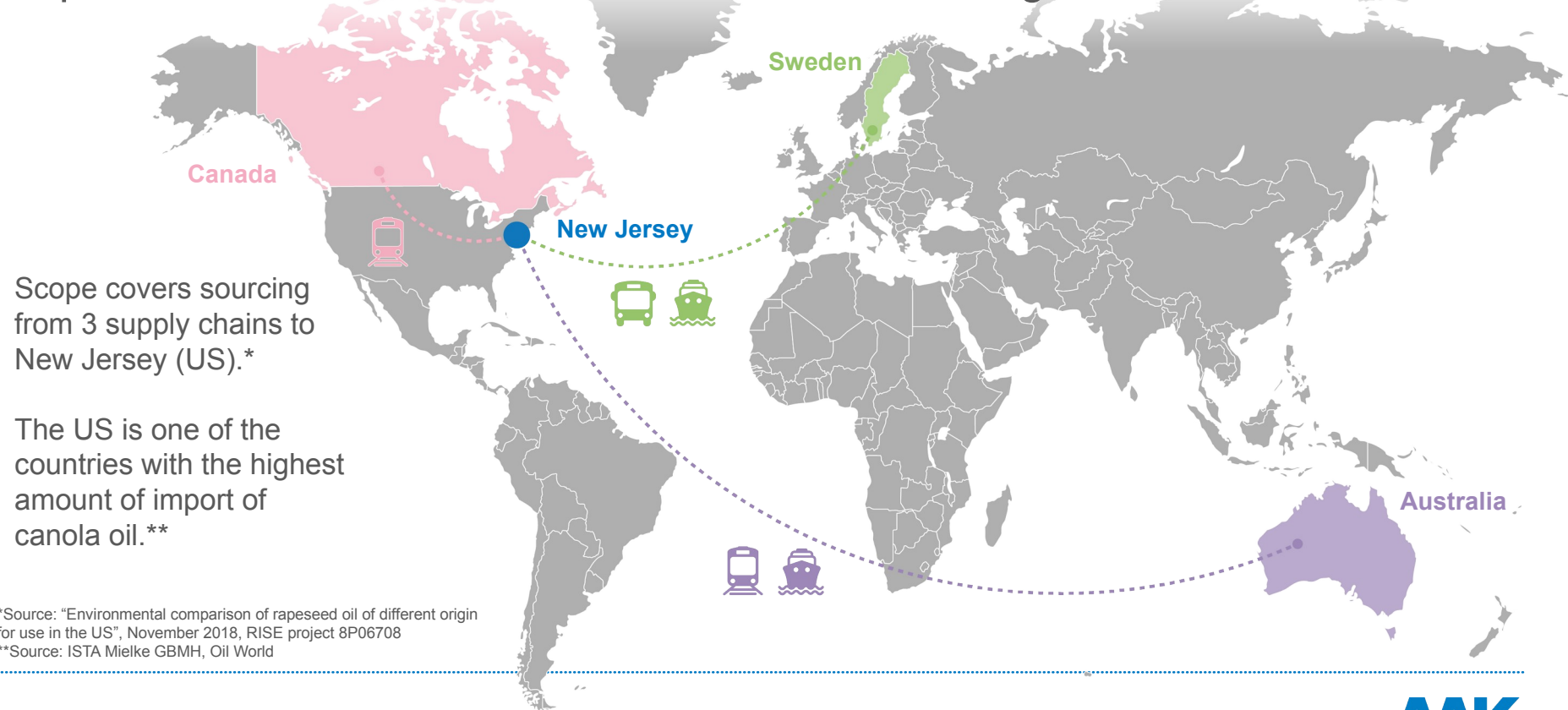
Scope The assessment includes impacts from: cultivation of the oil seed or fruits, oil processing, production and transport to and from a company in New Jersey, US. In the analysis the production and use of all consumables and inputs in all steps are included. For instance, production and use of mineral fertilizer during cultivation and chemicals used in the oil processing steps. All transportation in the value chain is included.

Type of LCA / Methodology The life cycle assessment performed is a comparative LCA. The study is conducted according to the ISO standard 14 040.

Functional unit The functional unit selected is 1 kg of refined canola oil delivered to Vineland, New Jersey, US.



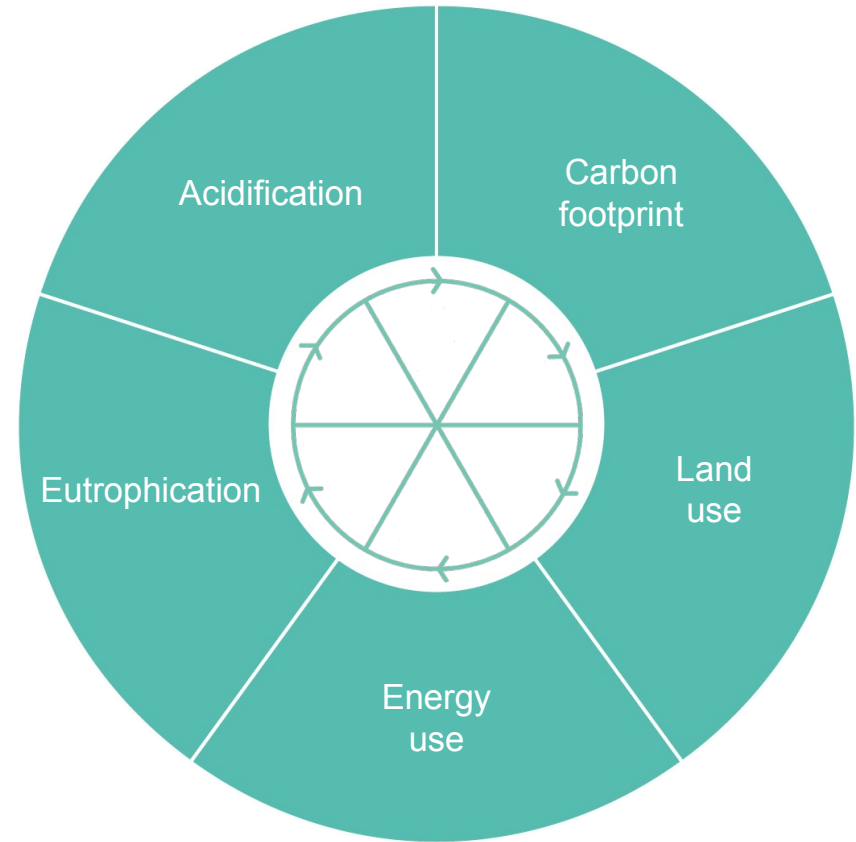
AAK ran an LCA study to understand fully the environmental impact of our canola-based emollients vs. other origins



AAK ran an LCA study to understand fully the environmental impact of our canola-based emollients vs. other origins

Impact categories included*

Functional unit: 1Kg of refined canola oil

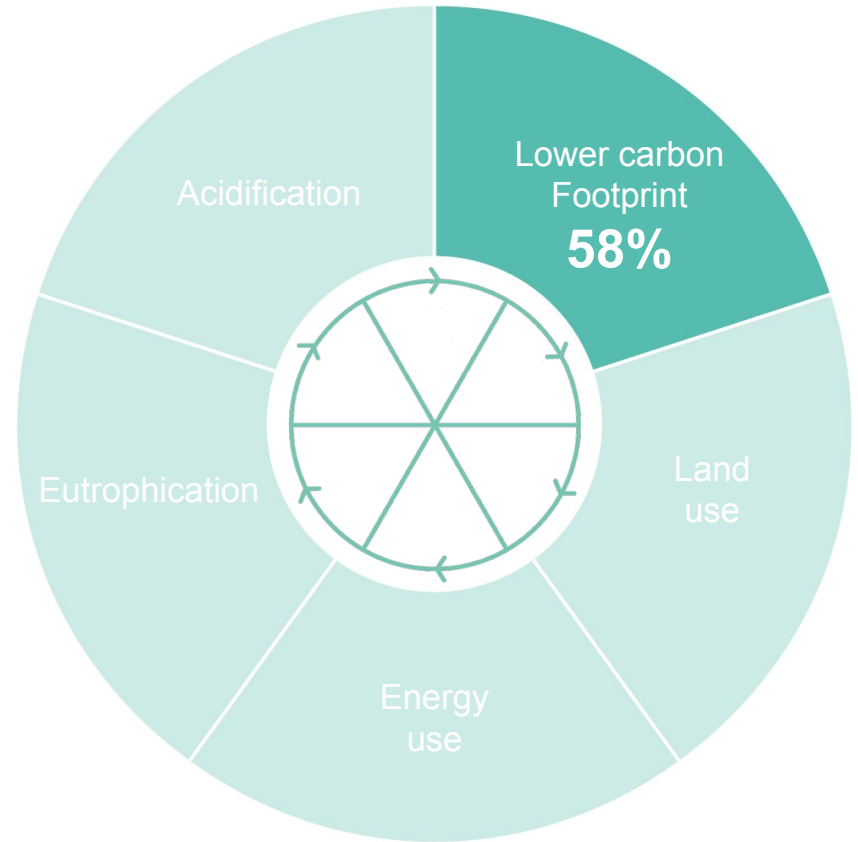


*Source: "Environmental comparison of rapeseed oil of different origin for use in the US", November 2018, RISE project 8P06708

AAK's canola-based emollients from Sweden are the most environmentally friendly choice

The LCA shows that AAK canola originating from Sweden:

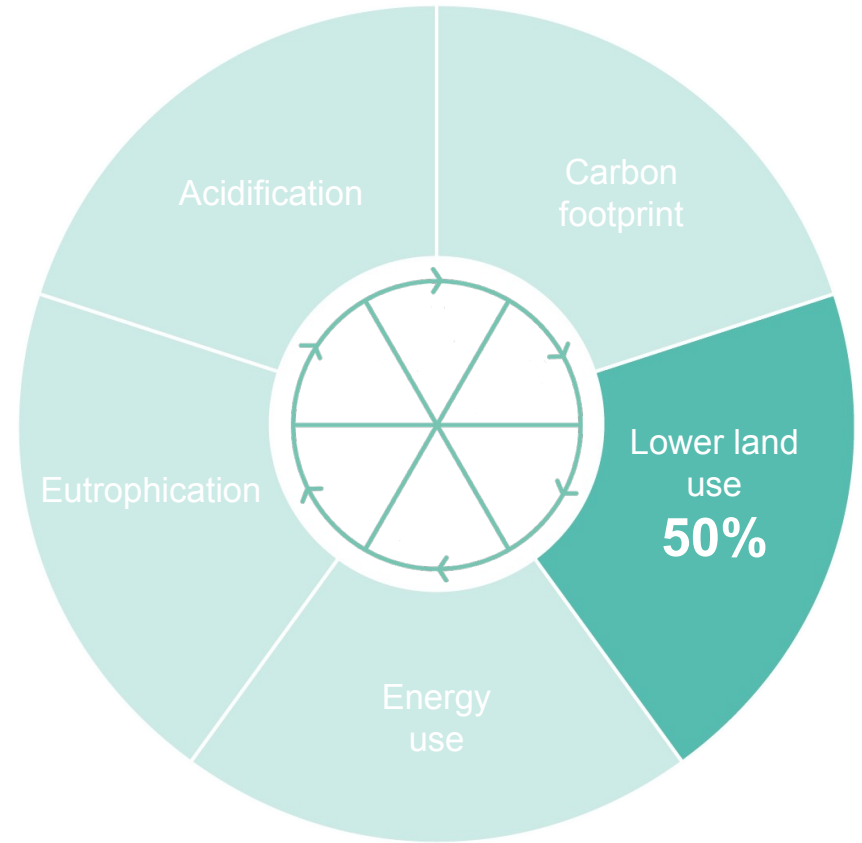
Has a **58%** lower carbon footprint compared to Canadian origin and much less than Australian origin (almost **7x** less) regardless of the type of transportation and the distance.



AAK's canola-based emollients from Sweden are the most environmentally friendly choice

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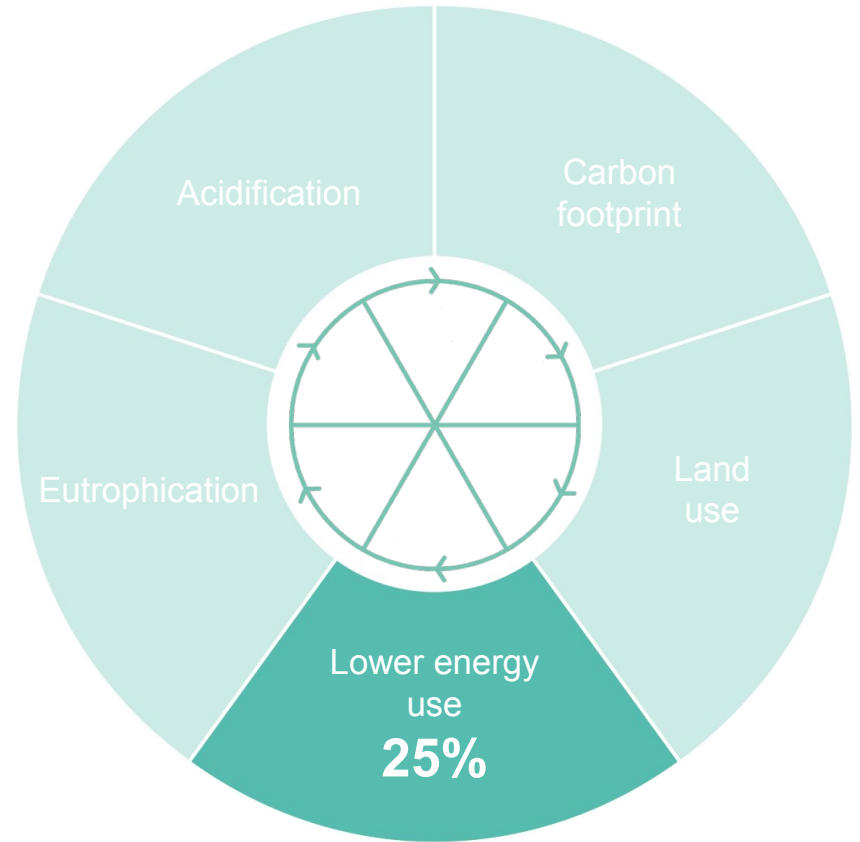
Uses half the land compared to Canadian origin and **65%** less compared to Australian origin to produce the same amount of canola.



AAK's canola-based emollients from Sweden are the most environmentally friendly choice

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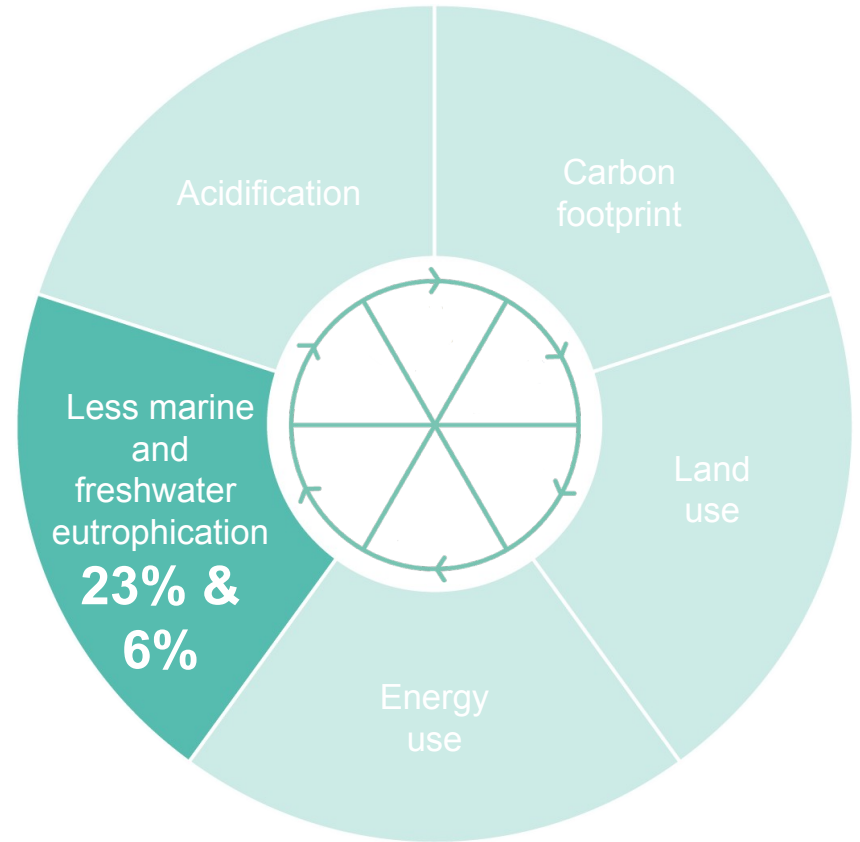
Uses **25% less energy** compared to Canadian origin and **45% less** compared to Australian origin due to the high percentage of renewable energy used in AAK's factory.



AAK's canola-based emollients from Sweden are the most environmentally friendly choice

The LCA shows that AAK canola originating from Sweden:

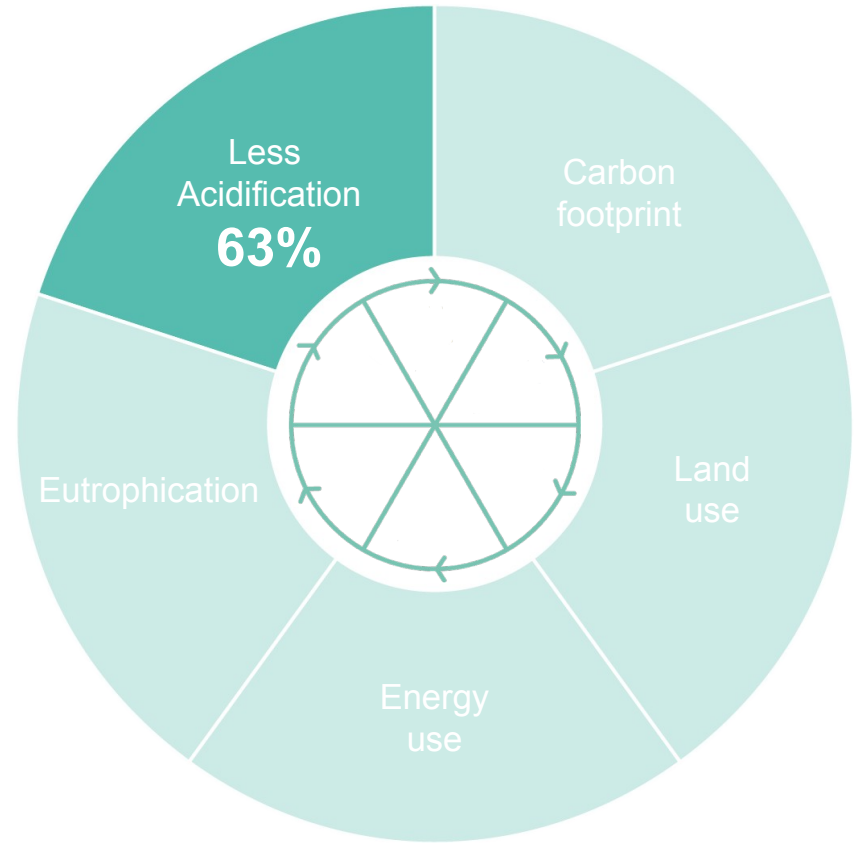
Shows **23% less marine water eutrophication** and **6% less freshwater eutrophication** compared to Canadian origin and significantly less than Australian origin (**43%** and **69%** respectively).



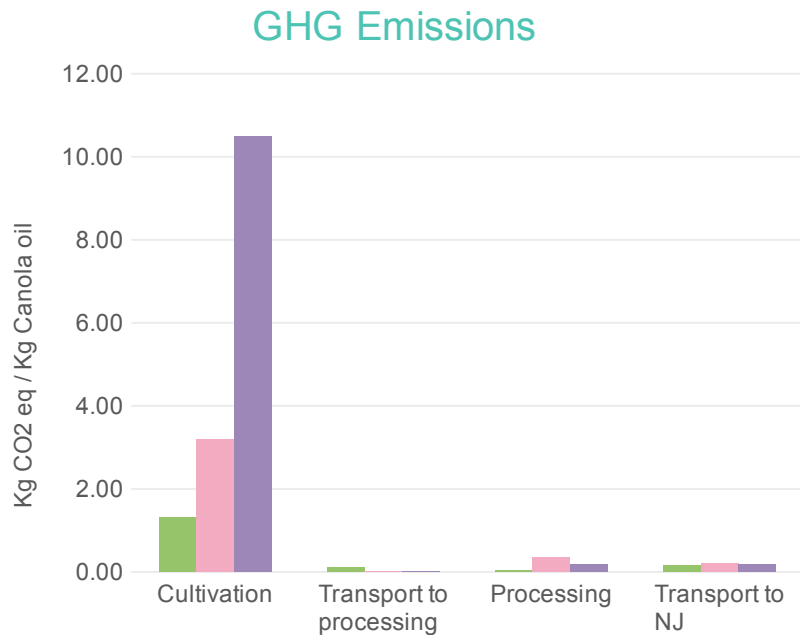
AAK's canola-based emollients from Sweden are the most environmentally friendly choice

The LCA shows that AAK canola originating from Sweden:

Shows **63% less acidification** compared to Canadian origin and **73% less** than Australian origin.



The LCA shows that the largest part of the environmental footprint comes from cultivation and not transportation



80-95%
GHG emissions
are from
cultivation

Cultivation is the main step when it comes to canola footprint

Key reasons: type and amount of fertilizer relative to the yield per hectare for that region



AAK's supply chain from Sweden is the most environmentally friendly one*

*AAK supply chain from Sweden score best in all the impact categories of the LCA

... and at AAK our canola supply chain is Zero-waste



Get inspired by the natural Nordic trend without compromising the environment



SE/NO/DK: Liberos oparfymerade milda babyolja är naturligt återfuktande/fugtgivande, vårdande/plejende och mjukgörande/blødgørende med nordisk rapsolja.

Market: Finland

Launch: January 2020

Back of pack: "Liberos perfume-free mild baby oil is naturally moisturizing, hydrating and caring with Nordic canola"



Market: Denmark

Launch: January 2021



WITH NORDIC CANOLA OIL & NORDIC HEATHER

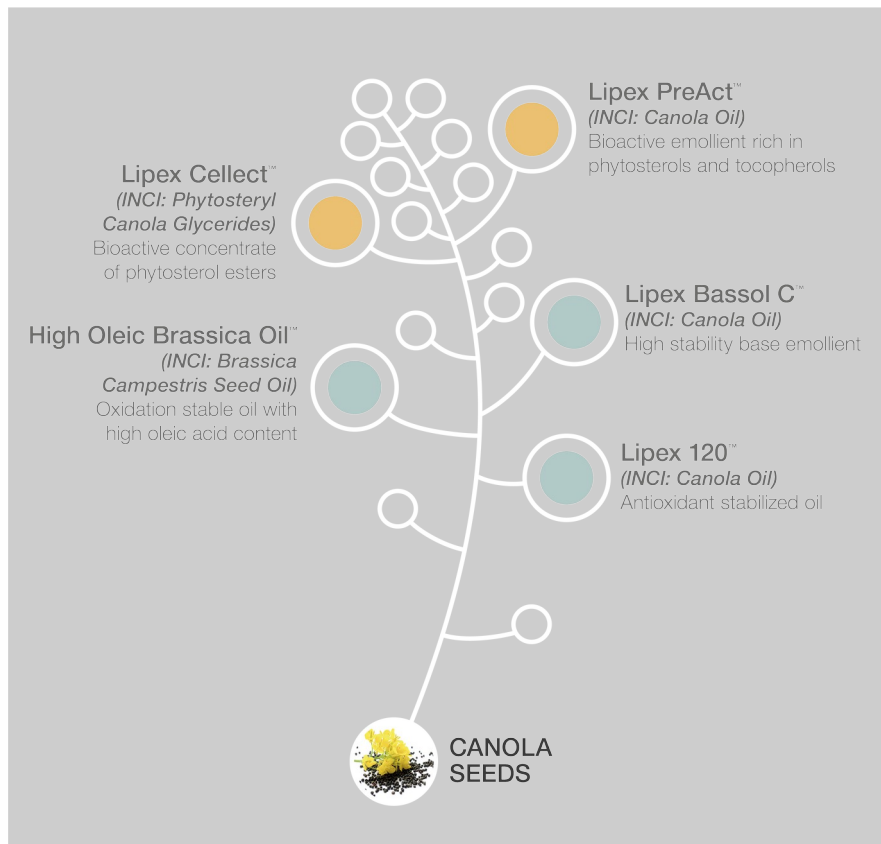
- NORDIC CARE BODY LOTION**
- SMOOTHES DRYNESS FROM THE FIRST USE AND MOISTURIZES THE SKIN FOR 24 HOURS
 - INFUSED WITH SKIN PROTECTING NORDIC CANOLA OIL AND SOOTHING NORDIC HEATHER EXTRACT
 - NURTURING FORMULA SUITABLE FOR DRY TO VERY DRY SKIN

Market: Lithuania

Launch: January 2021

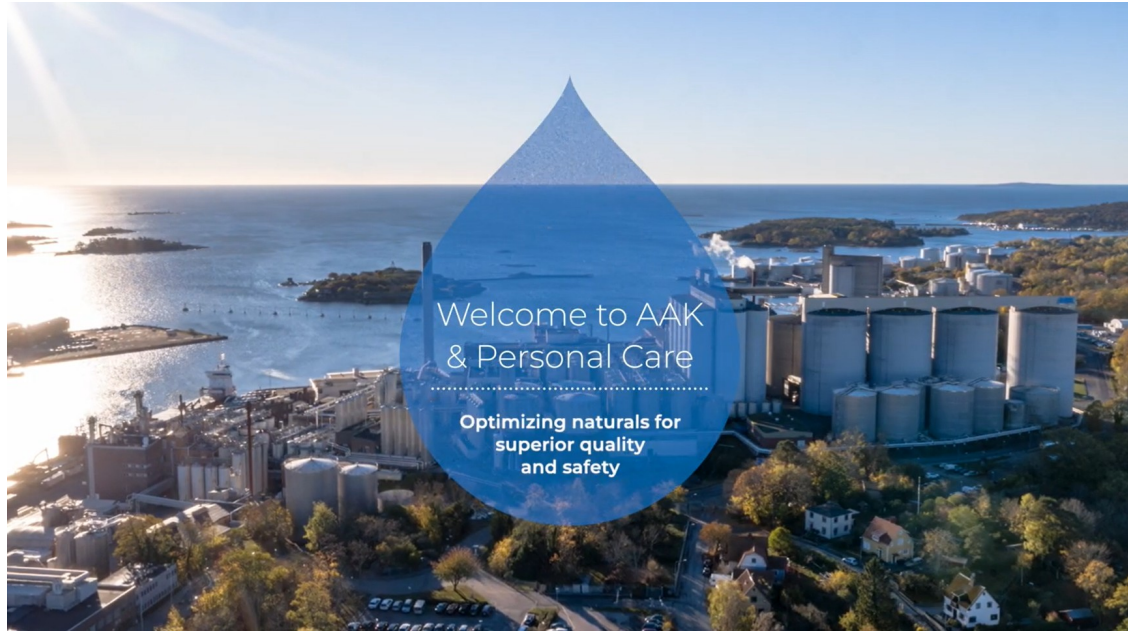
Source: Mintel, GNPD database

The canola oil used in our emollient portfolio is traceable to farms in Sweden



The background is a close-up, macro shot of a blue liquid surface. Several large, bright white circular shapes, possibly droplets or bubbles, are visible, some partially cut off by the frame. Smaller, darker blue droplets are scattered across the surface. The lighting creates strong highlights and shadows, giving the scene a three-dimensional feel.

Watch the following video to learn
more about our AAK transformation
process from raw material to a pure,
refined canola oil



For a seamless full-screen transition to video when presenting in powerpoint, download the original video from the AAK PC portal to your PC. It can also be streamed from AAK PC Youtube Channel [here](#).