

AAK Group Community Engagement Guidelines



AAK Group Community Engagement Guidelines

Introduction

The purpose of these community engagement guidelines is to outline some priorities and give inspiration for AAK's activities in the local communities, aiming at being a better neighbour. These guidelines do not cover sponsoring for solely commercial purposes.

Why is community engagement important?

AAK has a commitment to engage in relevant community engagement projects that add value and make a positive impact on the communities that we are part of.

Being a global company, AAK contributes to the development of local communities where we operate by creating jobs, paying taxes and by doing business with local enterprises.

However, to be a true part of the society and to earn a Social Licence to Operate (SLO) also require relevant and value adding engagement with the community, that over time build a stronger relationship and trust.



Relevancy defined by impact assessments

Community engagement is often driven by dedication, passion and opportunity. However, it can also benefit from a systematic process taking place in cooperation with government agencies, private organizations, community groups, citizens or NGO's (non-governmental organizations).

In order to ensure we are engaged in relevant community activities it is therefore essential to assess the potential impact that we can have on key challenges in the society and evaluate how AAK can influence and contribute to improvement in the best way.

As part of a more systematic approach to community engagement we can for example describe our stakeholders (including the environment) and which vulnerable groups that can benefit from our actions, assess risks and impacts and also support independent third parties to engage with stakeholders to address risks and impacts.

Organizations are expected to consider the differentiated nature of local communities and to take specific action to identify and engage vulnerable groups.

Tools to engage, such as social and human rights impact assessments, can therefore be used to identify relevant activities.

Another common approach is based on an evaluation of how to best contribute to sustainable development by matching activities with the Sustainable Development Goals and their sub-targets.

However, sometimes community engagement can be a simple act of compassion, with a clear positive impact and no need for a supporting impact assessment.

Ways of engaging

There are different ways of engaging such as:

- Pro bono engagement:
 - Giving employees time off to engage in local activities, giving presentations at a school or university, hold open-house events, etc.
- In-kind engagement:
 - Donating products, raw materials, used equipment, etc.
- Financial engagement:
 - Giving direct financial support to local events.



Priorities

In AAK we experience all sorts of great initiatives that contributes to positive impact in the society and we encourage our employees to follow their passion with regards to all sorts of projects.

There are however some priorities that we have defined to guide and make the most out of our community engagement.

We give priority to:

- geographic areas where we operate and geographic areas where important social needs are not met;
- win-win projects that benefit both the community and AAK's business;
- activities that are closely connected to our business through competencies, products, etc.;
- activities that can be linked to the UN Sustainable Development Goals that AAK is supporting.
- activities that are long-term and scalable
- activities with measurable impact



We do not give donations:

- to politicians or political parties;
- that could be perceived as a cover for bribery;
- to projects in conflict with the values or the image of AAK;
- that explicitly or implicitly require purchase of AAK products.

Communication

We are very proud of our contributions and happy to share them internally and externally, however the relevancy should be assessed case by case. Pictures are strong communicators and where possible pictures of good quality should support the event. We use these pictures to spread knowledge about our role in the society both internally and externally.

- Internal communication:
 - Aiming to enhance pride, increase best practice sharing and a sense of belonging
 - Intranet – local or global news
 - Local magazines
- External communication:
 - AAK website
 - Sustainability report
 - Progress reports
 - dialogue with customers or investors



Reporting

There are international reporting requirements that AAK aim to fulfill in order to strengthen our profile and be comparable with other companies.

These requirements are not mandatory to all our engagement projects but part of our best practice approach.

AAK is expected to report:

- the percentage of operations with implemented local community engagement;
- social impact assessments, including gender impact assessments related to engagement projects;
- environmental impact assessments and ongoing monitoring related to engagement projects
- local development programs based on community needs in general

AAK collect information to meet these requirements annually.

Employees' conduct

AAK employees should be aware that they are perceived as AAK representatives at all times, in particular when they are in the immediate vicinity of AAK facilities. A considerate and friendly conduct towards the community will positively affect the perception of AAK and ensure we fulfill our commitment – to be a better neighbor.

Yours faithfully,
AAK AB (publ.)

Malmö, June 2022

Johan Westman, President and CEO

