

To whom it may concern

We are writing to inform you about a change to our current climate-neutral shea claim.

As of 15 January 2024, we will replace climate-neutral with climate-compensated in all digital communication and withdraw references to using offset emissions to claim against scope 3 reporting for the reasons outlined below:

1. Change from climate-neutral to climate-compensated.

On 22 March 2023, the European Commission proposed a directive on green claims to help protect consumers against greenwashing. The proposed directive would require companies to substantiate their voluntary green claims in business-to-consumer commercial practices and set out requirements to communicate these claims. It would also introduce new rules on environmental labeling schemes.

Carbon or climate-neutral product labeling is one of the terms believed to be open to misinterpretation by consumers. It is not generally understood that although these products are compensated through carbon credits, they still have emissions. Recognizing this and anticipating the directive becoming legislation, our claim verification partner, South Pole, will phase out its climate-neutral product label in 2024. Therefore, we have decided to change our claim to climate-compensated now to avoid ambiguity and will end this part of our collaboration with South Pole.

2. Claiming on Scope 3 reporting.

The latest Science Based Targets Criteria and Recommendations state that carbon credits cannot be counted as emission reductions toward the progress of companies' near-term science-based targets. We will, therefore, remove all references to Scope 3 reporting in our communication.

We will phase out and replace printed material by the end of March 2024, in time for in-cosmetics Global. Please ensure you make the same changes in any print or digital communication sent to your customers and on your websites. If you have questions about the above, please do not hesitate to contact your AAK representative.

Kind regards

AAK Personal Care