



Annual Report 2025

Making *Better* Happen™



AAK is an **ingredient house** specializing in plant-based oils and fats. Innovation is our strength – powered by *our decentralized structure*.

We understand the unique properties of different oils and fats and how precise combinations of these ingredients can create tailored functional and sensory characteristics that enhance the consumer experience.

Our 16 innovation centers around the world are constantly leveraging our expertise to develop and reformulate plant-based solutions to our customers' needs and requirements.





We develop and **improve** specialty solutions that *add value* to our customers' products.

We combine insights into shifting consumer trends, taste preferences, and evolving product characteristics with a deep understanding of our customers' application areas to develop sustainable and cost-efficient solutions.

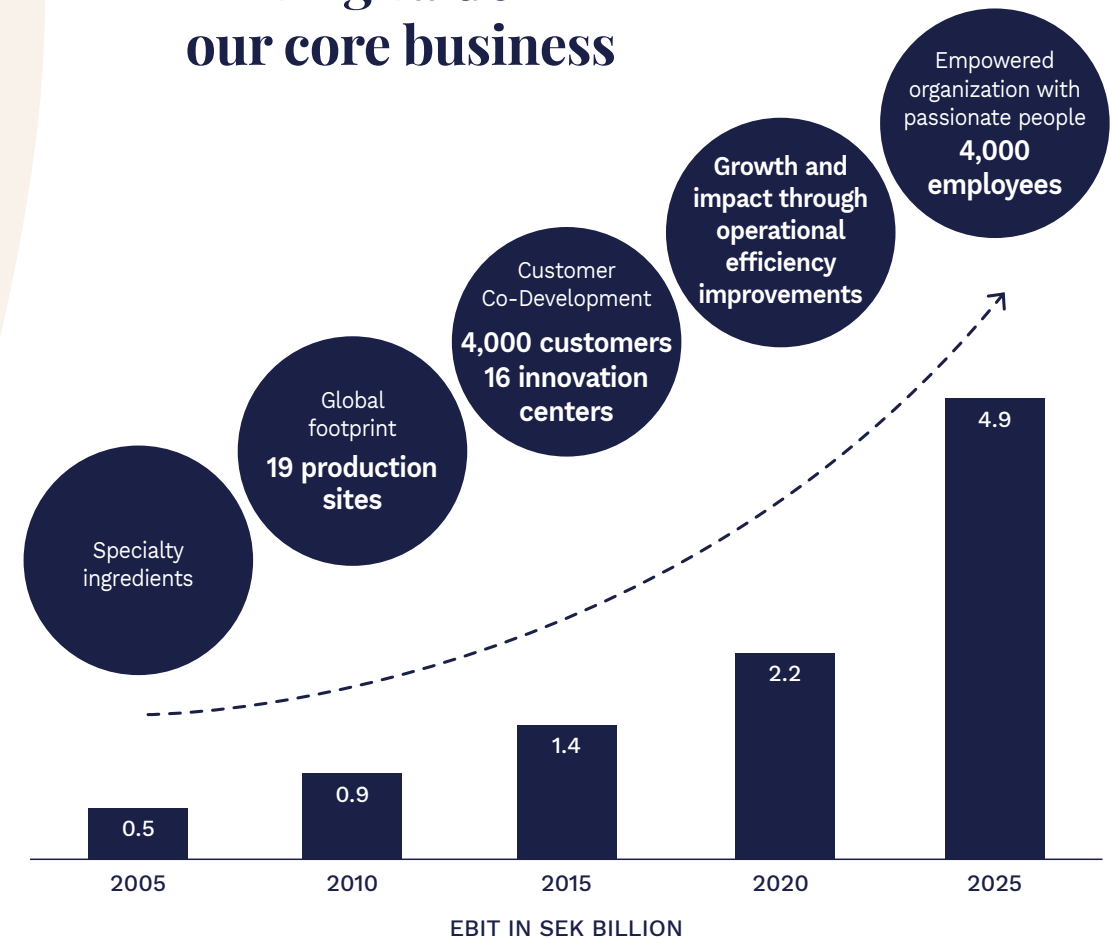
Whether it's achieving the smooth, velvety texture of premium chocolate, enhancing the juiciness and mouthfeel of plant-based burgers, or perfecting the sticky, glossy finish of a barbecue sauce, the right fat blend is essential to delivering the desired functional benefits and product experience.

This is why we have delivered *double-digit profit growth*.

Our recipe for creating value is to combine volume growth with improvements in operating profit per kilo. From a strong position in the specialty plant-based oils and fats segment, we aspire to grow our volumes faster than the broader edible oils and fats market.

Our continued delivery of value-adding ingredients coupled with productivity improvements and strong portfolio and price management will continue to drive operating profit per kilo.

Driving value in our core business



- AAK has a strong track record of delivering on our strategy, growing with an 18 percent EBIT CAGR (Compound Annual Growth Rate) since 2020.
- AAK's financial target: A year-on-year operating profit growth, averaging 10 percent over time.

A close-up photograph of three tacos arranged on a rustic wooden cutting board. The tacos are filled with a shredded, golden-brown plant-based meat substitute, fresh green arugula, and a small purple flower garnish. The background is softly blurred, showing more of the same food.

A future **business opportunity** to create a *sustainable impact*.

We see sustainability as a business opportunity. Not only is strong sustainability management in itself becoming a differentiating factor, but plant-based oils and fats can play a key role in accelerating the transition away from animal- and fossil-based ingredients across different industries.

Imagine if 10 percent of the world's beef production was replaced with plant-based alternatives? Then we would reduce carbon emissions by 425 million tons, which is equivalent to 12 times the annual carbon emissions of Sweden—helping to drive both food and beverage innovation and environmental progress.

Contents

Introduction

AAK in brief _____ 7

Message from the CEO _____ 8

AAK Share _____ 11

The big picture

AAK—A Multi-oil
Ingredient House _____ 14

AAK in the value chain _____ 15

A broad mix of plant-
based oils and fats _____ 16

Sustainability from
plant to brand _____ 17

Our strategy

Accelerating value creation
through innovation _____ 21

Empowering our people
to shape the future _____ 23

Clear path to realize
2030 Aspiration _____ 25

A portfolio strategy
for higher value _____ 26

Our business

Our business areas _____ 28

Food Ingredients _____ 29

Chocolate &
Confectionery Fats _____ 34

Technical Products & Feed _____ 37

Risks & Risk management

Risks & Risk management _____ 41

Financial and sustainability disclosures

Directors’ Report _____ 45

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures ____ 51

E1 Climate change _____ 67

E4 Biodiversity and
ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain_ 99

S3 Affected communities ____ 104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Corporate Governance
Report _____ 116

Board of Directors and
Auditor _____ 122

Executive Committee _____ 123

Financial statements and notes

Financial statements Group
and Parent company _____ 124

Notes _____ 136

Board of Directors
and CEO assurance _____ 176

Reports from auditor

Auditor’s Report _____ 177

Auditor’s limited assurance
report on sustainability
statement _____ 182

Other information

Alternative Performance
Measures _____ 184

Alternative Performance
Measures (APMs) and other
financial definitions _____ 188

Financial calendar and
Annual General Meeting _____ 189



14 AAK—A Multi-oil
Ingredient House



23 Empower our people
to shape the future



25 Clear path to realize
2030 Aspiration

Introduction

● AAK in brief _____ 7

Message from the CEO _____ 8

AAK Share _____ 11

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Everything we do is about Making Better Happen™

We have been Making Better Happen™ for more than 150 years

Net sales

46,021

SEK million

Operating profit¹⁾

4,925

SEK million

No of employees

≈ 4,000



- 19 Production plants
- 25 Sales offices
- 16 Customer innovation centers



¹⁾ Excluding items affecting comparability (IAC)

About AAK

AAK specializes in plant-based oils and fats, the value-adding ingredients in many products people love to consume. We make these products better tasting, more nutritious, cost-efficient, and sustainable. We are listed on Nasdaq Stockholm, with headquarters in Malmö, Sweden.

At the heart of AAK's offer is customer Co-Development, combining our desire to understand what Making Better Happen™ means for each customer with the unique flexibility of our production assets and deep knowledge of products and industries we co-develop with.

- We are **passionate** about Making Better Happen™
- We are **agile** by intent
- We are **accountable** for our actions
- We are **collaborative** by choice

We co-develop with our customers for: better performance, better health, better experience, better planet and better futures in:

Chocolate & Confectionery Fats

Bakery

Dairy

Plant-based & New food solutions

Special Nutrition & Health

Foodservice

Personal Care

Technical Products

Feed

Natural Emulsifiers

Fish Feed

Introduction

AAK in brief _____ 7

◆ **Message from the CEO** _____ 8

AAK Share _____ 11

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

“By combining deep expertise in specialty oils and fats with close customer collaboration, we continue to strengthen our portfolio, improve profitability, and support the transition toward more sustainable food systems.

Johan Westman, President and CEO

Message from the CEO:

Executing our *2030 aspiration*

AAK delivered a solid performance in 2025, marking another step toward our 2030 Aspiration of profitable growth and creating a high-performing culture. Our operating profit reached SEK 4,295 million, a 9 percent increase compared to 2024 at constant exchange rates and excluding items affecting comparability. Leveraging our decentralized model, we adapted to a challenging volume environment and continued to create value throughout the year.

2025 was a year shaped by macroeconomic and geopolitical developments, including persistent inflation, tariffs affecting global trade flows, and continued tough end-markets. We do not expect this environment to become less dynamic, and this “new normal” reinforces the need for strong execution and consistent performance.

Against this backdrop, I am incredibly proud of our performance in 2025. Every day, our 4,000 employees demonstrate commitment and passion to continue our specialty journey, and work with our customers to develop plant-based ingredients that enhance the functionality of our customers’ products.

Progress on 2030 Aspiration

2025 was another strong year of underlying operating profit growth, driven by improved margins despite lower volumes and tough market conditions. Our operating profit grew by 9 percent to SEK 4,925 million, while operating profit per kilo reached SEK 2.45,

at constant exchange rates and excluding the Hillside divestment and second quarter restructuring costs.

During the year, AAK celebrated the 20th anniversary of the merger of Aarhus United of Denmark and Karlshamn AB of Sweden to form AarhusKarlshamn – today known globally as AAK. I am proud to note that we have delivered operating profit growth in 18 of our 20 years of operation. Our operational deep dives, disciplined portfolio and price management with continued higher sales of specialty solutions, and structural cost reductions all contributed to this performance.

Our Fit-to-Win program delivered results, contributing SEK 150 million in savings and establishing a clear path toward the targeted SEK 300 million annual run-rate by mid-2026. Together, these actions demonstrate the resilience and diversification of our business model, enabling us to perform well despite more challenging market conditions and softer demand.

Introduction

AAK in brief _____ 7

● **Message from the CEO** _____ 8

AAK Share _____ 11

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Volumes totaled 2,010,000 MT in 2025, representing a 3 percent decline compared to 2024 excluding the impact of the Hillside divestment. This reflects continued pressure on consumers from inflation, which has led to higher prices and reduced demand for our customers’ end-products. The development also reflects our strategic focus on higher-value segments of the specialty ingredients market. Looking ahead, we are working even closer with customers to accelerate product reformulation and drive new product development, while a gradual improvement in end-market demand should support volume recovery and future growth.

We continue to be recognized for the positive impact we create. In 2025, our verified deforestation-free (VDF) palm sourcing reached 93 percent, our customers increasingly acknowledged the value of our sustainability work, and non-governmental organizations (NGOs) endorsed our VDF-methodology. Together, these achievements demonstrate that strong business performance and sustainability performance go hand-in-hand – driven by our relentless focus on what truly matters for our company, our stakeholders, and our planet.

Increased return to shareholders

Since presenting our updated capital allocation policy at our Capital Markets Day in November 2024, we have continued to strengthen our financial position. The Board therefore proposes an ordinary dividend of SEK 5.50 per share for 2025, an extraordinary dividend of SEK 3.85 per share for 2025, and the introduction of a multi-year share buyback program of SEK 1,000 million per year over three years, subject to approval by the Annual General Meeting.

Creating a high-performing culture

We continued to build a high-performing culture driven by engaged and talented people. In 2025, we have focused on empowering our leaders to have honest, meaningful dialogues with their teams, and we continuously act on feedback from employees – living our purpose of Making Better Happen™. To strengthen our competitiveness, we executed our “Fit-to-Win” program during the year, which resulted in a 5 percent reduction in headcount.

Well-positioned for continued value creation

Looking ahead, we are confident in our ability to execute our 2030 Aspiration; to grow volumes ahead of the underlying market, strengthen profitability, and be recognized for the positive impacts we create – even in dynamic market conditions. Population growth will continue to drive demand for accessible, affordable food that is both nutritious and delicious. The global response to climate change will reward companies that lead on sustainability. And evolving consumer needs will open growth opportunities for companies that support reformulation and new product development.

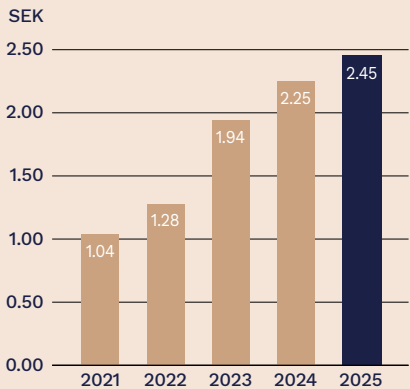
I am deeply impressed by the strengths of AAK and the talented people who drive us forward every day, and I am excited about the potential for continued value creation by Making Better Happen™.

Johan Westman, President and CEO

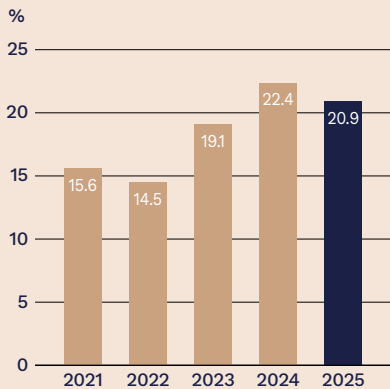
Proven track record of **generating value**

Driving margin, capital efficiency and sustainability

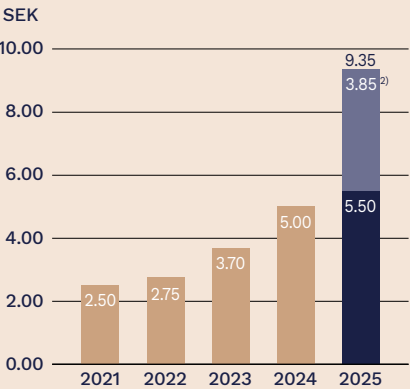
Operating profit per kilo¹⁾



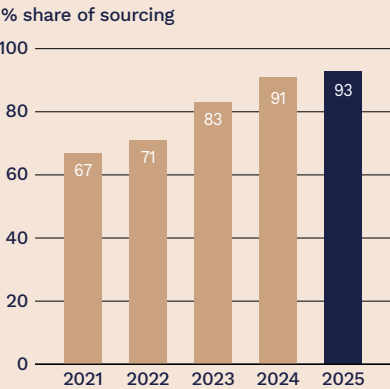
Return on Capital Employed (ROCE)¹⁾



Dividend per share



Verified deforestation-free palm



¹⁾ Excluding items affecting comparability (IAC)
²⁾ Extraordinary dividend of SEK 3.85 per share for 2025.

Introduction

AAK in brief 7

Message from the CEO 8

AAK Share 11

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Operational key figures

(SEK million unless otherwise stated)	2021	2022	2023	2024	2025
Volumes, '000 MT	2,312	2,259	2,123	2,173	2,010
Net sales	35,452	50,425	46,028	45,052	46,021
Operating profit	2,089	2,538	4,116	4,896	4,675
Operating profit excl. items affecting comparability ¹⁾	2,393	2,888	4,116	4,896	4,925
Operating profit per kilo, SEK	0.90	1.12	1.94	2.25	2.33
Operating profit per kilo excl. items affecting comparability ¹⁾ , SEK	1.04	1.28	1.94	2.25	2.45
Cash flow from operating activities	508	-73	5,314	2,352	862
Earnings per share, SEK	5.59	6.84	11.35	13.62	13.21
Earnings per share, excl. items affecting comparability ¹⁾ , SEK	6.71	8.07	11.35	13.62	14.01
Equity per share, SEK	45.58	57.93	65.95	77.39	76.39
Dividend per share, SEK	2.50	2.75	3.70	5.00	9.35 ²⁾
Return on Capital Employed (R12M), %	13.7	12.8	19.1	22.4	20.0
Return on Capital Employed excl. items affecting comparability ¹⁾ (R12M), %	15.6	14.5	19.1	22.4	20.9

¹⁾ Items affecting comparability relates to the optimization of the company's European Bakery business for 2021, exiting the Russian market for 2022 and launch of Fit-to-Win cost performance program for 2025.

²⁾ In accordance with the Board of Directors' proposal. Ordinary dividend of 5.50 SEK and an extraordinary dividend of 3.85 SEK for 2025.

For financial definitions, please see page 188.

2030 Aspiration

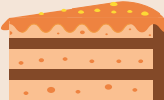
Value

Achieve SEK 3+ per kilo profitability, through strategic investments in our specialty journey.



Growth

Achieve volume growth that outpaces the growth rate of the underlying market³⁾.



Impact

Be increasingly recognized for our positive impact by our stakeholders.



³⁾ Excluding acquisitions and divestments.

Key events 2025



Improved CDP environmental ratings

We improved our CDP environmental ratings, earning A- for Forests (up from C) and B for Climate (up from C), while maintaining C for Water Scarcity. Results reflect actions such as emissions reductions, low-carbon investments, and increased sourcing of verified deforestation-free palm oil.



Strengthened supply of specialty palm fractions

We entered a joint venture with Kuala Lumpur Kepong Berhad (KLK) to build a specialty palm fractions plant in Malaysia. The venture secures sustainable, high-purity feedstock for cocoa butter alternatives. We will invest about SEK 300 million over three years, with full utilization expected in 2029.



New Foodservice site in Sweden

We are developing a new BREEAM-certified Foodservice facility in Staffanstorps, Sweden. The 16,000 m² site will manufacture mayonnaise, sauces, and dressings and is expected to employ approximately 70 people. Designed with features to reduce climate impact, the new facility will replace our existing site in Dalby, Sweden.



Winner of “Ingredient of the Year 2025”

We won “Ingredient of the Year 2025” at the International Confectionery Awards for ILLEXAO™ EN 10, a key innovation in Chocolate & Confectionery Fats. EN 10 optimizes enrobing performance while helping customers address rising cocoa prices and improve operational efficiency, reinforcing our leadership in innovation.

Introduction

AAK in brief _____ 7

Message from the CEO _____ 8

◆ **AAK Share** _____ 11

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

The AAK Share

AAK's shares have been traded on Nasdaq Stockholm, since October 2, 2005. As from January 2, 2014, AAK shares are traded in the Large Cap segment in the Consumer Commodities sector. The ticker is AAK, and the ISIN code is SE0011337708.

Turnover and price trend

During 2025, 100 million (82.5) shares were traded at a total value of SEK 26,835 million (23,669), which corresponds to a turnover rate of 39 percent (32). The average trade per trading day was 402,631 (328,811) shares or SEK 108 million (94). At year-end, the share price was SEK 263.80 (315.60) and AAK's market value was SEK 68,706 million (81,917). The highest closing price during the year was SEK 324 (January 30) and the lowest closing price was SEK 241.60 (September 25).

Share capital

As of December 31, 2025, the share capital of AAK was SEK 434,085,003 (432,598,670). The number of shares was 260,451,002 (259,559,202). The quota value per share was SEK 1.67. Each share entitles the holder to one

vote. All shares have equal rights to participate in the profits and assets of the company.

Ownership

There were 44,260 (28,719) shareholders as of December 31, 2025. There are shareholders in more than 40 countries, and the total ownership outside of Sweden amounted to 21 percent (30) at year-end. The ten largest individual shareholders accounted for 61 percent (56) of the share capital on the same date. As of December 31, 2025, members of AAK's Group Executive Committee owned a total of 349,621 (295,500) shares in AAK.

Capital allocation

After funding value-creating growth initiatives and maintaining a prudent balance sheet, excess capital may be distributed to shareholders. The ordinary dividend constitutes the primary and foundational mechanism for capital distribution. AAK targets an ordinary dividend corresponding to 30–50 percent of net profit, with the ambition of achieving sustainable year-over-year growth in the ordinary dividend, subject to earnings development and financial position.

Share buybacks constitute a secondary, multi-year capital distribution tool. Buybacks are intended to enhance long-term per-share value through a reduced share count and shall be executed within the limits authorized by the Annual General Meeting and in consideration of prevailing market conditions.

Extraordinary dividends are non-structural and may be proposed when balance sheet capacity allows, and only after the above priorities have been met. Any such proposal is subject to approval by the Annual General Meeting.

All capital allocation decisions shall ensure that AAK maintains a strong and resilient financial position, with sufficient flexibility to manage cyclical volatility and pursue strategic opportunities.

2025

For the 2025 financial year, the Board of Directors proposes an ordinary dividend of SEK 5.50 (5.00) per share. Furthermore, the Board of Directors proposes a share buyback program of SEK 1,000 million per year over three years, a total of SEK 3,000 million, to be approved annually by the AGM. The Board of Directors also propose an extraordinary dividend of SEK 3.85 per share. In total, the proposed capital distribution amounts to approximately 2,435 million SEK (1,298), which represents 71 percent of the Group's profit for the year.

AAK's Investor Relations work

AAK strives to ensure that its share is valued on the basis of relevant, accurate, and up-to-date information. Achieving this objective requires a clear strategy that emphasizes continuous financial dialogue, transparent and reliable communication, and ongoing engagement with stakeholders in the capital markets.

Interaction with the financial community takes place through presentations in connection with quarterly reports, as well as meetings with analysts, investors, and journalists at capital market days, roadshows, conferences, and seminars.

Anyone interested can obtain presentation material and listen to audio recordings from quarterly presentations at www.aak.com.

Analysts

ABG Sundal Collier, Benjamin Wahlstedt
BNP Paribas Exane, Joan Lim
Barclays, Setu Sharda
Berenberg, Matthew Abraham
Bank of America, Matthew Yates
DNB Carnegie, Victor Hansen
Danske Bank, Oskar Lindström
Handelsbanken, Erik Cederberg
Kepler Cheuvreux, Erik Sandstedt
Nordea, Nicklas Skogman
SB1, Anton Lund
SEB, Johan Fred
UBS, Priyanka Patel

Shareholder contacts

Carl Ahlgren, Head of Investor Relations, Communication & Brand
Telephone: +46 706 810 734
Email: carl.ahlgren@aak.com



Our responsibility is to ensure that AAK's share is assessed by the market on the basis of transparent, accurate, and up-to-date information.

Carl Ahlgren, Head of Investor Relations, Communication & Brand



Introduction

AAK in brief

Message from the CEO

AAK Share

7

8

11

The big picture

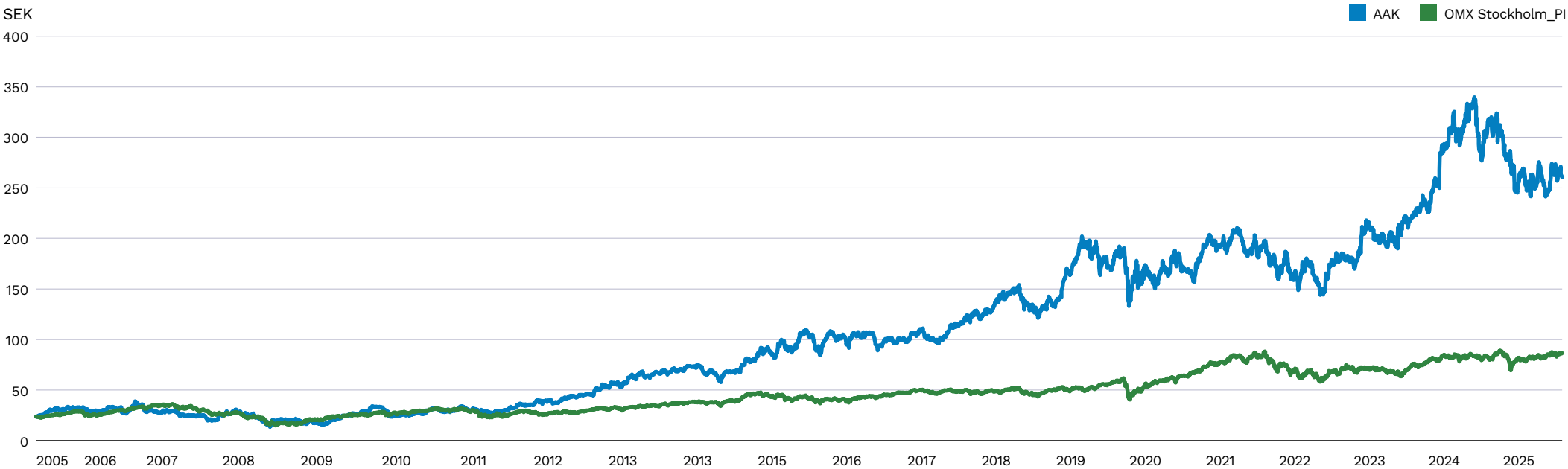
Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

The AAK share September 29, 2005 to December 31, 2025



Major shareholders, December 31, 2025	No. of shares	Proportion of share capital and votes, %
Melker Schörling AB	79,524,412	30.5
SEB Funds	15,829,684	6.1
Alecta Tjänstepension	13,100,000	5.0
Nordea Funds	8,615,335	3.3
Carnegie Fonder	8,370,317	3.2
Vanguard	8,164,762	3.1
Swedbank Robur Fonder	7,242,858	2.8
Lannebo Kapitalförvaltning	6,412,033	2.5
Handelsbanken Fonder	6,170,639	2.4
AMF Pension & Fonder	5,065,518	1.9
Other shareholders	101,955,444	39.1
Total	260,451,002	100.0

Distribution of shareholdings, December 31, 2025	No. of shareholders	Proportion of all shareholders, %	Proportion of share capital and votes, %
1–500	35,829	81.0	1.4
501–1,000	3,515	7.9	1.0
1,001–5,000	3,778	8.5	3.1
5,001–10,000	573	1.3	1.5
10,001–20,000	252	0.6	1.3
20,001–	312	0.7	91.7
Total	44,259	100.0	100.0

Information per share	2025	2024
Share price, at year end, SEK	263.80	315.60
Dividend per share, SEK	9.35 ¹⁾	5.00
Direct yield, %	3.54	1.58
Earnings per share, SEK	13.21	13.62
Equity per share, SEK	76.39	77.39
Share price/Equity	3.45	4.07

¹⁾ In accordance with the Board of Directors' proposal. Ordinary dividend of 5.50 SEK and an extraordinary dividend of 3.85 SEK for 2025.

Definitions, see page 188.

Introduction

◆ The big picture

AAK—A Multi-oil
Ingredient House _____ 14

AAK in the value chain _____ 15

A broad mix of plant-
based oils and fats _____ 16

Sustainability from
plant to brand _____ 17

Our strategy

Our business

Risks & Risk management

Financial and sustainability
disclosures

The *big* picture

Our vision is to be the first choice
for plant-based oil ingredients



Introduction

The big picture

- AAK—A Multi-oil Ingredient House 14
- AAK in the value chain 15
- A broad mix of plant-based oils and fats 16
- Sustainability from plant to brand 17

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

A Multi-oil *Ingredient House*

We offer a diversified mix of plant-based oils and fats, underpinned by our extensive expertise and innovation-driven approach to meet the evolving needs of our customers. With decades of experience, we continuously enhance our Co-Development processes, integrating cutting-edge technologies to ensure we remain at the forefront of the oils and fats industry.

Fat—an essential ingredient

Fat plays a critical role in the human diet, providing essential nutrients and contributing to overall health. As global food demand continues to rise to meet the needs of a growing population, fat remains a vital food ingredient.

At the same time, evolving consumption patterns are reinforcing the importance of nutrient density, taste, and functionality in smaller portions. In this context, high-quality, responsibly sourced plant-based fats play an increasingly relevant role in delivering health, sensory performance, and value to consumers and customers alike.



Nutrition experts recommend that 25–40 percent¹⁾ of daily calorie intake should come from fats, with an emphasis on balancing saturated and unsaturated fats, the latter being considered the healthier option.

Beyond their nutritional contributions, plant-based oils and fats play an increasingly important role in replacing fossil-based ingredients across industries. As part of our commitment to sustainability, we also focus on providing alternative, plant-based oils and fats that help reduce the reliance on fossil-based ingredients for non-food applications, contributing to a lower carbon footprint and more sustainable product development.

Whether replacing animal fats or fossil-based alternatives, plant-based oils offer a renewable, biodegradable option that aligns with the growing demand for environmentally conscious ingredients. By offering a sustainable alternative, we help our customers meet their sustainability goals while still delivering high-quality, functional fats that maintain product performance.

¹⁾ [Nordic Nutrition Recommendations](#)

We understand the unique properties of oils and fats and how these ingredients can create sensory experiences that enhance product quality.

Optimizing texture, taste, and mouthfeel

We understand the unique properties of different oils and fats and how precise combinations of these ingredients can create tailored sensory experiences that enhance product functionality and quality. Whether it's achieving the smooth, velvety texture of premium chocolate, enhancing the juiciness and mouthfeel of plant-based burgers, or perfecting the sticky, glossy finish of a barbecue sauce, the right fat blend is essential to delivering the desired product characteristics.

By carefully selecting and combining various plant-based oils and fats, we can optimize texture, taste, and mouthfeel for a wide range of applications. Our deep knowledge of fat functionality allows us to fine-tune properties such as melting point, viscosity, stability, and emulsification, ensuring our plant-based solutions meet the specific requirements of food products—and non-food applications—that benefit from sustainable, plant-derived fats.



Introduction

The big picture

AAK—A Multi-oil
Ingredient House _____ 14

◆ **AAK in the value chain** _____ 15

A broad mix of plant-
based oils and fats _____ 16

Sustainability from
plant to brand _____ 17

Our strategy

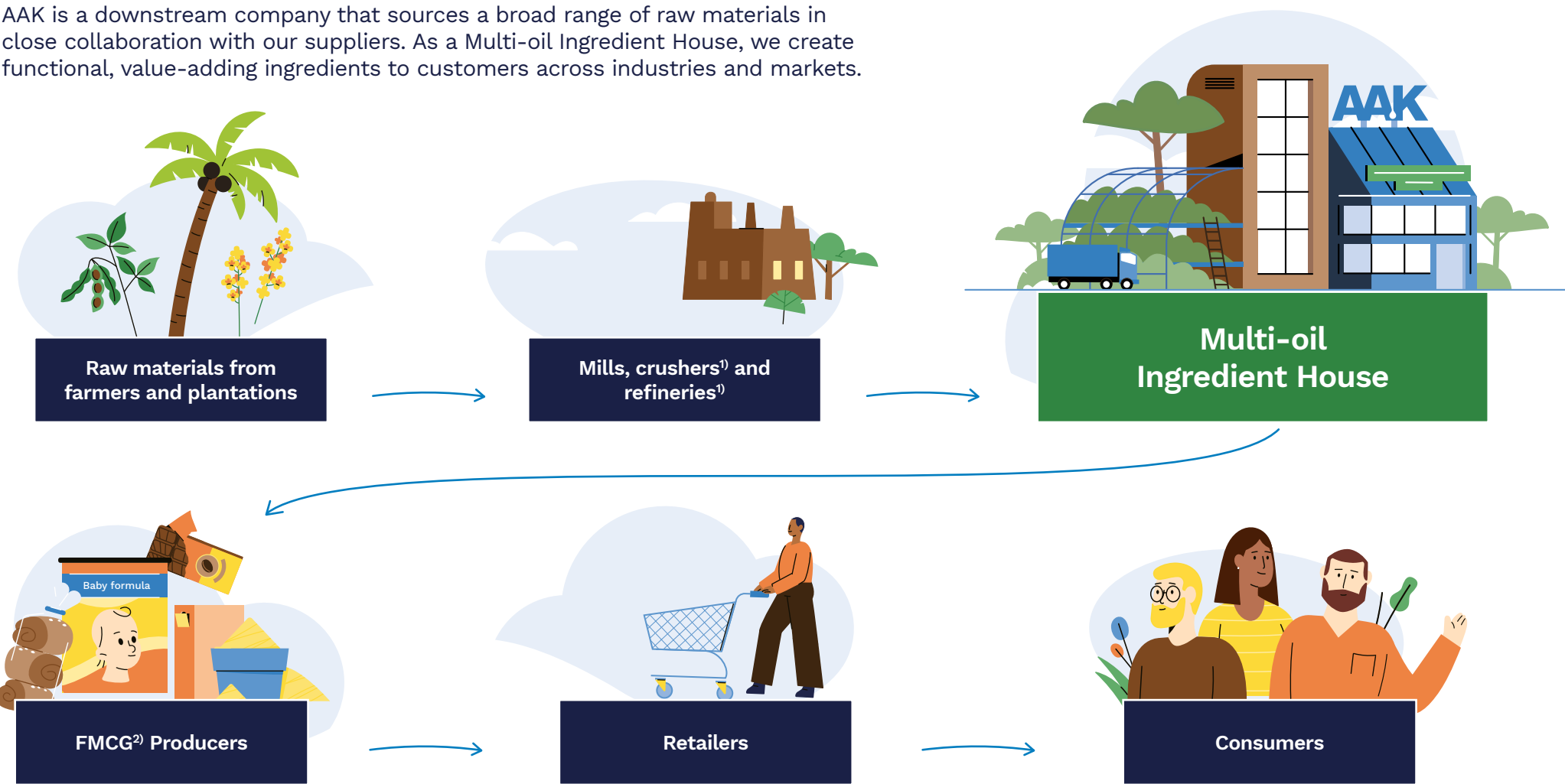
Our business

Risks & Risk management

Financial and
sustainability disclosures

AAK in the *value chain*

AAK is a downstream company that sources a broad range of raw materials in close collaboration with our suppliers. As a Multi-oil Ingredient House, we create functional, value-adding ingredients to customers across industries and markets.



¹⁾ Crushing and refining performed by AAK for selected raw materials. We mainly buy from 3rd party refineries.

²⁾ Fast Moving Consumer Goods.

Introduction

The big picture

AAK—A Multi-oil
Ingredient House _____ 14

AAK in the value chain _____ 15

● A broad mix of plant-
based oils and fats _____ 16

Sustainability from
plant to brand _____ 17

Our strategy

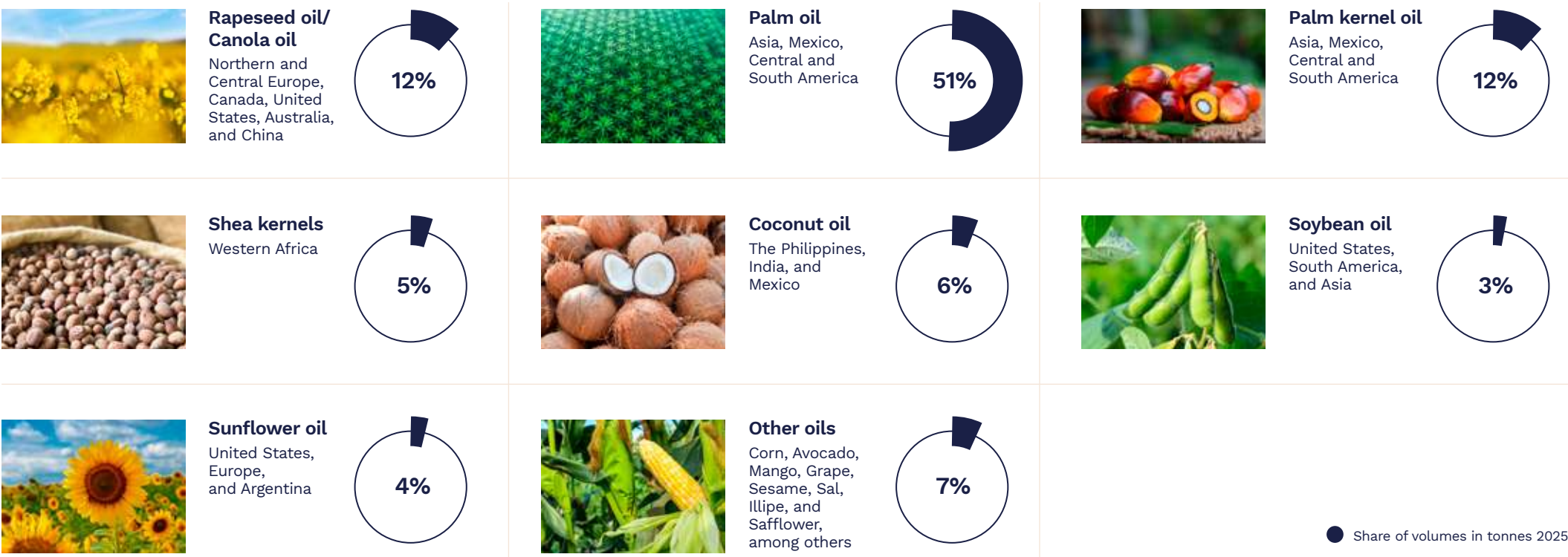
Our business

Risks & Risk management

Financial and
sustainability disclosures

A broad mix of *plant-based* oils and fats

AAK sources raw materials from a diverse range of origins, guided by specific customer requirements and application needs. Our global sourcing scale enables us to secure reliable supply, ensure consistent quality, and maintain the flexibility to tailor solutions that support our customers across markets and industries.



● Share of volumes in tonnes 2025

Introduction

The big picture

AAK—A Multi-oil
Ingredient House _____ 14

AAK in the value chain _____ 15

A broad mix of plant-
based oils and fats _____ 16

◆ Sustainability from
plant to brand _____ 17

Our strategy

Our business

Risks & Risk management

Financial and
sustainability disclosures



This report includes our first Sustainability statement prepared in accordance with the CSRD and the ESRS. While that section provides the full and detailed disclosures, this chapter—*Sustainability from plant to brand*—outlines the overall direction and context that connect our purpose, our value chain, and our role in advancing more sustainable food systems.

Sustainability from *plant to brand*

At AAK, our purpose—Making Better Happen™—guides how we operate across the entire value chain. As a multi-oil ingredient house, we enable the development of better, healthier, and more sustainable solutions by combining deep knowledge of raw materials with long-standing partnerships across sourcing regions, manufacturing, and customer segments. Our sustainability ambition is embedded in this approach: understanding the complexity of global supply chains, acting on the impacts we create or influence, and supporting a more resilient food system.

Sustainability has become a core business priority for companies and policymakers alike. Increasing geopolitical tension, new regulatory frameworks, and growing competitiveness pressures shape how organizations balance long-term responsibility with short-term demands. In this environment, building resilience is essential—for supply chains, for industries, and for the communities connected to them.

For AAK, the link between sustainability and supply-chain resilience is direct. By working closely with suppliers to address environmental and social challenges at origin, we strengthen the long-term

availability of raw materials, improve quality, and ensure we can meet the expectations of our customers today and in the future.

A necessary transition

Food systems around the world are under pressure. Climate change, biodiversity loss, and unequal economic development are challenging their ability to deliver healthy, affordable, and safe nutrition. At the same time, societal expectations are shifting: consumers increasingly demand products that are healthier, responsibly sourced, and produced with care for people and nature.

Introduction

The big picture

AAK—A Multi-oil
Ingredient House _____ 14

AAK in the value chain _____ 15

A broad mix of plant-
based oils and fats _____ 16

◆ Sustainability from
plant to brand _____ 17

Our strategy

Our business

Risks & Risk management

Financial and sustainability
disclosures



“By further embedding regulatory requirements and strengthening our due diligence across climate, biodiversity, people and governance, we ensure compliance, build supply-chain resilience, and support our customers in achieving their sustainability ambitions.



Caroline Westerik Sikking, Sustainability Director

The transition toward more sustainable food systems therefore requires change on multiple fronts—from land use practices to processing efficiency, from smallholder inclusion to innovation in healthier and more plant-based solutions. Corporate actors have a responsibility to contribute to this transition. Our role is to support customers with responsibly sourced, high performing ingredients; to work with suppliers and smallholders to address root cause challenges; and to contribute to healthier, more resilient product categories across food, personal care, and other applications.

Impact through industry collaboration

Our sustainability perspective spans the full value chain—from plant to brand. It begins with how and where raw materials are grown, shaped by local conditions, livelihoods, ecosystems, and infrastructure. It continues through processing and production and extends to how our ingredients contribute to customer innovation and consumer choices.

Because our influence across this system is often shared rather than direct, collaboration is essential. In several of the regions where we source, biodiversity and social conditions are closely intertwined. Deforestation, for example, often reflects underlying rural poverty and land use pressures. Addressing such challenges requires aligned industry collaboration and long term partnerships.

This is why AAK has cofounded or supported key industry platforms for more

than two decades—from the Round-table on Sustainable Palm Oil (RSPO) to partnerships such as the Sustainable Coconut Partnership, and through programs like Kolo Nafaso, which provide economic empowerment to women in the shea supply chain. These efforts help strengthen supplier engagement, traceability, improve agricultural practices and transparent grievance handling, enabling responsible sourcing and improved outcomes for both nature and people.

Downstream, customers and consumers expect us to manage these impacts and deliver ingredients that meet safety, quality, and sustainability requirements. Our ability to do so depends on the progress made across the entire chain.

Strategic direction

Our sustainability strategy is anchored in our double materiality assessment, which identifies the impacts, risks, and opportunities most relevant to AAK across the value chain. These findings shape our long term priorities and ensure our efforts focus on areas where we can drive meaningful, scalable outcomes.

The strategy is operationalized through roadmaps and action plans with targets extending through 2025. An updated strategy with new medium to long term targets has now been approved. It builds on our progress to date and continues to address the most material topics across climate, biodiversity, people, and governance.

Introduction

The big picture

AAK—A Multi-oil
Ingredient House _____ 14

AAK in the value chain _____ 15

A broad mix of plant-
based oils and fats _____ 16

◆ **Sustainability from
plant to brand** _____ 17

Our strategy

Our business

Risks & Risk management

Financial and
sustainability disclosures

Our *Sustainability* priorities

The impacts, risks and opportunities identified in our double materiality assessment form the foundation of our sustainability strategy and priorities. We have grouped the material topics associated with these IROs into focus areas within our sustainability compass, which guides our work towards long-term and scalable outcomes.



Governance
Governance is at the center of our sustainability compass. It provides the systems, tools and processes that enable effective management, ensure high ethical standards, and support integrity, responsible business conduct, effective supplier management, and transparent reporting. This foundation is essential for progress across climate, biodiversity and people.

Climate
We work to reduce the climate impact of both our supply chain and operations. Our targets—approved by the Science Based Targets initiative, including FLAG (Forest, Land and Agriculture)—reflect our ambition to address emissions from land use, sourcing and production. These efforts reinforce the link between climate action, biodiversity protection, and social outcomes. Beyond our own footprint, we support the transition of the broader food industry by advancing plant-based solutions.

Such solutions typically have lower climate footprints and help reduce reliance on animal-based or fossil-based ingredients across food and non-food categories.

Biodiversity
Achieving deforestation- and conversion-free supply chains requires coordinated action. We work with suppliers, smallholders, and industry partners to implement aligned tools, strengthen land use practices, and protect forests and ecosystems. Supplier engagement, satellite monitoring, traceability and transparent grievance management are key components of this work and help ensure that potential risks are identified and addressed.

People
Improving people’s wellbeing and safeguarding human rights is central to our approach. In our own operations, we work to ensure a safe, inclusive, and respectful workplace. Across our supply chain, we focus on human rights due

diligence, health and safety, ethical sourcing, and improved livelihoods. Programs such as Kolo Nafaso demonstrate how long term on the ground engagement can create positive social outcomes while supporting more sustainable raw material supply. Similar work with suppliers and smallholder farmers in palm producing regions aims to strengthen both environmental and social practices.

Solutions
Beyond reducing the environmental impact of our own operations and supply chain, we contribute to lowering the footprint of the broader food industry by advancing plant-based solutions. These solutions support the shift toward more plant-based diets, which generally have smaller climate footprints and reduce reliance on animal-based ingredients. We also develop plant-based alternatives that reduce dependence on fossil-based ingredients in non-food categories such as personal care and candles.



Introduction

The big picture

● **Our strategy**

Accelerating value creation through innovation _____ 21

Empowering our people to shape the future _____ 23

Clear path to realize 2030 Aspiration _____ 25

A portfolio strategy for higher value _____ 26

Our business

Risks & Risk management

Financial and sustainability disclosures



Our *strategy*

Our strategy sets the direction and priorities, allocates resources and guides decision-making



Introduction

The big picture

Our strategy

- Accelerating value creation through innovation 21
- Empowering our people to shape the future 23
- Clear path to realize 2030 Aspiration 25
- A portfolio strategy for higher value 26

Our business

Risks & Risk management

Financial and sustainability disclosures



“ More than 60 AAK-driven innovation projects are advancing across our business, creating new value for our customers while accelerating our progress toward our 2030 Aspiration.

Niall Sands, President Commercial Development and Innovation



Accelerating value creation through innovation

Innovation at AAK brings together our technological capabilities and deep product application expertise to create competitive advantages for our customers. In doing so, we support our 2030 Aspiration and contribute to a more sustainable global society.

By developing solutions that enhance our customers’ business performance, we aspire to drive volume outperformance within specialty oils and fats and contribute to improved profitability for AAK. Our long standing Co-Development approach leverages understanding of our customers’ business and world-leading expertise in plant-based oils and fats to address our customers’ needs.

Insights-driven approach
As global markets evolve, new opportunities for innovation emerge that can strengthen AAK’s role as a value-adding ingredient partner. To capture these, we are transitioning toward an outward looking, insights driven innovation approach that complements our established Co-Development process. This shift enables us to introduce more relevant innovation projects to our customers and improve commercial success rates.

To ensure that our innovations address clearly defined customer needs, we have expanded our internal insight capabilities and established a dedicated team responsible for proprietary market research. This team identifies market gaps which, together with our scientific, technological, and application expertise, are evaluated for commercial viability.

Five pillars
Insights generated through this process feed into our innovation funnel, where each project is anchored in at least one of five strategic themes: Better Planet, Better Performance, Better Health, Better Experience, and Better Futures.
These themes serve as the foundational pillars of our innovation strategy, enabling us to articulate the value of our solutions and cut their time-to-market. Currently, more than 60 AAK-driven innovation projects are active across these pillars, each designed to generate

Introduction

The big picture

Our strategy

● **Accelerating value creation through innovation** _____ 21

Empowering our people to shape the future _____ 23

Clear path to realize 2030 Aspiration _____ 25

A portfolio strategy for higher value _____ 26

Our business

Risks & Risk management

Financial and sustainability disclosures

new revenue streams or cost savings for our customers and AAK.

In the near term, we are advancing solutions rooted in fat chemistry that enhance consumer experience or improve manufacturing efficiency. Over the longer term, we are exploring new technologies that open pathways to new market segments, including the replacement of animal- and fossil-based ingredients with sustainably sourced plant-based alternatives.

Enabled by expertise

Our approach to innovation is enabled by our diverse teams with expertise in a wide range of disciplines. Strong competence in science with over 20 PhDs, as well as application development experts, process engineers and consumer insight professionals, power our three centers of excellence: chocolate in Aarhus, Denmark; plant-based food and dairy in Zaandijk, Netherlands; and bakery in Antwerp, Belgium.

The capabilities and equipment concentrated within these centers enable us to accelerate development cycles and significantly reduce time to market. With a well defined brief, customers can visit one of our centers and leave with a prototype the same day. By combining insights, expertise, and rapid innovation processes, we lead our customers toward solutions that strengthen their ability to meet the needs of the end consumer.



Introduction

The big picture

Our strategy

Accelerating value creation through innovation _____ 21

● **Empowering our people to shape the future** _____ 23

Clear path to realize 2030 Aspiration _____ 25

A portfolio strategy for higher value _____ 26

Our business

Risks & Risk management

Financial and sustainability disclosures



Empowering our people *to shape the future*

People are the key to Making Better Happen™, both for customers where we deliver value and drive sustainable growth and in our value chain where supporting communities and respecting human rights contributes to resilience and reduces our environmental impact. This begins at AAK, where empowered and passionate employees work together to shape the future of AAK and our industry.

Adaptive and agile organization

We continue to build a culture rooted in trust, openness and collaboration. Challenging the status quo and engaging in constructive dialogue are essential to driving innovation and elevating decision making. By prioritizing transparency and inclusive communication, we create an environment where diverse perspectives thrive, new ideas emerge, and meaningful change takes hold. These efforts are shaping a more resilient, adaptive and agile organization that is ready to meet complex challenges and seize new opportunities with confidence.

Strength in diversity

Our global and culturally diverse workforce reflects the communities where we operate and the customers we serve. Our footprint and workforce enable seamless collaboration across borders while leveraging the unique strengths of our local and regional presence. We hold ourselves and our partners to high standards of diversity, equity and inclusion. Leaders are expected to listen actively, champion fairness, and support new approaches. By fostering open mindedness and respect for different perspectives, we create a workplace where everyone can thrive and contribute to our shared success.

Learning and personal growth

Learning and personal growth remain central to our shared success. A culture of continuous development enables our people to reach their full potential while keeping our organization agile and competitive.



Introduction

The big picture

Our strategy

Accelerating value creation through innovation _____ 21

◆ **Empowering our people to shape the future** _____ 23

Clear path to realize 2030 Aspiration _____ 25

A portfolio strategy for higher value _____ 26

Our business

Risks & Risk management

Financial and sustainability disclosures

We offer development programs, including leadership training, talent and succession planning and coaching initiatives, to help employees build essential skills and prepare for future opportunities. To foster broadened perspectives and strengthen collaboration and alignment, we encourage and create space for organizational-wide projects and global assignments.

Future way of working

We are reinforcing the foundations for our future way of working, recognizing that adapting to a rapidly evolving environment is essential for sustained growth. As global markets shift, consumer expectations change, and technology reshapes our operations, having the right skills, capabilities, and talent is vital to maintaining our leadership and driving innovation.

To prepare for this, we invest in workforce planning strategies to identify the skills and capabilities needed to meet these challenges. Whether developing expertise in

sustainable sourcing, strengthening operational excellence, or equipping teams with digital and data driven tools for smarter decision making, we are committed to ensuring our people are prepared to lead in a dynamic future.

Commitment to safety and sustainability

Safety is a fundamental value that guides our operations. We uphold rigorous standards across our facilities through ongoing training and strict safety protocols.

Sustainability is equally central to our long term vision. Reducing our environmental footprint depends on upholding our commitment to the people in our value chain. Supporting biodiversity, advancing sustainable agriculture and helping suppliers reduce emissions require the support of the people work in or are affected by our supply chain. That is why we invest in their communities, both through our own programs and through industrywide initiatives that strengthen livelihoods and build resilience.



“ Our strength lies in our diverse, curious and collaborative people. By investing in their growth and creating an open, inclusive culture, we ensure AAK is equipped to lead in a rapidly evolving world.

Allan Hider, Global Director, People & Organizational Performance



Introduction

The big picture

Our strategy

Accelerating value creation through innovation _____ 21

Empowering our people to shape the future _____ 23

● **Clear path to realize 2030 Aspiration _____ 25**

A portfolio strategy for higher value _____ 26

Our business

Risks & Risk management

Financial and sustainability disclosures



“With focused strategy, resilient and efficient operations and improving innovation capabilities, we are well positioned to capture value and advance toward our 2030 Aspiration.

Tomas Bergendahl, Chief Financial Officer



2030 Aspiration

Value	Growth	Impact
Achieve SEK 3+ per kilo profitability, through strategic investments in our specialty journey.	Achieve volume growth that outpaces the growth rate of the underlying market ¹⁾ .	Be increasingly recognized for our positive impact by our stakeholders.

¹⁾ Excluding acquisitions and divestments.

Clear path to realize 2030 Aspiration

In a year marked by soft end-markets headwinds, AAK demonstrated resilience, improved profitability, and continued to execute on its long-term strategy.

Market conditions were challenging in 2025 as our volumes were pressured by high inflation and subdued demand, resulting in a negative development within Chocolate & Confectionery Fats and Food Ingredients. Despite this, we successfully protected our margins and have clear plans for how to address the volume challenge.

Customers are responding to these headwinds by managing costs, reformulating products, and repositioning their portfolios. We remain committed to deliver double digit operating profit growth in line with our 2030 Aspiration.

To achieve this, we will have a strong focus on commercial execution. Our decentralized organization and Co-Development approach enable us to support our customers as they navigate rising ingredient costs and evolving consumer preferences. It also positions us to drive organic growth, extract value from specialty solutions and to continue our shift away from traditional low-value products.

The approach is enabled by our customer-centric and flexible service model where we leverage our 16 global innovation centers to

develop innovative and tailored solutions with functionality that help our customers succeed. We are increasingly using our research expertise to develop AAK inspired specialty ingredients innovations that address emerging consumer needs and enhance customer outcomes across our five innovation pillars: Better Planet, Better Performance, Better Health, Better Experiences and Better Futures.

Efficiency and optimization remain keys to driving double digit operating profit growth, as does optimizing our supply chains to increase our value capture in our existing business via increased cost efficiency and improved resilience. Disciplined cash flow management remains central to our financial strategy to support both our operational ambitions and our strategic investment agenda.

AAK has a proven track record of successful acquisitions and M&A remains an important tool in our strategy execution. Key priorities are to strengthen the position of our core business in selected geographical markets and segments, and to explore acquisitions in close-to-core areas by enhancing our technology and capabilities to support our portfolio strategy.

Introduction

The big picture

Our strategy

Accelerating value creation through innovation _____ 21

Empowering our people to shape the future _____ 23

Clear path to realize 2030 Aspiration _____ 25

● **A portfolio strategy for higher value** _____ 26

Our business

Risks & Risk management

Financial and sustainability disclosures

A portfolio strategy *for higher value*

We apply a portfolio strategy to target and prioritize higher-value market opportunities. Based on market dynamics – such as size, growth and AAK’s competitive position – each segment is evaluated and assigned to one of four portfolio positions: Invest in continued growth, Bet for the future, Optimize for value creation, or Maintain and cultivate.

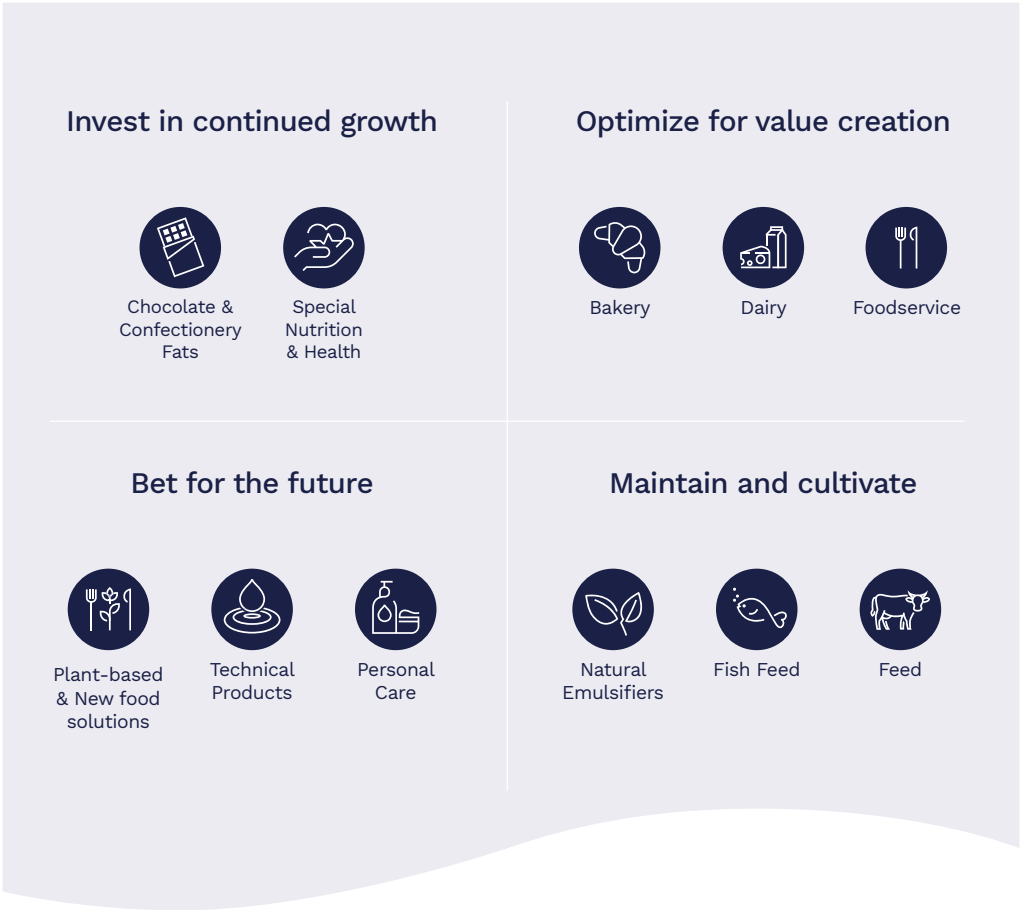
These roles are reviewed annually as part of our strategic planning process, where priorities for the coming years are set. A key outcome of this year’s strategy review is an increased focus accelerating the progress to capture the broader health segment opportunity for AAK. This applies not only to the Special Nutrition & Health segment but also to other areas such as Personal Care where a more health-integrated view of skincare with clinically proven efficacy is gaining momentum.

Invest in continued growth
AAK holds strong global market positions in Chocolate & Confectionery Fats and Special Nutrition & Health. Long term growth opportunities are driven by increasing use of cocoa butter alternatives and expanding applications in health and special nutrition beyond infant formula. These trends are reinforced by an ageing and more health conscious population, as well as growing attention to nutrition in healthcare. Our strategy is to further strengthen our capabilities and accelerate growth in these segments, increasing the overall share of higher value solutions in our portfolio.

Optimize for value creation
Bakery, Dairy, and Foodservice are large, fragmented markets with many regional players and numerous high value sub segments where AAK has an established regional presence. These opportunities are supported by long term global trends, including the need for affordable nutrition and the shift toward more sustainable, plant based food systems. Our strategy is to grow the higher value sub segments through Co-Development and innovation, while optimizing our portfolio to extract value from specialty solutions.

Bet for the future
There is a growing demand for more sustainable alternatives to animal-based foods and fats in the food industry, and for alternatives to fossil-based solutions in consumer products and industrial solutions. With our specialty oils and fats, we are well positioned to meet these needs across the Plant-based Foods, Personal Care, and Technical Products segments. Our strategy focuses on developing the capabilities required to capture future growth and value in these emerging areas.

Maintain and cultivate
In Feed and Fish Feed, we deliver value adding solutions such as rumen protected and coating fats that support more efficient production. In Natural Emulsifiers, we continue to strengthen our value propositions and capabilities. Our strategy is to maintain these portfolios regionally and grow them organically until larger global opportunities mature.



As a Multi-oil Ingredient House, we are well positioned to respond to emerging market trends. Our specialty oil capabilities, comprehensive product portfolio, clear

strategy and agile organization provide a strong foundation for continued growth. We remain committed to Making Better Happen™.

Introduction

The big picture

Our strategy

◆ **Our business**

Our business areas _____ 28

Food Ingredients _____ 29

Chocolate &
Confectionery Fats _____ 34

Technical Products & Feed__ 37

Risks & Risk management

Financial and sustainability
disclosures



Our *business*

Our business is designed to create value for our stakeholders



Introduction

The big picture

Our strategy

Our business

◆ **Our business areas** _____ 28

Food Ingredients _____ 29

Chocolate & Confectionery Fats _____ 34

Technical Products & Feed__ 37

Risks & Risk management

Financial and sustainability disclosures



We provide solutions that add value to our customers, no matter their needs or requirements. Our tailor-made products are developed specifically to meet their unique needs.

Read more

Our *business* areas

Food Ingredients

Our largest business area, primarily serving the bakery, dairy, foodservice, and special nutrition industries, as well as the plant-based and emerging food segments. It also includes our fish feed offering.



Bakery



Dairy



Foodservice



Special Nutrition & Health



Plant-based & New food solutions



Fish Feed

Chocolate & Confectionery Fats

Primarily provides functional alternatives to cocoa butter and specialty fats for chocolate and confectionery applications. It also serves customers in the personal care industry.



Chocolate & Confectionery Fats



Personal Care

Technical Products & Feed

Utilizes side streams to create value and replace fossil-based alternatives across a range of applications, including plant-based candle waxes, animal feed, and proteins and fats for various non-food uses.



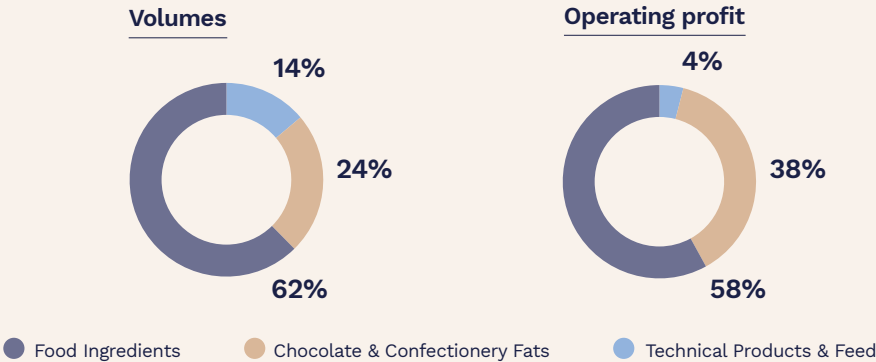
Technical Products



Feed



Natural Emulsifiers



Introduction

The big picture

Our strategy

Our business

Our business areas _____ 28

● **Food Ingredients** _____ 29

Chocolate & Confectionery Fats _____ 34

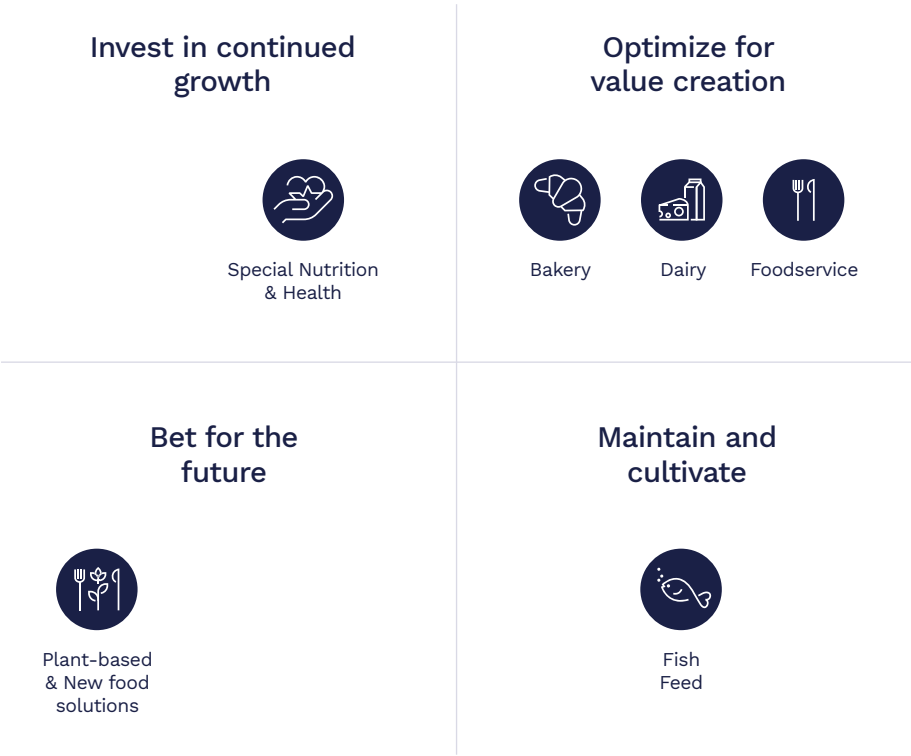
Technical Products & Feed__ 37

Risks & Risk management

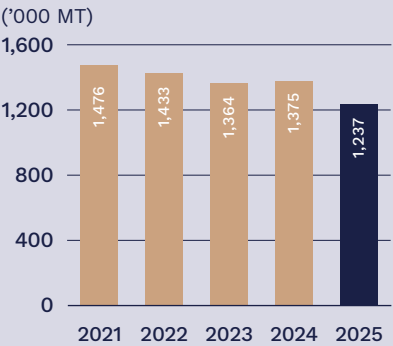
Financial and sustainability disclosures

Food Ingredients

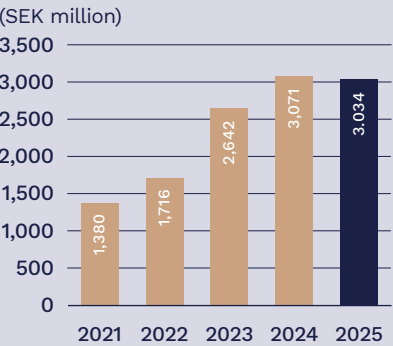
Within Food Ingredients, volumes declined by 2 percent excluding the Hillside divestment. Despite the slightly lower volumes, operating profit per kilo increased to SEK 2.45, representing a 10 percent increase.



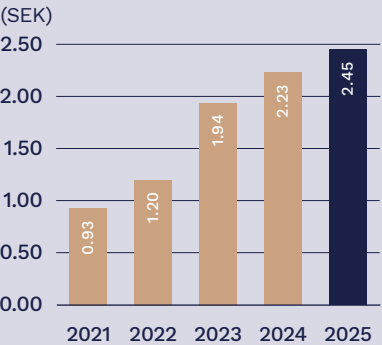
Volume (62% of Group total)



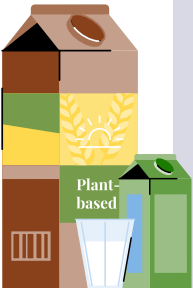
Operating profit¹⁾ (61% of Group total)



Operating profit per kilo¹⁾



¹⁾ Excluding items affecting comparability (IAC)



- Introduction
- The big picture
- Our strategy
- Our business**
 - Our business areas _____ 28
 - Food Ingredients _____ 29
 - Chocolate & Confectionery Fats _____ 34
 - Technical Products & Feed__ 37
- Risks & Risk management
- Financial and sustainability disclosures

Dairy & Plant-based Foods

Our Dairy & Plant-based Foods business area continues to lead the way as the industry evolves in response to changing consumer preferences and market trends. In Dairy, we provide dairy fat replacements for categories such as cheese, coffee creamers, creams and toppings, and other dairy products. In Plant-based Foods, we offer solutions for plant-based dairy and meat alternatives. Our broad portfolio is carefully developed to enhance taste, texture, nutritional profile, and functionality of consumer products.

Market and trends

The market continues to develop as consumers adopt more flexible eating habits. More people identify as “flexitarians”, meaning they want to include more plant-based options in their diets while alternating between plant-based and animal-based choices. There is also a clear trend toward higher expectations on plant-based products with consumers increasingly seeking high-quality in terms of taste, texture, and visual appeal. This creates new opportunities for AAK to expand our plant-based offerings to broader consumer segments.

Another clear trend is the growing use of appetite suppressing medications, which influence how consumers eat and drink. Consumers are increasingly seeking smaller portions and more nutrient-rich foods, which creates new opportunities



for healthier options that provide the right nutrients and support satiety—while still enhancing the taste, texture, and overall enjoyment of plant-based products.

Demand for more natural and sustainably produced products remains an enduring trend. More consumers want clear, easy-to-understand labelling and ingredients that are familiar and trustworthy, with less processing. We see an opportunity to provide plant-based alternatives that offer lower saturated fats, produced in a more ethical and sustainable way.

Strategy and initiatives

We are well-positioned to capture growth by understanding consumers’ behaviors and needs, combining our unique knowledge

We are well-positioned to capture growth by understanding consumers’ behaviors and needs.

and our Co-Development approach with our customers.

Our Center of Excellence in Zaandijk, the Netherlands, is an industry-leading facility to co-create and prototype new plant-based alternatives with our customers. We collaborate with a broader industry ecosystem to leverage the latest technological developments to accelerate product development and ensure that our plant-based solutions are tailored to meet specific market needs.

We have recently launched two commercial platforms to support the commercialization of our plant-based and hybrid alternatives. The "Say Cheese! Think AAK." platform highlights our solutions that provide authentic cheese flavor, improved texture, and enhanced nutritional profiles for plant-based and hybrid cheese products, catering to the preferences of flexitarian consumers. The "Make it Meatier with AAK" platform demonstrates how integrating AAK’s solutions with new production technologies can support a new era for plant-based meat products, enhancing taste, juiciness, texture, and production efficiency.



“Our expertise enables better-tasting, more nutritious dairy and plant-based products for today’s flexitarian consumers.

Ronald van der Knaap, Head of Dairy & Plant-based Foods



Introduction

The big picture

Our strategy

Our business

Our business areas _____ 28

◆ **Food Ingredients** _____ 29

Chocolate &
Confectionery Fats _____ 34

Technical Products & Feed__ 37

Risks & Risk management

Financial and sustainability disclosures

Bakery

AAK draws on decades of expertise in oils and fats for bakery applications to deliver a wide range of specialty solutions — including shortenings, laminating fats, frying oils, margarines, hardstocks, and melanges — all responsibly sourced and tailored to specific production processes and market needs. These solutions support customers across the spectrum, from artisanal bakeries and local brands to global industry leaders.

Through Co-Development, we help customers achieve their goals, improving nutritional profiles with lower saturated fats, texture and functionality improvements, as well as advancing clean-label formulations across various bakery products.

Market and trends

Bakery trends vary by market, but several themes are emerging globally. One key development is “ChocoBakery” — the fusion of bakery goods and chocolate in new and creative ways. We see cross-category innovation and co-branded products, with bakery brands incorporating iconic chocolate flavors into cakes, pastries, and desserts, while chocolate brands integrate bakery-inspired textures into tablets, bars, and pralines. Oils and fats are critical to delivering the desired “ChocoBakery” performance, shaping multi-textural sensory experiences and enabling efficient production — from how fillings are incorporated, to whether



products are coated, and the choice of thin versus thicker coating layers.

Another enduring consumer behavior is dunking: in many markets, consumers like to dunk biscuits in hot drinks and expect them to stay firm and deliver the right bite. This places high demands on functional performance across doughs, coatings, and fillings.

At the same time, affordable premiumization is accelerating. Bakery products are increasingly consumed as convenient snacks, and consumers are looking for “small luxuries” that give indulgent taste, texture, and experience while still representing good value. In parallel, demand is rising for health and clean-label products, with preference for natural, recognizable ingredients and clearer nutritional information. This is driving reformulation efforts that balance sensory

Bakery trends vary by market, but several themes are emerging globally.

performance with improved nutritional profiles and simplified ingredient statements.

Strategy and initiatives

Within Bakery, we continue to execute on our strategic initiatives, with a strong focus on “ChocoBakery” and dunking applications. Dunking is a growing global consumer ritual, where biscuits must stay firm, deliver the right bite, and not dissolve too quickly in hot drinks. By tailoring oils and fats for doughs, coatings, and fillings, and co-developing solutions from lab testing to full-scale production, AAK helps customers deliver a consistent dunking experience.

In “ChocoBakery”, we tap into the growing trend where consumers seek rich and indulgent – yet affordable – experiences, while we guide our customers in developing high-performing products that is supported by responsible sourced raw materials and our strong application know how – from idea to launch. This enables our customers to meet consumer expectations globally while reliably optimizing performance and cost-efficiency on modern production lines.



We deliver responsible, high-performing bakery solutions that enhance texture, nutrition, and consumer experience.

Christiaan Middelhoven, Head of Chocolate & Confectionery Fats & Bakery



Introduction	
The big picture	
Our strategy	
Our business	
Our business areas	28
◆ Food Ingredients	29
Chocolate &	
Confectionery Fats	34
Technical Products & Feed	37
Risks & Risk management	
Financial and sustainability disclosures	



“ We help customers win with high-quality, reliable foodservice solutions, enhancing performance across channels while supporting affordability, sustainability, and great-tasting menus.

Vivienne Carney, Director Foodservice



Foodservice

AAK provides high-quality, value-adding solutions covering a wide range of cooking and food applications including frying oils, butter alternatives, specialty oils, sauces, dressings and mayonnaises. Our customers are wholesalers, retailers and foodservice operators such as pubs, restaurants and institutional diners in schools or hospitals, and we produce delicious and effective off-the-shelf solutions as well as tailored solutions for individual applications.

Market and trends

The market for Foodservice is characterized by its constant evolution to incorporate new food trends. While some of these trends come and go, many of them are more enduring and offer attractive growth opportunities. One example is the growing demand for healthier on-the-go and at-home products with less added sugar and saturated fats.

After covid, many countries have experienced food inflation and consumers have shifted their buying behavior towards smaller pack sizes. As a result, affordability has become an increasingly important priority for consumers, while sustainability—an area of focus for several years—continues to be a long-term consumer trend.

The economy also impacts how often people eat out at restaurants. A slower economy shifts demand to the retail sector where there has been growth in ready-to-eat meals and meal kits—a shift that benefits our customers that sell through the retail channel, as well as AAK.

Lastly, in the retail segment, perceptions of private labels are shifting, with supermarket own brands closing the perceived quality gap to brand-name products. This benefits suppliers that can support supermarket customers in product development.

Strategy and initiatives

We have responded to the shifting demands by expanding into new categories such as home-delivery meal kits, ingredients for ready-to-eat meals and ready-to-use cooking sauces. This has been supported by the development of new sustainable packaging formats.

Due to our strong supply chain management, we have managed to secure supply and maintain stability despite many supply disruptions in recent years. We will remain flexible and agile to support our customers in the shifting marketplace and have invested in cost-efficient sustainable production capacity and in our ability to follow consumer trends.

We continue to invest in people, resulting in strong Co-Development capabilities. They remain crucial both to support our big restaurant chain customers, who are on very short product life cycles and replace their menus every six months, and to win new business in the retail segment.

We are also optimizing our manufacturing footprint by divesting our Hillside production site in the US that was completed by the end of 2024, and reinvesting in Europe through a new state-of-the-art foodservice production facility in Staffanstorps, Sweden.

Introduction

The big picture

Our strategy

Our business

Our business areas _____ 28

◆ **Food Ingredients** _____ 29Chocolate &
Confectionery Fats _____ 34

Technical Products & Feed__ 37

Risks & Risk management

Financial and sustainability
disclosures

Special Nutrition & Health

AAK provides tailor-made specialty lipid solutions that improve nutritional intake for early life nutrition, lifestyle nutrition and medical nutrition. Our offering is built on consistently high quality, and each solution is carefully tested and developed to suit our customers' needs and requirements.

Market and trends

The development of the business area is shaped by several long-term trends. An ageing population and growing focus on the role of nutrition in health care are expected to continue driving global demand for medical nutrition, both enteral and parenteral. Innovations that offer functional benefits will be important to capture growth opportunities in a high-value, resilient market.

At the same time, declining birth rates continue to influence global demand for infant formula. Chinese producers are defending their domestic market shares, which impacts exporters in Europe, Australia and New Zealand. Although some of the international players are winning market share in China the overall volumes are still under pressure. However, the desire to mimic the properties for of mother's milk will continue to grow, and lipids are therefore increasingly being acknowledged for their nutritional importance.

Furthermore, legislative requirements related to contaminants are becoming increasingly demanding, require greater focus and investment in sourcing and



operations. This has been a key growth driver, particularly in the US, where we are strongly positioned to support our customers' demand for high-purity oils.

Strategy and initiatives

In the evolving infant nutrition market, we expect that innovative, sustainable solutions and reduced costs will be the differentiators needed to optimize and succeed. Using our Co-Development approach, our solutions within Infant Nutrition are customer specific, sustainably and ethically sourced multi-oil blends. These are part of a product portfolio that also includes single oils and high-value specialties such as OPO (INFAT), egg phospholipids, lecithin, and tailor-made mixes that match the highest purity and fatty acid compositions.

We strive to continuously add relevant, high-value components.

We are also launching tailor-made lipids produced under the Good Manufacturing Practices (GMP) standard, such as Akovita Optisyn. The launch is supported by pre-clinical proof that Akovita Optisyn improves the absorption of docosahexaenoic acid (DHA) into the cell membranes of the adipose tissue by 150 percent which is highly relevant in many potential solutions within metabolic health. Our focus is on growing the broader nutrition area by bringing innovations to the global market and increasing our presence in selected regions as well as M&A. The specialized GMP-factory in Sweden supplies GMP-approved oils for parenteral nutrition and from our facility in India we offer a range of lipid excipients for pharmaceutical use.

We strive to continuously add relevant, high-value components to extend the product range and enable the pursuit of new growth opportunities and are expecting new concepts from our pipeline to be launched during the next years. Among other things, we have invested in research in the short chain fatty acids space and received external funding for clinical studies where we have published promising study results.



We deliver high-purity, tailor-made lipid solutions that strengthen nutrition across life stages and meet growing global demand for clinically proven, high-value innovations.

Job van Rozendaal,
Head of Special
Nutrition & Health



Introduction

The big picture

Our strategy

Our business

Our business areas _____ 28

Food Ingredients _____ 29

● **Chocolate & Confectionery Fats** _____ 34

Technical Products & Feed__ 37

Risks & Risk management

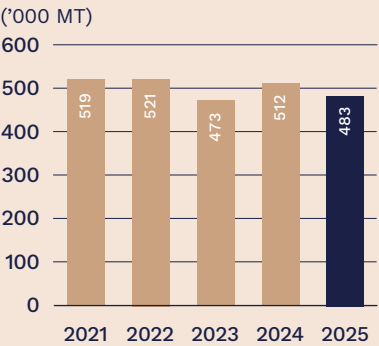
Financial and sustainability disclosures

Chocolate & Confectionery Fats

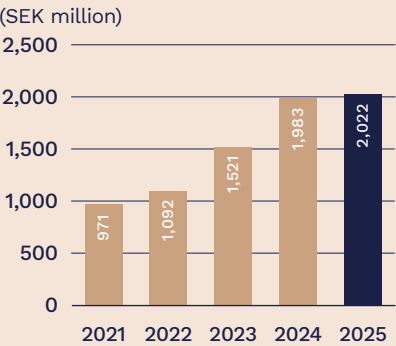
In Chocolate & Confectionery Fats, volumes declined by 6 percent in 2025 compared with the previous year, while operating profit increased by 2 percent. This resulted in operating profit per kilo reaching SEK 4.19, an 8 percent increase year over year. At fixed foreign exchange rates, operating profit grew by 8 percent.



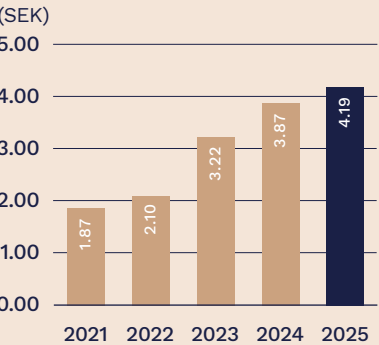
Volume (24% of Group total)



Operating profit¹⁾ (34% of Group total)



Operating profit per kilo¹⁾



¹⁾ Excluding items affecting comparability (IAC)



Our business

Our business areas	28
Food Ingredients	29
● Chocolate & Confectionery Fats	34
Technical Products & Feed	37

Risks & Risk management

Financial and sustainability disclosures

Chocolate & Confectionery Fats

AAK collaborates with customers in the chocolate and confectionery industry to co-develop solutions that improve flavor, taste, and sensory experience, as well as extend shelf life of products. Our main products are cocoa butter equivalents (CBEs), filling fats for tablets, bars and pralines as well as fats for sweet spreads.

Market and trends

The snacking market is expected to continue growing with a strong emphasis on indulgence and increased awareness of how consumers' choices affect health and the environment, presenting attractive growth opportunities for producers who anticipate and adapt to evolving consumer preferences.

At the same time, the volatility in cocoa prices has prompted producers to adopt alternative ingredients to cocoa butter to maintain competitive consumer prices. This shift has driven recipe reformulations and increased demand for CBEs among chocolate producers. In this context, suppliers that can co-develop CBEs offering comparable functionality and sensory performance to cocoa butter are well positioned to support their customers' needs.

Another clear shift in the market is being driven by increased use of appetite-suppressing medication to regulate weight and the treatment of diabetes. As a result, consumers increasingly choose smaller portions and more nutrient-rich products, which raise demand for healthier, high-quality formulations. For AAK, the shift represents an opportunity for our



value-adding ingredient solutions in the snacking segments.

Furthermore, e-commerce continues to gain market share as consumers increasingly shop for groceries online. This shift extends supply chains and lengthens storage and distribution times, while more planned purchasing reduces product turnover. As a result, chocolate products must maintain quality for longer periods, increasing the need for higher shelf stability. This reinforces the importance of robust, functional ingredient solutions that help ensure consistent quality throughout the value chain.

Strategy and initiatives

Over the years, we have built extensive chocolate application expertise at our Centers of Excellence to better understand our customers' needs.

ILLEXAO™ is AAK's super compound range that can replace up to 100 percent of cocoa butter.

As chocolate manufacturers increase their use of CBEs in chocolate, technical challenges in enrobing have occurred, as CBEs can solidify faster than cocoa butter and lead to buildup of solidified chocolate in enrober machines. To address this, we have introduced ILLEXAO™ EN 10—a product with improved thermal stability and flow properties, resulting in less product buildup, reduced downtime, and higher throughput.

ILLEXAO™ is AAK's super compound range that can replace up to 100 percent of cocoa butter in a recipe without affecting the sensory experience. In addition to providing customers with possibilities to customize melting points, texture and snap, it optimizes bloom stability, i.e. avoids the whitish coating that can appear when fast crystals change, meaning that the chocolate bar looks delicious for longer.

By strengthening our proprietary consumer insights, we can better support our customers through Co-Development and insights-led innovation that enables them to develop and reformulate products that meet evolving consumer preferences.



“Through insights-led Co-Development, we create chocolate fats enabling healthier formulations, superior sensory experience, and improved shelf life as the snacking market evolves.”

Christiaan Middelhoven,
Head of Chocolate
& Confectionery
Fats & Bakery



Introduction
The big picture
Our strategy

Our business

Our business areas _____ 28
Food Ingredients _____ 29
● **Chocolate & Confectionery Fats** _____ 34
Technical Products & Feed__ 37

Risks & Risk management

Financial and sustainability disclosures

Personal Care

AAK serves the full spectrum of beauty and personal care industry customers—from product developers to private label producers and global brand leaders. Drawing on our understanding of lipid chemistry and advanced technological know-how, we offer a portfolio of sustainably sourced, high-performance plant-based emollients.

Our ingredients deliver optimized functionality and sensory appeal to final formulations, making us the first-choice partner for customers seeking to transition from synthetic and fossil-based raw materials to effective and more sustainable solutions.

Market and trends

In recent years, the skincare market has seen the rise of dermocosmetics—a more science-based, health-integrated view of skincare, where clinically proven efficacy and functional benefits are increasingly prioritized by consumers.

Demand for sustainability data is growing, as sustainability is moving from being a marketing differentiator to becoming a corporate requirement. This is reflected in strengthened regulatory and industry frameworks that require transparent, certified supply chains and substantiated claims, which moves the conversation from brand storytelling to collective accountability and measurable impact.



These views are reflected in the “cleanical” trend—cosmetics that are both environmentally conscious and scientifically validated. The emerging use of AI to offer hyper-personalized skin care solutions depends on rich, standardized data, including detailed information on ingredient properties and skin-interaction profiles, to train and validate predictive models. This underlines the need for comprehensive, evidence-based and transparent approaches to product claiming and development.

Strategy and Initiatives

We proactively navigate the evolving landscape of the green transition and emerging market trends by expanding our efforts to deliver scientifically validated, sustainable plant-based solutions that

meet the beauty and personal care industry’s growing demand for transparency, scientific claims substantiation, and environmental responsibility.

As the green transition and emerging trends reshape the market, we are acting proactively by strengthening our focus on scientifically proven, sustainable plant-based solutions—aligned with the beauty and hygiene industry’s growing expectations for transparency, science-based substantiation, and environmental responsibility.

Against this backdrop, our leading emollient ester, LIPEX® SheaLuxe TR™, which is designed as a natural, readily biodegradable alternative to low viscosity dimethicone, has received two prestigious industry accolades—silver in the in-cosmetics Global Green Ingredient Awards, and winner of the Ringier Technology Innovation Award in China. That brings the total number of global awards for LIPEX® SheaLuxe TR™ to four.

We have also introduced comprehensive carbon footprint documentation across the entire portfolio, achieved microbiome-friendly certification for LIPEX® Shea, and secured FairWild certification of both our segregated and traceable Kolo Nafaso and mass balance shea-based ingredients.

Formal certifications alongside transparent data on the impact of our ingredients enable our customers to make informed choices and enhance the value they deliver to consumers.



We deliver high-performance, plant-based emollients that unite scientific validation with sustainable beauty innovation.

Minna Dam, Head of Personal Care



Introduction

The big picture

Our strategy

Our business

Our business areas _____ 28

Food Ingredients _____ 29

Chocolate & Confectionery Fats _____ 34

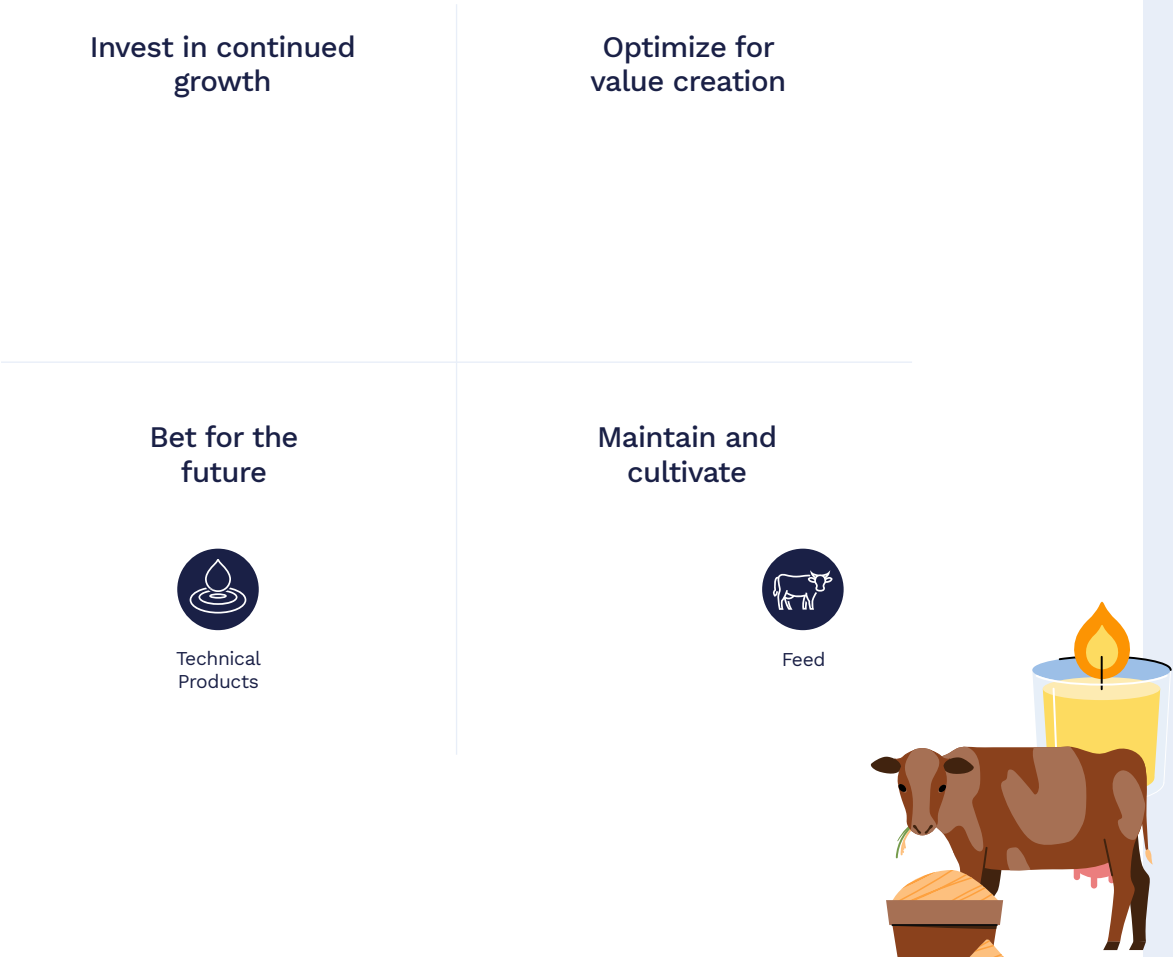
● **Technical Products & Feed** _ 37

Risks & Risk management

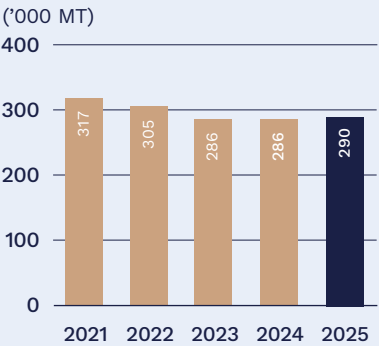
Financial and sustainability disclosures

Technical Products & Feed

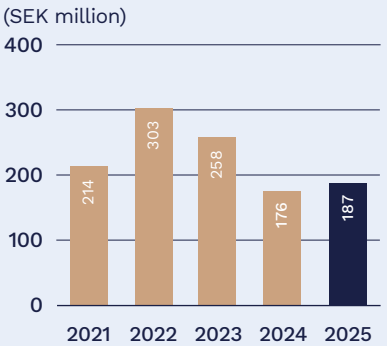
In Technical Products & Feed, volumes grew modestly by 1 percent, while operating profit increased by 6 percent compared with the previous year. This led to operating profit per kilo rising by 5 percent to SEK 0.64 in 2025. At fixed foreign exchange rates, operating profit also grew by 6 percent.



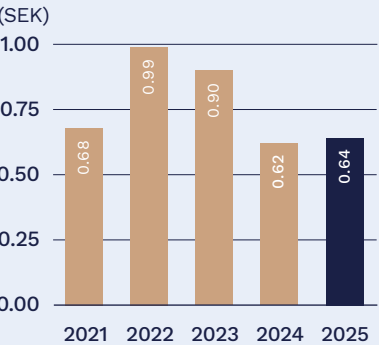
Volume (14% of Group total)



Operating profit¹⁾ (4% of Group total)



Operating profit per kilo¹⁾



¹⁾ Excluding items affecting comparability (IAC)



Introduction

The big picture

Our strategy

Our business

Our business areas _____ 28

Food Ingredients _____ 29

Chocolate &
Confectionery Fats _____ 34

● **Technical Products & Feed** _ 37

Risks & Risk management

Financial and sustainability disclosures



“With strong sustainability capabilities and tailored plant-based solutions, we help customers optimize performance while transitioning away from fossil-based ingredients.

Anders Holmqvist, Director Technical Products & Feed



Technical Products

AAK is a leading manufacturer of fatty acids, glycerin, and plant-based fats to a wide variety of industries and applications—such as detergents, rubbers, plastics and candles.

Our comprehensive range of technical products is carefully developed to generate superior efficiency, great stability, and optimized performance.

Market and trends

The long-term transition towards more sustainable solutions across multiple industries continues to support demand for our technical products portfolio. At the same time, we remain exposed to business cycle fluctuations due to the end-consumer exposure of our customers. Recent decline in the automotive and construction industries has led to lower demand, but the underlying shift toward lower-carbon and more sustainable solutions remain strong and provide a solid platform for growth in this area.

In candles, the long-term trend to use natural waxes instead of fossil-based paraffin continues. Through our Co-Development approach, we support customers in this transition by helping them improve candle quality and performance. While inflation has affected sales of natural candles, we still see big opportunities, both from business and environmental perspectives, as consumers increasingly choose more sustainable products.



Strategy and initiatives

We see long-term potential to replace fossil-based solutions in both industrial and candle applications with our plant-based solutions. This is driven by the pressing need to reduce greenhouse gas emissions and is supported by the ambitious climate targets that many of our customers have set.

In candles this means transitioning away from paraffin. We are supporting our customers by launching new products with more natural waxes based on rapeseed and soy, and are also innovating with new formats, such as candle waxes in pastille form.

On the industrial side, we are exploring solutions in several areas that are adjacent to our current business where we can bring sustainability-related benefits and are planning to launch several new products in coming years. From this perspective, our market position is strengthened by our ambitious sustainability strategy.

Introduction

The big picture

Our strategy

Our business

Our business areas _____ 28

Food Ingredients _____ 29

Chocolate &
Confectionery Fats _____ 34

● **Technical Products & Feed** _ 37

Risks & Risk management

Financial and sustainability disclosures

Feed

AAK provides tailored fat and protein ingredients for feed used in beef and dairy cattle, as well as poultry, swine, and aquaculture. Our customers are primarily agricultural cooperatives and feed manufacturers, mainly in the Nordic region. By optimizing energy and nutrient delivery, AAK’s solutions are designed to support animal health, improve feed efficiency, and enhance overall production performance.



Market and trends

The market for animal feed is characterized by the ongoing optimization of feed to balance cost, yield and animal health. For ruminants such as cows, different combinations of fat- and protein-based feed and roughage produce different milk and beef outcomes, which means that farmers adjust feed formulations to maximize production based on prevailing market prices for milk and beef.

AAK offers bypass fats and proteins, meaning that they pass through the rumen intact without any negative effects on fiber digestion, for high-performing dairy and fast-growing beef cattle. Strong demand and high prices for farmers’ products, especially milk and beef, mean that farmers optimize for production which supports demand for high-quality dairy cattle feed that boosts production.

Furthermore, the trend where farms consolidate into fewer and larger units that increasingly produce their own feed is expected to continue. This supports demand for high-quality feed ingredients that are

rich in fats and proteins and represents an opportunity for AAK.

Strategy and initiatives

In the Nordic region, there is a strong preference for non-GMO feed and ExPro®—our bypass protein feed—is produced from non-GMO rapeseed. The most common alternatives to rapeseed-based protein feeds are soy-based products. As availability of these soy-based alternatives is limited and, together with the EU’s new deforestation regulation, this creates favorable conditions for increased demand for ExPro® and other soy alternatives.

To address these dynamics, we focus on developing solutions that enhance the efficiency of our customers’ operations. Our priorities include securing supply by optimizing production capacity for ExPro®, whose demand is supported by rising costs of alternatives, and ensuring that our palm-based products remain compliant with upcoming regulations.



“With tailored bypass fats and proteins, we help customers optimize feed efficiency, boost yields, and navigate shifting market dynamics.

Anders Holmqvist, Director Technical Products & Feed

Introduction

The big picture

Our strategy

Our business

◆ **Risks & Risk management**

Risks & Risk management ____ 41

Financial and sustainability disclosures

Risks & Risk *management*

AAK is actively managing risks, fully committed to Making Better Happen™



Introduction
The big picture
Our strategy
Our business

Risks & Risk management

● Risks & Risk management ____ 41

Financial and sustainability disclosures

Risks and risk *management*

As a leading supplier of plant-based ingredients for food and technical products, we are well positioned to manage risks and deliver value – something we have proven in recent, volatile years. Although we expect continued high inflationary pressure and a demanding macroeconomic environment, we see no reason to adjust our view on the strong favorable underlying long-term trends in our markets. Thus, we remain prudently optimistic about the future and are fully committed to Making Better Happen™.

AAK's operations are constantly exposed to risks, threats, and external factors that can impact the company. With a proactive approach to business intelligence, we aim to anticipate changes in factors affecting operations. AAK continuously adjusts plans and policies to counteract potential adverse effects. Active risk management, like hedging raw material prices and currencies, reduces some of our risks.

Raw materials

Harvests are weather dependent. While a year of poor harvests drive up prices, a year of successful crops reduces them. Most of our raw materials are traded on the global markets and purchased in foreign currencies. This exposes us to significant currency and raw material price risks. We have an active risk management strategy in which we hedge

sales contracts for currency and raw material price exposure. This practice safeguards margins against price and currency risk on agreed sales contracts. Since many raw materials are produced far away from our production plants and markets, transport costs are an important factor. AAK must consider the potential impact on margins from the growing demand for environmentally acceptable transportation and volatility in logistics cost.

The processing industry

AAK is part of the processing industry. We achieve improvements in results through organic volume growth and increasing sales of specialty products with higher margins. Capacity expansion aimed at increasing total volumes to meet growing demand has a relatively long planning horizon, and we must



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

◆ **Risks & Risk management** — 41

Financial and sustainability disclosures

analyze potential growth in a timely manner. We also have the possibility to balance production in our plants to enable specific products to be closer to their markets and accommodate variations in supply and demand. Key specialty products are produced at dedicated plants, where production equipment problems can have significant impact.

Changes in the competitive environment

It is a sector fundamentally built on natural products, where the demand for innovation and for sustainable and ethical production is strong – with clear expectations that producers take responsibility for their environmental impact. A strong balance sheet has laid the financial foundation for future acquisitions. There is intense competition in the industry. Several global competitors deliver large volumes of commodity products with limited margins. Our response is to focus more on specialty products with better margins and higher value. These products include confectionery and personal care products, as well as value-adding ingredients for the bakery, dairy, and infant nutrition industries.

Political instability

Operating globally can provide diversification benefits for AAK, but it also exposes the company to certain risks. While the majority of operations are located in mature markets in North America and Europe, part of AAK's growth is generated in developing markets that may be more exposed to political and economic instability. Such developments

may affect currencies, exchange rates, trade flows, export duties, tariffs, inflation, and other regulatory conditions. AAK operates in regions such as Eastern Europe, the Middle East, Asia, Africa, and Latin America, where these types of risks may arise.

As an established operator in these markets, AAK has extensive experience managing such challenges and operates within a structured risk management framework. Changes in environmental, health-related, or other national and regional legislation may also affect market conditions and the company's ability to operate efficiently.

Trade sanctions and export controls

AAK is committed to conducting its business in full compliance with all applicable trade sanctions and export control laws and regulations. These measures are important tools in the international community's drive to, among other things, promote international security and respect for human rights. AAK will not tolerate any violation of trade sanctions, export controls, or related regulations by its employees. We are actively working to ensure that we will not engage, directly or indirectly, in any business activity, dealing, or transaction prohibited by applicable trade sanctions or export control regulations.

Compliance

AAK conducts business globally with customers, suppliers, and other stakeholders, including countries in emerging markets. We are therefore exposed to risks related to



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

◆ **Risks & Risk management** ____ 41

Financial and sustainability disclosures

corruption and bribery. AAK has zero tolerance for corruption and bribery and all employees are required to comply with applicable laws, regulations, and AAK policies, including the Code of Conduct, competition law, sanctions, anti-money laundering, and anti-bribery and corruption. To strengthen awareness in the organization, AAK provides mandatory e-learning training in competition law and anti-bribery and corruption. Any misconduct and violation of laws, regulations, or company policies can be reported confidentially or anonymously through AAK's whistleblower system, without fear of retaliation.

Health trends

We are well positioned to adapt our product range to the latest health trends because we work with all types of plant-based oils and can reformulate our products to meet customer needs. In addition, AAK focuses strongly on co-development with our customers. This practice limits the risks involved in commercializing new products. However, regulatory measures also pose a risk. Therefore, the fact that AAK proactively implements sustainability measures to anticipate legislation is increasingly important.

Environmental impact and climate change

Risk: AAK's operations and the sourcing of plant-based oils and other raw materials used in its production have an impact on air, water, land, biodiversity and the climate. AAK is subject to environmental legislation and

regulatory requirements in the jurisdictions where it operates. More stringent environmental regulations, requirements related to land use, emissions, water management, or biodiversity, as well as potential remediation obligations in connection with site closures or breaches of permits, could result in increased operating or compliance costs.

Read more about these risks in our Sustainability Statement on pages 50 – 115.

Disruptions to critical IT systems

AAK uses modern IT infrastructure and technology to support its business. As disruptions to critical IT systems could have a severe impact on the business, this risk needs to be analyzed and mitigated to prevent possible issues and minimize impact. This work is conducted by Group IT together with our local entities. Our critical IT systems are audited annually, focusing on security, internal processes, and compliance. AAK values cyber security highly, and to minimize external threats, we continuously invest in technology that is operated by qualified staff. The Group IT Security Policy is implemented at all AAK units together with a global IT infrastructure.

Changes in external factors

Raw material prices, transport costs, energy, interest, and exchange rates all affect business operations. We seek to mitigate that risk through employees who are experienced in reacting quickly to changes in external factors and adapting operations, products, and services to customer needs.



Introduction
The big picture
Our strategy
Our business
Risks & Risk management

◆ **Financial and sustainability disclosures**

Directors' Report _____ 45
Sustainability statement
Corporate Governance Report
Financial statements and notes
Reports from auditor
Other information

Financial and *sustainability* disclosures

AAK's financial and
sustainability performance



Introduction
 The big picture
 Our strategy
 Our business
 Risks & Risk management

Financial and sustainability disclosures

◆ Directors' Report _____ 45

Sustainability statement
 Corporate Governance Report
 Financial statements and notes
 Reports from auditor
 Other information

Directors' Report

For the financial year January 1–December 31, 2025

The Board of Directors and the President and Chief Executive Officer (CEO) of AAK AB (publ.), corporate identity number 556669-2850, with its registered office in Malmö, hereby present the Financial Statements and Consolidated Financial Statements for the financial year January 1–December 31, 2025.

Performance and financial position

During the year, we continued to progress toward our 2030 Aspiration. We delivered a 5 percent improvement in operating profit per kilo, despite currency headwinds, and continued to receive greater recognition among key stakeholders, including customers and partners. The year saw operating profit decline by 5 percent, on top of a 19 percent growth in 2024 compared to 2023. The decrease was driven by strong currency headwinds, the Fit-to-Win restructuring cost program, volume decline, as well as the divestment of Hillside. At fixed currency rates, excluding items affecting comparability, and excluding the divestment of Hillside, which was completed in December 2024, operating profit increased by 9 percent. Operating profit per kilo in Food Ingredients, Chocolate & Confectionery and Technical Products & Fats increased, demonstrating our solid foundation as a diverse Multi-oil Ingredient House.

- Volumes amounted to 2,010,000 MT (2,173,000), a decrease of 8 percent

compared to last year. Excluding the impact of the Hillside divestment in 2024, volumes declined by 3 percent. The volume decline was mainly driven by the divestment of Hillside, reflected in Food Ingredients as well as a decline in Chocolate & Confectionery Fats, while slightly offset by volume growth in Technical Products & Feed.

- Net sales increased by SEK 969 million to SEK 46,021 million (45,052), an increase by 2 percent. This increase was primarily driven by higher raw material prices and increased sales of specialty solutions, offset by lower volumes. Additionally, currency translation had a negative impact of SEK 3,300 million.
- In the first quarter, we announced the launch of a cost performance program aimed at generating savings of SEK 300 million per year. This program, named Fit-to-Win, resulted in a non-recurring restructuring cost of SEK 250 million in the second quarter, impacting Group function.
- Operating profit, reached SEK 4,675 million (4,896), a decrease by 5 percent compared to 2024. This included a non-recurring restructuring cost of SEK 250 million and a currency translation impact of negative SEK 331 million. Excluding items affecting comparability, the negative currency translation effect and the divestment of Hillside, operating profit increased by 9 percent compared to last year. The improvement was driven partly by continued internal

”

In a year of dynamic markets, AAK once again proved the strength of our model and our people. By staying focused on value creation, sustainability, and meaningful customer collaboration, we are advancing toward our 2030 Aspiration and Making Better Happen™.

Johan Westman, President and CEO

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

◆ Directors' Report _____ 45

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

optimization, including productivity and procurement program at our oil refining plants, as well as our Fit-to-Win cost optimization program, and partly by better portfolio and price management, with continued higher sales of specialty solutions. Favorable market conditions for cocoa butter alternatives further supported the 2025 profitability. Food Ingredients reported a decrease in profitability of 1 percent, an increase of 2 percent excluding the Hillside divestment, and Chocolate & Confectionery Fats reported an improvement of 2 percent, while Technical Products & Feed increased by 6 percent.

- Operating profit per kilo, including items affecting comparability, reached SEK 2.33 (2.25), an improvement of 4 percent. Excluding items affecting comparability, at fixed foreign exchange rates, and excluding the Hillside divestment, operating profit per kilo increased by 12 percent.
- The Group's profit after financial items amounted to SEK 4,504 million (4,660), including items affecting comparability. Net financial items amounted to negative SEK 171 million (negative 236), a decrease of SEK 65 million. The financial cost decreased due to lower interest rates, in part due to more efficient financing structure, and the impact of reporting in hyperinflationary economies (IAS 29).

- Reported tax expenses amounted to negative SEK 1,068 million (negative 1,118), corresponding to an average tax rate of 24 percent (24).
- The equity-to-asset ratio was 61 percent (59) as of December 31, 2025. Net debt as of December 31, 2025, was SEK 3,358 million (1,696). On December 31, 2025, the Group had total committed credit facilities of SEK 9,091 million (6,765).
- Operating cash flow including changes in working capital amounted to SEK 862 million (2,352). Cash flows from working capital amounted to negative SEK 2,999 million (negative 2,813). The negative impact on cash flows from inventory was driven by raw material prices while the negative impact on cash flows from accounts payable was impacted by the previously communicated restructuring of two sourcing agreements. Accounts receivable cash flow was negatively impacted by raw material prices and partly by the continued higher sales of specialty solutions.

Cash outflow from investment activities amounted to SEK 1,295 million (598). Capital expenditure was mainly driven by maintenance investments, productivity improvements, and capacity increases. Cash flow from the divestment of the North American Foodservice site amounted to SEK 646 million in 2024.

- Calculated on a rolling 12 months basis, Return on Capital Employed (ROCE) was 20.0 percent (22.4). Excluding items affecting comparability, ROCE was 20.9 percent (22.4).

- Earnings per share was SEK 13.21 (13.62), a decrease of 3 percent. Excluding Items affecting comparability, earnings per share was SEK 14.01, an increase of 3 percent.
- The Board of Directors proposes a dividend for financial year 2025 is SEK 5.50 per share. In addition, the Board proposes an extra-ordinary dividend of SEK 3.85 per share. The Board further proposes a three-year share buyback program for a total of SEK 1,000 million per year. For further information, please see page 11.

The Company's largest business area, Food Ingredients, reported an operating profit of SEK 3,034 million (3,071), a decrease of 1 percent. Excluding the divestment of Hillside, operating profit increased 2 percent. The operating profit per kilo increased by 10 percent to SEK 2.45, excluding the divestment of Hillside, operating profit per kilo increased by 4 percent.

Chocolate & Confectionery Fats reported an improvement in operating profit of 2 percent, to SEK 2,022 million (1,983). The operating profit per kilo increased by 8 percent to SEK 4.19.

Operating profit for Technical Products & Feed, increased by 6 percent to SEK 187 million (176) and operating profit per kilo increased by 3 percent to SEK 0.64.

Operations and significant events Business areas

The company's business areas are Food Ingredients, Chocolate & Confectionery

Fats, and Technical Products & Feed.

Group-wide functions are included in the Group Functions segment.

Food Ingredients maintains its strong regional positions, primarily in Europe, USA, and North Latin America, but is gradually strengthening its positions in other regions.

Chocolate & Confectionery Fats has world-leading positions, and these will gradually be expanded in an increasingly global arena.

Technical Products & Feed has a strong local position in Northern Europe and will continue to focus its growth efforts in these geographic areas through its close links to the Karlshamn factory in Sweden, bringing significant synergy effects.

Financial target

AAK's financial target is to grow operating profit by on average of ten percent year-over-year at fixed currency rates.

Financial aspiration

According to our 2030 Aspiration, we remain committed to delivering and developing, with an aspiration to achieve profitability of SEK 3+ per kilo by 2030 and grow volumes faster than the market while reinforcing our recognition for delivering positive impact. Looking beyond 2030, we aim to discover new opportunities for sustainable growth and business expansion.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

◆ Directors' Report _____ 45

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Dividend policy

The objective of the Board of Directors, taking into account the development of Group earnings, its financial position, and future development opportunities, is to propose annual dividends equivalent to 30–50 percent of the profit for the year, after tax, for the Group, with the ambition of achieving sustainable year-over-year growth, subject to earnings development and financial position.

Concluding remarks by the CEO

As we close 2025, I am proud of what we have achieved together in a year marked by continued macroeconomic volatility and shifting market dynamics. Despite these challenges, AAK once again demonstrated the strength of our business model, the power of our decentralized organization, and the dedication of our 4,000 colleagues around the world. Their commitment to our specialty journey and to creating value in close partnership with our customers enabled us to deliver operating profit growth, improved margins, and continued progress toward our 2030 Aspiration.

Throughout the year, we advanced our strategic priorities: strengthening our portfolio, deepening customer collaboration, and driving profitable volume growth. Our focus on higher-value segments, disciplined price and portfolio management, operational efficiencies and structural cost initiatives underpinned our performance, even as volumes were impacted by softer consumer demand. At the same time, we continued to lead in sustainability. Although progress on verified deforestation-free sourcing remained at the same level as in 2024, our work continued to receive recognition

from both customers and non-governmental organizations. Together, this demonstrates that responsible growth and strong performance go hand in hand.

We also took meaningful steps to further build a high-performing culture – empowering leaders, acting on employee feedback, and reshaping parts of our organization through our Fit-to-Win program to ensure we remain competitive for the long term.

Looking ahead, we are well positioned to continue creating value. Global demand for nutritious, affordable food, the accelerating shift toward sustainable solutions, and the need for innovation in reformulation all play to AAK's strengths. I am confident in our direction and inspired by the opportunities ahead as we continue Making Better Happen™.

Nomination Committee

AAK's Nomination Committee for the 2026 Annual General Meeting consists of:

- Märta Schörling Andreen (Chair), Melker Schörling AB
- Henrik Didner, Didner & Gerge Fonder
- Daniel Kristiansson, Alecta
- Elisabet Jamal Bergström, SEB Investment Management

Share capital and shareholder structure

The total number of shares in AAK as of December 31, 2025, was 260,451,002. There is one class of shares in AAK, and each share entitles the holder to one vote. There are no limits as regards to how many votes each shareholder may cast at an Annual General Meeting. Nor are there any limitations regarding the transfer of the shares resulting from provisions in law or in the Articles of Association.

Of the Company's shareholders, only Melker Schörling AB has a shareholding which represents at least one tenth of the number of votes of all shares in AAK. Melker Schörling AB's shareholding as of December 31, 2025, amounted to 30.53 percent of the shares and votes.

AAK is not aware of any agreement between direct shareholders of AAK that would involve limitations in the right to transfer shares. The shareholder structure is further described on page 12.

Articles of Association

The Articles of Association stipulate that Board members shall be appointed by the Annual General Meeting of AAK. The Articles of Association contain no provisions regarding dismissal of Board members or regarding amendment of the Articles of Association.

Important agreements affected by change in control resulting from official take-over bid

The Group's long-term financing agreement contains stipulations that, in certain cases, give the lender the right to request advance payment if control of AAK changes substantially. Such a substantial change in control can occur as a result of an official take-over bid.

AAK's assessment is that it has been necessary to accept these stipulations in order to obtain financing on terms which are otherwise acceptable.

Guidelines for remuneration of senior executives

Guidelines for the remuneration of the CEO and other senior executives were adopted by the 2025 Annual General Meeting. No



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

◆ Directors' Report _____ 45

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

deviations from these guidelines have been made. The Board of Directors of AAK proposes that the 2026 Annual General Meeting resolve the same guidelines for remuneration of senior executives in 2026 as in 2025. The present guidelines are contained in Note 8, Remuneration of the Board of Directors and Senior Executives.

These guidelines will cover those persons who are in Group management positions during the period of time in which the guidelines apply. The guidelines apply to agreements entered into after a resolution by the Annual General Meeting, and in the event that changes are made to existing agreements after this point in time. The Board will be entitled to diverge from the guidelines if there are particular reasons to do so in an individual case.

Product development

By developing solutions that enhance our customers' business performance, we aspire to drive volume outperformance within specialty oils and fats and contribute to improved profitability for AAK. Our long-standing Co-Development approach leverages understanding of our customers' business and world-leading expertise in plant-based oils and fats to address our customers' needs.

Environment

The environmental impact from our plants includes emissions of odorous substances, solvents, smoke and gases into the atmosphere, as well as discharging fats, oxygen-consuming material, and nutrients into the water, and also creating organic waste and

noise. We continually review our impact on all levels to further improve the environmental performance at AAK. We operate all our plants with appropriate official permits in all countries in which we are present. For more information on AAK's environmental footprint see Sustainability statement on pages 50–115.

People

The recruitment of skilled and competent people is an important component in maintaining competitiveness for the AAK Group. The Group therefore has continuous active programs for people development and succession planning. The competence, experience and commitment of the Group's employees therefore constitute a key immaterial resource for the AAK Group's long-term value creation.

Risk management and sensitivity analysis

All business operations involve risks—a controlled approach to risk-taking is a prerequisite for maintaining good profitability. Risks may depend on events in the

operating environment and may affect a certain sector or market. A risk may also be purely company-specific or country-specific. At AAK, effective risk management is a continual process which is conducted within the framework of operational management and forms a natural part of the day-to-day monitoring of operations.

External risks

The AAK Group is exposed to the fierce competition which characterizes the industry related to fluctuations in raw material prices and exchange rates, which affect tied-up capital.

Operational risks

The raw materials used in AAK's operations are agricultural products, and availability may therefore vary due to climatic and other external factors.

Financial risks

The Group's management of financial risks is described in Note 3, Financial Risk Management.

Corporate Governance Report

The Corporate Governance Report on pages 116–123 is part of the Directors' Report. For information on the composition and work, etc., of the Board of Directors, see the Corporate Governance Report on pages 117–119.

Parent

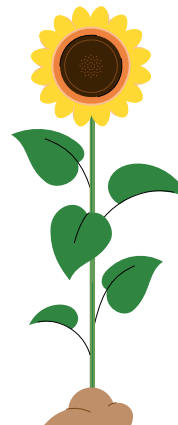
The Parent company is the holding company of the AAK Group, and its activities consist mainly of joint Group functions connected

to the development and management of the Group. The Parent employs people with skills and competencies to execute Group-wide accounting and internal control, financing, investor relations, communication and brand, HR, M&A, IT and product development. The Parent is also responsible for the Group's strategy and risk management and provides legal and tax related services to Group companies.

The Parent's invoicing in 2025 amounted to SEK 540 million (420). The profit after financial items amounted to negative SEK 168 million (positive 409). Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totaled SEK 6,005 million (4,693). Investments in intangible and tangible assets amounted to SEK 38 million (45). The average number of employees at December 31, 2025 was 58 (58).

Background to and motivation of the proposed appropriation of profits

The Board of Directors proposes that the 2026 Annual General Meeting approves an appropriation of profits under which the shareholders will receive a dividend of SEK 5.50 per share. The proposed dividend therefore totals SEK 1,432 million. The long-term objective for the dividend is to correspond to 30–50 percent of consolidated profits after tax, while always considering AAK's long-term financing requirements with aspiration to grow over time. In addition, the Board of Directors also proposes an extraordinary dividend of SEK 3.85 per share, or SEK 1,003 million. Last, the Board of Directors proposes a share buyback program for 2026



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report 45

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

totaling SEK 1,000 million, with the intent to repeat the program in 2027 and 2028 as well, with totaling SEK 3,000 million for three years. The Parent company (Company) has no financial instruments valued under Chap. 4, Section 14 a, of the Swedish Annual Accounts Act (1995:1554). The Board of Directors hereby makes the following statement regarding the proposed dividend, in accordance with Chap. 18, Section 4, of the Swedish Companies Act (2005:551).

Retained profits from the previous year total SEK 3,881 million and the result for the 2025 financial year is negative SEK 215 million (3,429 for the Group). Provided that the 2026 Annual General Meeting approves the Board's proposed appropriation of profits, a total of SEK 1,231 million will be carried forward. The Company's restricted equity will be fully covered after distribution of the dividend. In the Board's judgement, the Company and the Group will retain sufficient equity after distribution of the proposed dividends in relation to the nature, Scope and risks associated with its business operations. In making this assessment, the board has taken into account the historical development of the Company and the Group, budgeted performance and the economic situation. In the view of the board, the Company and the Group are in a position and have the capacity, in both the short and long terms, to meet all their obligations.

The proposed dividends represent a total of 59 percent of the Company's equity and 14 percent of the Group's equity attributable to the Parent's shareholders. After payment of the dividends, the equity/assets ratio of the Company and the Group will be 21 percent and 58 percent, respectively. The Board of Directors judges that the Company is in a good position to meet future business risks as well as withstand possible losses. Distribution of the dividend will not negatively affect the ability of the Company and the Group to make further investments as planned by the Board of Directors. The proposed dividend distribution will have a temporary negative effect on the Company's liquidity. However, the Company and Group have sufficient access to both short- and long-term credit that can be obtained at short notice.

The Board of Directors therefore considers that the Company and the Group are prepared for likely changes to liquidity, as well as unforeseen events. In addition, the Board of Directors has considered other known circumstances that may materially affect the financial position of the Company and the Group. No circumstance has arisen that makes the proposed dividend distribution appear unjustifiable. It is proposed that the record date for the dividend to be on May 12, 2026, and it is estimated that the dividend will be received by the shareholders after May 18, 2026.



Proposed appropriation of profits

SEK	
The Board of Directors proposes that the disposable profit brought forward	3,881,233,723
and profit/loss for the year	-215,212,206
Total	3,666,021,517
be appropriated as follows:	
To be distributed to shareholders, a dividend of SEK 5.50 per share	1,432,480,511
To be distributed to shareholders, an extraordinary dividend of SEK 3.85 per share	1,002,736,358
To be carried forward	1,230,804,648
Total	3,666,021,517

The Group's and the Parent's income statements and balance sheets will be presented to the Annual General Meeting on May 8, 2026 for adoption.

The Directors' report comprise of pages 45–123.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

● Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Sustainability statement

Introduction

This Sustainability statement presents AAK’s mandatory sustainability disclosures for the financial year 2025, prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Scope and reporting approach

The Sustainability statement covers AAK’s consolidated operations and relevant activities across our value chain, including upstream sourcing of agricultural raw materials and downstream product use where material. The disclosures reflect the outcomes of our double materiality assessment (DMA), which identifies the impacts, risks and opportunities that are material to AAK and our stakeholders.

How to read this report

The structure of the Sustainability statement follows the ESRS architecture. ESRS 2 sets out overarching disclosures related to governance, strategy, materiality and due diligence. Topic specific information is presented in subsequent chapters on climate, biodiversity, own workforce, workers in the value chain, affected communities and business conduct. Each chapter follows the required sequence of impacts, risks and opportunities; governance; strategy; policies; action plans; targets and metrics.

Data and assurance

The information contained in this Sustainability statement is prepared using established internal controls and data quality processes designed to ensure reliability, consistency, and accuracy. The Sustainability Statement is subject to limited assurance by our statutory auditor, and the assurance report can be found on pages 182–183.

Forward-looking statements

Certain disclosures in this report include forward-looking statements, including targets and projections related to sustainability performance. These statements are subject to inherent uncertainties and may differ from actual outcomes due to changes in external factors, methodologies or assumptions.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures 51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

ESRS 2 *General disclosures*

SBM-1

This chapter outlines the overarching principles, methodologies and governance structures that underpin AAK’s sustainability reporting in accordance with ESRS. It explains how we determine material impacts, risks and opportunities, how sustainability is integrated into our strategy and decision making processes, and how responsibilities are allocated across the organization. The chapter also describes the policies, controls and data quality procedures that support transparent, consistent and reliable sustainability disclosures.

Strategy
For information about employees, please see note 7 in Financial statements and notes. For breakdown of revenues per business area, see note 26.

Sustainability is a key element of AAK’s strategy. We want to be recognized for our positive impact by all stakeholders, which is directly linked to our efforts in sustainable sourcing of raw materials, investments in women’s empowerment in West Africa, operating a high trust organization and initiatives to reduce emissions across our supply chain and operations. Sustainability is also embedded in our innovation framework, where we develop solutions that deliver better performance, contribute to a healthier planet, and enable better futures.

The sustainability-related part of AAK’s strategy focuses on managing impacts, risks, and opportunities across the entire value chain. As most impacts occur upstream, we place particular emphasis on industry-wide and AAK-specific actions that can drive meaningful change. Downstream, we highlight the sustainability benefits of our plant-based solutions while promoting ethical business practices throughout both upstream and downstream operations. Sustainability is embedded across our organization – from sourcing and procurement to workplace practices, production, innovation, and solutions. Sustainability-related decisions are prioritized in the same way broader business risks and opportunities are assessed. Both financial and non-financial impacts are taken into consideration, including the ability to mitigate and drive transformation. Sustainability is an integrated part of the strategy review process. The strategy is five years forward-looking, with an annual review.

All products that AAK brings to market are plant-based and originate from nature and agriculture. The majority of our global footprint is linked to Scope 3 emissions, which is why we focus on the strategic connection between our products and our SBTi-approved science-based targets for Scope 3.

Some of the oils that we source are derived from crops that are produced in biodiverse regions, where poverty and political instability are challenges. We are committed to improving the lives and livelihoods of these communities and actively work to mitigate environmental and human rights risks associated with sourcing in these regions, including child and forced labor. To achieve this, we partner and engage in multi-stakeholder collaborations with customers, suppliers, industry organizations, NGOs, academic institutions, and local communities.

- Our priorities are:
- Reducing our environmental footprint and minimizing the climate impact of operations and supply chains.
 - Preventing deforestation in key raw materials and contributing to landscape conservation, minimizing land use change and loss of species.
 - Operating as a high-trust organization built on credibility, respect, and fairness, and upholding human rights throughout the value chain.
 - Developing new plant-based solutions that replace animal-based and fossil ingredients and co-developing innovative solutions for plant-based foods.
 - Complying with legislation, maintaining high ethical standards, and ensuring proper due diligence processes.

Business model
AAK is a multi-oil ingredient company that provides plant-based oil and fat solutions to customers, primarily in the fast-moving consumer goods (FMCG) industry, serving both food and non-food sectors. Leveraging its expertise in tailoring fats and fat combinations to deliver specific functional properties, AAK co-develops solutions in close collaboration with its customers. These solutions offer benefits such as improved end-product quality and a lower environmental impact compared with animal fats or fossil-based ingredients.

The solutions provided by AAK are developed at 16 customer innovation centers and produced at 19 production facilities worldwide. Skilled personnel with expert knowledge of oils and fats – and their application in customer products – are essential to this process. Maintaining flexibility in the company’s production assets similarly depends on the capabilities of the workforce. Energy is used throughout the production processes to power machinery and generate heat and cooling.

AAK’s key raw materials are plant-based oils and fats. These raw materials are sourced from regions around the world where they naturally thrive. The majority of volumes is palm-based, with key sourcing origins in Indonesia, Malaysia, and Mexico. All raw materials depend on ecosystem services and a stable climate.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction 50

ESRS 2 General disclosures 51

E1 Climate change 67

E4 Biodiversity and ecosystems 84

S1 Own workforce 91

S2 Workers in the value chain 99

S3 Affected communities 104

G1 Business conduct 107

Appendices 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

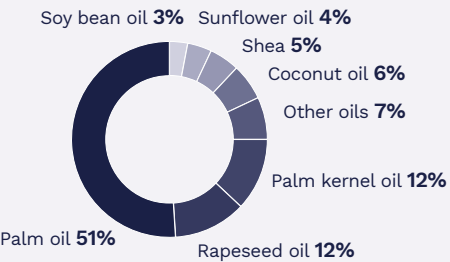
SBM-1

AAK production sites and Customer Innovation Centres by country

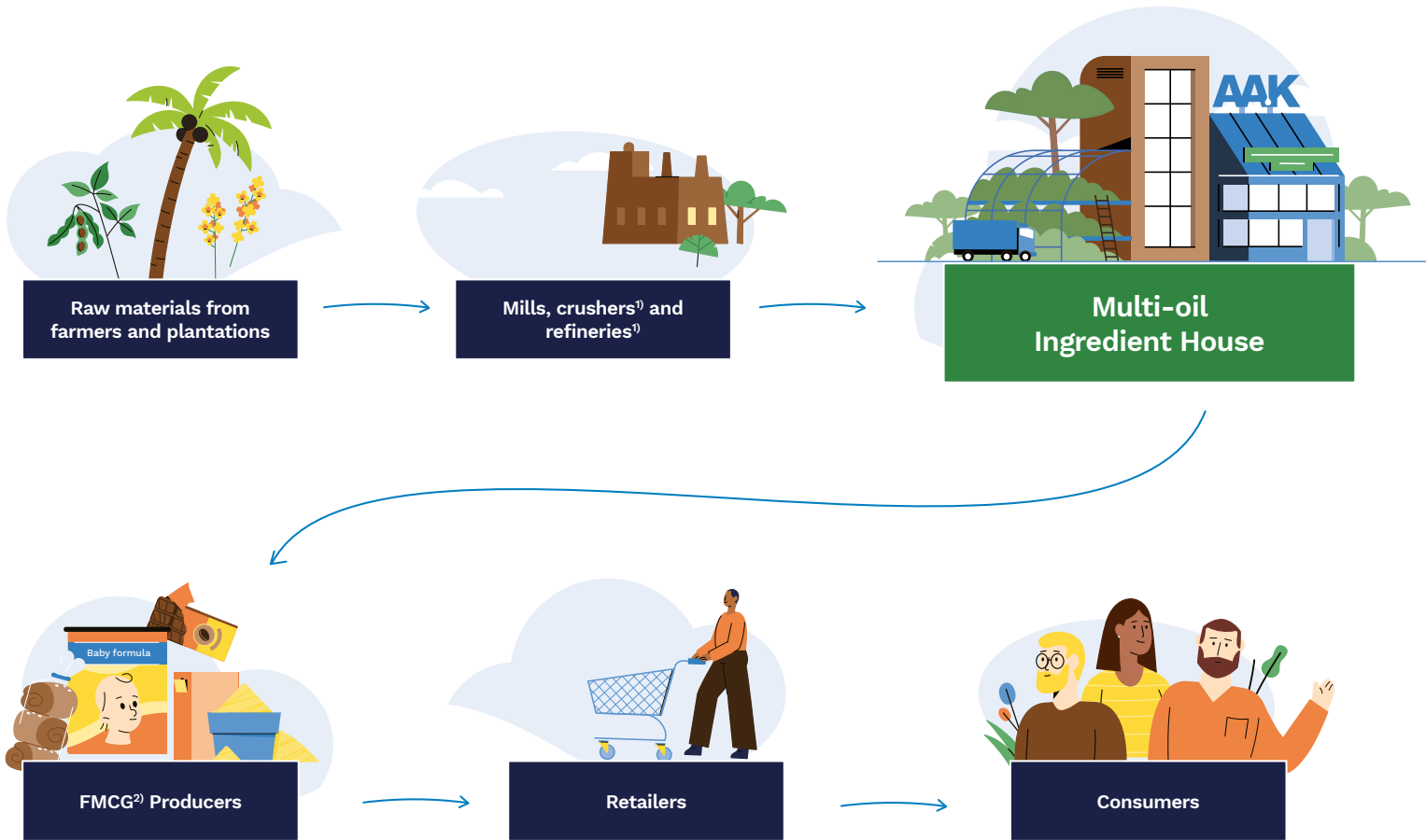
Country	No. of production sites	No. of Customer Innovation Centres
USA	3	3
Mexico	1	1
Colombia	1	1
Brazil	1	1
Uruguay	1	0
UK	3	1
Sweden	2	1
Denmark	1	1
Netherlands	2	1
Belgium	1	1
Turkey	0	1
India	2	1
Singapore	0	1
China	1	1
Japan	0	1

Key raw materials per category

Share of oil volumes in % of total tonnes



Value chain



Upstream includes sourcing raw materials from farmers, plantations and Tier 1 suppliers, mills, crushers, and refineries, as well as processing aids and additives, packaging and transport. Downstream covers supplying FMCG and private label producers, retailers, distributors, and finally reaching consumers.

¹⁾ Crushing and refining performed by AAK for selected raw materials, such as rapeseed and shea. We mainly buy from 3rd party refineries.

²⁾ Fast Moving Consumer Goods.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures** **51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-1

Upstream

The raw materials used in AAK’s oils and fats are cultivated by farmers, with the exception of shea kernels from shea trees growing in parklands and agroforestry systems across the shea belt in West Africa. These raw materials are sourced directly from the regions where they grow naturally and form integral components of local ecosystems. Our main sourcing countries for palm oil include Indonesia, Malaysia, and Mexico, while rapeseed and rapeseed oil are primarily procured from European countries such as Germany, Sweden, and the United Kingdom. Shea originates from the West African region, and coconut is sourced from the Philippines, Indonesia, and India.

The upstream value chain is often fragmented and includes a significant share of small-holders. Agricultural expansion can lead to land-use change, which may contribute to biodiversity loss, climate change, and the violation of land-related rights. This risk is particularly relevant for palm and soy, which have been associated with deforestation. While land use and the application of machinery, pesticides, and fertilizers can have negative environmental impacts, intensive farming practices can also help increase yields resulting in higher farmer incomes and reducing pressure to convert additional land for agriculture.

Social impacts vary by crop and geography. Agricultural workers are often low-skilled migrants with seasonal employment who may face unsafe and unfair working conditions. Impacts include the risk of child and forced labor.

Oils and fats are produced through the milling, crushing, and refining of harvested crude raw materials. In the global palm oil industry, there are more than 2,000 mills worldwide, supplied by a combination of plantation-linked sources, third-party estates, and smallholders. These mills produce crude palm oil, which is then delivered to refineries for further processing.

When assessing and managing AAK’s impact, oversight of upstream suppliers is essential. We use supplier assessments, scorecards, quality audits, and third-party certifications as valuable tools to ensure sustainable practices.

Own operations

AAK processes and blends raw materials at both company-owned and externally operated crushing facilities and refineries.

Raw materials are transported to AAK facilities. In addition to the kernels, oils and fats, AAK purchases ingredients and packaging to process our oils into final products ready for sale and transports these to our customers. We also use subcontracting and co-manufacturing with partner suppliers to produce some of our products.

For more information about AAK’s operations, see the Business Model section in this chapter.

Downstream

AAK products are delivered from AAK’s facilities to our customers on tank trucks or in packed containers. Most of AAK’s customers produce fast-moving consumer goods. These include packaged foods, toiletries and cosmetics, where brand is an important factor for driving sales. There are some large multinational companies in this category, but the downstream value chain is still considered fragmented. In some markets, AAK reaches these customers through agents and distributors. AAK’s customers place high expectations on their suppliers to uphold strong ethical and sustainability standards and to avoid negative consumer perception resulting from irregular business practices anywhere in the supply chain.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-1

AAK's key sustainability targets

These targets have been updated for 2025 based on our DMA. The table summarizes AAK's key sustainability targets and the progress made toward each of them. All targets are linked to the company's material sustainability topics, and further information is provided in the respective chapters of this report.

Key Targets		2025	2024	Target	Target year
 Climate	Reduction in absolute Scope 1 and Scope 2 GHG emissions ¹⁾	-19.8%	-13.9%	-50%	2030
	Reduction in absolute Scope 3 FLAG GHG emissions ¹⁾	-24.6%	-24.2%	-33.3%	2030
	Reduction in absolute Scope 3 non-FLAG GHG emissions ¹⁾	-9.3%	-5.4%	-46.2%	2030
	Percentage of suppliers, based on emissions from purchased goods and services and transportation and distribution, that have Science Based Targets initiative (SBTi)-approved targets	30.7%	22.5%	10.3%	2027
 Biodiversity	Verified deforestation-free (VDF) palm	93%	91%	100%	2025
	Deforestation- and conversion-free (DCF) soy ²⁾	82%	N/A	100%	2025
	RSPO-certified sustainable palm uptake, shared responsibility	41%	39%	+2%	ongoing
 People	Maintain a zero accidents culture (LTIFR) ³⁾	2.14	2.09	0	ongoing
	Inclusion index ⁴⁾	86%	87% ⁵⁾	90%	2030
	Work-life balance index ⁶⁾	71%	69% ⁵⁾	80%	2030
	Trust index ⁷⁾	74%	77% ⁵⁾	80%	2030
	Key raw material suppliers covered by Human Rights Due Diligence ⁸⁾	87%	76%	100%	2030
	Key raw materials suppliers signed/or aligned Code of Conduct	92%	71%	100%	ongoing
 Governance	High-risk non oils suppliers signed/committed to Code of Conduct ⁶⁾	81%	new	100%	ongoing
	Zero Convictions for violations of anti-corruption and anti-bribery laws ⁶⁾	0	0	0	0
	Share of functions at risk covered by anti-bribery and corruption training programs ⁶⁾	100%	100%	100%	ongoing

Removed 2024 Targets		Reason for removal
Climate	Source 100% renewable electricity for our operations by 2025	Integrated in Scope 1 & 2 implementation plan
Biodiversity	100% traceability to plantation (TTP) for palm	Integrated in the verified deforestation-free methodology
	50,000 shea trees planted by 2025 ¹⁾	Integrated in the Scope 3 action plan
People	By 2030 we aim to have an attrition rate lower than 8%	Replaced by our new Trust Index target, which tracks employee engagement
	Work to improve livelihoods within the supply chain with focus on smallholders and women	Integrated into our responsible sourcing strategy. Previously reported metrics will continue to be reported in S2.
Solutions	50% revenue contributing to SDGs by 2025	Integrated into our commercial strategy

¹⁾ From a 2019 base year.

²⁾ Changed from verified deforestation- and conversion-free (VDCF) to deforestation- and conversion-free (DCF) to bring AAK's methodology in line with industry standards.

³⁾ LTIFR is calculated per 1,000,000 working hours. We also disclose "Recordable Work Related Accidents" metric to align with CSRD. See section S1-14 for a detailed explanation.

⁴⁾ Lowered the target from 95% to 90% to reflect slower-than-expected progress while maintaining a target that is aspirational, relevant, and meaningful for our material topic of Diversity.

⁵⁾ This data was collected in 2023 as part of a biennial survey and is considered valid for 2024. See section S1-4 for more information.

⁶⁾ New target based on DMA-identified material topic.

⁷⁾ New target to track the progress of our overarching engagement and cultural transformation work.

⁸⁾ Expanded Scope to include shea suppliers in addition to the previously included palm, coconut, soy, rapeseed, and sunflower.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

🔹 **ESRS 2 General disclosures** **51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-3

Material impacts, risks and opportunities (IROs)
These are AAK’s material impacts, risks and opportunities. For more information on methodology and an overview of reporting topics, see the Double materiality assessment section in this chapter. All impacts, risks and opportunities are covered by ESRS disclosures.

Potential impacts are rated from 1 to 5, where 1 is very unlikely to occur and 5 is common occurrence.

Climate

Material topics	Category	Occurrence	Time horizon	Description of impact, risk and opportunity
Climate change mitigation				
Scope 1-2 emissions	Negative impact Actual	Own operations	Short, medium, long term	AAK’s operations generate climate emissions from energy use, including the combustion of natural gas and coal. See description in Energy below.
Scope 3 emissions	Negative impact Actual	Upstream	Short, medium, long term	Upstream emissions are energy- and land-related. The energy related arise from fuel combustion related to operation of heavy machinery and transports, and energy used in post-harvest processing (milling, crushing and refining). An additional emission hotspot is POME, Palm Oil Mill Effluent, a liquid byproduct from crude palm oil production that emits biogas (mostly methane) when it decomposes. Land-related emissions involve deforestation, peatland degradation, and use of synthetic fertilizers that release methane and nitrous oxide.
Reduced Scope 3 emissions	Positive impact Actual	Downstream	Short, medium, long term	AAK develops and produces oils and fats that are intended for use in plant-based meat and dairy alternatives, which have a lower climate impact than animal-based alternatives. AAK’s plant-based products also replace fossil-based and animal-based alternatives in non-food and personal care.
Energy				
Energy consumption	Negative impact Actual	Own operations	Short, medium, long term	AAK’s production sites use electricity and fossil fuel (natural gas and coal) to operate production machinery and to produce process heat and cooling.
Reduced fossil fuel consumption	Positive impact Actual	Own operations	Short, medium, long term	Energy use is being decarbonised by investment in new equipment. Some of AAK’s sites have boilers that produce energy from bio-fuels. The largest of these are in Aarhus and Karlshamn. This significantly reduces the use of fossil fuels in our own operations. Energy use is being decarbonised by investment in new equipment.
Climate change adaption				
Disruption of own production sites	Risks	Own operations	Medium, long term	Extreme weather events such as droughts or flooding may impact operations at AAK’s sites. According an assessment in 2021, two of AAK’s sites were at high risk for physical climate risks and three at medium to high risk. The rest were low or low to medium risk.
Disruption of raw material supply	Risks	Upstream	Medium, long term	Extreme weather events such as droughts, flooding, and changing weather patterns, are already impacting agricultural production leading to increased price volatility, costs and scarcity of raw materials. The impact will vary depending on region, raw material and number of suppliers affected by extreme weather. Shea kernels, however, only grow in Africa and are currently sourced from a single region, West Africa.
Costs related to transition	Risks	Own operations	Long term	Regulatory changes to combat climate change, such as new agricultural policies or carbon taxes, may lead to increased compliance costs and operational adjustments that impact AAK’s production strategy. The EU’s net-zero target by 2050 in particular is expected to lead to intensifying climate-related legislation. Future costs related to climate adaption may be high in a given financial year.
Costs related to reputational damage	Risks	Own operations	Long term	AAK may suffer reputational damage if expectations of decarbonized agriculture from investors and customers are not met. Proactive actions may therefore be required to align with these expectations and mitigate potential impacts.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

🔹 **ESRS 2 General disclosures** **51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-3

Biodiversity and ecosystems				
Material topics	Category	Occurrence	Time horizon	Description of impact, risk and opportunity
Direct drivers of biodiversity loss				
Land-use change	Negative impact Potential	Upstream	Short, medium, long term	Expansion of agriculture into forests and onto grasslands and peatlands risk damaging natural habitats for a range of species. Palm oil-related deforestation is known to happen in Indonesia and Malaysia, while soy-related impacts happen in South America, both in the Amazonas rainforest and the Cerrado savanna. Coconut farming can be linked to deforestation and peatland conversion. AAK has implemented strict monitoring, including satellite monitoring, and set targets to eliminate deforestation in all relevant raw material supply-chains by 2030. Both physical risks and transition risks were identified. The latter include increased costs for restoration activities or supply chain management such as monitoring systems and alternative agricultural practices. The physical risk identified was increased costs for raw materials, although this was considered a potential long-term risk. As of our DMA, the potential financial effects are deemed to be low for all identified risks. We see a close connection to biodiversity related risks with climate related risks and our financial materiality is currently focusing on physical risk under climate adaptation. Thresholds are aligned with Enterprise Risk Management systems and applied through the DMA.
Impacts on the state of species				
Species population	Negative impact Potential	Upstream	Short, medium, long term	The degradation of natural habitats that results from land-use changes described above can reduce population sizes and heighten extinction risks for local species. Further, pesticides and herbicides used may be toxic to pollinators, birds and aquatic species and may also contribute to habitat degradation. Both physical risks and transition risks were identified. The latter include increased costs for restoration activities or supply chain management such as monitoring systems and alternative agricultural practices. The physical risk identified was increased costs for raw materials, although this was considered a potential long-term risk. As of now, the potential financial effects are deemed to be low for all identified risks, as part of our DMA. We see a close connection to biodiversity related risks with climate related risks and our financial materiality is currently focusing on physical risk under climate adaptation. Thresholds are aligned with ERM systems and applied through the DMA.
Own workforce				
Material topics	Category	Occurrence	Time horizon	Description of impact, risk and opportunity
Working conditions				
Working time and work-life balance	Negative impact Actual	Own operations	Short time	Employee survey results show that AAK still has room for improvement in promoting a healthy work-life balance, highlighting the need for continued and focused efforts in this area. AAK recognizes that supporting work-life balance requires a shift in culture and leadership behaviors. While progress has been made in most business areas, this remains an area for ongoing attention since striking the right balance between professional responsibilities and personal well-being is essential for employee satisfaction, long-term engagement, productivity, and retention.
Health & safety	Negative impact Potential	Own operations	Short, medium and long term	AAK’s production processes causes accumulation of flammable materials and gases that pose risks for explosions. Other health & safety issues include operation of heavy machinery. These risks are mitigated by rigorous and stringent safety protocols, regular maintenance and employee training. At worst, accidents could have lethal consequences.
Equal treatment and opportunity for all				
Diversity	Negative impact Actual	Own operations	Medium term	The gender distribution across the organization indicates a continued need to strengthen balance and representation. Female representation at leadership level is broadly aligned with the overall workforce composition. While representation has increased in recent years, consistent progression across all levels remains an area of focus. AAK recognizes the importance of strengthening gender representation more broadly and continues to support inclusive recruitment, development, and succession practices.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

🔹 **ESRS 2 General disclosures** **51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-3				
Workers in the value chain				
Material topics	Category	Occurrence	Time horizon	Description of impact, risk and opportunity
Working conditions				
Secure employment	Negative impact Potential	Upstream	Short and medium term	Work in the value chain may involve low-paid migrant labor. In agriculture, and other at-risk industries in high-risk countries, low-skilled migrants are usually vulnerable to exploitation and discrimination. There is a risk that these workers may lack visas or proper work permits for seasonal work, leaving them without protection for secure employment and fair working conditions. AAK is confident that the impact can be mitigated through upstream collaboration and is currently contributing to several projects through Roundtable on Sustainable Palm Oil (RSPO), Earthworm Foundation and Solidaridad.
Adequate wages	Negative impact Potential	Upstream	Short and medium term	Actors in AAK's value chain may not receive living wages or earn living income that secures a decent standard of living which affects dependent family members and their livelihoods. This may be the case for contracted migrant workers that may lack visas or proper work permits. To mitigate this, AAK works with certifications such as Rain Forest Alliance, RSPO and FairWild.
Health & safety	Negative impact Potential	Upstream	Short, medium and long term	Occupational hazards associated with farm and plantation work pose risks to workers in the supply chain. In the cultivation of certain raw materials, pesticides and fertilizers are used, which may cause health problems for farmers and can also damage or eliminate plants and insects. AAK works with certifications such as Rainforest Alliance, the Roundtable on Sustainable Palm Oil (RSPO), and the FairWild Foundation, and provides training on good agricultural practices to farmers together with suppliers to increase awareness of health and safety risks.
Equal treatment and opportunity for all				
Gender equality and equal pay	Negative impact Potential	Upstream	Short, medium and long term	Certain participants in AAK's supply chain may contribute to gender inequality and unequal pay. This is often influenced by cultural contexts and particularly pronounced in shea-producing countries in Africa.
Gender equality and equal pay	Positive impact Potential	Upstream	Short, medium and long term	AAK is committed to empowering women in its supply chain. For example, Kolo Nafaso serves as a direct supply chain model that empowers women in the shea industry. Read more in the S2 Workers in the value chain-section.
Other work-related rights				
Child labour and forced labor	Negative impact Potential	Upstream	Short and medium term	Child labor is a risk in AAK's supply chain, particularly among smallholder farmers (such as family farms) where children often contribute. However, it may also occur on large plantations. Supply chains with elevated risks include coconut oil, due to the high number of smallholder farmers, and sunflower oil, due to the informal recruitment processes for day workers. Palm oil supply chains also present elevated risks, due to large numbers of smallholder farms, the recruitment of migrant labor, and families living on large-scale plantations. Forced labor may also occur because the countries from which AAK sources 1) often lack effective enforcement of labor laws, and 2) the agricultural sector often attracts migrant workers who are generally more vulnerable to exploitation. These risks are systemic and require collaboration with relevant stakeholders in the supply chain and with local government. AAK is active in industry organisations and applies human rights due diligence with its suppliers.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures 51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-3

Affected communities

Material topics	Category	Occurrence	Time horizon	Description of impact, risk and opportunity
Economic, social and cultural rights				
Land-related rights	Negative impact Potential	Upstream	Short, medium, long term	The expansion of agricultural activities onto new land, for example through land-clearing and deforestation, can impact individuals or communities that depend on that land for their livelihoods, and lead to issues such as inadequate compensation. The lack of secure land-rights is also a major driver of poverty.
Rights of indigenous people				
Free, prior and informed consent; self-determination; and cultural rights	Negative impact Potential	Upstream	Short, medium, long term	Indigenous people may have their land-related rights violated when land is cleared for agriculture. This issue is limited to places where indigenous people live, such as the Amazonas rainforest. Our Code of Conduct for Suppliers clearly states our expectation that suppliers ensure that rights are respected.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

🔹 **ESRS 2 General disclosures 51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-3				
Governance				
Material topics	Category	Value chain	Time horizon	Description of impact, risk and opportunity
Corporate culture				
Corporate culture	Positive impact Actual	Own operations	Short, medium and long term	AAK’s corporate culture, codified in the Code of Conduct and due diligence processes, promotes ethical business practices for AAK employees and suppliers, agents and distributors.
Corporate culture	Risk Likelihood: not expected to occur	Own operations	Short, medium and long term	If AAK fails to effectively manage its corporate culture—including policies, codes of conduct, and due diligence processes—we risk damaging business relationships, facing significant reputational harm, and suffering financial consequences. AAK is committed to closely collaborating with both upstream and downstream partners to ensure no negative impacts are caused or contributed to. While AAK has implemented multiple policies and controls, the risk remains if not properly managed.
Management of suppliers				
Management of suppliers	Positive impact Actual	Upstream	Short, medium and long term	AAK engages with suppliers on a continuous basis, addressing sustainability-related topics and Code of Conduct compliance. Results are recorded in supplier scorecards.
Corruption and bribery				
Prevention and detection including training; and incidents	Negative impact Potential	Own operations	Short, medium and long term	Some of AAK’s operations are located in high-risk countries for corruption and bribery. Due to internal controls and anti-corruption policies, no incidents have been reported during the reporting period, and the risk of incidents occurring is considered low.
Prevention and detection including training; and incidents	Negative impact Potential	Upstream	Short, medium and long term	Some of AAK’s value chains are located in high-risk countries for corruption and bribery. AAK has a control mechanism in place and works to reduce instances of corruption along the value chain but cannot rule out occasional incidents of corruption.
Prevention and detection including training; and incidents	Negative impact Potential	Downstream	Short, medium and long term	AAK’s downstream operations involve agents and distributors in various markets, including regions with elevated corruption risk. Despite AAK’s prevention and detection controls, occasional corruption incidents cannot be fully ruled out.
Prevention and detection including training; and incidents	Risk Likelihood: not expected to occur	Upstream Own operations Downstream	Short, medium and long term	Incidents of corruption can damage AAK’s brand and result in contract terminations and loss of investor confidence. Financial consequences include legal costs and risk of long-term market exclusion. AAK has implemented protocols to mitigate this risk but acknowledges that it cannot be ruled out.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures 51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

IRO-1-2

Double materiality assessment

AAK finalized its DMA covering its entire value chain in 2025. This is the first DMA process AAK has published, and therefore there are no changes to report compared with previous years.

The resulting reporting topics are summarized below. For a complete list of reporting requirements, see the content index in Appendix B.

Topics E2 Pollution, E3 Water, E5 Resource Use and Circular Economy, and S4 Consumers and End-Users were assessed as non-material in our 2025 DMA. Water use is considered non-material because, although irrigation and processing activities in AAK’s value chain depend on freshwater and may pose risks in water-stressed regions, current conditions and supplier locations indicate that these impacts are not yet severe.

We will continue to monitor and evaluate our impacts, risks, and opportunities in relation to these areas, and their materiality will be reassessed annually as part of our DMA process.

The process of identifying and managing impacts and risks is an integral part of AAK’s risk management approach and presented and aligned with the Risk Management Council. See the Strategy section for more information about opportunity management.

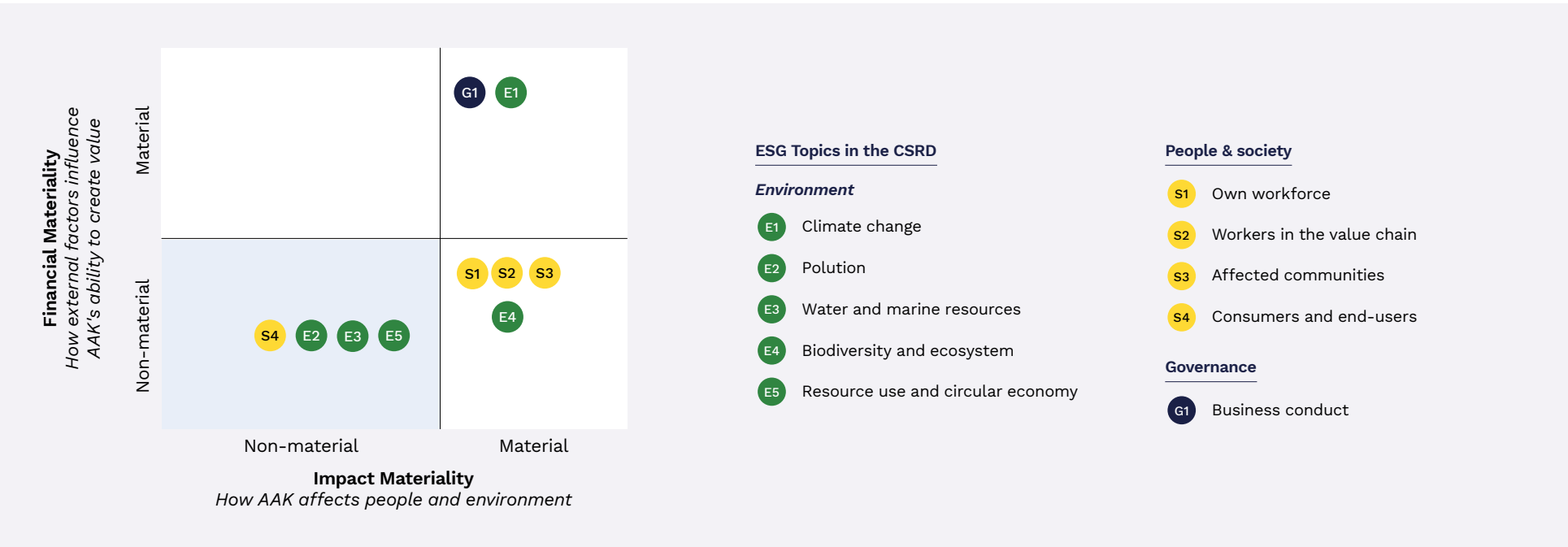
The DMA is assessed holistically and integrated across the different functions and validated and approved by the Executive Committee, Audit Committee, and the Board. The DMA is the foundation of our priority setting in sustainability and has been a key element in the development of our strategy. The cross-functional owners of the sustainability agenda have the responsibility to lead and drive the execution, as well as the embedding of sustainability in their respective functional plans.

Methodology

1. Impacts, risks and opportunities identification

Topics and impacts, risks and opportunities (IRO) were identified based on AAK’s value chain, business relationships and offering, with the geographic location of own operations, suppliers and customers also considered. All topics, sub-topics and sub-sub-topics outlined in ESRS 1 AR 16 were included in the Scope. The process involved reviewing internal and external documentation, as well as conducting workshops, surveys and interviews with key stakeholders, including both internal and external subject matter experts.

In addition to previous materiality assessments and sustainability reports – including TCFD reporting – the internal documentation reviewed also comprised the 2025 AAK Human Rights Risk and Impact Assessment and the 2023 Human Rights Due Diligence (HRDD) overview. These documents evaluate human rights risks and impacts across AAK’s own operations and value chain, with detailed breakdowns by site location and raw material. Also reviewed was AAK’s 2023 Assessment on Barriers to Alignment with the Taxonomy Criteria for Food Manufacturing, which examines environmental impacts from agriculture, broken down by raw material.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures 51**

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

IRO-1-2

2. Defining assessment scales

The IROs were assessed for materiality using five-point scales and applying the methodology described in ESRS 1. The severity of negative impacts was determined by assessing:

- Scale (from 1 = minimal to 5 = absolute),
- Scope (from 1 = limited to 5 = global/total), and
- Irremediability (from 1 = relatively easy to remedy to 5 = non-remediable).

The highest rating across these criteria determined the overall severity, ranging from 1 = insignificant to 5 = most severe/beneficial. For positive impacts, irremediability is not applicable. Positive impacts were assessed based on the combination of scale and Scope, referred to as “benefit”.

For potential impacts, as well as for risks and opportunities, likelihood was assessed on a five-point scale (from 1 = very unlikely to occur to 5 = common occurrence). Potential impacts rated 5 on severity were assessed as material regardless of likelihood. Potential impacts rated 4 on severity and 3–5 on likelihood were also assessed as material. For actual negative impacts, materiality is based on the severity of the impact alone.

For risks and opportunities, financial materiality was determined by assessing the financial effects (from 1 = very light to 5 = very severe) in combination with likelihood. Risks and opportunities rated 5 on financial effect were assessed as material regardless of likelihood. In addition, those rated 4 on financial effect and 3–5 on likelihood were considered material. The quantified thresholds for financial effects are aligned with AAK’s Enterprise Risk Management system and were approved following discussions with the Risk Committee.

The assessment of financial effects considered AAK’s impacts and the dependencies that the business model relies on, such as access to raw materials and customer relationships.

SBM-2

Stakeholder engagement

AAK’s key stakeholders include investors, customers, non-governmental organizations, suppliers, municipalities, and employees. We engage regularly with all stakeholder groups, as their perspectives are essential for the development of our strategy and business model. While stakeholders differ in their priorities, a common expectation is that AAK manages its impacts responsibly and conducts business according to high ethical standards.

These expectations are reflected in our sustainability strategy, which prioritizes reducing climate impact, protecting biodiversity, and contributing to the wellbeing of people across our own operations and value chain. Upholding high ethical standards at all times and in all locations is a fundamental commitment. The strategy is supported by dedicated action plans and roadmaps. Further information is provided in the Strategy section.

Beyond day-to-day business interactions, stakeholder engagement plays a critical role in informing our materiality assessments, including the most recent DMA conducted in 2025. The

3. Applying the scales

The scales were applied in assessment workshops with the results then validated in follow-up assessment workshops with key AAK stakeholders. The assessments were then further refined using insights from AAK’s most recent reporting.

4. Verification and approval

Sustainability risks are regularly assessed through a range of processes, including the DMA, Human Rights Impact Assessment, Biodiversity Risk Assessments, and Climate Risk Assessment. To ensure strong governance, AAK has established a structure where the results of the DMA are presented to the Risk Management Council. This approach ensures that sustainability considerations are embedded in strategic decision-making and that identified risks inform the implementation of actions and achievement of targets. All sustainability-related impacts, risks and opportunities are discussed with the Executive Committee, and the results of the DMA are reviewed and approved by the Executive Committee, Audit Committee and Board of Directors and integrated into our sustainability strategy.

impacts, risks, and opportunities identified through this process form the basis for AAK’s sustainability strategy and guide our sustainability-related decision making.

The DMA includes deep dives into various topics and incorporates insights from stakeholders, customers, and employee surveys, conducted through questionnaires and interviews. These findings are regularly reported to the Executive Committee, Audit Committee and Board of Directors. As part of the DMA process, stakeholder reviews are carried out via interviews or online questionnaires. In addition, customer satisfaction surveys are conducted biennially by the Global Marketing Team. Beyond surveys, we actively engage through industry events and individual meetings with suppliers, customers, experts, NGOs, and investors to strengthen our understanding of key sustainability risks, priorities, and opportunities relevant to our business. Complementing these efforts, our Strategic Marketing and Insights Team gathers industry-specific information that further informs our sustainability work.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures** **51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

SBM-2			
Stakeholder	Stakeholder interests, views, and purpose of engagement	Stakeholder engagement	Impact on strategy and business model
Employees	AAK’s employees seek opportunities for professional growth and personal development, as well as a workplace that promotes diversity and ensures a safe and healthy working environment.	AAK maintains ongoing dialogue through internal communication platforms and through union representatives. The company conducts biennial employee engagement surveys (Great Place to Work) and work environment surveys to gather insights and strengthen employees’ sense of belonging (see S1 – Own Workforce).	Insights from these engagement activities are analysed and integrated into the global people strategy and talent management to enhance employee wellbeing and further strengthen AAK’s organizational culture.
Suppliers	Suppliers seek clarity on AAK’s priorities and long-term objectives to align their own strategies with current and future material demands.	AAK fosters strong relationships with suppliers through ongoing engagement discussions, site visits, and webinars. (see S2 –Workers in the Value Chain).	Improved awareness of challenges and opportunities in the upstream value chain informs AAK’s strategy and due diligence assessments, DMA. This is reflected in the company’s sustainability strategy and its priorities to reduce climate impact, protect biodiversity, and contribute to the wellbeing of people throughout the value chain.
Customers	AAK’s customers are seeking high-quality products that meet their sustainability and commercial requirements and support broader social development.	AAK engages customers through biennial customer satisfaction surveys conducted by the Global Marketing Team, as well as through continuous communication via sales activities and commercial discussions. (see General Disclosures).	Insights from these engagements guide the sustainability strategy and innovation towards the development of more sustainable products.
Local Communities & municipalities	Local communities and municipalities seek to contribute to local economic development and social wellbeing.	AAK actively engages with these stakeholders through partnerships and participation in community-driven events held throughout the year. (see S3 –Affected Communities).	Engagement with local communities provides AAK with valuable insights into local needs, expectations, and potential impacts, enabling the company to operate responsibly and contribute positively to the areas in which it is present.
Shareholders & Investors	Shareholders and investors are interested in understanding AAK’s financial performance and its commitment to sustainable practices. They expect transparency and regular progress updates.	AAK maintains transparency through annual financial reports and management reports, including sustainability reports. The company engages with its shareholders and investors through its Annual General Meeting, which serves as the highest decision-making forum and through individual engagement sessions. (see General Disclosures).	This engagement enables AAK to align its strategic initiatives with shareholder and investor expectations, ensuring longevity in investments and strategic direction.
Industry Associations & Forums	Industry associations and forums engage with AAK due to its expertise in plant-based oils and fats, its active role in advancing sustainable supply chains, and its ability to contribute with practical insights that help shape industry standards, policies, and collaborative solutions to shared sustainability challenges.	AAK participates in industry forums and associations, including environmental and sustainability working groups. (see General Disclosures, E1 – Climate, E4 – Biodiversity, S2-Workers in the Value Chain).	This engagement enhances AAK’s alignment with sustainability-related laws and regulations and supports the refinement of business strategies in response to evolving public health and sustainability expectations.
Sustainability Experts, (silent stakeholder)	Sustainability experts seek robust sustainability performance and transparent reporting on environmental and social impacts, with a particular focus on the strength of AAK’s sustainability strategy.	AAK collaborates with experts in sustainability, including those working in Human Rights, Climate, and Biodiversity, as well as with value chain experts and NGOs through ongoing partnerships, and participates in initiatives that promote best practices. (see General Disclosures, E1 – Climate, E4 – Biodiversity, S2-Workers in the Value Chain).	Incorporation of stakeholder views enhances AAK’s sustainability initiatives and demonstrates the company’s commitment to sustainable business practices.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

🔹 **ESRS 2 General disclosures** **51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

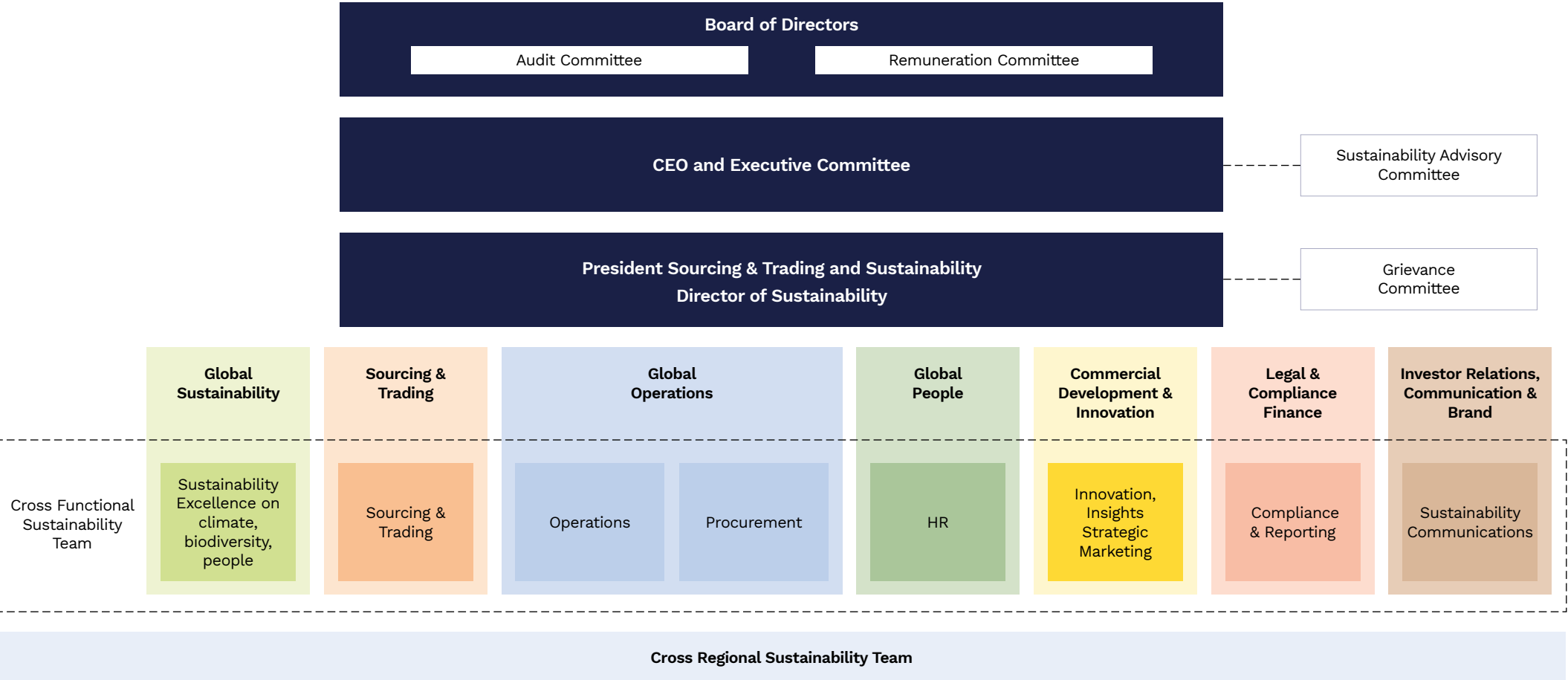
GOV-1, GOV-2, G1 ESRS 2 GOV-1

Governance

AAK’s sustainability governance is embedded within existing organizational structures to ensure that commitments and targets are integrated into decision-making and that impacts, risks, and opportunities are effectively managed. This means that sustainability considerations are incorporated into both the oversight and execution of the Group strategy, and that potential trade-offs related to sustainability impacts are assessed by balancing short-term operational needs with long-term sustainability objectives.

AAK’s sustainability commitments are based on the most significant risks and the greatest opportunities to drive positive impact. Establishing commitments related to biodiversity, such as achieving deforestation-free volumes in palm and soy, can result in trade-offs, including not engaging with specific suppliers or not sourcing from certain areas or regions. The most common trade-offs occur between required investments or profitability versus the ability to meet sustainability targets. In situations where economic trade-offs affect competitiveness, sustainability ambition levels are revisited to safeguard business continuity.

AAK’s sustainability governance



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures** **51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

GOV-1, GOV-2, G1 ESRS 2 GOV-1

The Board of Directors
AAK's Board of Directors, appointed annually by the Annual General Meeting (AGM), has overall responsibility for governance, strategy and sustainability. The Board approves strategic objectives, the DMA and sustainability targets, sustainability policies and the sustainability statement, and oversees sustainability performance. Oversight of compliance and ESG reporting is delegated to the Audit Committee. The Board receives regular updates from senior management, and sustainability policies are reviewed annually in line with the DMA.

Composition of the Board of Directors
The current Board consists of five non-executive members elected by the Annual General Meeting. Patrik Andersson (Chairman), Fabienne Saadane-Oaks and Ian Roberts are considered independent while Märta Schörling Andreen and Nils-Johan Andersson are considered dependent in relation to largest minority shareholders. 40 percent of the Board members are women; 60 percent are independent in relation to largest minority shareholders and 100 percent are independent in relation to the company and senior management.
Additionally, employee organizations appoint two ordinary members and two deputies. The ordinary members are Lena Nilsson (PTK-L) and David Alfreðsson (IF Metall), and the deputies are Annica Edvardsson (PTK-L) and Mikael Myhre (IF Metall).

The Board of Director's committees
Remuneration Committee
The main role of the Remuneration Committee is to assist and advise the Board on matters relating to remuneration of senior management. This ensures that AAK can retain executives and attract talent. Performance against sustainability targets is a criterion for the Executive Committee's remuneration.

Audit Committee
The Audit Committee oversees risk management evaluation and the integration of AAK Group procedures, as well as monitoring and following up on policies and codes and their implementation throughout the organization. Instances of non-compliance with policies and codes along with corrective actions taken are presented to the Audit Committee when relevant. The Audit Committee is responsible for monitoring and following up on policies and codes and their implementation and provides oversight of compliance and sustainability reporting.

Evaluation of and nomination to the Board of Directors
The Nomination Committee, which is appointed by the Annual General Meeting of shareholders, is tasked with, among other things, proposing members and a chairman for the Board to the general meeting of shareholders. Members are proposed based on their experience and expertise, including in sustainability matters such as human rights and business conduct, as assessed by the Nomination Committee. The Board's experience includes operational experience from leading positions from companies within AAK's value chain as well as other industries, and board experience from a range of other industries. The Board leverages both internal and external sustainability expertise to inform its decision making.

Focus in 2025
In 2025, the Board considered all material IROs as part of the review of the materiality assessment. Additionally, the following material impacts, risks, and opportunities were given special attention during the reporting period:

- Climate
- Biodiversity
- People
- Governance

CEO and Group Management
The CEO and the Executive Committee have operational responsibility for AAK's sustainability strategy, progress and performance. The responsibility for sustainability related commitments and targets is delegated from the Board to Group Management and from there, further in the organization. Review of progress and actions related to sustainability is a recurring agenda item for Executive Committee meetings.
The main responsibility for developing AAK's sustainability strategy and management lies with the President of Global Sourcing & Trading and Sustainability, who is a member of AAK's Executive Committee. The Director of Sustainability reports to the President of Global Sourcing & Trading and Sustainability and leads the Global Sustainability Function and the Cross-Functional Sustainability Team across the different functional areas: operations, people, sourcing and trading, procurement, commercial development & innovation, legal & compliance, investor relations, communications & brand, and finance. This structure provides a holistic approach to AAK's commitments and targets.
Currently there are eight members of the Executive Committee, of which two are women.

Sustainability Advisory Committee
In 2024, AAK established the Sustainability Advisory Committee (SAC), with representation of the Board and the Executive Committee. The aim of the SAC is to provide expert input to AAK's sustainability transformation, bring in external expertise, challenge the strategy, and support the education of the Board of Directors. The SAC meets quarterly.

Grievance Committee
The Grievance Committee is responsible for managing potential breaches or violations of the Responsible Sourcing Policy and Supplier Code of Conduct. The committee consists of key sustainability team members, including the President of Global Sourcing & Trading and Sustainability, the Director of Sustainability, relevant sourcing and trading teams for different raw materials, and regional personnel who manage supply chain engagement.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures 51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

GOV-3, E1 ESRS 2 GOV-3

Sustainability in incentive schemes

To ensure that our leadership is aligned with our climate goals, AAK has integrated sustainability targets into our executive remuneration framework. The Annual General Meeting approves the principles for remuneration of senior management.

Executive remuneration consists of a fixed base salary and variable pay, which includes the Annual Incentive Program (AIP) and Long-Term Incentive Program (LTIP). The total variable compensation (AIP + LTIP) is capped at 200 percent of the fixed base salary.

The Annual Incentive Plan (AIP) is structured around key performance targets directly aligned with our strategic priorities. The current metrics include EBIT, VDF palm performance, and working capital efficiency. VDF is a shared performance target for all senior management and reinforces

our commitment to sustainability by directly linking incentive outcomes to one of our core sustainability priorities, contributing to our climate and biodiversity priority areas by protecting the carbon sinks of our upstream value chain and consequently reducing AAK’s value chain emissions.

Increasing our volume of VDF palm is critical to avoiding the significant greenhouse gas emissions associated with land-use change due to deforestation, directly supporting the achievement of our science-based targets and demonstrating a direct financial incentive to drive progress on our climate and biodiversity goals. This component is assessed based on performance achievement. For information on how the metric VDF palm is calculated, see the *Biodiversity* chapter.

GOV-4

Statement on due diligence

AAK has established due diligence mechanisms for our raw materials supply chains. These include the implementation of policies, supplier self-assessments, training for suppliers on key sustainability and compliance topics outlined in our policies and codes, supplier scorecards, and sustainability audits. Further details on our supply chain due diligence and grievance management can be found in the *Business conduct* section.

For non-raw material procurement, we are establishing risk-based screening and due diligence of our suppliers in alignment with our material impacts and salient issues. This complements our existing assessment, approval and audit process for suppliers critical to food safety.

Maintaining high ethical standards is a priority for AAK. We promote a corporate culture that encourages ethical conduct from all our employees, suppliers and business partners. AAK is committed to complying with and upholding the following international standards:

- UN Sustainable Development Goals
- UN Global Compact’s ten principles in the areas of social relations, human and labor rights, environment, and anti-corruption
- OECD Guidelines for Multinational Enterprises
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Core Conventions
- UK Modern Slavery Act

The following table maps how AAK applies the core elements of due diligence and where they are presented in the sustainability statement.

Core elements of due diligence	Sections in the sustainability statement	Pages
a) Embedding due diligence in governance, strategy and business model	Strategy Governance	51 63-64
b) Engaging with affected stakeholders in all key steps of the due diligence	Climate Biodiversity Own workforce Workers in the value chain Affected communities Business conduct	62 62 62, 94 62, 102 62 62
c) Identifying and assessing adverse impacts	Strategy DMA	51-54 61
d) Taking actions to address those adverse impacts	Climate Biodiversity Own workforce Workers in the value chain Affected communities Business conduct	72 88 94 101 106 108
e) Tracking effectiveness	Climate Biodiversity Own workforce Workers in the value chain Affected communities Business conduct	75-77 89-90 95-98 103 106 108

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

◆ **ESRS 2 General disclosures 51**

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

GOV-5

Risk management and internal controls over sustainability reporting

AAK has an ESG reporting manual that sets out the sustainability reporting principles that are to be followed throughout the organization. These include quality principles, supporting principles and data integrity and accountability. There are integrated controls in the manual, including a

four-eyes principle where one person enters the data and another controls and reviews it at site level before it is analyzed and verified at Group level.

The internal controls for sustainability reporting are continuously developed. This work includes identifying key risks and developing a solid internal control framework around them.

BP-1, BP-2

Basis for preparation

This sustainability statement is prepared in accordance with the ESRS standards issued by the European Financial Reporting Advisory Group (EFRAG). It has been prepared on a consolidated basis, the same as for the financial statements. See note 1 in the Annual Report for more information. It covers AAK’s entire upstream and downstream value chain, and the impacts, risks and opportunities identified therein in the DMA.

The time horizons used in the report are the same as defined in ESRS1. That is short term <2 years, medium term 2–5 years, and long term >5 years.

Accounting principles, including any uncertainties, estimations and changes to previous periods, will be explained in each topical standard.

AAK has not omitted information corresponding to intellectual property, know-how or the results of innovation, nor has the exemption for disclosing information on impending developments or matters in the course of negotiation been used. A list with estimates and uncertainties is available in Appendix A.

The following information has been incorporated via reference in Financial statements and notes.

- SBM-1, 40/a/iii, employees by geographical area – Note 7.
- SBM-1, 40/b, breakdown of revenues per business area – Note 26.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

E1 Climate change



This chapter describes AAK’s material impacts, risks and opportunities related to climate change, covering both transition and physical climate risks across our operations and value chain. It explains our approach to climate change mitigation and adaptation, our governance and strategic responses, and the measures we take to monitor and manage greenhouse gas emissions. The chapter also outlines our targets, performance indicators and progress in alignment with the requirements of ESRS E1.

Impacts, risks and opportunities

Our primary negative impacts include energy consumption and greenhouse gas emissions. AAK uses energy to operate process equipment and machinery, as well as to generate industrial heat and cooling, which together account for the company’s Scope 1 and 2 emissions. Scope 1 emissions also include biofuels’ N₂O and CH₄ emissions which are not absorbed during biomass growth. CO₂ emissions released by burning biofuels are reported separately as ‘outside of Scopes’.

Upstream Scope 3 emissions are divided into two groups: FLAG and non-FLAG. Forest, Land, and Agriculture (FLAG) emissions relate to the cultivation of raw materials on farms and plantations and include land-use changes. Non-FLAG emissions encompass all other upstream sources, including emissions from palm oil mill effluent (POME). More than 90 percent of AAK’s emissions fall under Scope 3. AAK has an actual negative impact on climate change through Scope 1–3 GHG emissions resulting from manufacturing operations (especially via energy consumption and fuel dependencies) and upstream raw material sourcing (via land-use change, carbon stock loss and process-related emissions). For 2025, AAK’s total Scope 1 and Scope 2 emissions were estimated at 294,897 tCO₂eq and at 6,914,506 tCO₂eq for Scope 3.

Potential impacts of AAK’s activities are assessed, since future emissions growth (via capacity expansions), delayed adoption of low-carbon technologies as well as supply chain transition risks (limited availability of low-carbon inputs) may occur.

Our positive impacts include the production of ingredients for less carbon-intensive products and the installation of bio-boilers.

Material risks related to climate adaptation include both physical and transition risks.

For more information about impacts, risks and opportunities (IROs), see the Strategy and policies section in the ESRS 2 General disclosures chapter.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1 ESRS 2 SBM-3, E1 ESRS IRO-1]

Climate scenario analysis

AAK’s climate resilience journey was initiated in 2019, when we started identifying and assessing climate-related risks for all production sites and for key raw materials. This initiative continued in 2020, when we started applying the Task Force on Climate-related Financial Disclosures (TCFD) framework to our findings, focusing on significance and likelihood. In 2021, the approach was further developed by adding climate risk to a site-specific scoring system, supported by a third party. The risk scoring is performed annually and followed up to ensure corrective actions in dialogue with each site.

During 2022 we initiated climate change risk assessments for key raw materials. To ensure a proper methodology in line with IEA World Energy Outlook Scenarios (WEO), Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSP), the work continued together with a third party to apply the right tools for scenario analysis. The identified risks were verified in our double materiality assessment (DMA) conducted in 2024.

Climate change and water security impacts have been assessed, using two different scenarios with various socio-economic assumptions in line with TCFD disclosure requirements. The scenarios inform the identified transition risks and physical risks from a Group perspective. The risks are being assessed based on IEA and IPCC reports, with supportive input from reports and articles from specific geographies and industries.

Scenario 1 – “The low carbon revolution”

The Net Zero Emissions by 2050 Scenario and Sustainable Development Scenario

The Net Zero Emissions by 2050 Scenario (NZE) is an ambitious scenario that limits global warming to +1.5°C by 2100, in line with the assessment in the IPCC Special Report on Global Warming of 1.5°C, through stringent and immediately introduced climate policies and innovation in the energy sector. The Sustainable Development Scenario (SDS) is based on many of the same elements as NZE and calls for advanced economies to reach net zero by 2050, China by 2060 and India by 2070. Both scenarios involve more transition risks early on but manage to limit physical risks to a minimum, while they are driven by rapid and coordinated implementation of ambitious climate policies (including higher carbon pricing, stricter emissions standards, and mandatory

low-carbon procurement requirements across key markets) and technological breakthroughs and cost reductions such as accelerated development and large-scale deployment of low-carbon technologies, leading to significant cost reductions in renewable energy, electrification solutions, and energy-efficient processes. Key inputs for this scenario include assumed carbon price trajectories, energy price projections, and low-carbon technology cost curves consistent with a rapid transition pathway, alongside internal data on energy consumption, emissions profiles, and planned decarbonization investments. Key constraints relate to the availability and timing of low-carbon technologies at scale across the value chain, as well as capital allocation capacity and the implementation timelines required to deliver significant operational and technological changes.

Scenario 2 – “Climate chaos”

IPCC AR5 (RCP8.5), IPCC AR6 (SSP5-8.5) and Business-as-Usual (BAU) Scenario

This assumes that only currently implemented policies are preserved. The world does not cut emissions and climate change accelerates, causing 2.5°C of warming by 2050 and >+3°C by 2100 and bringing irreversible changes. It is linked to RCP8.5 and SSP5-8.5, and involves little to no transition risks early on, but results in irreversible and globally disruptive physical damage. In a climate chaos scenario, the key forces and drivers include escalating physical climate impacts—such as more frequent and severe extreme weather events and rising chronic climate stress—which disrupt operations, supply chains, and logistics, combined with a fragmented and delayed policy response characterized by uncoordinated and reactive climate measures that increase regulatory uncertainty and limit effective mitigation. Key inputs for this scenario include physical climate hazard projections covering the frequency and severity of extreme weather events and chronic climate stress, together with data on asset locations, supply chain exposures, and assumptions regarding insurance availability. Key constraints stem from the high uncertainty and limited predictability of physical impacts and policy responses, which reduce the effectiveness of long-term planning and are compounded by disruptions to markets, infrastructure, and value chains.

Main results		
Scenario narrative	Net Zero 2050 scenario +1.5°C global warming (SSP1-2.6, SDS & NZE)	Business-as-Usual scenario >3°C global warming (SSP5-8.5 & BAU)
Risk assumption	Implementation of policies aimed at agriculture, such as the EU Green Deal and Farm to Fork strategy, affect the prices of food raw material.	Emissions will increase, leading to higher temperatures and more natural disasters. There will be an increase in bushfires, higher sea level rise, more extreme flooding, more extreme drought, and deadly extreme heat.
Main outcome	The NZE scenario involves a long-term strategy for climate neutrality by 2050. Advanced economies will reach net zero in 2050, followed closely by countries such as China and India. An introduction of carbon pricing, through both ETS and carbon taxes, will enable the transition to low-emissions energy.	The BAU scenario is dominated by increased physical risk due to the lack of coordinated policy actions. This scenario will be affected by price volatility due to extreme weather events disrupting crops.
Main impacts on business	Increased carbon pricing enables a shift toward renewable energy sources and other emission reduction interventions within the supply chain. This will lead to higher operational costs and prices for raw materials.	A high frequency of extreme weather events is expected to lead to scarcity in raw materials and higher prices. Extreme heat can lead to decreased quality or yield of raw material. Acute extreme weather events can lead to the disruption of crops either in part or in whole.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1.IRO-1_03 / E1.IRO-1_10 / E1.IRO-1_11 / E1.IRO-1_12 / E1.IRO-1_13 / E1.IRO-1_14 / E1.SBM-3_06]

Climate adaptation and resilience

AAK's production sites have been regularly assessed since 2019 for risks posed by more extreme weather events caused by climate change. AAK sites perform an annual self-assessment according to the AAK Environmental Risk Grading System.

The risk mitigation measures being implemented reduce the risk of severe disruption to production.

The following assessment was conducted in 2022 and is reviewed annually to ensure relevance for AAK's current operations, also in context of our DMA.

The results of this assessment have informed our 2025 DMA. Climate-related risks are evaluated and fully integrated into our annual DMA process

The identified transition risks and physical risks are presented in the table below.

Risks						
Type		Risk	Likelihood	Financial impact	Time horizon	Description of risk and evaluation
Transition risk	Laws and regulation	Carbon pricing (Scope 1)	Almost certain	Low	Medium-term	The cost of EUA mandatory carbon credits will increase going forward. However, the financial impact is considered low for AAK in short and mid-term and will not be relevant since not many sites use carbon credits. Aarhus, one of the main ones, has applied Biomass boilers (to reduce its carbon footprint by 90 percent and around 15 percent for the AAK Group).
		Regulations (EUA and RECs, carbon pricing) (Scope 2)	Almost certain	Low	Short-term	Increasing the Scope of green electricity stepwise year on year, the impact has already been embedded in SBT roadmaps. Since significant cost is defined in line with our delegation of authority policy, it will not reach authorization level. Thus, this is not considered to have significant financial impact.
	Technology	Investments in necessary technologies and innovations	Possible	Low	Medium-term	To reach AAK's reduction targets, the company might need to invest in new technology or innovations. Costs are evaluated and embedded in the SBT roadmap for Scope 1.
	Market	Change in consumer behavior	Possible	Low	Long-term	The risk of consumers changing their behaviours due to climate change and new regulations makes AAK's multi-oil setup and close collaboration with customers a strong approach, with high adaptability to changes.
	Reputation	Failure to meet climate ambitions set by AAK	Not likely	Low	Medium-term	Failure to meet AAK's own ambitions can lead to bad publicity, harming our reputation. However, robust and aligned plans are in place, so this risk is considered low.
Physical risk	Acute	National hazards impacting sites and surroundings	Possible	Low	Medium-term	National hazards like power outages, or higher energy costs, are likely to increase, which can harm AAK's sites. Low risk at site level is also described below.
		Limited availability of water	Almost certain	Low	Medium-term	Drought events will cause water scarcity, affecting both raw materials and production sites. We expect several types of global raw material to be potentially affected by increased droughts. In particular, India, Mexico and West Africa will need to be monitored as countries of origin for specific raw materials.
		Wildfire, wind, hailstorm, seismic hazard, lightning	Possible	Low	Medium-term	Extreme acute weather events will disrupt crops of key raw materials. The risk of wildfires was mostly linked to sunflower crops, with the highest risk by 2030 in Italy and by 2050 in Italy, Hungary, and Romania. Tropical cyclones or tornados have been identified as key risks for several raw materials from multiple origins. Soy and coconut from Latin America and South-East Asia in particular could be at risk in the future. As AAK sources from multiple origins, the overall financial risk is currently considered low. This risk is low for operations.
	Chronic	Increased sea level	Almost certain	Low-medium	Medium-term	Ports across the world will be affected by the combination of storm surges and sea level rise. This may impact overall availability of AAK's key raw materials.
		Contamination of land	Possible	Low	Medium-term	Chemicals and pesticides used in agriculture can contaminate soil and disturb biodiversity. Increased salt levels in soils can furthermore disturb existing ecosystems.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1.IRO-1_03 / E1.IRO-1_10 / E1.IRO-1_11 / E1.IRO-1_12 / E1.IRO-1_13 / E1.IRO-1_14 / E1.SBM-3_06]

The key opportunities we have identified include:

- **Market opportunities:** There is a growing market demand for plant-based foods as well as natural alternatives to fossil-based ingredients in non-food applications. This trend allows AAK to position itself as the preferred supplier for innovative, sustainable solutions that help our customers reduce their own climate footprints.
- **Resource efficiency:** We see significant opportunities to improve efficiency within our operations. This includes investing in green energy to reduce emissions, minimizing waste through improved recycling processes, and enhancing circularity by increasing the use of by-products from our side streams.
- **Energy source diversification:** Transitioning to alternative energy sources presents a major opportunity to decarbonize our operations. We have already invested in biomass boilers at our Aarhus site and continue to explore other possibilities, such as hydrogen, for our long-term energy needs.

With regards to business assets that are incompatible with a climate-neutral economy, AAK is planning to conduct a relevant assessment in the future.

The following time horizons have been used assessing impacts, risks & opportunities:

- Short-term: within the next financial year
- Medium-term: within 2-5 years
- Long-term: more than 5 years

These are also similar to AAK's business strategy time horizons (short: 1-3 years, medium: "by 2030", long-term: "beyond 2030". AAK is also reviewing its strategy every year and revisiting its strategy every 5 years.

¹ SSP2 – 4.5 is a medium emission scenario in which strong mitigation stabilizes total greenhouse gas emissions at current levels until 2050, and which then decline until 2100. This scenario is expected to result in global average temperature rising by 2.1-3.5°C by 2100. (Source: S&P Global Climate Risk assessment - Physical Climate Risk Assessment AAK).

² Low mitigation scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures rise by 3.3–5.6°C by 2100.

[E1-4, part 1]

Ambitions

By 2030, AAK aims to achieve the following reductions compared with a 2019 baseline:

- A 50 percent reduction in absolute Scope 1 and 2 emissions
- A 46.2 percent reduction in absolute Scope 3 non-FLAG emissions
- A 33.3 percent reduction in absolute Scope 3 FLAG emissions

In addition, AAK works towards eliminating deforestation across its deforestation-linked palm and soy supply chains by 2025. By 2027, 10.3 percent of our suppliers by emissions, covering purchased goods and services, and transportation and distribution, shall have climate targets approved by the Science Based Targets initiative.

Raw materials-specific risk assessment

We source raw materials that originate from farmers and plantations that will be impacted by climate change. It is therefore a priority to understand the potential impacts and have appropriate flexibility for their mitigation. A diverse supply base enables adaptation to change in raw material availability by adjusting ingredients and sourcing regions.

In 2025, an IFRS-compliant physical climate risk assessment for suppliers was performed for our sourcing countries and Tier 1 suppliers, focusing on climate change scenario SSP2 – 4.5 (Medium Emissions)¹ and SSP5 – 8.5 (High Emissions)². The climate impacts for AAK's supply base were analyzed in decade intervals from 2020 to 2090 and physical risk scores, which represent a point in time exposure to climate hazards relative to global conditions, were assigned. The climate scenario SSP2 was considered as likely scenario to become reality and the SSP5 scenario was chosen to analyze a high emission scenario with more severe impacts on our upstream supply base, impacting raw material availability and business continuity. By working with a likely and a worst-case scenario AAK aims to understand and be prepared for potential future implications for our supply chains and raw material availability.

Nine major climate hazards were assessed: coastal flooding, pluvial flooding, fluvial flooding, extreme heat and cold, tropical cyclones, wildfires, water stress and drought. Key climate hazards within both climate scenarios for the supply base were extreme heat, especially for Colombia, Ecuador and Malaysia; drought, especially in Romania and Spain; and water stress focused on Burkina Faso and Mexico.

Palm, coconut, and soy are the crops most likely to be more heavily impacted overall by climate change than shea, rapeseed, and sunflower. Flooding and drought will likely impact palm and soy, as well as temperature rises especially in Latin America. India will be the origin potentially most heavily impacted. Coconut will be impacted by tropical cyclones and flooding as well as droughts.

These climate risk insights are important for our teams to consider for future sourcing strategies, by guiding decision making around supply chain resilience matters (such as diversification of countries of origin). The findings will also be used to prioritize the on-the-ground climate risk mitigation efforts that AAK will embark on in the upcoming years.

These targets are in line with the 2015 Paris Agreement and in accordance with the latest climate science. AAK is committed to limiting global warming to below 1.5oC. Our climate targets were approved by the Science Based Targets initiative in December 2023.

In setting these targets, AAK engages with stakeholders. For more information, see *Stakeholder Engagement in ESRS 2 General disclosures*.

For more information about our targets, see the Targets and metrics section in this chapter.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 **E1 Climate change** _____ **67**

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1-1, E1-2 (MDR-P)]

Strategy and policies

AAK is committed to reducing its climate impact, as reflected in our policies and in the action plans aimed at achieving our science-based targets. Although the groundwork has been laid and development is ongoing, a climate transition plan has not yet been finalized.

We are dedicated to joining and complying with national and international commitments and initiatives targeting universal environmental principles such as the UN Global Compact and the Sustainable Development Goals and Science Based Targets initiative. AAK’s sustainability commitments for the sourcing of plant-based oils are fully aligned with our commitment to No Deforestation/Conversion, No Development on Peat and No Exploitation of rights-holders (NDPE).

Our commitment is outlined in our Group Environmental Policy, which covers our entire value chain: our own production sites, upstream to our supply base and downstream where we co-develop sustainable plant-based solutions with customers. This policy addresses climate mitigation, climate adaptation and resilience, energy efficiency, and renewable energy deployment. It is reviewed annually and approved by the Board of Directors.

As most of our greenhouse gas emissions fall within upstream Scope 3, close collaboration with suppliers and the integration of environmental considerations into supplier and transport selection are essential. Requirements for suppliers addressing these aspects, as well as broader issues such as business ethics, human rights, and working conditions, are set out in our Group Code of Conduct for Responsible Sourcing of Plant-based Oils and our Group Code of Conduct for Suppliers of Non-Oil Goods and Services.

Requirements for downstream partners are detailed in our Code of Conduct for Agents and Distributors. Policies are approved by the Board of Directors, with implementation delegated to the CEO. The Codes of Conduct for suppliers, agents and distributors are approved at Executive Committee level.

AAK has a responsibility to consult with stakeholders on material environmental issues. The Scope of this policy has been informed by impact, risk and opportunity analysis for our entire value chain, in line with the DMA requirements for the Corporate Sustainability Reporting Directive (CSRD), as AAK is a Swedish company registered under Swedish law. A stakeholder analysis is conducted every third year. AAK also engages with associations and NGOs as appropriate, to improve supply chain performance.

The Environmental Policy is publicly available on our website. Targeted training is provided to relevant employees to ensure knowledge of local legal permits and of our environmental policy framework. AAK informs customers, suppliers and contractors about its environmental work and cooperates with them to identify mutual improvements. AAK also engages with associations and NGOs as appropriate to support supply chain progress.

For information on how sustainability matters are integrated into incentive schemes, see the Governance section in the ESRS2 General disclosures chapter.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 **E1 Climate change _____ 67**

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1-3, MDR-A]

Actions and resources

The action plans and measures being implemented are expected to enable AAK to achieve its greenhouse gas emission reduction targets. These action plans and related implementation activities do not have standalone capital or operational expenditure plans but are integrated into AAK’s annual budgets. The budgets are the responsibility of the Global Operations and Sustainability functions, which also approve and monitor them quarterly. Significant OpEx in 2025 is estimated at EUR 1.3 million, referring to the execution of our Verified Deforestation-Free programs in our palm and soy supply chains, the upscaling of our Regenerative Agriculture program in our rapeseed supply chain, as well as the procurement of renewable energy credits.

Key time-horizon milestones include the continued advancement of the Verified Deforestation-free palm program. By the end of 2025, 93 percent had been achieved, with ongoing progress toward reaching 100 percent by 2030. For the remaining key actions, exact time horizons have not yet been established, but they are expected to be finalized before 2030, in line with the expiry of AAK’s current targets.

Key actions and decarbonization levers

Scope 1-2 emissions and energy efficiency

Scope 1-2 emissions are related to the use of energy to drive equipment and produce industrial heat and cooling. Efforts to reduce these emissions are therefore focused on energy and energy efficiency through continuous monitoring and improvement. Examples of energy measures include fuel switching and the purchase of renewable energy. Among energy efficiency measures are process heat recovery, electrical heat tracing, and mechanical vacuum pumps. Seven of our sites are certified according to ISO 14001 environmental management system, three sites are certified according to ISO 50001 energy management system, or equivalent.

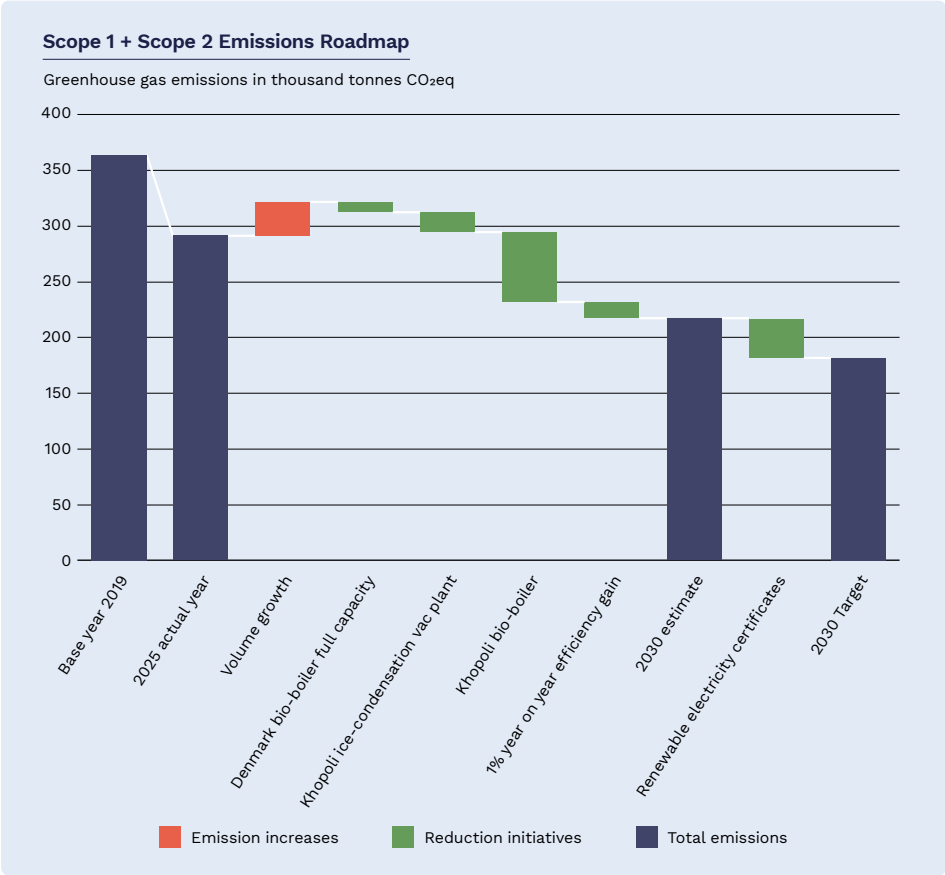
Whenever there is a change in process, site or product, environmental improvements are always evaluated. The improvements can be both incremental and step-change, and the lead times can be long. One step-change example is the installation of bio-boilers at our Aarhus, Denmark site in 2024 which substituted fossil fuels with biofuels in the form of shea meal, an internally produced by-product from our shea kernel processing. The investment decision was made in 2022 after five years of pilot tests. The bio-boilers are planned to be at full capacity by 2026. Similar bio-boiler projects are being explored for other AAK production sites. An example is our site in Khopoli where we will install a new bio-boiler and also convert the existing coal boiler to run on bio-fuels. This investment is also in context of the identified opportunity of diversifying the energy sources utilized.

Other initiatives include renewable electricity procurement, energy optimization and energy-efficient technologies. Renewable electricity is part of our 2030 roadmap and will be achieved primarily through the purchase of Renewable Electricity Credits and the generation of electricity using steam from some of our bio-boilers. We are implementing new technologies to reduce energy consumption, such as an ice condensation vacuum system at our Khopoli site, which is expected to be fully operational in 2028. In addition, we assume a one-percent annual improvement in energy efficiency across our sites.

Non-FLAG Scope 3 emissions

Upstream non-FLAG emissions, which are the non-agriculture related emissions involving post-farm processing and transport, are dominated by biogas (mostly methane) from Palm Oil Mill Effluent (POME). POME treatment plays a pivotal role in these emissions for palm oil, but also for AAK’s corporate carbon footprint. Therefore, engaging with suppliers and incentivizing the introduction of POME treatment and biogas capture measures is instrumental in driving progress and delivering on our emission reduction target. Since biogas is a valuable resource, this also represents an opportunity for mills.

We are also exploring low-carbon shipping, either by adopting slow steaming practices across our supply chain or by focusing on renewable energy uptake in our shipping operations.



Kolo Nafaso, our program for direct sourcing of shea in West Africa, connects AAK directly with the women who collect the shea. The fruit pulp is usually removed by boiling in wood-fueled rocket stoves. Since 2016, as part of the program, AAK has been introducing more energy-efficient rocket stoves to improve this process. The Kolo Nafaso direct supply chain can also effectively reduce vehicle kilometers traveled. In total, this program has the potential to reduce the non-FLAG emissions intensity of our shea supply chain by 10 percent, mainly due to shortening the transportation distances at the countries of origin, as per life cycle assessment studies conducted in 2024 in collaboration with third party experts.

Read more about Kolo Nafaso in the E4 Biodiversity and ecosystems, and S2 Workers in the value chain chapters.

Suppliers are encouraged to adopt their own emission reduction targets. Suppliers of packaging and rail- and road transportation are encouraged to adopt science-based targets.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures _____ 51

● **E1 Climate change _____ 67**

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _____ 104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

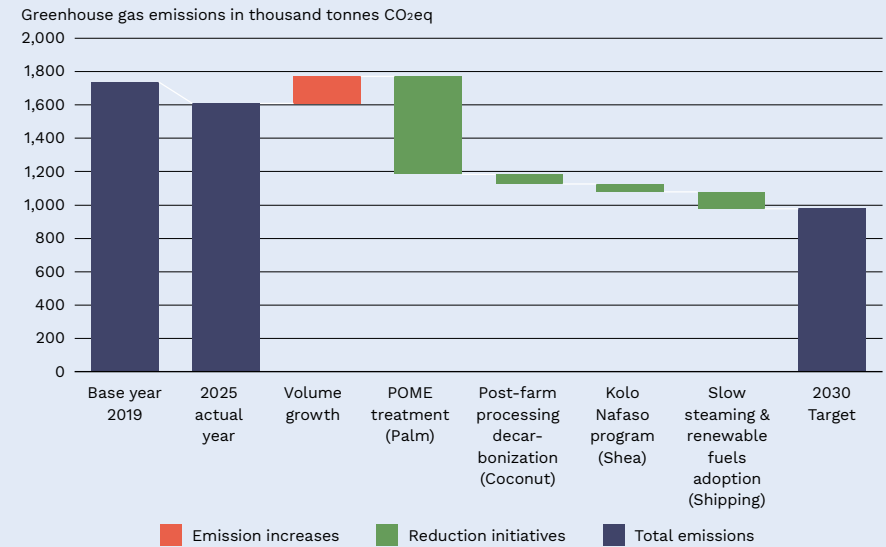
Financial statements and notes

Reports from auditor

Other information

[E1-3, MDR-A]

Non-FLAG Emissions Roadmap



FLAG Scope 3 emissions

Upstream FLAG emissions relate to land use change and land management where land conversion, peatland management, fertilizer and pesticide use are the primary contributors. Understanding these contributors enables prioritization of specific areas for improvement.

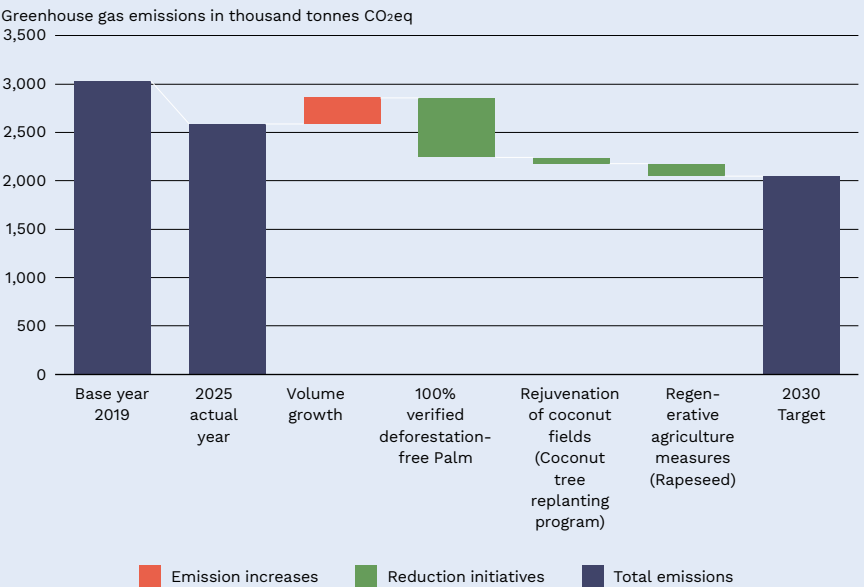
Traceability to the plantation is a prerequisite for sourcing 100 percent verified deforestation-free (VDF) palm, which is key for reaching the science-based targets for this category. In 2025, we reached 93 percent VDF palm, actively pursuing the reduction of land use change emissions within our supply chains. Sourcing RSPO certified sustainable palm contributes to around 30 percent lower FLAG emissions intensity compared with conventional palm (De Rosa & Schmidt, 2020). At the same time, farmers and communities are engaged with a focus on encouraging sustainable land-management practices to mitigate emissions.

Other initiatives involve peatland management, since peatland related emissions play a significant role in the palm life cycle greenhouse gas emissions. Addressing this issue is key to achieving land management emissions reduction. AAK is exploring opportunities to mitigate these emissions.

Part of our climate adaptation and resilience efforts include promoting regenerative agricultural practices, and we are incentivizing the adoption of regenerative agriculture practices among our rapeseed suppliers. These practices, such as cover cropping, help reduce fertilizer use and enhance carbon sequestration in the soil.

We also address on-farm carbon removals and are actively funding coconut plantation rejuvenation projects that increase plantation resilience, mitigate the farm aging risk and secure higher yields in the future. So far, AAK has contributed to planting more than 15,000 coconut seedlings in the Philippines in 2025 and plans to expand this project further.

FLAG Emissions Roadmap



Forward-looking statements disclaimer

The above roadmaps (Scope 1 and Scope 2, Scope 3 non-FLAG and Scope 3 FLAG) contain forward-looking statements and have been developed based on current information, estimates, and beliefs, using models and methodologies that are subject to certain assumptions and limitations. These include the availability and accuracy of data, which may change over time due to factors beyond AAK's control, such as evolving regulations and technologies. AAK does not undertake to update any statements or data contained herein. These forward-looking statements are based on current expectations and assumptions and are not guarantees of future performance. Because they involve known and unknown risks and uncertainties, actual results could differ materially from those expressed or implied. Except as required by any applicable law or regulation, AAK explicitly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

● E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1-4, MDR-T]

Targets and metrics

Targets

AAK has addressed identified climate risks and opportunities by setting measurable targets based on the 1.5 °C cross-sectoral decarbonization pathways, in line with the Paris Agreement. The targets, which were approved by SBTi in 2023, are:

- 50 percent reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030
- 33.3 percent reduction in absolute Scope 3 FLAG GHG emissions by 2030
- 46.2 percent reduction in absolute Scope 3 non-FLAG GHG emissions by 2030
- 10.3 percent of our suppliers, by emissions covering purchased goods and services, transportation and distribution, will have science-based targets by 2027

Scope for our science-based targets

The Scope 3 FLAG target includes palm, palm kernel, coconut, and rapeseed and covers 63 percent of 2025 emissions. In 2019, the baseline year, these raw materials accounted for more than 67 percent of FLAG emissions, the minimum boundary required by the Science Based Targets initiative.

The Scope 3 non-FLAG emissions reduction target includes all emissions from palm, coconut, shea, and shipping. The non-FLAG supplier engagement target includes suppliers representing the top 67 percent of packaging and road and rail transportation emissions.

There have been no significant changes in the reporting or the targets. The baseline of 2019 has remained the same since the target setting, without the need to change. It is considered representative as it refers to a business-as-usual year, and is also before COVID, which could potentially affect emissions’ inventory greatly. AAK monitors structural changes that could materially affect the comparability of greenhouse gas emissions data and applies a quantitative re-baselining threshold of 5 percent of base year emissions. Based on this assessment, and in light of more accurate or primary emission factors being gradually incorporated in our GHG accounting practices since 2019, it is possible that a restatement of the 2019 baseline is required. AAK plans to investigate and review this in 2026, in order to ensure fair comparison of progress.

Tracking progress against science-based targets

AAK tracks progress against its science-based targets by annually quantifying Scope 1, Scope 2 and Scope 3 emissions across all relevant categories using standardized methodologies as described by the Greenhouse Gas Protocol and the Science Based Target initiative.

We aim to integrate supplier-specific data where available and apply industry-average emission factors that fit the activities to the greatest extent possible in cases where supply-chain specific data is not available.

Progress is monitored through year-over-year comparisons for each target respectively, with results reported internally and externally via sustainability disclosures.

Organizational and operational boundaries

Absolute target 1: 50 percent reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030

The organizational boundary is defined according to the operational control approach under the GHG Protocol. The target includes all production facilities owned by AAK and production facilities controlled by AAK on sites owned by others.

Absolute target 2: 46.2 percent reduction in absolute Scope 3 non-FLAG GHG emissions by 2030

The organizational boundary is defined according to the operational control approach under the GHG Protocol. The target includes 57 percent of the indirect emissions in AAK’s value chain, excluding land-related activities globally.

Absolute target 3: 33.3 percent reduction in absolute Scope 3 FLAG GHG emissions by 2030

The organizational boundary is defined according to the operational control approach under the GHG Protocol. The target includes 67 percent of indirect land-related emissions in AAK’s value chain globally.

Supplier engagement target 1: 10.3 percent of AAK’s suppliers by emissions, covering purchased goods & services and transportation and distribution to have SBTs by 2027.

This target addresses non-FLAG value chain emissions from Tier 1 suppliers associated with packaging and road and rail transport activities. AAK annually assesses suppliers that represent the majority (67 percent) of emissions within these categories, using internal spend-based emission estimates and publicly available information from the Science Based Targets initiative. Suppliers are considered engaged when they have either a validated science based target or a formal commitment registered with the initiative to set one within two years. Performance is measured as the share of emissions from eligible suppliers that are covered by such commitments, expressed as a percentage of total emissions within the relevant supplier group.

The organizational boundary is defined according to the operation control approach under the GHG Protocol. The target includes 10 percent of the indirect emissions in AAK’s value chain, excluding land-related activities globally.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[MDR-M] [E1-5]

Energy consumption incl. biofuels		
Energy consumption and mix	2024	2025
1 Fuel consumption from coal and coal products (MWh)	188,091	191,004
2 Fuel consumption from crude oil and petroleum products (MWh)	143,710	113,916
3 Fuel consumption from natural gas (MWh)	600,400	572,329
4 Fuel consumption from other fossil sources (MWh)	0	0
5 Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	133,654	119,286
6 Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	1,065,854	996,537
Share of fossil sources in total energy consumption (%)	55.6	51.2
7 Consumption from nuclear sources (MWh)	6,856	7,887
Share of consumption from nuclear sources in total energy consumption (%)	0.4	0.4
8 Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	651,004	735,243
9 Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	193,315	206,705
10 The consumption of self-generated non-fuel renewable energy (MWh)	76.5	80.0
11 Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	844,396	942,028
Share of renewable sources in total energy consumption (%)	44.0	48.4
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	1,917,107	1,946,452

Energy intensity	2024	2025
Energy intensity per net revenue	MWh/SEK million	MWh/SEK million
Total energy consumption per net revenue from activities in high climate impact sectors (MWh/Monetary unit)	42.6	42.3

Total energy consumption increased due to product mix and complexity, as well as the volume distribution across the production sites.

Renewable energy, including renewable electricity, is a key part of achieving our 2030 SBT target.

Methodology

AAK’s activities fall under NACE Code C10 – Manufacture of food products. Revenues and energy consumption derive from manufacturing oils and fats (NACE C10.41), and all revenue is connected to high climate-impact sectors.

For the calculation of energy consumption, data was supplied by our operations, which mainly included information from supplier invoices and meter readings. When actual data was unavailable, consumption was estimated using a standard per-square-meter consumption rate, derived from actual data. Total energy consumption for own operations encompasses fuel usage at the sites, fuel consumption in both owned and leased vehicles, and the use of purchased energy. We follow up separately the consumption of fuels from biogenic sources.

Each company in the Group reports energy consumption data by energy type. Fuel consumption at sites and by vehicles is categorized into fossil fuels (such as oil and petroleum products, natural gas, liquefied petroleum gas (LPG) and other fossil sources) and renewable fuels. Purchased energy is divided into renewable (including with certificates), nuclear and non-renewable.

There is no non-renewable energy production from by-products. However, we produce electricity from non-renewable fuel (for example by using natural gas at our Richmond site).

Lower heating values are used to convert fuel consumption into energy. AAK sources its renewable electricity through Guarantees of Origin (GoO), renewable energy certificates (RECs), and PPAs. Energy that is purchased and subsequently sold is not included in the energy consumption figures. AAK’s renewable energy consumption includes the purchase of GoO for renewable electricity issued by energy suppliers.

The net revenue figure used to determine energy intensity is SEK 46,021 million (2024: SEK 45,052 million), consistent with the revenue reported in the Group’s consolidated financial statements.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction 50

ESRS 2 General disclosures 51

● E1 Climate change 67

E4 Biodiversity and ecosystems 84

S1 Own workforce 91

S2 Workers in the value chain 99

S3 Affected communities 104

G1 Business conduct 107

Appendices 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1-6]

Greenhouse Gas Emissions

Scope 1 GHG emissions	2019	2024	2025	2025/2024, %
Gross Scope 1 GHG emissions (tCO ₂ eq)	256,124.0	237,337.7	225,701.7	-4.9
Percentage of Scope 1 (%) ¹	N/A	44.0	44.7	

Scope 2 GHG emissions	2019	2024	2025	2025/2024, %
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	107,614.0	81,457.5	69,195.6	-15.1
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	107,614.0	75,857.4	65,859.7	-13.2

Scope 3 GHG emissions	2019	2024	2025	2025/2024, %
Total Gross indirect (Scope 3) GHG emissions (tCO₂eq)	8,323,269	7,230,565	6,914,506	-4.4
01 Purchased goods and services (%) ¹	7,902,343	6,578,159	6,320,981	-3.9
01a Materials (%) ¹	7,528,417	6,330,237	6,036,513	-4.6
01b Indirect procurements (%) ¹	373,926	247,922	284,469	14.7
02 Capital goods (%) ¹	27,764	83,195	70,543	-15.2
03 Fuel and energy-related Activities (not included in Scope1 or Scope 2) (%) ¹	75,469	92,713	84,836	-8.5
04 Upstream transportation and distribution	107,454	364,067	331,884	-8.8
05 Waste generated in operations	3,479	4,767	4,176	-12.4
06 Business traveling	10,379	6,690	5,371	-19.7
07 Employee commuting	5,796	7,444	6,970	-6.4
08 Upstream leased assets	216	282	390	37.9
09 Downstream transportation	187,679	81,792	75,684	-7.5
10 Processing of sold products	N/A	N/A	N/A	
11 Use of sold products	N/A	N/A	N/A	
12 End-of-life treatment of sold products	2,690	11,455	13,671	19.3
13 Downstream leased assets	N/A	N/A	N/A	
14 Franchises	N/A	N/A	N/A	
15 Investments	N/A	N/A	N/A	

Total GHG emissions				
Total GHG emissions (location-based) (tCO₂eq)	8,687,007	7,549,360	7,209,403	-4.5
01 Total GHG emissions (market-based) (tCO₂eq)	8,687,007	7,543,760	7,206,068	-4.5

Outside of Scopes emissions				
Outside of Scopes emissions from Biogenic fuels combustion	N/A	169,125	191,007	12.9

¹ GHG emissions from regulated emission trading schemes

2030

50% reduction in absolute Scope 1 and 2 emissions

50% reduction in absolute Scope 1 and 2 emissions

33.3% reduction in absolute Scope 3 FLAG emissions; 46.2% reduction in absolute Scope 3 non-FLAG emissions

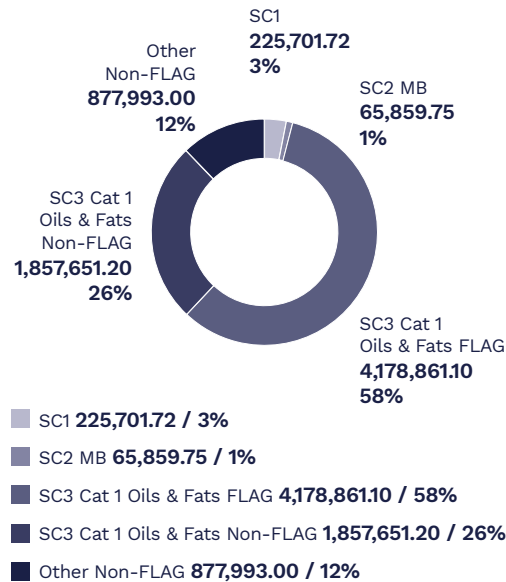
46.2% reduction in absolute Scope 3 non-FLAG emissions

In 2025, compared to the baseline of 2019, total Scope 1 emissions are reduced by 12 percent, Scope 2 (location-based) by 36 percent and Scope 2 (Market-based) by 39 percent. Value chain emissions (Scope 3) are reduced by 16.9 percent.

This reduction is driven by a 22.1 percent reduction in total Scope 3 FLAG emissions and 7.5 percent in total Scope 3 non-FLAG emissions.

With regards to the emissions in Scope of AAK's Science Based Targets, a reduction of 19.8 percent has been achieved for the combined Scope 1 and Scope 2 target, 24.6 percent for the Scope 3 FLAG target and 9.2 percent for the Scope 3 non-FLAG target.

2025 AAK's Carbon Footprint - Sources



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1-6]

Greenhouse gas intensity based on net revenues

GHG intensity per net revenue	2024 tCO ₂ e/SEK million	2025 tCO ₂ e/SEK million	2025/2024 %
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary unit)	167.6	156.7	-6.5
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary unit)	167.4	156.6	-6.5

An assessment conducted in 2025 to estimate the percentage of emissions connected to AAK’s packaging and road transportation suppliers that have set SBTs resulted in the following:

Supplier engagement target	2024	2025	2027 TG
Emissions connected to supplier with SBTs, %	22.5	30.7	10.3

For progress on our science-based deforestation target, see the E4 Biodiversity and ecosystems chapter.

Methodology

AAK’s methodology and assumptions used to calculate Scope 1, 2 and 3 greenhouse gas (GHG) emissions are aligned with the Corporate Standard and Corporate Value Chain (Scope 3) Standard from the Greenhouse Gas Protocol.

Accounting follows principles of relevance, completeness, consistency, transparency, and accuracy. Organizational boundaries are set using the operational control approach, and emissions are reported on a 100 percent basis unless otherwise stated.

In preparing the financial statements, AAK does not apply any assumptions to climate. Note that in the current period, climate did not have a significant impact on the financial position or financial performance. During the reporting years, there have been no significant changes in what constitutes AAK’s upstream and downstream value chain.

Scope 1

Emissions were calculated using an activity-based approach, multiplying fuel consumption (for example natural gas and diesel) by standard emission factors from the Department for Environment, Food and Rural Affairs (DEFRA). DEFRA factors were chosen since they are widely recognized, updated annually, and provide granular fuel-specific factors. Biogenic Scope 1 emissions are calculated separately, and they are included in Scope 1 total emissions.

AAK Karlshamn & AAK Aarhus are part of the EU-ETS scheme. Utilizing carbon-neutral fuels in their boilers has allowed for significant carbon savings and a resulting accumulation of ETS credits. AAK Hull is part of the UK-ETS scheme.

Scope 2

The location-based calculations used national grid average emission factors, while the market-based used supplier-specific emission factors or residual mix factors, where available. Emission factors were sourced from DEFRA for the same reason as in Scope 1. Green electricity purchases were accounted for using certificates. Supplier-specific factors were not used to calculate biogenic emissions because purchased district heat energy is coming only from fossil sources. For disclosure year 2025 our electricity suppliers did not disclose the use of biofuels in their energy mix.

54 percent of AAK’s Scope 2 GHG emissions are covered by contractual instruments such as green energy PPAs and renewable energy attribute certificates (EACs).

Scope 3

Scope 3 emissions are all indirect emissions that occur in a company’s value chain, excluding those from purchased energy which are included in Scope 2. These emissions were screened across the 15 GHG Protocol categories using spend-based data or activity data covering Tier 1 suppliers to estimate emissions for each category. Each emission source was mapped to a relevant category. Categories 1–9 and 12 are included in the inventory, the others were not applicable to AAK. Category 1: Purchased goods and services, and Category 4: Upstream transportation and distribution were assessed as the most significant.

Category 1 — Purchased goods & services: Primary method: activity-based for Oils & Fats; spend- or activity-based for non-oils. Oils & Fats are disaggregated by product family, product type, sustainability status and country of origin, matched to emission factors (Ecoinvent, Agri-footprint and commissioned LCAs). Packaging is categorized by material (plastic, glass, metal, paper/ cardboard) and loop type; assumed EF sources documented. Processing aids/additives use conservative per-kg assumptions where primary data are absent.

Factors were collected from EXIOBASE; DEFRA; Ecoinvent; Agri-footprint FLAG; Schmidt De Rosa, 2020; draft results from a study conducted by Weidema and Schmidt in 2024 as well as supply chain specific life cycle assessments that AAK has commissioned to third party experts.

The reasons for choosing these were as follows:

- EXIOBASE and EEIO models are robust for high-level screening using spend data;
- DEFRA factors are widely used for their detailed transport, waste, and travel data;
- Agri-footprint, De Rosa Schmidt (2020), draft results from Weidema Schmidt (2024) as well as LCAs that AAK has commissioned for specific fractions of its supply chain provide detailed information on the agricultural products that AAK is sourcing, while providing a split between different origins and agricultural practices.

Note that our reporting matches our science-based targets boundaries for both FLAG and non-FLAG emissions.

Category 2 — Capital goods: Spend-based. CapEx spends by category (construction, furniture, electrical machinery, vehicles) × EXIOBASE 3.9 emission factors; reported figures refer to the approved CapEx within the reporting year (no amortization).

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 **E1 Climate change _____ 67**

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E1-6]

Category 3 — Fuel- and energy-related activities: Average upstream method. Uses Scope 1/2 activity data with upstream emission factors to capture extraction, production and transmission losses.

Category 4 — Upstream transportation & distribution: Activity-based. Tonnes × distance × mode using NTM ton-km factors; includes paid transport for raw materials and inputs. Assumptions: direct distances, laden share and mode splits applied where route data are missing. For 2025, category 4 emissions were estimated based on a mix of activity data and estimated data based on total volume sold. In the coming years measures to increase data accuracy are planned in the context of AAK’s continuous improvement plan in greenhouse gas accounting.

Category 5 — Waste generated in operations: Activity-based. Waste volumes × disposal-method EFs (reuse, landfill, recovery, recycling) using DEFRA factors.

Category 6 — Business travel: Spend-based. Corporate travel spend (air, rail, hotels, land transport) from internal expenses system × EXIOBASE EFs.

Category 7 — Employee commuting: Estimation method. Employee counts × assumed average commute (20 km round trip), mode split and per-km EFs (0.12 kgCO₂e/km default), adjusted for WFH share. Data sourced from HR.

Category 8 — Upstream leased assets: Activity-based. Leased employee cars: fleet counts, business mileage and fuel type × DEFRA fuel EFs; data from Finance.

Category 9 — Downstream transportation & distribution: Activity-based (non-paid transport). Outbound tonnes × distance × mode using NTM factors; assumptions on direct distances, 80 percent laden share and no empty back-loads unless data is available.

Category 12 — End-of-life treatment of sold products: Packaging volumes assumed equal to purchases; treatment split assumed recycling 25 percent / energy recovery 50 percent / landfill 25 percent; EFs applied accordingly.

For the year 2025, AAK was not able to reliably calculate or quantify biogenic emissions for Scope 3 due to limited data visibility from our suppliers.

Out of scope(s)
The CO₂ portion of the biofuel combustion is reported separately as ‘Outside of Scopes’.
Across all Scope 3 GHG categories, the proportion of the GHG emissions based on primary data from suppliers or other value chain partners was 40 percent. For palm, AAK has worked with LCA 2.0 consultancy firm to help estimate the emissions deriving specifically from land use change and peatland management within its own supply chain. These two factors account for ~65 percent of the total emissions of palm oil according to this study and therefore influence it vastly. This information is derived directly from AAK’s supply chain and can therefore be considered primary data. AAK plans to continue working with our suppliers and leading third parties of the field to understand the impact of its palm supply chain further.

Excluded categories
The following categories were not included in AAK’s Scope 3 reporting:

Category 10 – Processing of products sold
AAK sells ingredients, oils and fats in liquid and solid form that is generally processed together with the customer end-product. Data to assess impact if solid fats are pre-heated before use has been considered insufficient and impact insignificant.

Category 11 – Use of sold products
Not considered relevant as AAK has very little influence on the user phase and energy involved in the use of ingredients sold.

Category 13 – Downstream leased assets
Not considered relevant as AAK is not leasing assets downstream.

Category 14 – Franchises
Not relevant as AAK does not work with franchises.

Category 15 – Investments
Not considered relevant as AAK is not considered an investor, and no specific fund investments or project financing has been considered relevant.

[E1-7]

Greenhouse gas removals
AAK has not reported any removals. However, we have planted more than 150,000 shea trees in West Africa and 15,000 coconut trees in Southeast Asia up until 2024, for which a monitoring, verification and reporting plan was not in place, and therefore data related to survivability and actual carbon removals are not available. Ways of accounting for these removals retrospectively by collaborating with third-party experts and the local communities are being explored.

[E1-8]

Internal carbon pricing
AAK does not have an internal carbon pricing scheme.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

EU Taxonomy

The EU Taxonomy is a classification system establishing a list of ‘environmentally sustainable’ economic activities. The purpose of the EU Taxonomy Regulation (2020/852) is to channel capital towards environmentally sustainable investments and help reach the EU’s climate and environmental targets and the objectives of the European Green Deal published in 2019.

As a large listed non-financial company¹⁾, AAK is subject to disclosure obligations under Articles 19a and 29a of the Non-Financial Reporting Directive (NFRD) (2013/34), and thus in Scope to report on the disclosure requirements of the EU Taxonomy Regulation. AAK discloses its share of EU Taxonomy-eligible and -aligned economic activities in accordance with the two climate-related objectives outlined in the Climate Delegated Act (2021/2139) and the four environmental-related objectives set out in the Environmental Delegated Act (2022/2464) under the EU Taxonomy Regulation.

At AAK we welcome efforts by regulators that support sustainable development

AAK’s approach to the EU Taxonomy is to proactively leverage this framework for disclosing sustainable development in alignment with our broader business objectives, sustainability commitments and agenda within Making Better Happen™.

As a general comment to the 2025 results, EU Taxonomy eligibility and alignment percentages have decreased marginally. This development reflects normal changes in investment and operating expenditure patterns during the year and does not indicate a change in AAK’s sustainability strategy or level of ambition. Taxonomy eligibility is primarily driven by activities related to assets and energy-related efficiency measures. Turnover remains at 0 percent, as AAK’s core economic activity is currently not covered by the EU Taxonomy.

As AAK’s primary business activities fall outside the current Scope of the EU Taxonomy, reported CapEx and OpEx figures are inherently sensitive to shifts in investment focus and operational requirements. A significant share of Taxonomy-eligible activities relates to areas such as buildings and energy, which are important focus areas but not core to AAK’s business model. Consequently, variations in reported eligibility and alignment largely reflect the timing and nature of business-driven investments and operational expenditures required to support ongoing operations, rather than changes in underlying sustainability performance.

However, **our main economic activity within production of plant-based oil solutions is not yet covered by the EU Taxonomy**, which explains the limited EU Taxonomy-eligibility and -alignment reported under the three financial KPIs (turnover, CapEx and OpEx). AAK will continue to follow the evolving development of the EU Taxonomy Regulation to remain prepared for any future eligibility of our primary economic activity, production of plant-based oil solutions.

AAK's continuous work with the EU Taxonomy

EU Taxonomy-eligibility

For each environmental objective the EU Taxonomy defines a list of eligible activities that may substantially contribute to that objective. To identify EU Taxonomy-eligible activities, AAK screens the economic activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU)

2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

The assessment on EU Taxonomy-eligibility shows that AAK’s main economic activity, namely the production of plant-based oil solutions, is covered by neither the Climate Delegated Act nor the Environmental Delegated Act for disclosure in the financial year 2025.

Nevertheless, AAK will continue to report on eligible and aligned CapEx and OpEx related to our investments in tangible and intangible assets that relate to Climate Change Mitigation (CCM). See tables 1-3 below.

EU Taxonomy-alignment

To qualify as environmentally sustainable, known as EU Taxonomy-aligned, an eligible economic activity must satisfy three conditions: a) **Substantial contribution** to one or more of the six environmental objectives; b) **Do no significant harm** (DNSH) to the remaining environmental objectives, and c) **Minimum safeguards** compliance at the company level.

EU Taxonomy alignment has been reached under activity 4.24, "Production of heat/cool from bioenergy," as outlined in Annex I of the Climate Delegated Act. The assessment of technical screening criteria is specific to this activity, while compliance with Minimum Safeguards has been evaluated at the Group level.

Since AAK’s core revenue-generating activity, production of plant-based oil solutions, is not categorized as eligible under the Regulation, the alignment of CapEx and OpEx percentages will inherently fluctuate year by year. These variations are influenced by the project-specific nature of such expenditures, which are closely tied to investment cycles and operational priorities. This dynamic makes alignment percentages subject to change based on the Scope and timing of investments.

Substantial contribution and do no significant harm

The assessment on Taxonomy-alignment shows that AAK's installation of the biomass boilers meet the technical screening criteria associated with activity 4.24, "Production of heat/cool from bioenergy", contributing to Climate Change Mitigation. The biomass boilers were already assessed as aligned with the technical criteria in financial year 2023, as outlined in the AAK Sustainability Report for 2023.

The substantial contribution criteria associated with the aligned activity are outlined in the Climate Delegated Act and involve: i) the labelling of the biomass used, for which AAK uses biomass that is sustainably certified according to the prescribed EU directive (2018/2001) on agricultural biomass, and ii) thresholds for greenhouse gas emission savings (at least 80 percent savings compared to a fossil fuel comparator), for which the biomass boiler will enable greenhouse gas emission savings above the threshold. Moreover, there are other substantial contribution criteria, such as anaerobic digestion and the rated thermal input, that have been assessed as non-applicable for AAK.

¹⁾ Large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

🔹 **E1 Climate change _____ 67**

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Furthermore, the assessment on Taxonomy-alignment also shows that the biomass boilers meet the Do No Significant Harm (DNSH) criteria. The applicable criteria concern climate risk and vulnerability assessment, Environmental Impact Assessment (EIA) considering both impacts to water and biodiversity as well as emission levels (other than greenhouse gas emissions). A climate risk assessment has been performed on the site in Aarhus, Denmark, where the biomass boilers have been installed, according to TCFD, showing no material risks identified. Moreover, for the construction and installation of the biomass boilers an Environmental Impact Assessment (EIA) was performed according to the prescribed EU Directive (2011/92) as part of obtaining the permit from the Danish authority. Finally, the biomass boilers are built and designed according to the latest technology and with all permits granted by the Danish authority.

Minimum safeguards

Every year, AAK performs an assessment to understand our ongoing level of compliance with the Minimum Safeguards as referred to in Article 18 of the EU Taxonomy Regulation. This means that we analyze our implementation of the principles on responsible business conduct, outlined in the OECD guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, with regards to our policies, processes and procedures for ensuring respect for human rights, including labour rights. The assessment also covers our continuous work with anti-corruption, anti-bribery, taxation, and fair competition.

This year's analysis showed again that AAK aligns with the Minimum Safeguards requirements under the EU Taxonomy Regulation.

Calculation of the financial KPIs

Article 8 of the EU Taxonomy Regulation and the Disclosures Delegated Act (2021/2178) specifies the type of information to be disclosed.

Specifically, it states that companies shall include information on the methodology for reporting, contextual information, and descriptions of the nature of economic activities that qualify as EU Taxonomy-eligible and -aligned. It further specifies that companies shall do this based on three financial KPIs, meaning that they must disclose the proportion of their turnover, CapEx, and OpEx associated with eligible and aligned activities, in line with Annex I, Annex II and Annex XII of the Disclosures Delegated Act.

To determine the economic activities reportable under the EU Taxonomy, AAK carried out a structured screening of all business activities against the technical screening criteria in Annex I, Annex II and Annex XII of the Disclosures Delegated Act. This process included:

- mapping AAK's operational processes and revenue streams to the activities defined in the EU Taxonomy,
- assessing whether each business activity meets the definitions and boundaries set out in the Regulation, and
- confirming the assessment with relevant functional experts (Operations, Sustainability, Finance).

Only activities that fall within the Scope of an EU Taxonomy-defined activity were included. Activities where the technical guidance did not apply to AAK's operations were excluded. This forms the basis for the economic activities for which turnover, CapEx, and OpEx are reported.

We have avoided double counting across economic activities in the allocation of the numerator for turnover, CapEx, and OpEx by using activity-specific factors to allocate the financials across our EU Taxonomy activities. The factors are either 100 percent or 0 percent, as we did not use a value in between or proxies to split the financial numbers into Taxonomy-aligned or non-eligible activities. Here, the factors cannot sum to more than 100 percent, which eliminates the possibility of double counting the resulting financial numbers. No additional estimates, proxies, or allocation keys were used in determining the eligibility or alignment of turnover, CapEx, or OpEx beyond the activity-specific 0/100 percent factors described above.

AAK has identified certain activities as EU Taxonomy-eligible but not yet aligned due to gaps in environmental performance, primarily linked to the fulfilment of the technical screening criteria, where the detailed and activity-specific data required to evidence compliance is not yet fully available across all sites and processes.

The EU Taxonomy KPIs for turnover, CapEx and OpEx are reconciled with AAK's consolidated financial statements. The underlying financial data is extracted from the Group's ERP systems and aligned with the figures reported in the statutory accounts, ensuring consistency between the Taxonomy disclosures and the financial reporting.

AAK is not subject to the disclosures referred to in Articles 8.6 and 8.7 related to nuclear energy and fossil gas activities. This applies to both turnover, CapEx, and OpEx.

A general comment on the result relates to the fact that AAK has, due to operating within plant-based oil solutions, a significant amount of turnover, CapEx and OpEx in its Income statement and Balance sheet which is not within the Scope of EU Taxonomy. This explains the limited proportion of EU Taxonomy-eligibility and -alignment outlined on the following pages.

EU Taxonomy-eligible and -aligned Turnover

AAK's turnover derived from plant-based oil solutions revenue streams are included neither in the Climate nor the Environmental Delegated Act of the EU Taxonomy and is therefore reported as non-eligible.

EU Taxonomy-eligible and -aligned CapEx

Since AAK's main economic activity, production of plant-based oil solutions, is not yet included in the Regulation, a large portion of our CapEx falls outside the Scope of the EU Taxonomy. This accounts for the limited share of EU Taxonomy-eligible and aligned CapEx shown in table 2 below.

The source of aligned CapEx contributing to the numerator of the CapEx KPI in 2025 comes from additions to our investment in biomass boilers in Denmark. These continued investments align with our commitment to reducing emissions and supporting the transition to renewable energy sources.

Based on the full list of investments in, and acquisitions of property, plant, and equipment (see Note 14) as well as intangible assets (see Note 13) for the financial year, AAK identified those investments that originated from eligible activities of the Climate Delegated Act and the Environmental Delegated Act. These investments, primarily relating to type c, were added to the numerator for the purposes of calculating AAK's EU Taxonomy-eligible and -aligned CapEx. This exercise shows that AAK made investments in EU Taxonomy-eligible and -aligned economic activities in the financial year 2025, as visible from table 2.

EU Taxonomy-eligible and -aligned OpEx

The denominator includes direct non-capitalised costs related to R&D, building renovation measures, short-term lease, maintenance and repair, and any other direct costs relating to the day-to-day servicing of assets of property, plant and equipment that are needed to ensure the continued and effective functioning of such assets. The numerator covers the part of OpEx that a) relates to assets or processes from EU Taxonomy-aligned economic activities, b) are part of a plan to expand EU Taxonomy-aligned economic activities or to transition eligible activities into aligned activities, c) relate to the purchase of output from EU Taxonomy-aligned economic activities, and to measures enabling target activities to become low-carbon or reducing the greenhouse gas emissions of the activity.

Given that AAK does not have any eligible turnover, the operating expenditures reported under the OpEx KPI mainly relates to the maintenance and repair of assets related to property, plant, and equipment. In other words, these costs primarily relate to type c and were added for the purposes of calculating AAK's EU Taxonomy-eligible and -aligned OpEx.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

◆ **E4 Biodiversity and ecosystems _____ 84**

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

E4 Biodiversity and ecosystems



This chapter explains how biodiversity and ecosystems relate to AAK’s business model and value chain, with a focus on upstream agricultural raw materials. It describes our material impacts, risks and opportunities connected to land use change, species loss and ecosystem degradation, as well as the measures we take to manage these in line with ESRS E4.

Impacts, risks and opportunities

AAK’s business model uses renewable raw materials derived from agriculture, which in turn depends on the ecosystem and ecosystem services to ensure productivity. These include pollination, pest and disease control, soil formation, nutrition cycles, water supply as well as regional climate regulation. AAK’s production sites are dependent on energy production and rely on some water withdrawal from different water sources in the vicinity of the site locations. Production sites may also be subject to flooding or droughts, which have been included in the assessment for climate change adaptation.

Our potential negative impacts are linked to certain raw materials and origins, in particular palm and soy. They include the risk of land-use change as agricultural activities may expand through deforestation or conversion of peatland, pasture and grassland, and loss of species due to the destruction of natural habitats and agricultural intensification including use of plant protection products and fertilizers.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

◆ **E4 Biodiversity and ecosystems**_____ **84**

S1 Own workforce _____91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E4 ESRS 2 IRO-1]

The overall methodology for assessing biodiversity impacts was the same as that applied to other topics, as described in the General Disclosures section. Impacts were identified and assessed for own-site locations as well as for the upstream and downstream value chains for oils, fats and seeds.

Sites complete their Environmental Risk Grading annually, supported by an Aon Risk Engineer. The assessment covers the environmental risks to our operations, such as exposure to flooding, as well as our potential impacts on the environment, including contamination of water or land, plans to reduce water withdrawal, greenhouse gas reduction initiatives, transport impacts, and waste management controls. The purpose of the assessment is to identify and implement actions that improve each site’s risk grading over time.

Both physical risks and transition risks were identified for upstream raw material supply chains. The latter include increased costs for restoration activities or supply chain management such as monitoring systems and alternative agricultural practices. The physical risk identified was increased costs for raw materials, although this was considered a potential long-term risk. As of now, the potential financial effects are deemed to be low for all identified risks, as part of our double materiality assessment (DMA). We see a close connection to biodiversity related risks with climate related risks and our financial materiality is currently focusing on physical risk under climate adaptation. Thresholds are aligned with ERM systems and applied through the DMA. AAK does not apply any assumptions to biodiversity. Note that in the current period, biodiversity did not have a significant impact on the financial position or financial performance.

AAK does not own any farms or plantations, and our upstream value chain is fragmented, particularly at the raw-material producing farm and plantation level. This means that achieving traceability and monitoring all the way back to the farm requires collaboration. AAK therefore engages its suppliers to provide traceability information and works with third-party organizations, where we are often an active participating member, such as the Roundtable on Sustainable Palm Oil (RSPO) and the Sustainable Coconut Partnership (SCP). These initiatives focus on sustainable agricultural practices, including environmental and social criteria.

Certification standards and industry associations are considered proxies to ensure that affected communities near farms or plantations are adequately consulted and that social and environmental impact assessments are carried out. See the Business Conduct section for a complete list of certifications. Aligned with this approach, communities have not been directly involved in the materiality analysis, but we are further guided by social NGOs such as Solidaridad, certification organizations such as RSPO, and industry-level initiatives including the Palm Oil Collaboration Group (POCG).

If communities or the environment are impacted negatively through our sites’ operations AAK has integrated a response and engagement approach specific to each site. Responses are handled at site level, where the impact took place. Usually the health, safety and environment manager, as well as the site director will be involved and will develop a specific response plan to the issue at hand on a case-by-case basis. For common issues like noise or smell, local restrictions are followed. The specific teams and responsible colleagues are involved where needed to develop a mitigation plan and avoid the impact from happening again. There is usually a clear and direct discussion with the stakeholders complaining, often the local municipality.

Sites near biodiversity sensitive areas

Some of AAK’s operational sites are located in or adjacent to protected areas and areas of high biodiversity value outside protected areas. None of the sites have been assessed as negatively affecting the surrounding habitats or species, nor have any of the sites direct impact on threatened species. There is no specific dependency on resources for AAK’s production sites identified within the protected areas.

The sites are the following:

- Villavicencio in Colombia is a 110,054 m² operational site located in the freshwater ecosystem area protected by national legislation.
- Zhangjiagang in China is a 66,666 m² production site located in a freshwater ecosystem area protected by national legislation.
- Zaandijk in the Netherlands is a smaller operational site located around 250 meters from a Natura 2000 area protected by legislation.
- Karlshamn in Sweden is a 260,000 m² production site located around 700 meters from a terrestrial ecosystem area protected by Natura 2000.
- Runcorn in the UK is a smaller production site located about 2 kilometers from a marine ecosystem protected under the status of Special Protected Area (SPA) in the EC Birds Directive.
- Hull in the UK is a large site located around 500 meters from a Special Protected Area, separated by a dock with loch gates.

[/E4 ESRS 2 IRO-1]

For more information about IROs, see the Strategy and policies section in this chapter.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

◆ E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E4-4, part 1]

Ambitions
AAK is committed to protecting and restoring biodiversity throughout our supply chain. This is reflected in our biodiversity targets, which are:

- 100 percent verified deforestation-free (VDF) palm by 2025,
- 100 percent deforestation- and conversion-free (DCF) soy by 2025,
- RSPO certified sustainable palm uptake +2 percent year on year.

Read more in the Targets and metrics section in this chapter.

[E4-1]

Transition plan and resilience analysis
Biodiversity and ecosystem impacts and dependencies have directly shaped our strategic priorities and business model, particularly in relation to sourcing of palm oil and soy.

Our DMA confirmed that our most significant biodiversity impacts originate upstream in our oils, fats and seeds supply chains, where land-use change associated with palm oil and soy cultivation is a key driver of deforestation, species loss, and ecosystem degradation. At the same time, our supply chains depend on healthy ecosystems which are critical for long-term crop yields and raw-material availability.

These insights have triggered targeted adaptations to our sourcing strategy and operating model. We have committed to achieving 100 percent VDF palm oil volumes and 100 percent deforestation- and conversion-free (DCF) soy oil volumes. These targets are embedded in sourcing decision-making, supplier onboarding, risk management processes, and commercial planning.

To enable this transition, we have:

- strengthened traceability and supplier and supply chain-monitoring systems;
- expanded the use of third-party verification and certification;
- participated in landscape and jurisdictional initiatives in high-risk sourcing regions;
- redirected investments toward more resilient and nature-positive supply models.

Assessment of business model and strategy resilience
Overall, biodiversity impacts, dependencies, risks and opportunities are core factors informing the evolution of our strategy and the long-term resilience of our sourcing and commercial operations.

We evaluated our business model against physical, transition, and systemic biodiversity risks, using assumptions on high-risk sourcing regions, supplier behavior, ecosystem dependencies, regulatory trends, and climate-related pressures. The time horizons used were 2 years and 10 years. The assessment includes AAK's upstream and own operations, but our upstream value chain has been identified as the key focus area including material topics related to biodiversity. The supply chain Scope focuses on AAK's oils, fats and seeds supply chains.

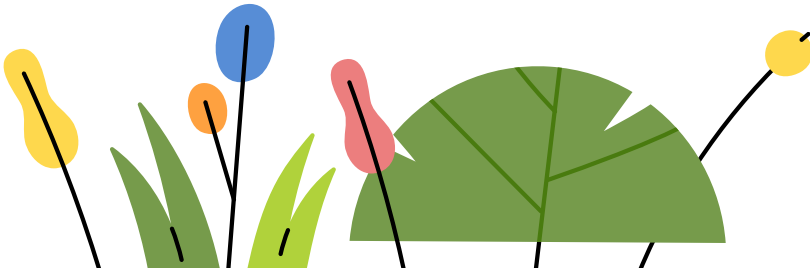
The assessment showed that without mitigation, biodiversity loss could disrupt supply continuity, increase costs, and create reputational exposure.

Physical risks – such as ecosystem degradation, declining species populations, and climate-driven habitat changes – could reduce agricultural productivity and increase volatility in palm and soy supply chains. Shea, coconut, rapeseed and sunflower could also be affected in the

future. Transition risks arise from evolving regulatory requirements such as the EU Deforestation Regulation, market expectations for deforestation-free commodities, and potential cost increases linked to compliance and verification. Systemic risks stem from broader ecosystem instability, where large-scale biodiversity decline may disrupt supply continuity, increase price volatility, and create reputational exposure.

The resilience assessment shows that our model is moderately exposed to physical and systemic risks unless deforestation-free supply chains are secured. Our strategic commitments to verified deforestation and conversion-free sourcing, expanded traceability, and targeted nature-positive supplier projects are therefore essential to maintaining long-term supply stability, reducing transition risk, and strengthening the resilience of our business model.

Engagement with stakeholders
Stakeholder engagement is central to managing our biodiversity and ecosystem impacts, as well as our resilience analysis. We work with NGOs, sustainability service providers, and other experts to assess risks, verify data, and map impacts across our supply chains. While we do not engage directly with holders of indigenous or local knowledge, we incorporate their insights through our NGO and service-provider partners, who provide expertise on local land-use practices, species, and ecosystems. This approach ensures our biodiversity strategy remains evidence-based and context-specific, even where direct engagement is not possible.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

◆ E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E4-1, E4-2, MDR-P]

Strategy and Policies

AAK’s biodiversity commitments are outlined in the Group Environmental Policy and include ensuring that our business operates with respect for planetary boundaries related to biosphere integrity and land-system change. They extend beyond our operations and focus on the upstream supply chain where work to mitigate the social causes and effects of biodiversity loss, especially in the context of deforestation, is being done. The policy is reviewed annually and approved by the Board of Directors.

Since our material potential impacts are upstream, management and monitoring of our supply chain are key. Our Group Environmental Policy and Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds detail our commitments, what is expected from suppliers and how impacts, risks and opportunities related to biodiversity and ecosystems are managed.

The Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds are reviewed regularly and approved at Executive Committee level. Our policies are publicly available on our website.

Requirements regarding traceability for suppliers are also outlined in the Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds and is considered a means to achieve other requirements. Additionally, our VDF methodology for palm includes a more detailed description of the role of traceability and requirements for claiming verified deforestation-free

Actions and resources

The action plans and measures being implemented are expected to drive progress toward our biodiversity targets. Actions are mainly focused on avoidance and, on a small scale, restoration/ replanting. Biodiversity offsets are not used. No direct local and indigenous knowledge or nature-based solutions have been incorporated into the actions.

Action plans and implementation work do not have standalone CapEx/OpEx plans but are integrated into AAK’s annual sustainability budgets, approved by the President Sourcing and Trading and Sustainability, the Chief Financial Officer and the Chief Executive Officer of AAK. The budgets are the responsibility of the program managers, who also monitor them quarterly during progress updates.

Supplier engagement

AAK sees suppliers as key partners for reaching quality and sustainability requirements and therefore aims to build longstanding supplier relationships based on dialogue. All raw material suppliers are required to sign the Group Policy and Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds and to maintain and make readily available to AAK documentation demonstrating actions taken toward compliance with its requirements. On-site assessments of selected suppliers and their supply chain, including by external third-party assessors, are undertaken and high-performing suppliers are awarded larger volumes. Should a supplier fail to demonstrate commitment to meet the requirements of the Code, AAK will try to solve the situation through dialogue, engagement and cooperation. Only as a last resort will the relationship be suspended.

Smallholders are key producers of many agricultural commodities globally. In the case of palm oil, for example, smallholders produce around 40 percent of the world’s supply, but many struggle with low productivity and economic challenges, increasing the risk of deforestation. AAK therefore works with a global portfolio of smallholder projects throughout our palm oil supply chains to

volumes in palm oil. In addition, AAK follows an SOP for traceability requirements as part of our methodology for DCF soy.

Our strategy, which is reflected in our targets, is focused on two main themes: 1) act to prevent land-use change throughout the supply chain and 2) future-proof agriculture. Verifying compliance with our policies and codes is the cornerstone of our strategy implementation.

AAK aligns with and adopts the High Conservation Value and High Carbon Stock approaches deployed by the Roundtable for Sustainable Palm Oil and Roundtable for Responsible Soy. We also work with ProTerra Foundation, Rainforest Alliance and ISCC among others. These third-party organizations provide certifications and standards for sustainable and deforestation-free supply chains.

When setting policies and codes AAK considers key stakeholders for business, as well as for impact. For impact key stakeholders considered are farmers, plantation owners, temporary workers, human rights and environment defenders and ecosystem users. AAK further considers multi-stakeholder industry groups like the Roundtable on Sustainable Palm Oil, the Global Shea Alliance, the Sustainable Coconut Partnership, as well as industry collaborations like the Consumer Good Forum and the Palm Oil Collaboration Group. AAK furthermore consults social and environmental NGOs. On the business side AAK considers employees, investors, customers.

[E4-3, MDR-A]

address specific smallholder-related issues, including training and resources. In 2025, 4,100 smallholders were engaged through AAK or partner projects, including 1,671 that were engaged as part of the Southern Central Forest Spine project.

Tracing and satellite monitoring

The ability to trace raw materials back to where they are produced is the foundation for working towards deforestation-free supply chains. The palm oil supply chain remains the key focus area and increased traceability to plantation (TTP) is driven through a multi-stakeholder effort that includes production companies, service providers, industry associations such as the Roundtable for Sustainable Palm Oil (RSPO) and Palm Oil Collaboration Group (POCG), and producer country governments.

The key is to continuously improve traceability data. Obtaining TTP data from upstream suppliers can be challenging due to business sensitive information, national information-sharing regulations, and land ownership rules, which is why multi-stakeholder collaboration is needed. Recent examples include a partnership with Earthworm Foundation and a direct collaboration with mills and Solidaridad in Latin America.

There are currently more than 2,000 mills globally that are being supplied by a mix of plantations, third-party estates, dealers, and smallholders. By engaging tier 1 suppliers, AAK is assured that around 1,000 of these mills are in our supply chain. They are located mainly in Indonesia, Malaysia, India, and Latin America. The TTP progress at mill level is recorded as a score percentage, reflecting the availability of TTP data in geo-location of the estates, smallholders, and/or risk-based approach for villages. The palm production areas monitored via satellite by partners that provide bi-weekly reports that pinpoint any potential deforestation events are then investigated with our direct suppliers. Currently our monitoring covers 15 million hectares and includes all of the approximately 1,000 mills in our supply chain.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

◆ E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E4-3, MDR-A]

The satellite monitoring is complemented by bespoke supplier monitoring programs focused on sharing TTP data. This data is cross-checked on a satellite monitoring platform to identify the deforestation-free percentage and has been effective for verifying mills supplied by smallholders. In addition to palm, we use satellite monitoring to cover 100 percent of our key coconut supply chain, particularly in the Philippines and India on a regular and scheduled basis. For soy, we are implementing a risk-based approach based on the country of origin of the beans. Suppliers are required to provide traceability information twice a year as a foundation for our reporting. Proforest is supporting and processing this data for our deforestation-free and conversion free calculation. (see more under Methodology).

Regenerative agriculture
Regenerative agriculture focuses on restoring soil health, which can protect biodiversity, store carbon in the soil, and increase crop yields. We have started to develop a management approach and have initiated the first projects. AAK supports replanting programs in our shea and coconut supply chains. We also engage with rapeseed suppliers and palm oil mills in Latin America to promote sustainable farming practices. For rapeseed, we collect data directly from farms to identify key metrics such as soil organic

[E4-4, MDR-T, MDR-M, E4-5]

Targets and metrics
Our targets in this area are not aligned with the Kunming-Montreal Global Biodiversity Framework or EU Biodiversity Strategy for 2030. Ecological thresholds were not applied. AAK has not used biodiversity offsets in setting targets. In relation to our biodiversity targets, we collaborate with expert organizations such as Proforest to define targets and methodologies. These organizations act as proxies for stakeholders that are harder to reach, such as affected communities and smallholder farmers. Over time, we have strengthened our network of advisors and service providers, adding Earthqualizer, Earthworm Foundation, and Peterson, while maintaining close collaboration with NGOs like Solidaridad. We also monitor industry associations, including the Consumer Goods Forum, to ensure alignment with best practices. Our current biodiversity related targets focus on deforestation and conversion free supply chains, as well as an increased uptake of certified volumes in our palm oil supply chains. AAK recognizes that the topic of biodiversity is broader than our target focus. However, this focus has been chosen to address the most material aspects for AAK’s upstream raw material supply chains linked to land use change and loss of species, which is deforestation and conversion. RSPO certification can play a crucial role in this context to address both issues as well. Therefore, we believe that our targets, while not holistic, represent a fair prioritization related to the Impacts, Risks and Opportunities AAK is facing related to biodiversity. The AAK VDF methodology has been accepted by the Consumer Goods Forum under option E, which refers to “sourcing from suppliers with a deforestation-free control mechanism.” This methodology was developed with the ambition to lead the industry while remaining practical and constructive. The methodology accepts and integrates RSPO certified volumes, based on the RSPO Principles and Criteria for the assurance of no-deforestation at the production place, if no known grievance has been issued. Where certification is not a viable option, our methodology focuses on traceability to plantation and regular satellite monitoring to ensure no deforestation

carbon, buffer flower strips, and crop rotation. These serve as future benchmarks to promote regenerative farming practices in other parts of our supply chain. For palm, we are currently collecting initial data and will provide more detailed reporting on the impact of this project as the work progresses.

Grievance management
AAK has outlined a grievance management procedure to handle any reports of complaints. The grievance management tracker clearly outlines each action taken per grievance received and is publicly accessible under: <https://www.aak.com/sustainability/better-sourcing/palm/grievance-tracker/>. Currently there are registered and verified deforestation grievances in AAK’s tracker, and our role is to follow up with suppliers to ensure entities who have caused the harm are putting action plans in place for remediation. In case stakeholders are not progressing or engaging according to AAK’s expectations, there is a possibility of suspending the supplier until sufficient progress has been achieved. Suspended suppliers are reviewed regularly, and it is communicated to the Sourcing and Trading organization in the form of a no-buy list. AAK is not directly contributing to remediation, as the company has not caused any material harm directly.

is taking place at origin. It is furthermore closely aligned with the POCG NDPE IRF framework and has also been endorsed by the Earthworm Foundation. We consider the methodology consistent with industry best practices. Some limitations we see in this methodology are high reliance on second- or third-party data input and retrospective calculations. To mitigate this, we have built strong relationships with suppliers and service providers and work with a near real-time satellite monitoring service. When the EU Deforestation Regulation (EUDR) is enforced, AAK will be integrating those specific requirements into our way of working related to relevant volumes sourced for the European Market. For soy, AAK has adopted a similar approach. Supported by Proforest, we have developed a DCF methodology that is both credible and practical, reflecting industry best practice recommendations for deforestation and conversion-free soy, inspired by the Consumer Goods Forum. The methodology is based on country risk classification and requires additional evidence for high-risk origins. It builds on available and widely accepted certification standards, such as the RTRS or ProTerra where available and viable. While the methodology is robust, we acknowledge certain limitations, such as retrospective calculations and reliance on secondary information. To mitigate these, we require additional evidence to validate any secondary data provided. When the EUDR is enforced, AAK will be integrating those specific requirements into our way of working related to relevant volumes sourced for the European Market. For both VDF palm and DCF soy, we have established targets with defined base years (2019, 2025), covering land-use change and species-related material topics. The AAK VDF score has been calculated by Proforest and Earthworm Foundation, while the AAK soy DCF score has been calculated by Proforest according to the defined methodologies. These scores do not include any external assurance.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction 50

ESRS 2 General disclosures 51

E1 Climate change 67

◆ E4 Biodiversity and ecosystems 84

S1 Own workforce 91

S2 Workers in the value chain 99

S3 Affected communities 104

G1 Business conduct 107

Appendices 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E4-4, MDR-T, MDR-M, E4-5]

Palm and soy

Palm, VDF targets	Target	2025, %	2024, %
Verified deforestation-free (VDF) palm	100% by 2025	93	91
Traceability to plantation (TTP) for palm	100	98	97
Traceability to mill for palm	100	100	100
RSPO-certified sustainable palm uptake	2% increase yoy	41	39

AAK continues to make progress towards our target of 100 percent VDF palm oil, increasing VDF volumes from 26 percent in 2019 (baseline year) to 93 percent in 2025. This achievement is the result of strong collaboration across our value chain, driven by the dedication of our teams, trusted supplier partnerships, and a shared commitment to sector-wide transformation.

While we have not reached 100 percent this year for either the VDF palm or the DCF soy target, we remain fully committed and will continue our dedicated efforts to achieve it over time. Driving sustainability in complex supply chains is an ongoing journey, and the conditions for achieving VDF palm and DCF soy vary between markets. Some markets have already reached 100 percent verified deforestation-free palm or deforestation and conversion free soy, while others are at an earlier

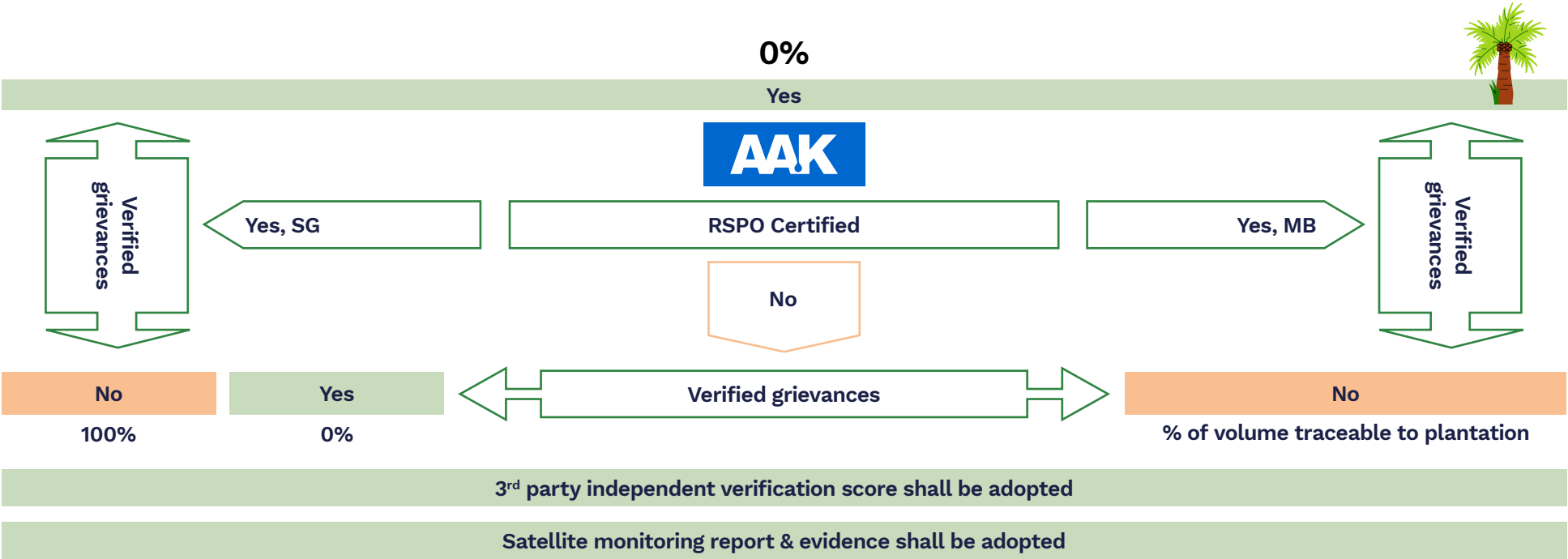
stage. Our continued progress is built on long-term engagement, robust traceability systems, and a commitment to responsible sourcing. We work actively with suppliers and customers to raise standards and accelerate change, including in markets that are still at an earlier stage, where we use our influence to support sustainable transformation.

Methodology

The methodology to assess VDF palm oil is outlined in the public methodology document available on our website. The VDF metric is calculated from an overall Deforestation-Free score based on AAK's lists of mills and refineries. For each mill, a VDF score is calculated by considering the mill's Roundtable for Sustainable Palm Oil certification status, satellite monitoring and grievance status. The mill's VDF scores are then averaged over the total volume sourced by a refinery (assuming all mills contribute equal volumes to the refinery), and an overall VDF score for a refinery is calculated.

- Data sets needed to calculate Verified Deforestation-Free palm volumes include:
- Segregated (SG) RSPO volumes per AAK site
 - Grievance cases related to deforestation, peat, and/or environmental allegations
 - AAK's bi-weekly verified alerts from monitoring services
 - Cleaned mill list per supplier refinery with traceability proportion per relevant mill

Inter-company volume trades are excluded to avoid double counting.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

◆ E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[E4-4, MDR-T, MDR-M, E4-5]

Soy

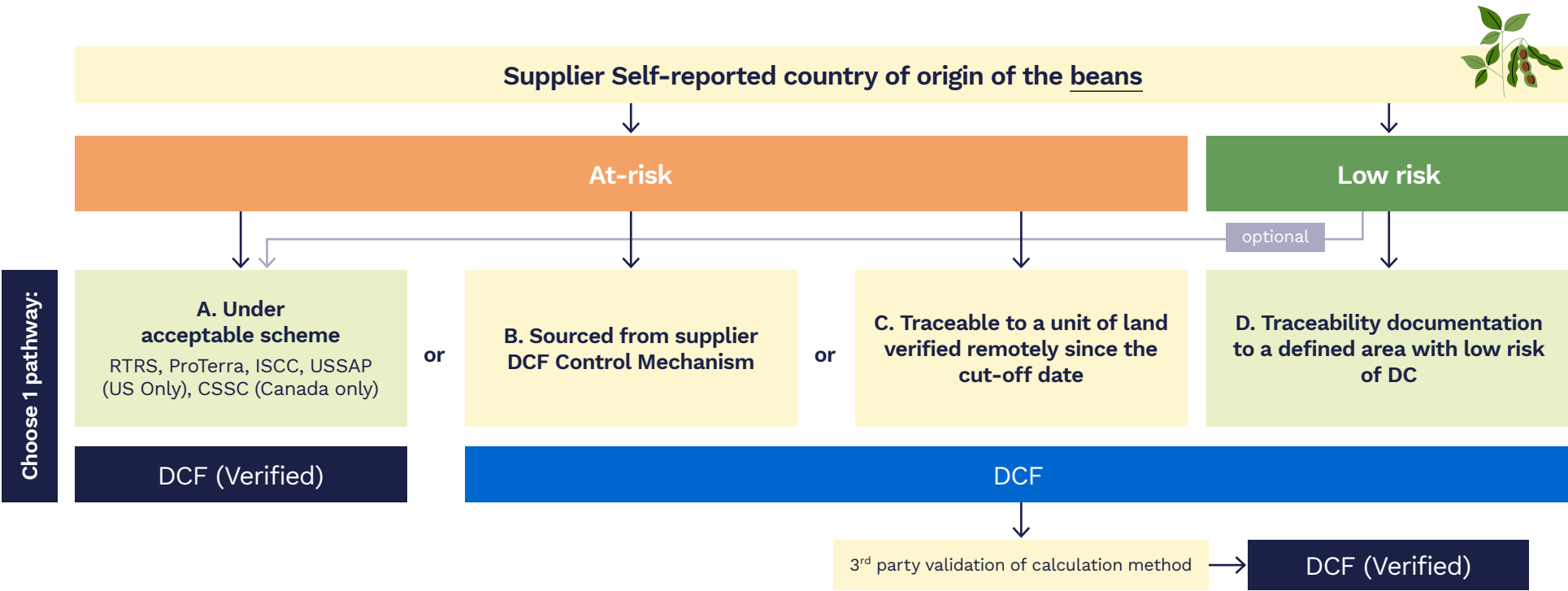
Soy, DCF targets	Target	2025
Deforestation- and conversion-free (DCF) soy	100% by 2025	82

We have based our DCF methodology on the Consumer Goods Forum industry best practices and remain committed to eliminating deforestation and conversion in the soy supply chain and protecting ecosystems in the long run. In the past years our supply chain set up has changed significantly following the sale of part of our business. This has reshaped our sourcing regions and supplier base. We continue to adjust our approach to ensure that our reporting remains rigorous and aligned with the most relevant industry benchmarks.

Methodology

The DCF soy metric is calculated from an overall Deforestation and Conversion-Free score based on AAK's country risk classification, suppliers' traceability and accepted risk mitigation measures. For each soybean oil supplier, a DCF score is calculated based on the country of origin of the beans and DCF documentation status. Accepted certifications are Roundtable for Responsible Soy (RTRS), International Sustainability & Carbon Certification (ISCC), ProTerra under the Mass Balance (MB), Segregated (SG) and Identity Preserved (IP) supply chain models. Along with assurance standards like U.S. Soy Sustainability Assurance Protocol (SSAP), approved suppliers' own DCF mechanisms and traceability evidence.

- Evidence needed to calculate Deforestation and Conversion Free soy volumes include:
- Supplier traceability declaration and supporting evidence
 - Country of origin risk classification
 - RTRS, ISCC, and ProTerra certified volumes per supplier
 - SSAP and CSSC volumes per supplier
 - Volumes sourced from approved suppliers, own DCF control mechanism



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

◆ **S1 Own workforce _____ 91**

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

S1 *Own Workforce*



This chapter provides an overview of our own workforce and how we manage material topics related to safety, diversity, inclusion, and work-life balance. It describes our key impacts, risks and opportunities, and how these are addressed through our people strategy, policies and practices in accordance with ESRS S1.

[S1.SBM-3_01, S1.SBM-3_02, S1.SBM-3_11, S1.SBM-3_12]

Impacts, risks and opportunities

- AAK’s workforce comprises several employment categories that reflect the diverse ways individuals contribute to our operations:
- Employees form the core of the organization and are hired directly by the company under permanent contracts.
 - Temporary employees are hired under fixed-term contracts to cover employees on leave or to support short-term business needs or projects.
 - Interns are students or recent graduates engaged for a limited duration to gain professional experience.
 - Consultants are external professionals contracted to provide specialized expertise or project-based services.
 - Agency workers are non-employee workers employed by third-party agencies but perform their day-to-day work under AAK’s supervision at our sites, providing flexibility in workforce planning and operational capacity.

All employees globally are included in the Scope of AAK’s workforce-related disclosures. The material topics—safety, diversity and work-life balance—identified through our double materiality assessment (DMA) apply across the entire workforce and are integral to the company’s people strategy and business model.

For the purposes of this report, two workforce metrics are applied depending on context. In the financial disclosures, AAK reports full-time equivalents (FTE), calculated as the average number of full-time equivalent positions across the reporting period. This metric adjusts for part-time employment and long-term leave, providing a standardized measure of workforce capacity. In the CSRD disclosures, headcount is reported as the number of employees at the end of the reporting period, regardless of employment status. This represents the total number of individuals on the payroll at that point in time.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

◆ S1 Own workforce _____91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S1.SBM-3_01, S1.SBM-3_02, S1.SBM-3_11, S1.SBM-3_12]

Material topics

Safety remains a material topic and high priority for AAK in all aspects of its operations, particularly in the processing, production, and packaging of its products. These processes inherently involve certain risks due to the handling of material and processing. By maintaining a proactive approach to safety, we reduce the likelihood of incidents and aim to secure a safe working environment for everyone.

AAK facilitates an inclusive working environment where all are treated fairly and with respect to each other. AAK fully supports and actively promotes the principle of equal opportunities in recruitment as well as personal development and opposes all forms of unlawful or unfair discrimination on the grounds of gender, gender reassignment, marital status, ethnic origin, religion, age, color, nationality or on other grounds, such as sexual orientation.

As a global multinational company, AAK benefits from a workforce that reflects a wide range of cultures, backgrounds, and perspectives, contributing positively to overall diversity. While AAK's overall gender distribution shows progress, several disciplines remain disproportionately male-represented. AAK is actively addressing this by promoting equal opportunity principles in recruitment and by strengthening personal and professional development initiatives aimed at attracting, retaining, and advancing underrepresented talent.

Work-life balance is most significant for office-based employees with flexible working arrangements, where there are a higher potential risk of excessive working hours or blurred boundaries between work and personal life.

Working time arrangements vary depending on the nature of roles and operational requirements. Management, professional, and administrative employees work under flexible schedules based on trust and accountability, while production and trade employees follow structured shifts aligned with operational needs. Working time for production employees is monitored through time-tracking systems to ensure compliance with labor regulations and safeguard well-being.

For office-based employees, flexibility provides autonomy but may create risks of imbalance since working hours are not formally tracked, and overtime is not compensated. The company promotes sustainable work practices by encouraging managers to monitor workload and support work-life balance.

For more information about IROs, see the Strategy and policies section in this chapter.

[S1-5, part 1 of 2]

Ambitions

AAK operates as a high-trust organization built on credibility, respect, and fairness. We believe that long-term business performance is enabled by an inclusive, safe, and engaging work environment where people take pride in their workplace and feel a strong sense of purpose and belonging.

Our ambition is to foster a culture where accountability, transparency, and equal opportunity are embedded in everyday decision-making. We aim to create conditions that support employee development, wellbeing, and engagement across all regions and functions, while ensuring consistent standards aligned with our values and policies.

This is reflected in the following focus areas:

- Engagement**
- Drive employee engagement, diversity, and inclusion
- Health and safety**
- Maintain a zero-accidents culture

Read more about our targets under the Targets and metric section in this chapter.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

◆ S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S1-1, S1-2, S1-3]

Strategy and policies

Our strategy for building a high-performing and engaged workforce focuses on fostering an environment and culture where everyone can perform at their best, feel part of a strong team, and experience a sense of belonging, with everyone contributing to the success of AAK. We believe in cultivating a collaborative and agile team of passionate people who are accountable for driving growth. We aim to have the right people with the right skills and capabilities in the right roles, fostering collaboration and engagement while driving personal and organizational growth. By creating an environment where everyone can contribute their ideas and talents, we strengthen our sense of belonging, improve retention, and ensure that every colleague can make a real difference. AAK has adopted policies to manage material social topics, specifically work–life balance and diversity, as identified through the DMA. These specific policies include the Group Code of Conduct, which sets clear standards ensuring AAK complies with local laws and regulations related to employee contracts, working hours, overtime, and compensation. Employees are provided with legally mandated leave, and family-friendly leave without any negative repercussions.

The Code of Conduct, together with the Recruitment and Remuneration policies, outline AAK’s commitment to an inclusive and equitable workplace. We hire on the basis of equal opportunity, assessing candidates against defined competencies and experiences. Hiring Managers are supported in applying fair and unbiased practices, and reasonable adjustments to physical work environments are made to ensure safety, accessibility, and equal opportunity for all.

We recognize the value of in-person collaboration, which fosters enhanced communication, learning, relationship building, and innovation. However, in some cases, working from home can provide greater efficiency and flexibility. The Workplace Policy recognizes that work-life balance may look different for each individual, depending on their circumstances, and we actively support this through open and constructive conversations between employees and line management.

AAK’s Human Rights Policy and Code of Conduct align with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. AAK’s commitment includes all internationally recognized human rights included in the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, which include protection from discrimination on all relevant grounds, such as racial and ethnic origin, color, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, social origin, and other forms of discrimination covered by Union and national law.

The policy covers issues such as child labor, compulsory labor, forced labor, and human trafficking. AAK will assess alleged grievances and take actions to cease, prevent or mitigate actual or potential adverse human rights impacts and provide or assist with access to remedy as may be applicable.

We also have a Whistleblower Policy to ensure that employees and stakeholders can safely report concerns or suspected misconduct. The policy and reporting platform are easily accessible through our intranet, ensuring visibility and ease of use. Awareness of the policy is reinforced through the company’s Code of Conduct, which is shared with all employees during the onboarding process. It is also regularly communicated on the intranet and reissued whenever material updates are made.

The Whistleblower Policy includes clear provisions protecting individuals who report concerns in good faith from any form of retaliation. Reports can be submitted anonymously through an independent external platform to ensure confidentiality and impartial handling. The policy explicitly prohibits retaliatory actions against anyone who raises a concern, and any breach of this principle may result in disciplinary measures.

Implementation and distribution

AAK’s policies apply across all global operations and employee groups, including permanent and fixed-term employees. Consultants and agency workers are expected to follow equivalent principles through contractual obligations. No significant exclusions apply, and efforts continue to extend these principles across the broader value chain.

The policies are available to all employees via the company intranet and are referred to in the Code of Conduct. Externally, commitments to inclusion, well-being and responsible business conduct are communicated through the corporate website and sustainability reporting, ensuring accessibility for stakeholders and partners involved in implementation.

AAK’s Code of Conduct and Human Rights Policy are implemented through specific procedures designed to prevent, mitigate, and address discrimination. These include mandatory Code of Conduct training, clear reporting channels through managers, HR, and AAK’s whistleblowing service, and a strict non-retaliation principle for those raising concerns. AAK’s recruitment and remuneration policies operationalize equal opportunity and fair treatment, while ongoing human rights due diligence processes identify and address potential risks. Together, these measures ensure that anti-discrimination principles are embedded in daily practice and actively support diversity and inclusion across the company.

Accountability for implementing policies related to material topics rests with the President AMEA & People & Organizational Performance, a member of the Executive Committee, who ensures effective integration across global and local People & Culture strategies and reports progress to Executive Management and the Board of Directors. A workplace accident prevention management system is in place and AAK continuously works to improve its safety performance through the Global Safety Program where best practices and learning are shared. Employees are regularly consulted through participation in Safety Committees.

Channels for engagement

AAK engages with its workforce on a regular and structured basis. Engagement takes place continuously through daily operational interactions, quarterly through Safety Committee meetings, and through global employee surveys and annual performance and development reviews. In addition, ad-hoc engagement occurs as needed through union consultations, feedback sessions, and the whistleblowing channel.

We have established multiple channels for raising concerns, including the Whistleblower Policy and local grievance procedures, which allow employees and external stakeholders to report potential breaches of laws, policies, or ethical standards. All reports are handled confidentially and in line with applicable regulations. To date, no complaints have been filed with the National Contact Points for OECD Guidelines for Multinational Enterprises concerning the company’s operations.

Employees are encouraged to raise concerns directly with their managers or HR, or where more appropriate, through formal channels, including our local grievance procedures and the external whistleblower service, which enables the anonymous reporting of serious concerns, wrongdoing, misconduct, or breaches of law. Please see the Governance chapter for further information about the whistleblower service. All reports are formally logged and investigated, and corrective actions are implemented and tracked through to completion. Aggregated and anonymised results are reported to senior management, the Executive Committee and the Audit Committee. Remedial measures form an integral part of the grievance mechanism and include follow-up protocols to ensure their effectiveness. Responsibility for workforce engagement depends on the type of engagement but falls on managers with support from HR. Ultimate responsibility lies with the President AMEA & People & Organizational Performance, a member of the Executive Committee, who ensures effective integration across global and local People & Culture strategies and reports progress to Executive Management, the Audit Committee, and the Board of Directors.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction	50
ESRS 2 General disclosures	51
E1 Climate change	67
E4 Biodiversity and ecosystems	84
◆ S1 Own workforce	91
S2 Workers in the value chain	99
S3 Affected communities	104
G1 Business conduct	107
Appendices	109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S1-4]

Actions and resources

The listed actions apply globally across all operations, with particular emphasis on production sites, where workforce safety and standardized processes are critical. The AAK Group Code of Conduct and certain training programs are mandatory for all employees, regardless of role or location. Time horizons and expected outcomes of actions are site specific.

Training and development

AAK provides a range of development programs focused on team growth and leadership behaviors that promote psychological safety, build trust, and encourage constructive feedback. Furthermore, we are developing a career architecture that will define the key skills required in each role that will structure individual development, and support upskilling through enhanced talent management practices.

Diversity and inclusion

Progress on diversity and inclusion is monitored by the Organizational Development Team, composed of employees from various locations around the world. The physical work environment is adjusted to ensure safety, accessibility and inclusion for workers, visitors and customers with disabilities. Gender and nationality of people who leave, start and are internally promoted at AAK are tracked, and exit interviews with people who leave the company are conducted. In addition, gender pay gaps are periodically reviewed to maintain equitable compensation. Our goal is to create an environment and culture where individuals, regardless of gender, feel empowered to apply, grow, and thrive at AAK

Safety

Mitigation actions include providing clear working instructions and safety materials in factories to reduce the risk of accidents. All factory workers receive materials, guidance and regular briefings. Structured working instructions and safety materials are specifically designed for factory environments, covering all shifts and functions.

Risks are controlled through operating procedures, safe systems of work, training, site safety rules, Personal Protection Equipment (PPE) such as helmets, safety glasses, ear plugs, and dust masks. The Global Safety Program ensures cooperation on continuous improvement and the sharing of best practices.

Safeguards and actions are identified and implemented according to:

- Workplace risk assessments
- Permit to work system
- Root cause analysis and actions resulting from incidents and near-miss reporting and investigation

Health

AAKtivate is the employee well-being program which focuses on physical and mental health, including key factors such as nutrition. The aim of the program is to contribute to a healthier lifestyle and to bring greater motivation, increased productivity, lower absenteeism, and reduced healthcare costs.

Resources and monitoring

AAK has dedicated resources within its People and Sustainability functions to address and manage its material impacts related to work–life balance and diversity. Investments include well-being programs, flexible work initiatives, inclusion and leadership training, and digital tools to measure progress. Progress is monitored through the Inclusion Index and Engagement Survey, conducted in partnership with Great Place to Work, ensuring employee feedback informs continuous improvement across all sites.

AAK regularly monitors workforce data to identify trends, risks, and improvement areas early, enabling timely corrective actions. This company-wide approach covers all employees to ensure inclusive growth and effective risk management. Follow-up processes are in place to prevent recurrence and measure the impact of implemented actions.

Effectiveness is assessed through a combination of quantitative and qualitative indicators. Training and development initiatives are evaluated based on participation and completion rates, employee feedback, and outcomes from annual performance reviews. Progress on diversity and inclusion is tracked through gender representation data, the biennial Great Place to Work survey, and the Inclusion Index, which measures belonging and fairness. Health and safety performance is monitored locally through incident reporting, root-cause analysis, and continuous improvement plans. These reviews ensure actions deliver intended results and inform future improvements.

Overall, monitoring of training participation, survey results, and health and safety follow-up provides a comprehensive evaluation of measures taken to mitigate workforce-related risks.

The climate transition plan is currently under development. As part of this process, a comprehensive assessment of how planned climate-related actions may affect people across the value chain is being conducted. This includes evaluating potential impacts on employment levels, changes in working conditions, evolving skills and capabilities required for low-carbon operations, and any associated human rights considerations. These assessments are being integrated into the transition planning process to ensure that decarbonization measures are implemented in a socially responsible manner and that the transition supports a fair and inclusive outcome for all affected stakeholders.

Action plans and implementation work do not require standalone CapEx/OpeX plans but are integrated into AAK’s annual budgets. The budgets are the responsibility of the respective function, who also approve and monitor them.

Open communication

Open communication channels are promoted, including feedback mechanisms and employee surveys, to highlight concerns and guide improvements. One example is the biennial engagement survey. The effectiveness of the engagement with own workforce is measured by the Employee engagement score.

Incidents are investigated in line with internal protocols and the AAK Group Code of Conduct. Where relevant, support is offered to affected employees, including access to HR, health services, or grievance mechanisms. Clear reporting channels and grievance procedures for employees to raise concerns confidentially are implemented, with follow-up protocols to ensure remediation, resolution and accountability.

[S1-5, part 2 of 2]

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

◆ S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Targets and metrics

AAK’s current workforce-related targets, covering engagement, diversity and inclusion, and health and safety, continue to guide our global People agenda.

Stakeholders, including employee resource groups and HR leadership, are involved in the target-setting process. Workforce-related targets at AAK are defined and reviewed at the Group HR level through the Global HR Leadership Team (GHRLT), where all regions and global process owners are represented. This structure ensures that stakeholder perspectives from across the organization are considered when setting or adjusting global people-related targets, such as those linked to diversity, inclusion, and engagement. Insights from surveys, ERGs and regional HR are used by the GHRLT as an input when setting and revising global workforce-related targets. Any future targets will continue to be developed and aligned within this forum to ensure they are well anchored across regions and representative of the business.

Performance against workforce-related targets is tracked through regular reviews at the Group HR Leadership Team (GHRLT) level, where regional HR Directors and global process owners are represented, and incorporates employee feedback, stakeholder consultations, and an assessment of industry best practices

AAK engages its workforce in identifying lessons and improvement areas through structured feedback and review processes. Results from the Great Place to Work and Inclusion Index surveys are analyzed and discussed with local HR teams and managers, who develop and follow up on action plans in response to employee feedback. Insights and lessons from these local actions are escalated and reviewed within the Global HR Leadership Team (GHRLT) to inform ongoing improvements to global people processes and priorities.

- Diversity and work-life balance**
- Work-life balance to be rated at 80 percent by 2030 (in 2023 69 percent, 2025 71 percent)
 - Inclusion index rate of 90 percent by 2030 (in 2023 87 percent, 2025 86 percent)

- Engagement**
- Trust index of 80 percent by 2030 in Great Place to Work (in 2023 77 percent, 2025 74 percent)

Great Place to Work (GPTW)	Target	2025, %	2023, %
Inclusion index rate	90% by 2030	86	87
Trust index rate	80% by 2030	74	77
Work-life balance to be rated at	80% by 2030	71	69
Response rate		91	87

In 2025, the Inclusion Index decreased slightly from 87 percent in 2023 to 86 percent, while the Trust Index declined from 77 percent to 74 percent. This change is partly attributable to AAK’s ongoing culture journey, which actively encourages employees to speak up and provide more open and critical feedback, resulting in a more transparent but also more critical assessment of the work environment. In addition, the implementation of the Group’s “Fit to Win” optimization program, which included workforce reductions during 2025, had a temporary negative impact on employee engagement.

The Work-life Balance Index increased from 69 percent in 2023 to 71 percent in 2025, indicating a positive development despite the organizational changes during the period. This improvement reflects ongoing efforts to support sustainable working conditions, including greater focus on workload management, flexibility, and well-being across the organization.

Overall, performance across these indicators is mixed but consistent with expectations during a period of transformation. The results are used by Group HR and regional HR leadership to prioritize actions and support progress toward the 2030 targets.

Methodology

The Inclusion index, Work-life balance and the Trust index are all calculated from a biennial survey.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

🔹 **S1 Own workforce _____ 91**

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

S1-6, part 1 of 2, S1-7, S1-9 part 1 of 2

AAK's Own Workforce

	2025 Number of employees (headcount)	2024 Number of employees (headcount)
Gender		
Male	3,148	3,361
Female	1,001	1,070
Other	0	0
Not reported	0	0
Total employees	4,149	4,431

¹ Status value at 2025-12-31.

Employee turnover	2025	2024
Employees who left the company during the reporting period HC	514	512
Employee turnover %	12.3	12.2

Country	2025 Number of employees (headcount) ¹	2025 Number of employees %	2024 Number of employees (headcount)
India ²⁾	531	12.79	551
Mexico ²⁾	436	10.50	443
Sweden ²⁾	690	16.65	661
United Kingdom ²⁾	620	14.96	614
RoW ³⁾	1,872	45.12	2,162
Total employees	4,149	100	4,431

¹ Status value at 2025-12-31.

² SE; IN; MX, UK = approx. 2/3 of employees

³⁾ RoW = Rest of the World

Top management	2025		2024	
	Headcount ¹	Percent	Headcount	Percent
Female	14	23.7	27	33.8
Male	45	76.3	53	66.3

¹ Status value at 2025-12-31.

Employees by age

Data is compiled from internal business intelligence tools.

Employees distribution by age ²	2025		2024	
	Headcount ¹	Percent	Headcount	Percent
Employees < 30 years old	552	13.3	620	14.0
Employees 30-50 years old	2,455	59.2	2,586	58.4
Employees > 50 years old	1,142	27.5	1,225	27.6

¹ Status value at 2025-12-31.

² Table adjusted by IVSI to align the format of both tables.

Workforce data is compiled from AAK's internal business intelligence system and reflects the total headcount at the end of the reporting period. The data is disaggregated by employment type (permanent and temporary) and by gender. Temporary employees are defined as individuals on AAK's payroll whose employment contracts have a fixed end date.

The data is sourced from internal HR systems, validated annually, and reconciled as part of the year-end reporting process. For the purposes of the CSRD disclosures, workforce figures are reported on a headcount basis, reflecting the total number of employees at the end of the reporting period. This approach ensures transparency regarding the number of individuals covered by our workforce-related policies and disclosures and supports comparability across years, functions, and regions.

For information on average Full-Time Equivalent (FTE) figures used in the financial statements, please refer to Note 7 in the financial statements. FTE numbers are calculated as an average over the reporting period and exclude long-term absent employees.

Non-employees

AAK had a headcount of 281 non-employees in 2025. Non-employees include consultancy workers supporting different business units in projects and day-to-day activities. They are counted as an average from monthly regional reports.

Diversity

Top management

Top management is defined as our AAK Global Leadership Community.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

◆ **S1 Own workforce _____ 91**

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

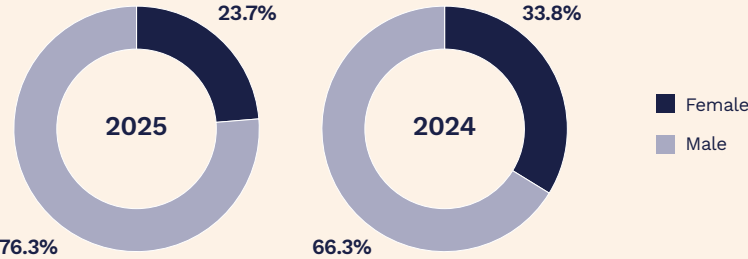
Reports from auditor

Other information

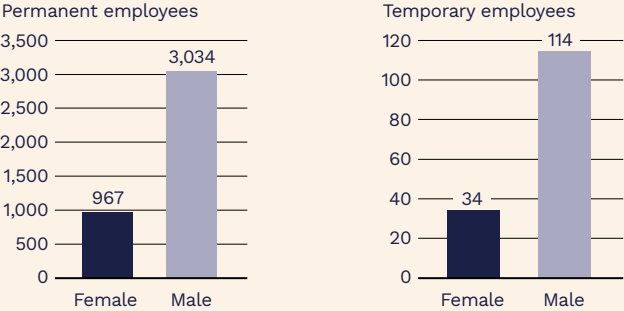
S1-6, part 2 of 2, S1-9 part 2 of 2

Top management

% Gender distribution

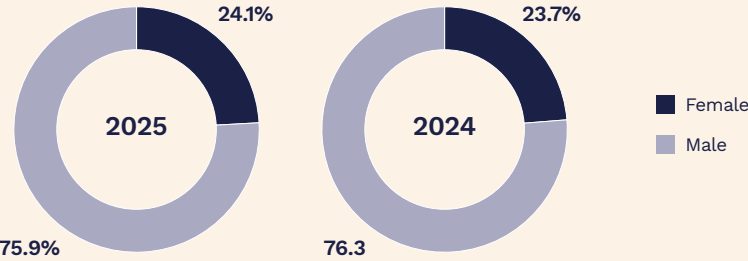


Employee type and gender, 2025

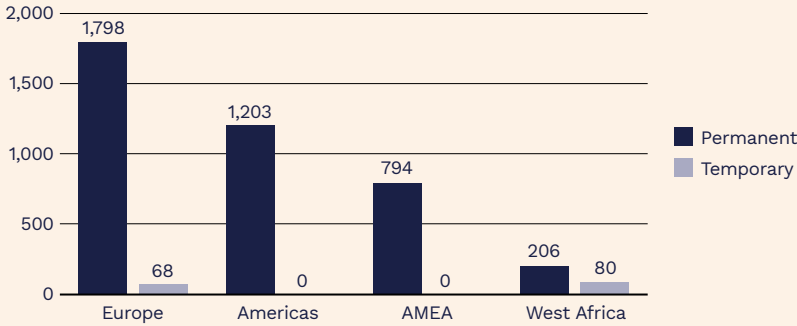


Total workforce

% Gender distribution



Permanent/temporary employee per region, 2025



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

◆ **S1 Own workforce _____ 91**

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S1-14]

Health and safety

All employees are covered by AAK’s health and safety management system.

- AAK works toward fostering a Zero Accident Culture, supported by a long-term target of reducing Recordable Work Related Accidents.
- Historically, AAK has used the Lost Time Injury Frequency Rate (LTIFR) as the primary indicator, measuring the rate of lost time injuries per 200,000 hours worked.
- To ensure alignment with ESRS reporting requirements, AAK will transition to using the ESRS definition of Recordable Work Related Accidents. During the transition period, AAK will report Lost Time Injuries and supplement these with the best available data to estimate total Recordable Work Related Accidents under the ESRS definition.

Employees health & safety	2025	2024
The percentage of people in its own workforce who are covered by the undertaking’s health and safety management system	100%	100%
Fatalities as a result of work-related injuries	1	0
Fatalities as a result of work-related ill-health	0	0
Total recordable work-related accidents	28	29
Worked hours reportes	8,426,745	9,076,301
Rate of recordable work-related accidents per 1,000,000 hours worked	3.44	3.20
Days lost to work-related injuries and fatalities from work-related accidents and work-related ill-health and fatalities from ill-health	704	810
Lost time injury ¹	18	19
Lost time injury frequency rate ²	2.14	2.09

¹ LTIs include fatalities

² Calculated per 1,000,000 working hours

Other workers - health & safety	2025	2024
Fatalities as a result of work-related injuries	2	0

Accounting principles

Figures used are from the site Disclosures 403-9. Assumed 1 day lost for each recordable work-related accident as data is not available. Cases of work-related ill-health entered as 0 as not known.

[S1-15]

Family-related leave

88 percent of employees are entitled to take family-related leave. Of the entitled employees, 9.4 percent of female and 5.4 percent of male employees took family-related leave. In total, 6.5 percent of entitled employees took family-related leave. 100 percent entitlement is not achieved due to variations in local legislation across countries.

[S1-16]

Remuneration

The Company has assessed the disclosure requirements under ESRS S1-16 relating to remuneration metrics, including gender pay gap and pay ratio disclosures. At this stage, the Company is progressing actions to ensure compliance with the EU Pay Transparency Directive, including updates to its job architecture and pay philosophy. The Company intends to align compliance with the Directive with the ESRS S1-16 disclosure requirements upon completion of this work.

[S1-17]

Incidents and complaints

AAK collects data on work-related grievances, incidents, and complaints related to social and human rights matters through local HR grievance processes and the global whistleblowing service. Cases are reported and managed locally in line with AAK’s Code of Conduct and Human Rights Policy. The data is compiled annually and includes all regions where AAK operates. Trends and insights are reviewed centrally to ensure consistent handling and to identify recurring themes or areas for improvement. A total of 16 complaints were raised through established reporting channels. Following investigation, 5 cases were classified as confirmed incidents of harassment, including discrimination.

There were 0 severe human rights incidents in 2025, and consequently no cases of non-respect of UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. There were no complaints filed with the National Contact Points for the OECD Guidelines for Multinational Enterprises in the reporting period. No payments were made for fines, penalties or compensation.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

◆ **S2 Workers in the value chain _____ 99**

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

S2 Workers in the value chain



This chapter describes how we identify and manage impacts, risks and opportunities affecting workers in our value chain, with a particular focus on agricultural supply chains and high-risk regions. It outlines our human rights due diligence approach, supplier expectations, and collaborative actions to promote fair, safe and decent working conditions in line with ESRS S2.

Impacts, risks and opportunities

AAK's risk assessment covers climate and social risks across all countries and commodities and has been reviewed by an external party in 2025. The process to identify risks and opportunities involves reviewing internal and external documentation, and conducting workshops, surveys and interviews with key stakeholders, including both internal and external subject matter experts. Input also comes from grievances directly linked to stakeholders in value chain, consultants and industrial collaboration groups with expertise in value chain workers' issues.

Based on AAK's global sourcing assessment, the most severe and prioritized human rights issues are linked to coconut, shea, and palm oil; while countries like Mexico, India, and Indonesia, the Philippines, and the West Africa region are identified as our prioritized regions, where governance and enforcement gaps are prevalent. Potential material negative impacts include secure employment, adequate wages and equality, as well as child and forced labor in the agricultural supply chain. There is a potential negative impact on health and safety across the entire supply chain, including the physical strain of harvesting crops and exposure to irritants, which can lead to injuries and health complications. Moreover, the potential impact of low wages and insecure employment remain salient issues in the value chain. This is further linked to the potential risk of forced and child labor, along with human trafficking for labor exploitation with focus on temporary and migrant workers. Smallholder farmers hold a particularly high potential risk for child labor due to poverty risks. A potential positive impact is AAK's commitment to empower women and smallholders in our agricultural supply chain.

For more information about IROs, see the Strategy and policies section in this chapter.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

◆ **S2 Workers in the value chain _____ 99**

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S2-5, part 1]

Ambitions
AAK’s commitments to workers in the value chain consist of embedding respect for human rights in supplier relationships, as well as empowering women and smallholders to improve their livelihoods.

For more information about targets, see the Targets and metrics section in this chapter.

[S2-1, S2-2, S2-3]

Strategy & policies
AAK’s sustainability strategy is based on the results of the double materiality assessment (DMA), and reflects the material impacts, risks and opportunities identified. Identified risks related to child labour, forced labour, other labour rights and working conditions in our supply chains have influenced strategic decisions, such as embedding human rights expectations into supplier requirements, contractual arrangements, and grievance procedures. These impacts have also informed adaptations to the strategies setting, such as leveraging long-term supplier relationships, targeted supplier engagement, capacity-building in higher-risk regions, and participation in industry collaborations to address systemic risks beyond AAK’s immediate supply chain.

Our commitments to workers in the value chain are embedded in policies and procedures. The policies include the Human Rights Policy, Group Code of Conduct, Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds, and the Group Code of Conduct for Suppliers of Non-Oil Goods and Services. These policies explicitly address trafficking, forced and compulsory labor, and child labor. All policies are available on AAK’s website.

All direct and indirect suppliers are required to comply with applicable laws, regulations and internationally recognized human rights, as protected under the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. These rights include respecting the rights of all workers, ethical recruitment practices, no discrimination, no violence and harassment, freedom of association and collective bargaining, legal minimum wages, fair working hours, safe and healthy working conditions and no forced or child labor. AAK will assess alleged grievances and take actions to cease, prevent or mitigate actual or potential adverse human rights impacts, and to provide or assist with access to remedy as may be applicable. In doing so, AAK is guided by the UN Guiding Principles on Business and Human Rights.

Human rights due diligence is embedded in our engagement with our supply chain. For details, please see “Supplier engagement and due diligence” under “Actions and resources” in this chapter. We work directly with our Tier 1 Oils, Fats, and Seeds suppliers and engage with industry associations, peers and NGOs beyond our supply chain to address industry level concerns.

AAK works closely with suppliers to further develop good practices that have a positive impact on workers in the value chain. On-site multi-stakeholder workshops including upstream suppliers, civil society organizations (CSO) and local authorities are conducted every year at various locations in our supply chain to raise awareness of AAK’s commitments. We have established a Grievance Management Procedure to handle grievances and require suppliers to establish a functional

grievance mechanism that complies with the UN Guiding Principles. AAK’s procedure is accessible through our website and open to anyone to raise their concern. Through our website there is also a whistleblower service provided by a third party that guarantees anonymity. While the direct engagement with the value chain workers is limited, AAK leverages the engagement with our Tier 1 suppliers and industrial experts to improve the workers’ awareness and trust in the grievance process.

For more information about cases of non-respect for human rights, see the Grievance management section in this chapter.

Engagement with workers in the value chain
The Sustainable Sourcing Team and the Global Procurement Excellence Team, in collaboration with respective Sourcing & Trading and Procurement managers, are responsible for identifying suitable and practical ways to engage with workers in the value chain, and the results of the engagements inform our approach. The ultimate operational responsibility lies with the Executive Committee. See the Climate chapter for details on policy implementation responsibilities.

We have established targets and a time-bound action plan to achieve implementation of our policies.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____ 91

● **S2 Workers in the value chain _____ 99**

S3 Affected communities _104

G1 Business conduct_____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S2-4]

Actions and resources



Supplier engagement and due diligence

AAK’s human rights due diligence approach follows the six steps of the OECD due diligence guidelines for responsible business conduct. This means that responsible business conduct is embedded into policies and management systems (step 1) and that steps 2–6 are followed throughout our supply chain, focusing on the human rights risks and due diligence procedures of our suppliers.

All AAK suppliers are required to sign the relevant Code of Conduct. Risk mitigation focuses mainly on using leverage with existing business relationships that are causing or contributing to adverse impacts within the upstream supply base. The aim is to increase suppliers’ and farmers’ understanding of their current risk exposure and to improve due diligence procedures to prevent adverse impacts from occurring in our shared upstream supply chains. The focus is for them to progress from signing the relevant Code of Conduct toward full implementation of risk mitigation roadmaps.

For Tier 1 suppliers of key raw materials (palm, coconut, rapeseed, soy, and sunflower), the Sedex platform and self-assessment questionnaire (SAQ) are used. AAK’s target is to onboard 100 percent of Tier 1 suppliers and sites in this category to Sedex, and for them to complete the SAQ, which must be updated annually.

In addition to the Sedex SAQ, we rely on third-party certifications that have integrated human rights requirements, such as the Roundtable for Sustainable Palm Oil, ProTerra, Roundtable for

Responsible Soy, Rainforest Alliance, and FairWild. To keep these certifications, suppliers are required to conduct regular audits.

Beyond compliance, AAK emphasizes supplier engagement through training sessions and webinars, helping suppliers understand human rights risks and strengthen their due diligence processes. These initiatives also involve the broader supply chain workforce, ensuring that workers are aware of grievance mechanisms, ethical standards, and reporting channels. By connecting Sedex SAQ data with workforce engagement, we create a feedback loop that supports transparency and continuous improvement.

Through these efforts, AAK aims to build a supply chain where responsible business conduct is not only a requirement but a shared commitment, protecting human rights and fostering fair, safe, and inclusive working conditions.

Industry collaboration

AAK partners with industry associations, peers and NGOs to develop tools to assess, prevent, mitigate, track, communicate, and remediate human rights risks beyond our immediate supply chain, at industry-level. These collaborations are primarily used to build shared understanding of systemic risks, exchange good practices, and inform AAK’s strategies and expectations related to human rights in the value chain, rather than to monitor the effectiveness of outcomes at the level of individual suppliers or value-chain workers. An example is the Global Shea Alliance and a consortium consisting of AAK and industry peers, as well as NGOs Presbyterian Agriculture Services (PAS), Action pour la Promotion des Initiatives Locales (APIL), and Catholic Organization for Relief and Development Aid (Cordaid), which work to address the causes and reduce the risk of child labor in the shea supply chain through a collective, context-specific approach. AAK is also an active member in the Palm Oil Collaboration Group (POCG) and its sub-working group, Social Issue Working Group (SIWG), where it engages with peers and stakeholders on systemic social and human rights risks in palm oil supply chains.

Insights gained through industry collaboration are primarily used for benchmarking, risk understanding, and supporting strategic alignment with international standards within AAK’s and with Tier 1 suppliers.

Smallholder engagement

AAK recognizes the critical role smallholder farmers play in creating sustainable supply chains. We engage with small-holder farmers through different programs to empower them to improve their production and living conditions. We have programs for palm in Mexico, Malaysia and Indonesia helping farmers to achieve certifications and improve productivity, as well as business management techniques to increase their income. Our coconut program in the Philippines supports farmers in replanting and agricultural management, improving their livelihoods and production resilience.

Our Kolo Nafaso program for shea in West Africa establishes direct trade relationships with women in rural communities. Through the program, the women receive a fair market price for their products and a guaranteed sales outlet, which means that they have reliable income. They also get access to interest-free microcredit during periods of limited income, and skills development to improve their shea processing techniques. The benefits of the program extend to the wider community as the women are enabled to improve their family diets, invest in their children’s education or further income-generating activities, and support local infrastructure projects that improve living conditions.

We track the number of women and communities that we have engaged with through our program. This number is externally audited yearly by Proforest, according to the AAK Kolo Nafaso Standard Operating Procedure. In 2025 we furthermore achieved FairWild certification for all our Kolo Nafaso program in Ghana.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

◆ S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S2-1, S2-2, S2-3]

Responsible labor practices

In Indonesia and Malaysia, AAK is actively working to transform labor practices in the palm oil supply chain at landscape level. As a midstream actor, positioned between upstream producers and downstream customers, we collaborate with industry groups and Tier 1 suppliers to influence practices and implement systemic change. For example, we joined the landscape project in Southern Central Forest Spine (SCFS) Malaysia with Earthworm Foundation, where one of the thematic topics is on labor transformation program for vulnerable workers.

AAK uses platforms such as Sedex to strengthen transparency and ethical standards, and we connect these efforts to our grievance mechanisms, enabling workers to raise concerns and seek remediation. This integrated approach helps us identify risks, respond effectively, and continuously improve working conditions.

Through these initiatives, AAK aims to create supply chains that are not only sustainable but also equitable, respecting human rights and empowering smallholders worldwide.

Grievance management

Our Grievance Management Procedure outlines the process in response to actual or potential negative impact on value chain workers and other stakeholders. The Grievance Committee reviews cases, and aligns and agrees on actions, suspensions and monitoring progress of grievances with various stakeholders, including the regional grievance taskforce, NGOs, customers, and service providers. If the grievance subject does not cooperate or take sufficient action to address an issue, AAK will suspend the relationship as a last resort.

AAK requires Tier 1 suppliers to establish and maintain a grievance mechanism that is aligned with the UNGP effectiveness criteria. This is evaluated through engagement via AAK's suppliers' scorecard and capacity building training. AAK will determine and support remedial action through stakeholder consultation. What constitutes an appropriate and effective remedy depends on the specific grievance, the background, the local context, and the affected stakeholders. For human rights-related verified grievance, remedial action is determined as outlined in the UN's Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. AAK tracks the suppliers' grievance case progress through the tracker on the website. Suppliers who fail to demonstrate positive transformation despite engagement will face suspension from the supply chain. A re-entry mechanism is developed and provided in our grievance procedure to guide suppliers.

Progress with the suppliers and affected stakeholders is published on the grievance tracker to ensure transparency. AAK aims to progressively improve the understanding of the effectiveness of our grievance mechanisms in the supply chain through the experience and knowledge from the engagement with Tier 1 suppliers and the affected stakeholders.

Action plans and implementation activities do not have separate CapEx or OpEx budgets; instead, they are embedded within AAK's annual sustainability budget. Program managers are responsible for these budgets, including their approval and ongoing monitoring. Progress on budget utilization is reviewed twice a year during program manager meetings.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____ 91

◆ S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S2-5]

Targets and metrics

AAK’s target-setting process is informed by multiple inputs to ensure relevance and impact. Results from our DMA, Human Rights Impact Assessments (HRIA), and grievance data are systematically analyzed to identify key risks and opportunities. These insights guide the development of targets that address both environmental and social priorities across our supply chains.

Worker engagement is central to this process. Since AAK sits in the middle of the supply chain without direct access to workers, we collaborate with suppliers and service providers, such as the Fair Labor Association (FLA), and consult with NGOs, industry organisations like RSPO and POCG, and other stakeholders during policy development and implementation. This multi-stakeholder approach ensures that workers’ perspectives are considered and integrated into our commitments and acts as a proxy for direct engagement.

All targets are governed by AAK’s Cross Functional Sustainability Leadership Team and reported annually, providing transparency and accountability. This structured process ensures that our goals are not only ambitious but also grounded in stakeholder input and continuous improvement.

AAK is currently developing a “People Roadmap 2030” which will be launched at the start of 2026. For 2025, we had three targets.

Target 1

Sourcing: 100 percent of key raw material volumes covered by Human Rights Due Diligence at Tier 1 level

In 2025, 87 percent of the volume of key raw material suppliers had been onboarded on Sedex, and 83 percent of key raw material volumes were covered by the Sedex Self-Assessment Questionnaire (SAQ). This represents an increase of 11 percent and 19 percent, respectively, compared with 2024.

Methodology

This metric measures the percentage of suppliers, based on volumes, that have completed the Sedex SAQ. The Scope is limited to suppliers exceeding a defined volume threshold in regions assessed as having a low risk of human rights violations. The metric covers suppliers of palm, coconut, soy, rapeseed, sunflower, and shea.

Target 2

Sourcing: 100 percent of suppliers for key raw materials signed or committed to Code of Conduct

In 2025, 92 percent of the volume of key raw material suppliers had signed or committed to the AAK Code of Conduct, an increase of 21 percent compared with 2024.

Methodology

This metric measures the percentage of suppliers, based on volumes, that have signed or committed to the relevant supplier Code of Conduct. It covers palm, coconut, soy, rapeseed, sunflower, and shea.

Target 3

Procurement: 100 percent of high-risk non-oil goods and service suppliers signed or committed to Code of Conduct

In 2025, 81 percent of high-risk non-oil suppliers and service providers, had signed or committed to the Code of Conduct. This is a new target for 2025. Our new Code of Conduct for suppliers of non-oil goods was approved in June 2025 and published in August the same year.

Methodology

This metric measures the percentage of high-risk suppliers—based on the total number of suppliers classified as high-risk—that have signed or committed to the relevant supplier Code of Conduct. Suppliers are assessed as high-risk based on criteria related to recurrent AAK spend, the criticality of the product or service provided, and corruption and human rights risks associated with the supplier country.

Reported incidents

In the period from 2015 to 2025, 9 percent of the total grievances were related to workers' rights. Supplier engagement and progress on each case are recorded in AAK’s grievance tracker, available on AAK’s website.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

💧 **S3 Affected communities _104**

G1 Business conduct _____ 107

Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

S3 *Affected communities*



This chapter sets out how our upstream raw material sourcing may affect local communities and Indigenous Peoples, especially in regions where land and natural resources are under pressure. It explains our material impacts, risks and opportunities in relation to land related rights and community livelihoods, and how we work with suppliers and other stakeholders to respect and support affected communities in accordance with ESRS S3.

Impacts, risks and opportunities

Potential material negative impacts stem from the ongoing expansion of agricultural production in response to growing demand for our upstream raw materials. This expansion can place pressure on land and natural resources traditionally accessed, managed, or occupied by the vulnerable Indigenous Peoples and Local Communities (IPLC). As a result, it may lead to infringement of land-related rights, reduced access to livelihoods, and the disruption of culturally significant areas.

AAK operates in the midstream of the value chain, strengthening our commitment to respect communities' rights at our Tier 1 suppliers for a responsible, reliable, and inclusive environment in sourcing regions. Our Tier 1 suppliers' operations support and cascade down the commitment to upstream suppliers, specifically on land and natural resources traditionally accessed, managed, or occupied by IPLC.

For more information on IRO:s, see the Strategy section in the S2 Workers in the value chain chapter.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

🔹 **S3 Affected communities _104**

G1 Business conduct_____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S3-5, part 1 of 2]

Ambitions

We are committed to respecting the land-related rights of local communities and indigenous people across our upstream value chain. Our ambition is to collaborate proactively with suppliers, smallholders, women’s community, and civil social experts to promote responsible

land stewardship, strengthen supply chain governance, and support transparent and inclusive decision-making processes.

For more information about targets, see the Targets and metrics section in this chapter.

[S3-1, S3-2, S3-3]

Strategy and policies

This area is covered by the same policies and procedures, including grievance management, as Workers in the Value Chain. See that chapter for more information.

These policies uphold the rights of indigenous peoples and local communities, as set out in the UN Declaration on the Rights of Indigenous Peoples – including rights to property, culture, self-determination, a healthy environment, non-discrimination, and meaningful participation in decisions that affect them. AAK requires suppliers to identify and respect indigenous peoples’ and local communities’ formal and customary rights to lands, resources and territories that they have traditionally owned, occupied, used or administered. All sourcing suppliers must adhere to and respect Free, Prior and Informed Consent (FPIC) processes for all new or expansion of development. Stakeholders are engaged regularly to ensure effective participation in FPIC processes.

Satellite monitoring technologies to observe land-use change are used in our raw materials supply chain (see the Biodiversity chapter for more information), including customary lands of local communities and indigenous people. AAK also contributes to industry collaboration, for example the Palm Oil Collaboration Group (POCG) and its subgroup, the Social Issue Working Group (SIWG), to establish and address land and labor rights issues in the supply chain.

Engagement with suppliers

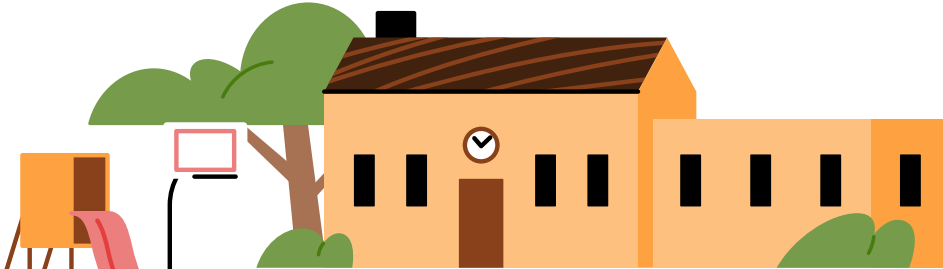
AAK’s policies and codes, available on our website, explicitly require suppliers to respect the rights of affected communities, including Indigenous Peoples and local communities. These commitments are reinforced through webinars on topics such as human rights and environmental issues, as well as one-to-one workshops designed to support suppliers in implementing our policies.

Since AAK sits in the middle of the supply chain without direct access to communities, suppliers play a critical role in safeguarding community rights due to their direct links with sourcing regions. AAK works closely with Tier 1 suppliers to ensure these rights are upheld, recognizing their influence on farmer communities and women’s groups in key supply chains such as palm, coconut, and shea. Our updated grievance mechanism outlines clear processes for engagement with workers and communities, enabling us to detect and address community-related issues at an early stage.

Engagement with affected communities

While direct engagement with affected communities in value chain is limited, ongoing engagement with affected communities through multiple stakeholders and experts is central to our approach. This includes dialogue with local experts, NGOs, farmers and women’s groups and monitoring through satellite systems and grievance mechanisms to detect and address community-related issues. Insights including the local customs, traditions, and legal system from these engagements inform us of community-related risks and help guiding us in responsible sourcing strategies, grievance procedures, and remediation approaches. Grievance cases linked to communities are tracked and reported, demonstrating that the system is functional and trusted. We also monitor suppliers’ progress in providing remedies when grievances occur, with all cases recorded in our grievance tracker.

These efforts align with our Code of Conduct and verified deforestation-free (VDF) targets for 2030, emphasizing our commitment to responsible sourcing and inclusive growth. Our grievance monitoring and engagement processes provide a solid foundation for continuous improvement.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____91

S2 Workers in the value chain _____ 99

🔹 **S3 Affected communities _104**

G1 Business conduct _____107

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[S3-4]

Actions and Resources

AAK’s actions and resources for handling negative impacts on Affected communities are the same as for handling negative impacts on Workers in the Value Chain. They are also linked to the targets under Biodiversity, for example the VDF target. See those chapters for more information. The most important aspects are human rights due diligence, industry collaboration, and grievance management.

In addition to the grievance management procedure, AAK has a whistleblower service operated by a third party that is accessible through the AAK website. Affected communities can raise concerns directly through grievance mechanisms managed by AAK, or indirectly via suppliers and intermediaries, with support from regional grievance taskforces. AAK monitors the effectiveness of remediation through a combination of follow-up engagement with Tier 1 suppliers and their affected communities, tracking of grievance resolution, and observation of improvements in practices. We track the suppliers’ grievance case progress through the

tracker on the AAK’s website. When necessary, AAK works closely with Tier 1 suppliers, provides remediation recommendations to address the communities’ concerns, and monitor the time-bound implementation plans. This includes connecting grievance raisers, local NGOs, Tier 1 suppliers, and affected communities for dialogues and remedial actions. Suppliers who fail to demonstrate positive transformation despite engagement will face suspension from the supply chain. A re-entry mechanism is developed and provided in our grievance procedure to guide suppliers. See the Business conduct chapter and Workers in the value chain chapter for more information.

Action plans and implementation activities do not have separate CapEx or OpEx budgets; instead, they are embedded within AAK’s annual sustainability budget. Program managers are responsible for these budgets, including their approval and ongoing monitoring. Progress on budget utilization is reviewed quarterly during program manager meetings.

[S3-5 part 2 of 2]

Targets and metrics

Since the toolbox for handling potential negative impacts on Affected communities and Workers in the value chain is the same, the targets disclosed in the Workers in the value chain chapter are relevant for this chapter as well.

AAK’s sustainability targets, including the Code of Conduct target, the Sedex target, and the VDF target in palm and deforestation- and conversion-free (DCF) target in soy, are governed by our Cross Functional Sustainability Leadership Team to ensure accountability and progress. The VDF target is particularly significant as it addresses the root causes of deforestation—such as poverty and corruption—which directly impact local and Indigenous communities. By tackling these underlying issues, we not only protect biodiversity but also contribute to improved livelihoods and social stability in sourcing regions.

The connection between VDF and affected communities is significant: deforestation threatens ecosystems that communities depend on for food, water, and cultural heritage. Conversely, achieving our VDF target supports sustainable land use, reduces social and economic vulnerability, and fosters inclusive growth. These efforts are further reinforced by our CoC and SEDEX commitments, which strengthen ethical practices and transparency across the supply chain.

Together, these targets form a comprehensive approach to sustainability, linking environmental protection with social responsibility and economic resilience. Progress against these metrics is regularly monitored and reported, ensuring that actions deliver meaningful impact for both nature and people.

Reported incidents

As we continue due diligence within our raw material supply chain, we detect incidents through near real-time satellite monitoring and grievance reports. In the period from 2015 to 2025, 8 percent of total grievances were reported to be related to land conflicts. Supplier engagement and progress on each case are recorded on the grievance tracker via AAK’s website.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

◆ **G1 Business conduct _____107**

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

G1 *Business Conduct*



This chapter presents our approach to responsible business conduct, including how we prevent, detect and address risks related to corruption, bribery, and other unethical practices. It summarizes our material impacts, risks and opportunities in this area and describes the governance, policies, controls, and training that support ethical behavior across our operations and value chain in line with ESRS G1.

Impacts, risks and opportunities

Positive impacts stem from our corporate culture that promotes ethical business practices, and from our engagement with suppliers to enhance sustainability and good governance. Potential negative impacts could include incidents of corruption and bribery in our value chain, as we are active in high-risk countries. Risks stem from the reputational harm caused by corruption or unethical business practices which might lead to financial consequences. AAK actively works to prevent risks related to corruption and bribery, as such issues can impact trust and business relationships. We have established policies and control mechanisms to reduce these risks, but we acknowledge that challenges remain.

The identification of material business conduct-related impacts, risks and opportunities followed the general process described in General disclosures.

[G1 ESRS 2 IRO-1]

Ambitions

We want to maintain high standards and foster a corporate culture that supports ethical behavior from employees, suppliers, agents, and distributors.

[G1-1, G1-2]

Strategy and policies

We foster a corporate culture that supports ethical behavior, performance and wellbeing (see the Our workforce section for more information, including on the Trust index which is used as a proxy for measuring culture). Our Code of Conduct applies to all AAK employees and temporary staff, guides the company's business conduct and sets clear expectations for ethical behavior. It is updated regularly, translated into local languages and communicated to all employees through mandatory training. Significant updates are reviewed and approved by the Board of Directors and responsibility for implementation lies with the Executive Committee.

AAK operates in countries and regions which are at high risk of corruption and bribery, and functions assessed to be most exposed are sourcing, procurement and sales. Supporting the Code of Conduct are therefore the Anti-Bribery and Corruption Policy; the Anti-Money Laundering Policy and the Sanctions policy. In our AAK Group Anti-Bribery and Corruption Policy AAK commits to comply with all applicable laws and regulations on corruption, including, but not limited to, the United Nations Convention against Corruption, the US Foreign Corrupt Practices Act, and the UK Bribery Act (2010).

Our policies establish our global standards regarding the prevention of corruption and give more detailed information about the many shapes corruption can take, together with guidelines on how to act ethically. They apply to all AAK employees and temporary staff but are most relevant to functions-at-risk. The Anti-Bribery and Corruption Policy, the Anti-Money Laundering Policy, and the Sanctions Policy are reviewed by Group Legal and Compliance and approved by the Board of Directors. Responsibility for implementing the policies lies with the Executive Committee.

Similar Codes of Conducts set clear expectations for ethical business practices for suppliers and agents and distributors. See the Environmental chapters for more information. Any suspected incidents of corruption, bribery or similar are to be reported through the grievance mechanism described in the "Workers in the value" chain chapter, or through the third-party managed whistleblower service that is accessible through our website. The channels are open to both stakeholders and employees. Complaints are handled confidentially by designated individuals in line with the Whistleblowing Guideline and reported back to the whistleblower. All whistleblowers are protected by anonymity, and concerns raised in good faith will never lead to any sanctions or personal disadvantages for the whistleblower. This is in line with Directive (EU) 2019/1937.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

◆ **G1 Business conduct_____107**

Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

[G1-1, G1-2]

AAK seeks to establish long-term relationships with suppliers while maintaining at least two suppliers for each raw material to secure volumes and prevent disruption risks. Suppliers must sign the relevant code of conduct and work to minimize their negative environmental and social impacts. Performance and willingness to drive progress in these areas are considered when selecting suppliers. Please see both the Environmental chapters and the Workers in the value chain and Affected communities chapters for more information.

We are committed to closely collaborating with both upstream and downstream partners to ensure no negative impacts are caused or contributed to.

To further help our employees and suppliers to avoid corruption and bribery we also have our Environmental Policy, Human Rights Policy, Group Code of Conduct for Suppliers of Non-Oil Goods and Services, AAK Group Code of Conduct for Responsible Sourcing of Oils, Fats and Seeds. AAK's sustainability commitments for the sourcing of plant-based oils are fully aligned with our commitment to No Deforestation/Conversion, No Development on Peat and No Exploitation of rights-holders (NDPE).

International commitments

We are dedicated to joining and complying with national and international commitments and initiatives targeting universal environmental principles such as the UN Global Compact and the Sustainable Development Goals and Science Based Targets initiative.

Our commitment to respect human rights is put into practice in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Our commitment includes all internationally recognized human rights included in the International Bill of Human Rights and the International Labour Organization's (ILO) eight fundamental conventions as identified in the ILO Declaration on Fundamental Principles and Rights at Work. AAK is also committed to adhering to and upholding the following:

- UN Global Compact's ten principles in the areas of social relations, human and labor rights, environment, and anti-corruption
- OECD Guidelines for Multinational Enterprises
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Core Conventions
- UK Modern Slavery Act

[G1-3, G1-4]

Actions and resources

Every function at AAK has a budget allocated to their activities, operations and action plans for the next year. The annual budget process is aligned with the company's strategy and commitments. Budget allocations are specifically requested and approved to support the implementation of strategy roadmaps and action plans, ensuring resources are directed toward prioritized initiatives that deliver on strategic objectives.

Corruption and bribery

Risk assessments are conducted across all operations, including joint ventures. In addition, internal audits covering investments, customer relations and contracts, travel invoices, gifts, salary remuneration, and contracts with suppliers and customers are performed according to a schedule approved by the Audit Committee.

Investigations of suspected incidents are conducted by personnel who are separate from the management involved in the incident. Conclusions from any investigations, audits and risk assessments are regularly reported to the Board of Directors' Audit Committee by the Head of Legal & Compliance and the Internal Audit Manager.

Training is another part of the prevention measures, with courses covering topics such as corruption and bribery prevention. Annual training is mandatory for all office employees – including functions at risk – and for members of the Executive Committee. Members of the Board of Directors receive training regularly and as needed.

AAK fosters compliance and awareness through structured annual training programs for all employees. The AAK People system manages training assignments based on employee data. A specific field indicates whether an employee works in an office environment. Based on job description and location, the system automatically assigns relevant training and sends an email invitation to the employee.

If the training is not completed by the due date, the manager receives a notification. The system also enables reporting on completion rates, ensuring transparency and accountability.

Training on AAK's Code of Conduct is integrated in the annual mandatory training program covering all employees, which further strengthens employee awareness. It outlines the

expectations for all co-workers and is conducted annually. The same setup applies for notifications, reminders, and reporting.

Based on an internal risk assessment, AAK has decided that all co-workers with jobs located in offices will be invited to annual Anti-Bribery and Corruption training. The aim is to build awareness of the concept of anti-corruption and explain some of the key terminologies and how to address them. During the training employees are taught how to recognize different forms of corruption, how to identify corruption risks and how to comply with AAK's principles on, for example gifts, travel and donations. This approach ensures employee awareness, protects the AAK brand, and safeguards co-workers.

Completion rates for both trainings are monitored through the AAK People system. Reports are reviewed regularly, and any gaps are escalated to management. This governance structure ensures that training obligations are met and that AAK maintains high standards of ethical conduct across the organization.

Targets and metrics

AAK has two targets related to anti-corruption and anti-bribery. The first is zero convictions for violations of anti-corruption and bribery laws. This metric encompasses instances where an AAK legal entity has been convicted of anti-bribery or corruption violations by a court of law. During 2025 there were no convictions following violations of bribery or corruption laws.

The second target is that 100 percent of functions-at-risk are covered by anti-bribery and corruption training programs. Functions-at-risk refer to employees whose tasks and responsibilities expose them to potential risk of bribery and corruption and include all AAK office employees. To address these risks AAK implemented a mandatory training program that covers AAK's Anti-Bribery and Corruption Policy. Employees are considered to be covered when they are invited to this training program. In 2025, 100 percent of functions-at-risk were invited to the training program, which means that the target was reached. As explained in the paragraph above AAK also follows up on training completion rates. For 2025, the completion rate for anti-corruption training is 94 percent.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

🔹 **Appendices _____ 109**

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Appendix A

Measurement uncertainty

Activity data	Estimate/assumption	Applicability
Scope 1 & 2 GHG emissions: energy consumption	Related to conversion factors between energy unit and non-energy unit.	Scope 1 & 2
Scope 3 GHG emissions: purchased material volumes and procurement data (including spend)	Activity data: Aggregated material categories; assumed sourcing origins; incomplete upstream transport visibility.	Category 1
Scope 3 GHG emissions: Capital Expenditure amortization	Capital expenditure timing (all related emissions are reported within year of capex approval).	Category 2
Scope 3 GHG emissions: Transport activity (distance and mode); energy consumption data	Estimated transport distances and load factors.	Category 4 & 9
Scope 3 GHG emissions: Travel and commuting data	Modeled travel and commuting patterns.	Category 6 & 7
Scope 3 GHG emissions: Leased vehicle usage	Standardized leased vehicle assumptions.	Category 8
Scope 3 GHG emissions: End-of-life treatment volumes	Assumed end-of-life treatment splits.	Category 12

Value chain estimates

Activity data	Estimate/assumption	Applicability
Scope 3 GHG emissions Cat 1: purchased goods and services	Aggregated oil grades; assumed average origin where unknown; packaging grouped by primary material type.	Category 1
Scope 3 GHG emissions Cat 2: capital goods	Annual CapEx spend grouped into major asset categories; no amortization over asset lifetime.	Category 2
Scope 3 GHG emissions Cat 3: fuel- and energy-related activities	Calculated using reported fuel and electricity consumption data from Scope 1 and Scope 2, applying upstream emission treatment to the same activity volumes.	Category 3
Scope 3 GHG emissions Cat 4 + 9: upstream and downstresam transportation	Distances estimated using direct routing between Tier 1 counterparties and reporting sites; standardized load factor assumption applied (80 percent laden); empty backhauls excluded; interpolations and prior-year estimates used where primary data is unavailable.	Category 4 & 9
Scope 3 GHG emissions Cat 5: waste generated in operations	Waste volumes grouped by treatment method (reuse, landfill, recovery, recycling).	Category 5
Scope 3 GHG emissions Cat 6: business travel	Spend-based estimation using internal cost tracking systems, with expenditures allocated to defined travel categories (air, rail, other land transport, hotel stays). Scope limited to travel booked via corporate systems.	Category 6
Scope 3 GHG emissions Cat 7: employee commuting	Emissions modeled using total employee headcount per site and standardized assumptions for commuting distance, working days, modal split, and remote work percentage.	Category 7
Scope 3 GHG emissions Cat 8: upstream leased assets	Emissions modeled using standardized assumptions for annual distance driven and average fuel consumption rates by vehicle type (petrol, diesel, hybrid).	Category 8
Scope 3 GHG emissions Cat 12: end-of-life trestment of sold products	End-of-life emissions modeled using a standardized treatment distribution assumption (recycling, energy recovery, landfill), applied uniformly across markets.	Category 12

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

🔹 Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Appendix B

List of disclosure requirements complied with and datapoints that derive from other EU legislations

Standard	Disclosure requirement	Title	ESRS datapoints derived from other EU legislation	Applicable other EU legislation	Datapoint derived from other EU legislation not material	Page reference
ESRS 2		General disclosure				
	BP-1	General basis for preparation of the sustainability statement				66
	BP-2	Disclosures in relation to specific circumstances				66
	GOV-1	The role of the administrative, management and supervisory board	Board's gender diversity Paragraph 21 (d)	SFDR Benchmark Regulation		63–64
			Percentage of board members who are independent Paragraph 21 (e)	Benchmark Regulation		63–64
	GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies				63–64
	GOV-3	Integration of sustainability-related performance in incentive schemes				65
	GOV-4	Statement on due diligence	Paragraph 30	SFDR		65
	GOV-5	Risk management and internal controls over sustainability reporting				66
	SBM-1	Strategy, business model and value chain	Involvement in activities related to fossil fuel activities Paragraph 40 (d) i	SFDR Pillar 3 Benchmark Regulation	Not material	51–54
			Involvement in activities related to chemical production Paragraph 40 (d) ii	SFDR Benchmark Regulation	Not material	51–54
			Involvement in activities related to controversial weapons Paragraph 40 (d) iii	SFDR Benchmark Regulation	Not material	51–54
			Involvement in activities related to cultivation and production of tobacco Paragraph 40 (d) iv	Benchmark Regulation	Not material	51–54
	SBM-2	Interests and views of stakeholders				61
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				55–59
	IRO-1	Description of process to identify and assess material impacts, risks and opportunities				60–61
	IRO-2	Disclosure requirements in ESRS covered by the undertaking’s sustainability statement				60–61

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

🔹 Appendices _____109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Standard	Disclosure requirement	Title	ESRS datapoints derived from other EU legislation	Applicable other EU legislation	Datapoint derived from other EU legislation not material	Page reference
E1		Climate change				
	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes				65
	E1-1	Transition plan for climate change mitigation	Transition Plan to reach climate neutrality by 2050 Paragraph 14	EU Climate Law		71
			Undertaking's excluded from Paris-aligned Benchmarks Paragraph 16 (g)	Pillar 3 Benchmark Regulation		71
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				55–59
	ESRS 2 IRO-1	Description of process to identify and assess material climate-related impacts, risks and opportunities				60–61
	E1-2	Policies related to climate change mitigation and adaptation				71
	E1-3	Actions and resources in relation to climate change policies				72–73
	E1-4	Targets related to climate change mitigation and adaptation	GHG emission reduction targets Paragraph 34	SFDR Pillar 3 Benchmark Regulation		70, 74
	E1-5	Energy consumption and mix	Energy consumption from fossil sources disaggregated by sources (only in high climate impact sectors) Paragraph 38	SFDR		75
			Energy consumption and mix Paragraph 37	SFDR		75
			Energy intensity associated with activities in high climate impact sectors Paragraph 40 to 43	SFDR		75
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Gross Scopes 1, 2, 3 and Total GHG emissions Paragraph 44	SFDR Pillar 3 Benchmark Regulation		76–78
			Gross GHG emissions Intensity Paragraph 53 to 55	SFDR Pillar 3 Benchmark Regulation		76–78
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	GHG removals and carbon credits Paragraph 56	EU Climate Law		78
	E1-8	Internal carbon pricing				78

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

🔹 Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Standard	Disclosure requirement	Title	ESRS datapoints derived from other EU legislation	Applicable other EU legislation	Datapoint derived from other EU legislation not material	Page reference
E4		Biodiversity				
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		SFDR		55–59
	ESRS 2 IRO-1	Description of processes to identify and assess material biodiveristy and ecosystem-related impacts, risks, dependencies and opportunities				60–61
	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model				86–87
	E4-2	Policies related to biodiversity and ecosystems	Sustainable land / agriculture practices or policies paragraph 24 (b)	SFDR		87
			Policies to address deforestation paragraph 24 (d)	SFDR		87
	E4-3	Actions and resources related to biodiversity and ecosystems				87–88
	E4-4	Metrics and Targets related to biodiversity and ecosystems				86, 88–90
	E4-5	Impact metrics related to biodiversity and ecosystem change				88, 89
	E4-6	Disclosure of qualitative information about anticipated financial effects of material risks and opportunities arising from biodiversity- and ecosystem-related impacts and dependencies			Not material	N/A
Standard	Disclosure requirement	Title	ESRS datapoints derived from other EU legislation	Applicable other EU legislation	Datapoint derived from other EU legislation not material	Page reference
S1		Own workforce				
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Risk of incidents of forced labour paragraph 14 (f) Risk of incidents of child labour paragraph 14 (g)	SFDR		55–59
	S1-1	Policies related to own workforce	Human rights policy commitments paragraph 20 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	SFDR Benchmark Regulation		93 93
			Processes and measures for preventing trafficking in human beings paragraph 22	SFDR		93
			Workplace accident prevention policy or management system paragraph 23	SFDR		93
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts				93
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Grievance/complaints handling mechanisms paragraph 32 (c)	SFDR		93

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

🔹 **Appendices _____ 109**

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Standard	Disclosure requirement	Title	ESRS datapoints derived from other EU legislation	Applicable other EU legislation	Datapoint derived from other EU legislation not material	Page reference
S1		Own workforce				
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions				94
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				92, 95
	S1-6	Characteristics of the undertaking's employees				96-97
	S1-7	Characteristics of non-employees in the undertaking's own workforce				96
	S1-8	Collective bargaining coverage and social dialogue			Not material	N/A
	S1-9	Diversity metrics				96-97
	S1-10	All employees are paid adequate wage, in line with applicable benchmarks			Not material	N/A
	S1-11	All employees in own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to sickness			Not material	N/A
	S1-12	Percentage of persons with disabilities amongst employees, subject to legal restrictions on collection of data			Not material	N/A
	S1-13	Training and skills development metrics			Not material	N/A
	S1-14	Health and safety metrics	Number of fatalities and number and rate of work-related accidents Paragraph 88 (b) Paragraph 88 (c)	SFDR Benchmark Regulation		98
			Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	SFDR		98
	S1-15	Work-life balance metrics				98
	S1-16	Remuneration metrics (pay gap and total remuneration)	Unadjusted gender pay gap paragraph 97 (a)	SFDR Benchmark Regulation		98
			Excessive CEO pay ratio paragraph 97 (b)	SFDR		98
	S1-17	Incidents, complaints and severe human rights impacts	Incidents of discrimination paragraph 103 (a)	SFDR		98
			Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	SFDR Benchmark Regulation		98

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____67

E4 Biodiversity and ecosystems_____ 84

S1 Own workforce _____91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct_____107

🔹 **Appendices _____109**

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Standard	Disclosure requirement	Title	ESRS datapoints derived from other EU legislation	Applicable other EU legislation	Datapoint derived from other EU legislation not material	Page reference
S2	Workers in the value chain					
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	SFDR		55–59
	S2-1	Policies related to value chain workers	Human rights policy commitments paragraph 17	SFDR		100, 102
			Policies related to value chain workers paragraph 18	SFDR		100, 102
			Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	SFDR Benchmark Regulation		100, 102
			Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Benchmark Regulation		100, 102
	S2-2	Processes for engaging with value chain workers about impacts				100, 102
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns				100, 102
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	SFDR		101
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				100, 103
S3	Affected communities					
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				55–59
	S3-1	Policies related to affected communities	Human rights policy commitments paragraph 16	SFDR		105
			Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	SFDR Benchmark Regulation		105
	S3-2	Processes for engaging with affected communities about impacts				105
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns				105
	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Human rights issues and incidents paragraph 36	SFDR		106
	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				105–106

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Introduction _____ 50

ESRS 2 General disclosures 51

E1 Climate change _____ 67

E4 Biodiversity and ecosystems _____ 84

S1 Own workforce _____ 91

S2 Workers in the value chain _____ 99

S3 Affected communities _104

G1 Business conduct _____ 107

🔹 Appendices _____ 109

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Standard	Disclosure requirement	Title	ESRS datapoints derived from other EU legislation	Applicable other EU legislation	Datapoint derived from other EU legislation not material	Page reference
G1		Business conduct				
	ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies				63–64
	ESRS 2 IRO-1	Description of processes to identify material impacts, risks and opportunities in relation to business conduct matters				60–61
	G1-1	Business conduct policies and corporate culture	United Nations Convention against Corruption paragraph 10 (b)	SFDR		107–108
			Protection of whistle- blowers paragraph 10 (d)	SFDR		107–108
	G1-2	Management of relationships with suppliers				107–108
	G1-3	Prevention and detection of corruption and bribery				108
	G1-4	Incidents of corruption or bribery	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	SFDR Benchmark Regulation		108
			Standards of anti- corruption and anti- bribery paragraph 24 (b)	SFDR		108
	G1-5	Political influence and lobbying activities			Not material	N/A
	G1-6	Payment practices			Not material	N/A

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report	116
Board of Directors and Auditor	122
Executive Committee	123

Financial statements and notes

Reports from auditor

Other information

Corporate Governance *Report*

Corporate Governance Report 2025

This Corporate Governance Report has been drawn up in accordance with the rules of the Annual Accounts Act and the Swedish Corporate Governance Code (“the Code”). The Corporate Governance Report has been subject to the statutory review by the company’s auditor.

Effective and clear corporate governance contributes to the safeguarding of trust among AAK’s stakeholder groups and also increases the focus on business benefit and shareholder value in the company. AAK’s Board of Directors and Executive Committee endeavor, through a high level of transparency, to make it easy for individual shareholders to understand the company’s decision-making process and to clarify where in the organization responsibilities and authorities reside. AAK’s corporate governance is based on applicable legislation, the Code, NASDAQ OMX Stockholm’s regulatory framework for issuers, generally accepted practice in the stock market, and various internal guidelines. Where AAK has chosen to diverge from the rules in the Code, the reason is provided under each heading in this Corporate Governance Report.

General

AAK is a Swedish public limited liability company, the shares of which are traded on NASDAQ OMX Stockholm within the Large Cap segment, Consumer Commodities sector. AAK has around 44,260 shareholders. Its business operations are global, with a presence in

more than 100 countries. As of December 31, 2025, the rolling 12 months average number of employees was 4,073. Responsibility for management and control of AAK is divided between the shareholders at the Annual General Meeting, the Board of Directors, its elected committees and the President and Chief Executive Officer (CEO) in accordance with the Swedish Companies Act, other legislation and ordinances, applicable rules for companies traded on a regulated market, the Articles of Association, and the Board’s internal control instruments. AAK’s goal is to be the obvious first choice for customers when it comes to plant-based oil solutions, and to create the best possible value for the company’s various stakeholder groups—in particular customers, suppliers, shareholders, and employees. At the same time, AAK aims to be a good corporate citizen and take long-term responsibility. The aim of corporate governance is to define a clear allocation of responsibility and roles between the owners, the Board of Directors, Executive Committee and various control bodies. In line with this, corporate governance covers the Group’s management and control systems.

Ownership structure

Information about shareholders and shareholdings can be found on pages 11–12.

Articles of Association

AAK’s current Articles of Association were adopted at the Annual General Meeting on

May 7, 2021. The Articles of Association state that the company is to, directly or indirectly through subsidiaries, conduct manufacturing and trading business, in particular within the field of food industry and to pursue other compatible business. The Articles of Association also state the shareholders’ rights, the number of Board members and auditors, that the Annual General Meeting shall be held yearly within six months of the end of the financial year, how notification of the Annual General Meeting shall be effected, and that the registered office of the Board of Directors shall be in Malmö, Sweden. The company’s financial year is the calendar year. The Annual General Meeting shall be held in Malmö or Karlshamn, Sweden. The Articles of Association contain no restrictions on the number of votes each shareholder may cast at a general meeting. Furthermore, the Articles of Association contain no special provisions on the appointment and removal of members of the Board of Directors and on amendments to the Articles of Association. For the current Articles of Association, please see www.aak.com.

Annual General Meeting

The Annual General Meeting of AAK is the highest decision-making body and the forum through which the shareholders exercise their influence over the company. The tasks of the Annual General Meeting are regulated by the Swedish Companies Act and the Articles of Association. The Annual General Meeting makes decisions on a number of

central issues, such as adoption of the income statement and balance sheet, discharge from liability for the Board members and CEO, the dividend to shareholders, and the composition of the Board. Further information about the Annual General Meeting and complete minutes from previous Annual General Meetings and Extraordinary General Meetings are published at www.aak.com.

Annual General Meeting 2025

The Annual General Meeting, held on May 8, 2025 was represented by shareholders holding around 75 percent of the share capital and votes in the company. Patrik Andersson was elected Chairman of the Meeting. The Annual General Meeting adopted the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet. Patrik Andersson, Märta Schörling Andreen, Nils-Johan Andersson, Fabienne Saadane-Oaks, and Ian Roberts were re-elected as ordinary members of the Board of Directors. Patrik Andersson was elected Chairman of the Board. The employee organizations had appointed Lena Nilsson (PTK-L) and David Alfredsson (IF Metall) as employee representative members of the Board, and Mikael Myhre (IF Metall) and Annica Edvardsson (PTK-L) as deputy members of the Board. The Annual General Meeting authorized the Board to resolve on the issue of new shares by the Company or the acquisition of the Company’s own shares.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report	116
Board of Directors and Auditor	122
Executive Committee	123

Financial statements and notes

Reports from auditor

Other information

Nomination Committee

The Annual General Meeting decides on the election of the Board, among other items. The task of the Nomination Committee is to make proposals to the Annual General Meeting regarding the election of the Chairman and other members of the Board and of the Chairman of the Meeting, and regarding remuneration issues and related issues. The Nomination Committee considers the company's operations, phase of development and other relevant circumstances when assessing the appropriate composition of the Board.

Nomination Committee for the Annual General Meeting in 2026

At the Annual General Meeting 2025, Märta Schörling Andreen (Melker Schörling AB), Elisabet Jamal Bergström (SEB Investment Management), Daniel Kristiansson (Alecta), and Björn Henriksson (Nordea Funds) were elected members of the Nomination Committee in respect of the Annual General Meeting 2026. During the year, Carl Mattiasson replaced Björn Henriksson as the representative of Nordea Funds. Märta Schörling Andreen was elected Chairman of the Nomination Committee. The members of the Nomination Committee represent around 45 percent of the votes in AAK. The decision also included the opportunity to change the composition of the Nomination Committee in the event of a change in ownership.

During the year, the Nomination Committee held four minuted meetings. At these meetings, the Chairman reported on the evaluation work, whereupon the Nomination Committee discussed any changes and new recruitments. The Nomination Committee has been contactable by letter with proposals

from shareholders. The members of the Nomination Committee have not received any remuneration from AAK for their work. Shareholders who wish to contact the Nomination Committee can send letters addressed to AAK AB (publ.), Valberedningen, Pulpetgatan 20, SE-215 37 Malmö, Sweden.

The Board of Directors and its activities

The tasks of the Board are regulated in the Swedish Companies Act and the Articles of Association. In addition to this, the work of the Board is regulated by the working practices adopted by the Board each year. The procedural rules of the Board also regulate the distribution of work and responsibilities between the Board, the Chairman of the Board and the CEO and also include procedures for financial reporting by the CEO to the Board. According to the current working practices, the Board shall meet at least six times each year, including a statutory meeting following election held immediately after the Annual General Meeting. The tasks of the Board shall include setting strategies, business plans, budgets, interim reports and year-end reports for AAK. The Board shall also monitor the work of the CEO, appoint and dismiss the CEO and decide on important changes to

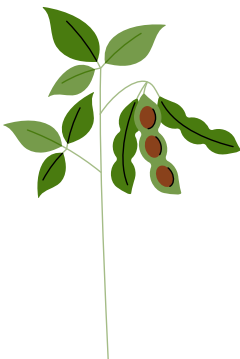
AAK's organization and operation. The most important tasks of the Board are to set the overall goals for the company's operation and to decide on the company's strategy for achieving the goals; to ensure the company has an effective Executive Committee and appropriate remuneration terms; to ensure the transparency and accuracy of the company's external reporting; and that external reporting provides a fair presentation of the company's performance, profitability and financial position and exposure to risk; to monitor the financial reporting, including instructions to the CEO and the establishment of requirements for the content of the financial reporting to be submitted to the Board on a continuous basis; to ensure the company's insider policy and logging procedures are adhered to in accordance with legislation and the guidelines of the Swedish Financial Supervisory Authority; to ensure there are effective systems for follow-up and control of the company's operational and financial position against set goals; to follow up and evaluate the company's development and to recognize and support the work of the CEO in carrying out the required measures; to ensure there is sufficient control of the company's compliance with legislation and other rules applicable to the operation of the company; to ensure the required ethical guidelines are set for the company's behavior; and to propose to the Annual General Meeting any dividend, repurchase of shares, redemption or other proposals falling within the competence of the Annual General Meeting. The Chairman of the Board of Directors is responsible for evaluating the work of the Board. During 2025, the Chairman conducted a board evaluation and interviews with the board members and discussions within the Board. The results of

this work were then presented and discussed on the Board and the Nomination Committee as the basis for assessing the size and composition of the Board. The evaluation focused on Board work in general and on the contributions of individual members, including the Chairman and the CEO. The Board evaluation clearly contributed to the continued development of the work of the Board and the committees.

Composition of the Board

Under the Articles of Association, AAK's Board shall consist of at least three and at most ten members. The current Board consists of five members elected by the Annual General Meeting. Under Swedish law, employee organizations have a right to be represented on the Board and have appointed two ordinary members and two deputies. Patrik Andersson was appointed Chairman of the Board of Directors. At the statutory Board meeting following the Annual General Meeting, the Board chose to appoint an Audit Committee and a Remuneration Committee.

Nils-Johan Andersson was appointed Chair of the Audit Committee and Patrik Andersson and Märta Schörling Andreen were appointed members. Patrik Andersson was appointed Chairman of the Remuneration Committee, and Märta Schörling Andreen was appointed member. Märta Schörling Andreen, a member of the Board of Directors of Melker Schörling AB, and Nils-Johan Andersson, CEO of Melker Schörling AB, cannot be considered to be independent in relation to AAK's largest minority shareholders in the Company in accordance with the Code. The other three members elected by the Annual General Meeting, Patrik Andersson, Fabienne Saadane-Oaks and Ian Roberts are independent in relation to AAK, the Executive



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report 116

Board of Directors and Auditor 122

Executive Committee 123

Financial statements and notes

Reports from auditor

Other information

Committee and the Company's largest minority shareholders in accordance with the Code.

The Board therefore fulfills the requirement of the Code that at least two Board members who are independent of the Company and the Executive Committee shall also be independent of the Company's largest minority shareholders. Mikael Ekdahl, lawyer and Chairman of the Board of Melker Schörling AB, acts as secretary to the Board. The application and result of the diversity policy are described on the Company's website in the Nomination Committee's reasoned statement regarding proposals to the Board of AAK AB.

Working practices

The Board's working practices, containing instructions for the division of work between the Board and the CEO and for financial reporting, are updated and adopted annually.

Board meetings consider the financial reporting and monitoring of day-to-day business operations and profitability trends, as well as goals, strategies for the business operation, acquisitions and significant investments, and matters relating to capital structure. Business area managers and other senior managers report on business plans and strategic issues on a continual basis.

Remuneration and audit issues are prepared within the respective committees. The Board holds a statutory meeting immediately after the Annual General Meeting. At this meeting, the Board's working practices are also adopted, as are the instructions to the CEO and the Committees and other internal management instruments. The current Board held its statutory meeting on May 8, 2025, at which all members were in attendance.

Chairman of the Board

At the Annual General Meeting held on May 8, 2025, Patrik Andersson was elected Chairman of the Board, a position he had held since May of 2024, and in the interim since September of 2023. The role of the Chairman of the Board is to lead the work of the Board and ensure the Board fulfills its tasks. The Chairman shall monitor the progress of the business in dialogue with the CEO and is responsible for ensuring the other members continuously receive the information required to carry out the work on the Board, maintaining the required quality and in accordance with the Swedish Companies Act and other applicable laws and ordinances, the Articles of Association, and the working practices of the Board. The Chairman is responsible for ensuring the Board constantly develops its knowledge

about the Company, that an evaluation of the Board's work is carried out and that the Nomination Committee is provided with this evaluation. The Chairman shall also participate in evaluation and development issues relating to members of the Excecutive Committee.

The work of the Board in 2025

The Board held 14 meetings during the year. Business area managers have reported on the goals and business strategies of the business areas. The Board has handled issues relating to strategy, staffing and organization. Decisions have been made relating to investments and acquisitions. Other areas handled have been the Group's work on the supply of raw materials, risk management and the Company's strategy for capital structure and borrowing.



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report 116

Board of Directors and Auditor 122

Executive Committee 123

Financial statements and notes

Reports from auditor

Other information

Attendance at Board and Committee meetings in 2025

Member	Board of Directors	Audit Committee	Remuneration Committee
Number of meetings	14	6	3
Patrik Andersson	14	6	3
Märta Schörling Andreen	14	6	3
Nils-Johan Andersson	14	6	
Ian Roberts	14		
Fabienne Saadane-Oaks	14		
David Alfredsson	14		
Lena Nilsson	14		

Information about the members of the Board can be found on page 122.

Fees to Board members

According to the decision of the Annual General Meeting, the total fees to the Board amounted to SEK 3,870,000, to be allocated between the members as follows: SEK 1,200,000 to the Chairman and SEK 500,000 to each of the other members elected at the Annual General Meeting who are not employed by the Company. The Chairman of the Audit Committee received SEK 260,000 and the members SEK 130,000 each. The Chairman of the Remuneration Committee received SEK 100,000 and the member SEK 50,000. The secretary to the Board of Directors, who is not a member of the Board, received a compensation in 2025 of SEK 600,000. Employee representatives to the Board do not receive any compensation other than for costs in connection with

their participation in Board activities. For further information about remuneration to members of the Board, please see page 154.

Evaluation of the CEO

The Board continuously evaluates the work and competence of the CEO and the Executive Committee. This is discussed at least once a year without representatives of the Executive Committee being present.

Guidelines for remuneration of senior executives

The 2025 Annual General Meeting approved the principles for the remuneration of senior executives. The principles for the remuneration of AAK's senior executives are designed to ensure, from an international perspective, that AAK can offer compensation that is competitive and at the prevailing market level to attract and retain qualified people. The total remuneration package paid to senior executives shall consist of fixed basic salary, annual variable salary, long-term incentive program, pension, company car, and severance payment. The fixed salary shall be individually differentiated on the basis of responsibility and performance, and shall be set on market principles and revised annually. In addition to annual salary, senior executives shall also receive a variable salary, which shall have a pre-set ceiling and be based on the outcome in relation to goals set annually. The goals shall be related to the company's performance, how well the ESG targets are met and shall also be able to be linked to individual areas of responsibility. Performance against ESG targets is also a criterion for the Executive Committee's remuneration. The annual variable

portion must not exceed 200 percent of the fixed salary. In addition to the variable salary mentioned, share or share-price related incentive programs may be added as determined from time to time by the Annual General Meeting. The right to a pension for senior executives shall apply from the age of 60 at the earliest. Pension plans for senior executives shall primarily be defined benefit plans. In the event of termination of employment by the Company, the notice period for the CEO shall be twentyfour months and other senior executives shall be between six to twelve months, and they shall be entitled to receive severance pay with a pre-determined ceiling corresponding to twelve months' salary. For termination of employment by the employee, a notice period of six months shall normally apply and no severance pay shall be payable. These guidelines will cover those persons who are in Group management positions during the period of time in which the guidelines apply. The guidelines apply to agreements entered into after a resolution by the Annual General Meeting, and in the event that changes are made to existing agreements after this point in time. The Board will be entitled to diverge from the guidelines if there are particular reasons to do so in an individual case.

Board committees

Audit and remuneration issues within the Board are handled in committees, whose task it is to prepare issues arising and submit proposals for decisions to the Board. The tasks and working practices of the committees are determined by the Board in written instructions, which constitute part of the Board's working practices.

Remuneration Committee

In accordance with the Board's working practices, issues of remuneration to the CEO and senior executives shall be prepared by the Remuneration Committee. The Remuneration Committee prepares and presents proposals to the Board relating to remuneration to the CEO and other senior executives. The final task of the Remuneration Committee is to monitor and evaluate the ongoing programs for variable remuneration of the company's Executive Committee, and programs terminated during the year, as well as the application of the guidelines for the remuneration of senior executives and the current remuneration structure and remuneration levels in the Company. During 2025, the members of the Remuneration Committee were Patrik Andersson and Märta Schörling Andreen. The recommendations of the Remuneration Committee to the Board include principles for remuneration, the relationship between fixed and variable salary, conditions for pensions and severance pay, and other benefits payable to the Executive Committee. Remuneration to the CEO of the Group has been decided by the Board on the basis of the recommendations of the Remuneration Committee. Remuneration to other senior executives has been decided by the Chief Executive Officer in consultation with the Remuneration Committee. For further information, see page 153. During 2025, the Remuneration Committee met on three occasions. Current guidelines for remuneration to senior executives can be found in Note 8. The Board's proposal for new guidelines will be put to the Annual General Meeting in 2026 for a decision.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report 116

Board of Directors and Auditor 122

Executive Committee 123

Financial statements and notes

Reports from auditor

Other information

Audit Committee

During 2025, the members of the Audit Committee were Nils-Johan Andersson (Chair), Märta Schörling Andreen and Patrik Andersson. The Audit Committee held six meetings during the year, which the Company's external auditors and representatives of the Executive Committee attended. Areas dealt with by the Audit Committee are primarily related to planning, Scope and follow-up of the audit for the year. Other issues dealt with include risk management, integration and systematics of Group procedures, Information Technology, Sourcing and Trading, coordination of insurance issues, corporate governance, internal control, accounting rules, development of the global finance function, financing operations, tax, and other issues that the Board has requested the Audit Committee to prepare. Pursuant to the Code, a majority of the members of the Audit Committee must be independent in relation to the Company and management, and at least one member must also be independent in relation to major shareholders. Under the provisions of Chap. 8, Section 49 a, of the Swedish Companies Act (2005:551), at least one member of the Audit Committee must have expertise in accounting or auditing. The Company fulfills these requirements.

External auditors

AAK's auditors are appointed by the Annual General Meeting. At the Annual General Meeting in 2025, the audit company Ernst & Young AB was elected as auditors up to and including the Annual General Meeting in 2026. Joakim Falck, Authorized Public Accountant, was appointed auditor in charge. During the year, the auditor in charge was changed to Henrik Jonzén. All services requested in

addition to the statutory audit are tested separately to ensure there is no conflict arising involving independence or disqualification.

Operational management

It is the task of the CEO to lead operations in accordance with the guidelines and instructions of the Board. In conjunction with this, the CEO shall use the required control systems to ensure the company complies with applicable laws and regulations. The CEO reports to the Board meetings and shall ensure the Board receives as much factual, detailed and relevant information as is required for the Board to reach well-informed decisions. The CEO also maintains continuous dialogue with the Chairman of the Board and keeps him informed of the development and financial position of the Company and the Group.

AAK's Executive Committee consists of eight persons from six countries: the CEO, Chief Financial Officer (CFO) who is responsible for Accounting and Internal Control, Group controlling, Treasury, IR, Communication and Brand, M&A, Global IT, Strategy and Legal, President Commercial Development and Innovation, President Global Operations and President Global Sourcing & Trading, as well as three persons in charge of business areas/regions/industries, whereof one also responsible for Global HR. The Executive Committee meets every other month and deals with the Group's financial development, investments, synergy and productivity projects, acquisitions, Group-wide development projects, leadership and competence supply, and other strategic issues. The meetings are chaired by the CEO, who make decisions in consultation with the other members of the Executive Committee. The Group has a

small number of Group employees, who are responsible for Group-wide activities, such as accounting and internal control, Group controlling, treasury, investor relations, communication and brand, HR, M&A, IT, strategy, legal, tax and product development. The CEO and Executive Committee are presented on page 123. For remuneration principles and salaries and other fees paid to the CEO and Executive Committee, please see Note 8.

AAK's business areas are Food Ingredients, Chocolate & Confectionery Fats and Technical Products & Feed. Each business area is responsible for goals, strategies, product development and day-to-day business issues, as well as for profit, cash flow and balance sheets for the unit in question. The business areas in turn are organized into different sectors with responsibility for day-to-day business issues. Control is exercised through quarterly business reviews, where AAK's CEO acts as chairman and other stakeholders are invited as needed. In all countries where AAK has subsidiaries, a Country Manager has legal charge of operations. The Country Manager's task is to represent AAK vis-à-vis public authorities in the country, to coordinate operations on the ground, organization and

Group-wide procedures/projects, and to ensure that Group-wide guidelines, local rules and laws are complied with. For each such country, one member of the Executive Committee has been appointed to have overall responsibility for operations.

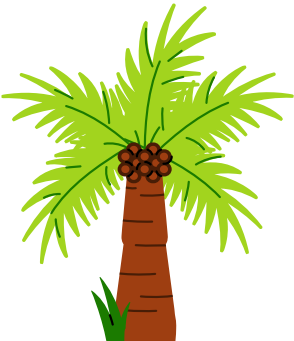
This person is the superior of the Country Manager, and in most cases acts as Chairman of the local legal board.

The Board's description of internal control and risk management relating to financial reporting

The Board is responsible for AAK's internal control, the overall purpose of which is to protect the owners' investments and the Company's assets. The Board shall provide a description of how internal control and risk management relating to financial reporting are organized in a separate section of this Corporate Governance Report. Internal control relating to financial reporting is a process involving the Board, the Executive Committee and personnel.

The process has been designed to ensure the reliability of external reporting. According to the commonly accepted framework established for this purpose, internal control is usually described from five different aspects, which are described below. The control environment forms the basis for internal management and control. Risk assessment and risk management mean that the management is aware of and has itself assessed and analyzed risks and threats to operations.

Control activities are the measures and procedures designed by management to prevent errors from arising and for discovering and correcting errors that do arise. In order for individual tasks to be carried out



Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report 116

Board of Directors and Auditor 122

Executive Committee 123

Financial statements and notes

Reports from auditor

Other information

in a satisfactory manner, the personnel in an organization need to have access to current and relevant information. The final module of the model relates to follow-up of internal management and the design and effectiveness of controls.

Control environment

AAK's organization is designed to facilitate quick decision-making. Operational decisions are therefore made at business area or subsidiary level, while decisions about strategies, acquisitions and overriding financial issues are taken by the company's Board and Executive Committee. The organization is characterized by clear division of responsibilities and effective and established management and control systems, covering all units within AAK.

The basis for the internal control relating to financial reporting consists of an overall control environment in which the organization, decision-making routes, authorities, and responsibilities have been documented and communicated in management documents, such as AAK's Treasury policy, the manual on financial reporting, and the delegation and authorization rules set by the CEO. AAK's finance function is integrated through a joint consolidation system and joint accounting instructions. The Group's finance function works closely and effectively with the controllers of subsidiaries in relation to year-end financial statements and reporting.

As a supplement to the internal control, under a specific plan, audits of the AAK units are carried out on a three-year rotating basis by the Group's Internal Audit team. AAK's internal audit function is part of the Group's central Finance team. All of AAK's subsidiaries report on a monthly basis. These reports form

the basis for the Group's consolidated financial reporting. Each legal unit has a controller who is responsible for the financial management of each business area, and for ensuring the financial reports are correct, complete and delivered in time for consolidated reporting.

Risk assessment and risk management

Through its international presence, the AAK Group is exposed to a number of different risks. Risk management within the Group is run in accordance with fixed policies and procedures, which are reviewed annually by AAK's Board. Risks relating to commodities are managed using the Group's raw material purchasing policy. Risks relating to currency, interest and liquidity are mainly governed by AAK's Treasury policy. The Group's credit policy directs the management of credit and contract risks. Effective risk management unites operational business development with the requirements of owners and other stakeholders for improvements in control and long-term value. Risk management aims to minimize risks, but also to ensure that opportunities are utilized in the best possible way. Risk management covers the following areas of risk: strategic risks relating to the market and sector, commercial, operational and financial risks, compliance with external and internal regulatory frameworks, and financial reporting. The main components of risk assessment and management are identification, evaluation, management, reporting, follow-up and control. For further information about AAK's risk management, please see Note 3.

Control activities

The risks identified relating to financial reporting are handled via the company's

control activities. These control activities aim to prevent, identify and correct errors and discrepancies. Control activities take the form of manual controls, such as reconciliation and stocktaking, automatic controls via the IT systems and general controls of the underlying IT environment. Detailed financial analyses of the result and follow-up against budgets and forecasts, supplement the operation-specific controls and provide overall confirmation of the quality of the reporting.

Information and communication

To ensure the completeness and accuracy of its financial reporting, the Group has adopted guidelines for information and communication aimed at ensuring relevant and significant exchange of information within business operations, both within each unit and to and from Executive Committee and the Board. Policies, handbooks and working practices relating to the financial process are communicated between management and employees, and are available in electronic format and/or printed format. The Board receives regular feedback on internal control from the Audit Committee. To ensure that external information is correct and complete, AAK has a communication policy adopted by the Board, which states what is to be communicated, by whom and in what way.

Follow-up

The effectiveness of the process for risk assessment and execution of control activities is followed up continuously. The follow-up covers both formal and informal procedures, which are used by those responsible at each level. The procedures include follow-up of results against budgets and plans, analyses

and key figures. The Board receives monthly reports about the Group's financial position and development. The Company's financial situation is discussed at each Board meeting, and the Executive Committee analyzes the financial reporting at detailed level on a monthly basis.

At Audit Committee meetings, the Committee follows up the financial reporting and receives reports from the auditors about their observations.

Policy documents

AAK has a number of policies for the operations of the Group and its employees. These include:

Code of conduct

The Code of conduct for the Group have been drawn up with the aim of clarifying the Group's fundamental approach to ethical issues, both within the Group and externally with regard to customers and suppliers.

Treasury policy

The Group's finance function works in accordance with instructions adopted by the Board, which provide a framework for how the Group's operations shall be financed, and for how, for example, currency and interest risks are to be handled.

Communication policy

The Group's communication policy is a document describing the Group's general principles for the publication of information.

Environmental policy

The Group's environmental policy provides guidelines for environmental work within the Group.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report _____ 116

◆ **Board of Directors and Auditor** _____ **122**

Executive Committee _____ 123

Financial statements and notes

Reports from auditor

Other information

Board of Directors



Patrik Andersson

Chairman of the Board, Chairman of the Remuneration Committee and member of the Audit Committee

Year elected: 2019
(Chairman since 2023)

Born: 1963

Nationality: Swedish

Other board positions: Chairman of Midsona AB, Cary Group AB, Ecolean AB and Consilium Safety Group AB.

Experience: President and CEO of Loomis, President of Orkla Foods Sweden, CEO and President of Rieber & Son, President of Wasabröd globally within Barilla Group, and various senior positions at Unilever Group.

Qualifications: MSc Business Administration and Economics – International Business

Independent: Yes

Holdings¹⁾: 3,710 shares



Märta Schörling Andreen

Board member, Chairman of the Nomination Committee, member of the Audit Committee and member of the Remuneration Committee

Year elected: 2013

Born: 1984

Nationality: Swedish

Other board positions: Vice Chairman of Melker Schörling AB, Board member of Melker Schörling AB, HEXPOL AB, Hexagon AB and Absolent Group AB.

Experience: Board member of Melker Schörling AB, HEXPOL AB, Hexagon AB, and Absolent Group AB.

Qualifications: MSc Business and Economics

Independent: No. Considered dependent in relation to the company's largest minority shareholder through her assignment for

Holdings¹⁾: 78,774,412 shares (through Melker Schörling AB)



Nils-Johan Andersson

Board member and Chairman of the Audit Committee

Year elected: 2023

Born: 1962

Nationality: Swedish

Other board positions: Board member of Hexpol AB, Absolent Group AB and Greenbridge, member of the investment committee of Spira Invest.

Experience: CEO of Melker Schörling AB, CFO at MSX International, CFO at Bravida, CFO and Head of business area Ventilation at Lindab and various finance positions within Boliden and Munksjö.

Qualifications: MSc Economics and Business Administration.

Independent: Independent in relation to the company and its management, but connected to the company's largest minority shareholder through his assignment for Melker Schörling AB.

Holdings¹⁾: 1,600 shares



Fabienne Saadane-Oaks

Board member

Year elected: 2023

Born: 1958

Nationality: French

Other board positions: Non-executive director of Fermentalg and Fytexia Group and member of the Comité Sully.

Experience: CEO of ABF Ingredients, a division of Associated British Foods, various management positions within Dupont, Danisco, Rhodia, SKW/ Degussa Group and Sanofi Bio-Industries.

Qualifications: MSc Mechanical Engineering, ENSTA and MBA, ESSEC.

Independent: Yes

Holdings¹⁾: None



Ian Roberts

Board member

Year elected: 2023

Born: 1970

Nationality: British

Other board positions: Chairman of Restor, President and co-founder of MassChallenge Switzerland, Board member of MassChallenge Global.

Experience: CTO of Bühler, various management positions within Nestlé.

Qualifications: PhD in Process Engineering, MSc Chemical Engineering and BEng Biochemical Engineering.

Independent: Yes

Holdings¹⁾: 2,000 shares



David Alfredsson

Employee representative

Year elected: 2022

Appointed by: IF Metall

Born: 1994

Nationality: Swedish

Position: Chief safety representative

Experience: Various labor union positions in AAK, political assignments in Karlshamn municipality

Qualifications: Upper secondary school

Holdings¹⁾: None



Lena Nilsson

Employee representative

Year elected: 2018

Appointed by: PTK-L

Born: 1960

Nationality: Swedish

Position: Chairman of local trade union and Marketing Coordinator

Experience: Chief safety representative, Work environment representative

Qualifications: Upper secondary school

Holdings¹⁾: None



Henrik Jonzén

Authorized Public Accountant and Partner since 2016

The Company's Auditor since: 2025

Born: 1977

Nationality: Swedish

¹⁾ Holdings as of December 31, 2025.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Corporate Governance Report _____ 116

Board of Directors and Auditor _____ 122

♦ Executive Committee _____ 123

Financial statements and notes

Reports from auditor

Other information

Executive Committee



Johan Westman

President and CEO

Employed: 2018

Born: 1973

Nationality: Swedish

Board positions: Chairman of the Board of Absolut Group AB (publ.) and Board member of Thule Group AB (publ.)

Qualifications: MSc Industrial Engineering and Management

Holdings¹⁾: 82,607 shares and 250,000 stock options (Warrants program 2022/2027)



Tomas Bergendahl

Chief Financial Officer, Vice President AAK AB

Employed: 2021

Born: 1974

Nationality: Swedish

Board positions: Board member of Midsona AB (publ.)

Qualifications: MSc Business Administration

Holdings¹⁾: 17,893 shares and 375,000 stock options (Warrants program 2022/2027)



Sten Estrup

President AAK AMEA, Global People, Vice President AAK AB

Employed: 2020

Born: 1968

Nationality: Danish

Qualifications: MBA, MSc Dairy Science & Technology, EMCCC (Executive Master in Consulting and Coaching for Change), Diploma in HRM

Holdings¹⁾: 9,675 shares and 500,000 stock options (Warrants program 2022/2027)



Susanne Jaspers

President AAK Europe & Strategic Accounts, Vice President AAK AB

Employed: 2022

Born: 1973

Nationality: German

Qualifications: Diplom Betriebswirt (MBA), BSc International Business Administration

Holdings¹⁾: 8,460 shares and 125,000 stock options (Warrants program 2022/2027)



Octavio Díaz de León

President AAK Americas, Vice President AAK AB

Employed: 2007

Born: 1967

Nationality: Mexican

Qualifications: MBA, BSc Mechanical & Electrical Engineering

Holdings¹⁾: 255,146 shares and 300,000 stock options (Warrants program 2022/2027)



Nese Tagma

President Global Sourcing & Trading and Sustainability, Vice President AAK AB

Employed: 2025

Born: 1971

Nationality: Dutch

Qualifications: BA in Business Administration

Holdings¹⁾: 410 shares



Marcel Mensink

President Global Operations, Vice President AAK AB

Employed: 2025

Born: 1971

Nationality: Dutch

Qualifications: MBA, BSc. Food Technology

Holdings¹⁾: 3,930 shares



Niall Sands

President Commercial Development and Innovation, Vice President AAK AB

Employed: 2018

Born: 1979

Nationality: Irish

Qualifications: MSc Operations Management, BSc Computer Studies

Holdings¹⁾: 5,638 shares

¹⁾ Holdings as of December 31, 2025.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

◆ **Financial statements Group and Parent company** _____ **124**
 Notes _____ 136
 Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Consolidated income statement

SEK million	Note	Jan–Dec 2025	Jan–Dec 2024
Net sales	26	46,021	45,052
Other operating income		332	176
Total operating income		46,353	45,228
Changes in inventories of finished goods and work in progress		318	63
Raw materials and consumables		-33,399	-31,343
Goods for resale		-821	-776
Other external expenses	5, 15, 26	-3,289	-3,681
Employee benefits expenses	6, 7, 8, 9	-3,537	-3,674
Depreciation, amortization and impairment loss	13, 14, 15	-882	-862
Other operating expenses		-68	-59
Total operating expenses		-41,678	-40,332
Operating profit (EBIT)		4,675	4,896
Result from financial items	10, 15		
Financial income		85	102
Financial expenses		-256	-338
Net financial items		-171	-236
Profit before tax		4,504	4,660
Income tax	11, 15	-1,068	-1,118
Profit for the year		3,436	3,542
Attributable to:			
Non-controlling interests		7	6
Parent company shareholders		3,429	3,536
Earnings per share before dilution (SEK)	12	13.21	13.62
Earnings per share after dilution (SEK)	12	13.16	13.57

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

◆ **Financial statements Group and Parent company** _____ **124**

Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Consolidated Statement of Comprehensive Income

SEK million	Note	Jan–Dec 2025	Jan–Dec 2024
Profit for the period		3,436	3,542
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment benefit obligations	9	38	-32
Total items that will not be reclassified to profit or loss		38	-32
<i>Items that are or may subsequently be reclassified to profit or loss</i>			
Translation differences		-2,545	570
Translation differences reclassified to profit or loss		-	-103
Fair-value changes in cash flow hedges		-	-13
Tax related to fair-value changes in cash flow hedges		-	3
Total items that are or may subsequently be reclassified to profit or loss		-2,545	457
Total other comprehensive income for the period		-2,507	425
Total comprehensive income for the period		929	3,967
Attributable to:			
Non-controlling interests		9	6
Parent company shareholders		920	3,961

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
◆ Financial statements Group and Parent company _____ 124
Notes _____ 136
Board of Directors and CEO assurance _____ 176
Reports from auditor
Other information

Consolidated Balance Sheet

SEK million	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Intangible assets	13		
Goodwill		2,108	2,333
Patents and other intangible assets		297	320
Total intangible assets		2,405	2,653
Property, plant and equipment	14		
Land and buildings		1,633	1,489
Plant and machinery		4,588	4,570
Equipment, tools and fixtures and fittings		483	327
Assets under construction		1,173	1,692
Total property, plant and equipment		7,877	8,078
Right-of-use assets	15	431	516
Shares in associates		6	7
Financial assets		97	90
Deferred tax assets	11	395	400
Total other non-current assets		929	1,013
Total non-current assets		11,211	11,744
Current assets			
Inventories	17	11,752	11,872
Accounts receivables	3	5,834	5,793
Current tax assets	11	449	710
Prepaid expenses and accrued income		254	207
Derivative instruments	3	1,026	1,333
Other current receivables		530	816
Cash and cash equivalents	18	1,566	1,911
Total current assets		21,411	22,642
TOTAL ASSETS		32,622	34,386

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
◆ Financial statements Group and Parent company _____ 124
Notes _____ 136
Board of Directors and CEO assurance _____ 176
Reports from auditor
Other information

Consolidated Balance Sheet

SEK million	Note	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
	19		
Share capital		434	433
Reserves		-1,545	1,002
Retained profit		21,008	18,652
Equity attributable to Parent's shareholders		19,897	20,087
Non-controlling interests		71	62
Total equity		19,968	20,149
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities			
Liabilities to banks and credit institutions	20	390	949
Pension provisions	9	30	82
Lease liabilities	15	351	411
Total non-current interest-bearing liabilities		771	1,442
Non-interest-bearing liabilities			
Deferred tax liabilities	11	611	621
Other non-current provisions	21	327	266
Other non-current liabilities		182	204
Total non-current non-interest-bearing liabilities		1,120	1,091
Total non-current liabilities		1,891	2,533
Current liabilities			
Interest-bearing liabilities			
Liabilities to banks and credit institutions	20	4,088	2,071
Lease liabilities	15	109	140
Other current liabilities		9	11
Total current interest-bearing liabilities		4,206	2,222
Non-interest-bearing liabilities			
Accounts payables	3	2,970	4,121
Current tax liabilities	11	434	883
Other current provisions	21	318	356
Accrued expenses and prepaid income	22	1,631	2,210
Derivative instruments	3	934	1,631
Other current liabilities		270	281
Total current non-interest-bearing liabilities		6,557	9,482
Total current liabilities		10,763	11,704
TOTAL EQUITY AND LIABILITIES		32,622	34,386

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

◆ **Financial statements Group and Parent company** _____ 124

Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Consolidated Changes in Equity

SEK million	Attributable to the Parent's shareholders			Non-controlling interests	Total equity
	Share capital	Reserves	Retained profit		
Opening balance, January 1, 2024	433	545	16,139	56	17,173
Profit for the year	-	-	3,536	6	3,542
Other comprehensive income	-	457	-32	0	425
Comprehensive income	-	457	3,504	6	3,967
Transactions with shareholders					
Long-term incentive	-	-	22	-	22
Obligation for delivery of shares to LTI-program	-	-	-53	-	-53
Dividend	-	-	-960	-	-960
Total transactions with shareholders	-	-	-991	-	-991
Closing balance, December 31, 2024	433	1,002	18,652	62	20,149

SEK million	Attributable to the Parent's shareholders			Non-controlling interests	Total equity
	Share capital	Reserves	Retained profit		
Opening balance, January 1, 2025	433	1,002	18,652	62	20,149
Profit for the year	-	-	3,429	7	3,436
Other comprehensive income	-	-2,547	38	2	-2,507
Comprehensive income	-	-2,547	3,467	9	929
Transactions with shareholders					
New issue of shares	1	-	174	-	175
Long-term incentive	-	-	13	-	13
Dividend	-	-	-1,298	-	-1,298
Total transactions with shareholders	1	-	-1,111	-	-1,110
Closing balance, December 31, 2025	434	-1,545	21,008	71	19,968

For further information, see Note 19.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

◆ **Financial statements Group and Parent company** _____ 124

Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Consolidated Cash Flow Statement

SEK million	Note	Jan–Dec 2025	Jan–Dec 2024
OPERATING ACTIVITIES			
Operating profit		4,675	4,896
Depreciation, amortization and impairment losses	13, 14, 15	882	862
Adjustment for other non-cash items	27	-383	483
Interest received and other financial income		86	101
Interest paid and other financial expenses		-196	-241
Tax paid		-1,203	-936
Cash flow before changes in working capital		3,861	5,165
Changes in inventory		-1,250	-2,409
Changes in accounts receivables		-661	-466
Changes in accounts payables		-737	198
Changes in other working capital items		-351	-136
Changes in working capital		-2,999	-2,813
Cash flow from operating activities		862	2,352
INVESTING ACTIVITIES			
Acquisition of intangible assets		-40	-47
Acquisition of property, plant and equipment		-1,263	-1,198
Proceeds from sale of operations and shares		-	646
Proceeds from sale of property, plant and equipment		8	1
Cash flow from investing activities		-1,295	-598
FINANCING ACTIVITIES			
Loans raised	27	3,857	430
Amortization of loans	27	-2,352	-599
Amortization of lease liability	15, 27	-138	-197
New issue of shares		175	-
Dividends paid		-1,298	-960
Cash flow from financing activities		244	-1,326
Cash flow for the year		-189	428
Cash and cash equivalents at beginning of year		1,911	1,503
Exchange rate difference for cash equivalents		-156	-20
Cash and cash equivalents at year-end	18	1,566	1,911

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

◆ **Financial statements Group and Parent company** _____ **124**

Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Income Statement—Parent Company

SEK million	Note	Jan–Dec 2025	Jan–Dec 2024
Net sales	25	540	420
Other operating income		0	0
Total operating income		540	420
Other external expenses	5	-410	-415
Personnel costs	6, 7, 8, 9	-225	-206
Depreciation, amortization and impairment loss		-13	-13
Total operating expenses		-648	-634
Operating profit (EBIT)		-108	-214
Profit from financial items	10		
Profit from interests in Group companies		108	210
Dividend		1	1
Dividend from Group Companies		-	659
Interest income and similar items		0	2
Interest expenses and similar items		-169	-249
Net financial items		-60	623
Profit before tax		-168	409
Income tax	11	-47	1
Profit for the year		-215	410

- Introduction
- The big picture
- Our strategy
- Our business
- Risks & Risk management
- Financial and sustainability disclosures**
- Directors' Report
- Sustainability statement
- Corporate Governance Report
- Financial statements and notes
 - ◆ **Financial statements Group and Parent company**_____124
 - Notes _____136
 - Board of Directors and CEO assurance _____176
- Reports from auditor
- Other information

Statement of Comprehensive Income—Parent Company

SEK million	Note	Jan–Dec 2025	Jan–Dec 2024
Profit for the period		-215	410
Other comprehensive income		-	-
Total comprehensive income for the period		-215	410

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
Financial statements Group and Parent company _____ 124
Notes _____ 136
Board of Directors and CEO assurance _____ 176
Reports from auditor
Other information

Balance Sheet—Parent Company

SEK million	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Intangible assets		87	61
		87	61
Property, plant and equipment		2	3
		2	3
Right-of-use assets		19	18
		19	18
Financial non-current assets			
Shares in Group companies	16	7,013	7,013
Receivables from Group companies		2,893	2,893
Deferred tax assets	11	1	3
Other non-current assets		4	10
		9,911	9,919
Total non-current assets		10,019	10,001
Current assets			
Receivables from Group companies		288	284
Tax assets	11	0	14
Prepaid expenses and accrued income		24	14
Other receivables		2	2
Total current assets		314	314
TOTAL ASSETS		10,333	10,315

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
◆ Financial statements Group and Parent company _____ 124
Notes _____ 136
Board of Directors and CEO assurance _____ 176
Reports from auditor
Other information

Balance Sheet—Parent Company

SEK million	Note	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES			
EQUITY	19		
Restricted equity			
Share capital		434	433
Statutory reserve		5	5
		439	438
Non-restricted equity			
Retained profit		3,881	4,555
Profit/loss for the year		-215	410
		3,666	4,965
Total equity		4,105	5,402
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities			
Liabilities to banks and credit institutions	20	-	526
Lease liabilities		11	13
		11	539
Non-interest-bearing liabilities			
Other non-current liabilities		32	33
		32	33
Total non-current liabilities		43	572
Current liabilities			
Interest-bearing liabilities			
Liabilities to banks and credit institutions	20	531	1,026
Lease liabilities		6	5
		537	1,031
Non-interest-bearing liabilities			
Accounts payables		14	31
Liabilities to Group companies		5,516	3,180
Accrued interest		3	6
Accrued expenses and prepaid income	22	93	89
Other current liabilities		22	4
		5,648	3,310
Total current liabilities		6,185	4,341
TOTAL EQUITY AND LIABILITIES		10,333	10,315

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

◆ **Financial statements Group and Parent company** _____ **124**

Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Changes in Equity—Parent Company

SEK million	Share capital	Statutory reserves	Retained profit	Total equity
Opening balance, January 1, 2024	433	5	5,562	6,000
Profit for the year	-	-	410	410
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	410	410
Long-term incentive	-	-	5	5
Obligation for delivery of shares to LTI-program	-	-	-53	-53
Dividend	-	-	-960	-960
Closing balance, December 31, 2024	433	5	4,965	5,402

SEK million	Share capital	Statutory reserves	Retained profit	Total equity
Opening balance, January 1, 2025	433	5	4,965	5,402
Profit for the year	-	-	-215	-215
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-215	-215
Long-term incentive	-	-	41	41
New issue of shares	1	-	173	174
Dividend	-	-	-1,298	-1,298
Closing balance, December 31, 2025	434	5	3,666	4,105

Total shares outstanding were 260,451,002 at quota value of SEK 1.67 per share. For further information, see Note 19.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

◆ **Financial statements Group and Parent company** _____ **124**

Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Cash Flow Statement—Parent Company

SEK million	Note	Jan–Dec 2025	Jan–Dec 2024
OPERATING ACTIVITIES			
Operating profit		-108	-214
Depreciation, amortization and impairment losses		13	13
Adjustment for other non-cash items	27	46	-36
Interest received and other financial income		1	662
Interest paid and other financial expenses		-169	-249
Tax paid		-23	-14
Cash flow before changes in working capital		-240	162
Net change in other current receivables		93	592
Net change in other current operating liabilities		-3	15
Changes in working capital		90	607
Cash flow from operating activities		-150	769
INVESTING ACTIVITIES			
Acquisition of intangible assets		-33	-45
Acquisition of property, plant and equipment		-1	-1
Change in receivables from Group companies		2,332	1,699
Cash flow from investing activities		2,298	1,653
FINANCING ACTIVITIES			
Loans raised	27	-	53
Amortization of loans	27	-1,018	-1,510
Amortization of lease liability	27	-6	-5
New issue of shares		174	-
Dividends paid		-1,298	-960
Cash flow from financing activities		-2,148	-2,422
Cash flow for the year		0	0
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at year-end		0	0

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Notes

Amounts stated in SEK million unless specified otherwise.

Note 1 General information

AAK AB (publ.), corporate identity number 556669-2850, is a Swedish registered limited liability company domiciled in Malmö, Sweden. The shares of the Parent are listed on NASDAQ OMX Stockholm, in the Large Cap list and under Consumer Goods. The head office is located at Pulpetgatan 20, 215 37 Malmö, Sweden.

These consolidated financial statements for 2025 are for the Group consisting of the Parent and all subsidiaries. The Group also has ownership interests in associates and joint ventures. The Board of Directors approved these consolidated financial statements for publication on April 8, 2026.

Note 2 Summary of material accounting policies

Basis of presentation of the annual report and consolidated financial statements

The Group’s consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the International Accounting Standard Board (IASB) and the interpretations issued by the IFRS Interpretations Committee as adopted within the EU, the Swedish Annual Accounts Act, and the Swedish Corporate Reporting Board’s recommendation RFR 1 “Supplementary accounting rules for groups of companies”. The Parent company has prepared its financial statements in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board’s recommendation RFR 2 “Accounting for legal entities”. There are no differences between the Group’s accounting policies and those of the Parent company. The accounting policies for both the Group and the Parent company have been applied consistently for the periods presented, unless otherwise stated.

The annual and consolidated financial statements have been prepared on a historical cost basis, except for currency, interest rate and commodity derivative instruments, which are measured at fair value through profit or loss. Preparing these financial statements requires that the Board of Directors and the Executive Committee use certain critical accounting estimates and assumptions. These estimates and assumptions can materially affect the income statement, balance sheet and other information contained herein, including contingent liabilities; see Note 4. The actual outcome can vary from these estimates under different assumptions or circumstances.

New and amended standards applied by the Group

Changes to IFRS standards, effective from January 1, 2025 will not have any significant effect on the Group’s financial statements.

New and amended standards not yet applied by the Group

A number of new or amended accounting standards and interpretations have been published and are effective from 2026 or later. Most of these new and amended standards are not expected to have any significant effect on the Group’s financial statements. IFRS 18 Presentation and Disclosures in Financial Statements, will be effective from January 1, 2027. The Group is still assessing the full impact of IFRS 18, but the standard is expected to have some impact on the Group’s presentation of financial statements and disclosure of management-defined performance measures.

Consolidated financial statements

Subsidiaries

The consolidated financial statements cover AAK AB and all its subsidiaries. Subsidiaries are all companies over which the Group has control. The Group controls a company when it is exposed to or is entitled to variable return from its holding in the company and is able to affect the return by exerting influence in the company. Subsidiaries are included in the consolidated financial statements as from the date on which the control is transferred to the Group. They are excluded from the consolidated financial statements as from the date on which the control ceases.

The acquisition of subsidiaries is recognized using the acquisition method of accounting. The cost of acquisition is measured as the fair value of the assets provided as consideration, liabilities incurred and shares issued by the Group. Transaction costs relating to acquisitions are expensed as they are incurred. Identifiable assets acquired and liabilities and obligations assumed in an acquisition are measured initially at fair value at the acquisition date. For each acquisition, the Group determines whether all non-controlling interests in the acquired companies are to be recognized at fair value or according to the proportional share of the identifiable net assets in the company. The excess of the purchase price, any non-controlling interests and the fair value of previous shareholdings at the acquisition date over the fair value of the Group’s interest in identifiable net assets is recognized as goodwill. If this amount is less than the fair value for the acquired subsidiary’s assets, the difference is recognized directly in the statement of comprehensive income.

All intra-group transactions, balances and unrealized gains on transactions are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation of foreign subsidiaries’ financial statements

Functional and presentation currency

Items included in the financial statements of each of the Group’s subsidiaries are measured using the currency of the primary economic environment in which they operate (functional currency). The consolidated financial statements are presented in Swedish krona which is the Parent’s functional and presentation currency.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 2 Summary of material accounting policies

Transactions and balance sheet items
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate are recognized as of the end of the reporting period in the income statement.

Foreign operations in hyperinflationary economies
The Group applies IAS 29 Financial Reporting in Hyperinflationary Economies for its operation in Turkey. The financial statements of the Group’s entity in Turkey are first restated to compensate for the loss of purchasing power of the Turkish Lira (TRL) during the period. Restatement of non-monetary assets and liabilities, equity and income and expenses items is made using the consumer price index (CPI) in Turkey as published by Turkish Statistical Institute (TURKSTAT). All balances and income and expense items in the inflation-adjusted financial statements of the Turkish entity are then as a second step translated from TRL into SEK by using the closing rate at the reporting date. Monetary items are not restated, as they are already expressed in current monetary terms. The effect of holding monetary items during inflation result in a net monetary gain or loss and is recognized in the income statement within ”Financial items”. See note 10.

Group companies
The results and financial position of foreign subsidiaries that have a functional currency other than the presentation currency are translated into the Group’s presentation currency as follows:

- Assets and liabilities are translated at the closing day rate.
- Income and expenses are translated at average exchange rates.
- All exchange differences are charged directly to other comprehensive income and are recognized as a separate part of equity. When a foreign subsidiary is sold, any exchange differences are recognized in profit or loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising in the acquisition of foreign operations are treated as assets and liabilities of the entity and translated at the closing day rate.

Exchange rates
The following rates were used to translate currency:

Currency	Average rate	Closing rate
EUR	11.08	10.82
DKK	1.48	1.45
GBP	12.97	12.40
MXN	0.51	0.51
USD	9.88	9.22

Segment reporting
An operating segment is the part of the Group that conducts business operations from which it may generate revenue and incur expenses for which discrete financial information is available. The

operating results of an operating segment are followed up by the Group’s chief operating decision-maker (CODM) in order to evaluate its performance and allocate resources to the operating segment. The Group’s operations are divided up into operating segments based on which parts of the operations the Group’s CODM monitors, that is, according to the management approach. AAK’s business operations are organized in such a way that the Group’s highest CODM, that is the CEO, monitors earnings, returns and cash flows generated by the Group’s various products. Each operating segment is responsible for day-to-day operations and reports regularly to the CEO on the outcome of the operating segment’s performance and its resource requirements. Where the CEO monitors profit/loss and determines resource allocations based on the product that the Group produces and sells, these constitute the Group’s operating segments.

The Group’s operations are divided into business segments based on markets dynamics, consumer behavior, customer needs and product characteristics. The marketing organization also reflects this structure. Segment reporting is submitted in accordance with IFRS 8 for the Group only. For each segment, the results, assets and liabilities directly attributable to or items that can reliably be attributed to the segment are included in that segment. Assets and liabilities not attributed to segments include tax assets and tax liabilities, financial investments and financial liabilities, as well as cash and cash equivalents and interest-bearing receivables.

Revenue recognition
Revenue from contracts with customers are reported as Net sales in the Consolidated Income Statement. AAK recognizes revenue from contracts with customers based on the five-step process described in IFRS 15. The five steps in the process for recognizing revenue from contracts with customers are: identify the contract, identify separate performance obligations in the contract, determine the transaction price, allocate the transaction price to the separate performance obligations, and recognize revenue when each performance obligation is satisfied. The Group’s performance obligation in contracts with customers consists of providing the goods specified in the contract. Revenue from the Group’s sales is recognized when the control of the products is transferred to the customer in accordance with the terms of the contract, which occurs when the products are delivered to the customer and there are no unfulfilled obligations that may affect the customer’s acceptance and approval of the products.

Net sales are recognized based on the price specified in the sales contract less any discounts. A contract with a customer may include one or more variable considerations. The IFRS 15 standard requires an entity to estimate the amount of variable consideration and recognizes a minimum amount of highly probably, not reversing revenue. Variable considerations, such as price reductions, performance discounts and bonuses are non-significant within the AAK Group. Based on this, AAK follows the objective of the constraint as it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur.

No element of financing is deemed present as the sales are made with shorter credit terms. The Group’s obligation to repair or replace faulty products under the standard warranty terms is recognized as a warranty provision monthly. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional.

Prepayments are reported as a liability on the line item Accrued expenses and prepaid income in the Balance Sheet.

Other operating income relates to for instance rental revenue, capital gains from the sale and scrapping of tangible and intangible assets and exchange gains on operating receivables and liabilities. Interest income is recognized allocated over the maturity of the security using the effective interest method. Dividend income is recognized when the right to receive payment has been determined.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 2 Summary of material accounting policies

Employee benefits

a) Pension liabilities

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current or prior periods. The fees paid in exchange for the employee performing services for the company are recognized as expenses in the period in which the services are performed.

A defined benefit pension plan is a pension plan that is not a defined contribution plan. The characteristic feature of a defined benefit plan is that it defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality mortgage bonds that are denominated in the same currency in which the benefits will be paid, and that have terms of maturity approximating the terms in the related pension commitment.

Past-service costs are recognized immediately in the income statement.

The net interest rate is calculated by the discount rate being applied to defined benefit plans and to the fair value of plan assets. This expense is included in the personnel costs in the income statement.

Actuarial gains and losses as a result of experience-based adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

b) Termination benefits

Employees receive compensation on termination before normal retirement age or when they voluntarily accept termination in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed, formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

c) Variable remuneration

Annual variable remuneration is based on meeting set targets determined on an annual basis. These targets are related to the performance of the Company. The Group recognizes costs as and when earnings occur.

d) Incentive program

The Group's Incentive Program 2023/2026 is an equity-settled program where participants are granted share rights (Performance Shares) that confer a conditional right to receive shares free of charge at a future time provided that applicable performance conditions and other conditions during the vesting period are met.

The fair value of the program is determined on the grant date and is not updated during the vesting period. The value on the grant date is a maximum monetary value based on participants' basic salary adjusted for participants not being compensated for dividends paid during the vesting period. On March 8, 2024, the maximum monetary value was converted into a maximum number of Performance Shares using the volume-weighted average price of AAK AB's share on Nasdaq Stockholm in the period March 4-8, 2024. The fair value of each share right corresponds to the fair value determined on the grant date.

The value of services received is recognized in personnel costs over the program's vesting period, based on the fair value determined on the grant date. As the program is an equity-settled program, an amount corresponding to the recognized personnel cost is recognized directly in equity. The recognized cost is initially measured and subsequently adjusted on the basis of the number of awards expected to vest, the number of participants expected to remain in service during the vesting period, and actual fulfillment of the program's performance conditions.

Once the share rights have vested and shares have been allocated, social security contributions will be paid in some countries on the value of the employee benefit. A cost and a liability will be recognized over the vesting period based on the number of awards expected to vest. The cost of social security contributions is based on the program's fair value at each reporting date and finally on the allocation of shares.

Leases

The Group leases various land, buildings, machinery, equipment and vehicles. Rental contracts are typically made for fixed periods of 10 to 30 years for land, 5 to 20 years for buildings, and 3 to 5 years for vehicles but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable in connection with the inception date of the lease
- Variable lease payments that are based on an index or a rate, measured based on the index or rate at initial recognition
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions considering the entity's financial credit ability.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received in connection with the inception date of the lease
- Any initial direct costs
- Restoration costs of the underlying asset in accordance with the lease agreement.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 2 Summary of material accounting policies

AAK has chosen to apply the practical expedient concerning short-term leases and leases of low-value assets. Short-term leases are leases with a lease term of 12 months or less and low-value assets have an underlying value of USD 5,000 or less when new. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

Extension and termination options are included in the majority of the property leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. When determining the lease term, the management considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise an option to extend the lease, or not to exercise an option to terminate the lease. Periods covered by the extension option are included in the lease term only if the lessee is reasonably certain to exercise the extension option, or if the lessee is reasonably certain not to exercise the termination option. Assessment regarding the exercise of options to extend or options to terminate a lease agreement is revised if there is any material event or change in circumstances that affect this assessment and if that change is within AAK's control.

Product development

Product development work is an integral part of the organisation's operations and relate, among other things, to process-improvement measures as well as meeting customers' requirements and preferences regarding product features. These costs are expensed as part of the product cost as it arises. The criteria for capitalization of development expenses according to IAS 38.57 are not met. The development work consists primarily of work aimed at optimizing the attributes and function of specialty oils and fats, either for the finished product in which these oils and fats are ingredients or to improve the efficiency of the production process of the finished product.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary on the date of acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill recognized separately is allocated to cash-generating units for the purpose of annual impairment testing. Goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition. Goodwill is recognized at cost less accumulated impairment losses.

When acquiring operations where cost is less than the net value of the acquired assets, borrowings, and any contingent liabilities, the difference is recognized directly in the income statement.

Other intangible assets

Other intangible assets include such assets as capitalized expenditure on IT, patents and trademarks. These assets have a defined useful life and are carried at cost less accumulated amortization and impairment losses. The cost associated with maintaining an intangible asset is recognized as part of the carrying value or as a separate asset only when it is probable that the future economic benefit associated with the asset will flow to the Group and the cost of the asset can be reliably measured. Other expenditures are expensed as they arise. Other intangible assets are amortized using the straight-line method over their estimated useful lives, normally 5 to 10 years.

Property, plant and equipment

Land and buildings comprise mainly factory buildings and offices. All property, plant and equipment is carried at cost, less accumulated depreciation. Acquisition costs include expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the assets will flow to the Group and the cost of the asset can be measured reliably. All forms of repairs and maintenance that do not meet the criteria in IAS 16 Property, Plant and Equipment are expensed in the period in which they are incurred.

Land is not depreciated. Depreciation of other property, plant and equipment is allocated on a straight-line basis over the estimated useful lives of the assets to reduce their cost to residual values. Depreciation periods of between 3 and 15 years are used for plant and machinery, equipment, tools, fixtures and fittings. Industrial buildings and research laboratories are depreciated over 20 and 25 years, respectively, and office buildings over 50 years. When an asset's carrying amount may not be recoverable, the asset is immediately impaired to its recoverable amount.

Assets' residual value and useful life are reviewed at the end of every reporting period and adjusted as required.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

Impairment of non-financial assets

Assets with indefinite useful lives are tested for impairment annually rather than being amortized. All assets are assessed in terms of impairment whenever events or changes in circumstances indicate that an asset's carrying amount exceeds its recoverable amount. Impairment reflects the excess of an asset's carrying amount over its recoverable amount. The recoverable amount is either the asset's fair value less any selling costs or its value in use, whichever is greater. For the purposes of assessment, assets are grouped on the basis of the lowest level at which there are separate identifiable cash flows (cash-generating units). Assets, other than financial assets and goodwill, for which impairment loss was previously recognized, are tested at the end of every reporting period to ascertain whether any reversal should be made.

Inventories

Inventories are stated at cost or net selling price, whichever is lowest. Cost is calculated using the first-in-first-out principle (FIFO) or weighted average prices. The nature and area of use of the product determines the method used. The cost of finished goods and work in progress includes direct material costs, direct labor and other direct manufacturing costs and a reasonable allocation of indirect manufacturing expenses based on normal production capacity, excluding borrowing costs. Net selling price is the estimated sale price in the ordinary course of business, less costs of completion and applicable variable costs to sell. If the inventory constitutes a hedged item in a hedging arrangement, the inventory is continuously revalued to fair value. See page 140 for policies on fair value hedging of inventory.

Financial income and expenses

Financial income consists of interest income on funds invested, dividend income and gains on hedging instruments recognized in profit or loss. Dividend income is recognized when the right to receive payment has been established. Results from the sale of financial instruments are recognized when the risks and rewards associated with ownership of the instruments have been transferred to the buyer and the Group no longer has control of the instrument. Financial expenses consist of interest expenses on loans, the effect of unwinding of discounting for provisions, impairment of financial assets and those losses on hedging instruments recognized in profit or loss. Borrowing expenses are recognized in profit or loss, except where they are directly attributable to the acquisition, construction or production of assets that take considerable time to complete for their intended use or sale, in which case they are included in the cost of those assets. No borrowing expenses have been capitalized during the past two years. Exchange gains and losses are recognized net.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 2 Summary of material accounting policies

Financial instruments

The Group's financial instruments consist of derivatives, sales and purchase contracts for which the fair value option in IFRS 9 is applied, fund investments, borrowings from banks and credit institutions, accounts payables and accounts receivables, cash and cash equivalents as well as other receivables and other liabilities to the extent such items meet the definition of financial instruments in IFRS.

a) Recognition and initial measurement

Accounts receivables are initially recognized when they are originated by AAK. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial liability is recognized when the counterparty has performed and a contractual duty to pay arises, even if no invoice is received.

Accounts receivables are initially measured at the transaction price as determined under the guidance in IFRS 15. Other financial assets and financial liabilities are initially measured at fair value plus or minus any transaction costs that are directly attributable to the acquisition of an asset or the issue of a financial liability. Hence, any transaction costs related to borrowings from banks and credit institutions are presented net of the borrowings in the balance sheet. However, any transaction costs related to instruments that are subsequently measured at fair value through profit or loss are expensed immediately.

b) Classification and subsequent measurement of financial assets

The Group classifies its financial assets in the following categories:

- Amortized cost
- Fair value through profit or loss

The classification is dependent on AAK's business model for managing the financial assets and the contractual terms of the cash flows. Management establishes the classification of financial assets at initial recognition. The classification of the Group's financial assets is described further below.

Assets for derivatives and sales and purchase contracts at fair value

All derivatives that are assets are measured at fair value though profit or loss unless the derivative is identified as a hedging instrument in a cash flow hedge. All assets for sales and purchase contracts for which the fair value option in IFRS 9 is applied are measured at fair value through profit or loss. For more information about how the Group accounts for derivatives as well as sales and purchase contracts for which the fair value option is applied, see sections "Derivatives and hedge accounting" and "Sales and purchase contracts" below.

Investment in funds

The Group's investment in funds is measured at fair value through profit or loss.

Other financial assets

All other financial assets are measured at amortized cost as they are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest. These are included in current assets, except for items with a maturity of more than 12 months after the end of the reporting period, which are classified as non-current assets. Interest income from these financial assets is included in financial income using the effective interest method. The Group's financial instruments measured at amortized cost consist of accounts receivables and other receivables, as well as cash and cash equivalents in the balance sheet.

c) Classification and subsequent measurement of financial liabilities

Financial liabilities are measured either at fair value or at amortized cost. Financial liabilities that are measured at fair value consists of derivatives with a negative fair value for the Group as well as sales and purchase contracts for which the fair value option is applied and where the contracts have a negative fair value for AAK. For more information about how the Group accounts for derivatives as well as sales and purchase contracts for which the fair value option is applied, see sections "Derivatives and hedge accounting" and "Sales and purchase contracts" below. All other financial liabilities, including borrowings from banks and credit institutions as well as accounts payables, are measured at amortized cost using the effective interest rate method.

d) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortized cost. For accounts receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The expected credit loss rates are calculated based on payment profiles and the corresponding historical credit losses experienced within the same period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Accounts receivables are written off when there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. Impairment losses on accounts receivables are recognized in the income statement as "Other external expenses". Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables than accounts receivables, the Group applies the full impairment model in IFRS 9 where changes in the loss reserve is made based on whether there has been a significant increase in credit risk.

e) Derivatives and hedge accounting

AAK uses derivatives to manage the Group's exposure to raw material price risks, currency risks and interest rate risk. All derivatives are measured at fair value, both at the date of initial recognition and on subsequent balance sheet dates. The full fair value of the derivative is classified as a non-current asset or liability when remaining maturity of the derivative is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the derivative is less than 12 months.

Fair value hedging of inventory

The Group applies fair value hedge accounting for derivatives that hedge raw material price risks in inventory. The Group has identified the spot risk as the hedged risk in the hedging relationships. Changes in the fair value on derivatives that are designated as hedging instruments in such hedges are recognized in the income statement. The Group also remeasures inventory to fair value in respect of the spot risk during the period of the hedging relationship to the extent it is designated as the hedged item. The remeasurement adjustment is presented as part of inventories in the balance sheet. Changes in the fair value of the hedging instruments as well as the effects of remeasuring the hedged item, i.e. inventory, at fair value is recognized in the income statement as part of "Raw materials and consumables". Any ineffectiveness is recognized immediately in the income statement on the same line item.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 2 Summary of material accounting policies

Since the quality of the underlying raw materials used for hedging differs from the quality of the hedged raw materials, some inefficiency is likely. AAK minimizes this inefficiency by reducing the basis risk between hedged raw material risks and the underlying raw materials in hedging contracts. Hedge efficiency testing in 2025 confirmed that the fair-value hedge of raw materials qualifies for hedge accounting.

Cash flow hedges of interest rate risk

The Group has issued floating rate bonds and uses interest rates swaps to hedge the exposure to variability in interest rates. The interest rate swaps have been identified as cash flow hedges. Changes in the fair value of the swaps are therefore reported in other comprehensive income and accumulated in the hedging reserve within equity. Interest coupons paid or received on the swaps are presented as part of “Financial expenses”.

f) Sales and purchase contracts

AAK applies the fair value option in IFRS 9 to binding commitments (sales and purchase contracts) for own use since this offsets the change in fair value of derivatives not designated for hedge accounting and hence reduces an accounting mismatch. AAK’s business model enables the net settlement of sales and purchase contracts entered into for physical delivery since the commodities are readily convertible to cash. The change in fair value measurement is generally classified as current asset or liabilities since most of the Group’s sales and purchase contracts are matured within 12 months.

g) Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to cash flow in the contract mature or the rights are transferred to a third party in a transaction that transfers substantially all risks and rewards of ownership. This also applies to parts of financial assets. Financial liabilities are derecognized from the balance sheet when payment is made to the lender or when the liability is extinguished in some other manner. This also applies to parts of financial liabilities.

Equity

Ordinary shares are classified as share capital. Transaction expenses that are directly attributable to new share issues or options are recognized, net of tax, in equity as a deduction from the proceeds.

Premium received for share warrants issued at market price has been recognized as an increase in funds brought forward in equity as the options will be redeemed with equity instruments. Information on outstanding subscription warrants is available in Note 8.

Provisions

Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligations and the amount can be estimated reliably. No provisions are made for future operating losses. If the effect of when in time payment is made is significant, provisions are calculated through discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks associated with the debt.

A provision for restructuring is recognized when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either been started or published.

Income tax

Tax expenses for the period comprise both current tax due and deferred income tax. Tax is recognized in the income statement, apart from when tax is attributable to items recognized in other comprehensive income or directly in equity. In such cases, tax is also recognized in other comprehensive income and equity. Income tax is determined using the tax rules that have been enacted or announced by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Tax expenses stated include both current tax due and deferred income tax.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. The principal temporary differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits and tax losses carried forward. The tax rates enacted in each country are used in determining deferred income tax.

Deferred income tax assets for tax-deductible temporary differences and loss carry-forwards are recognized only to the extent it is likely that it will be possible to utilize these items. The value of deferred tax assets is derecognized when it is no longer deemed likely that they can be utilized.

Cash flow statement

Payments in and out have been divided up into three categories: operating activities, investing activities, and financing activities. The indirect method is used for flows from operating activities.

The changes during the year in operating assets and operating liabilities have been adjusted for the effects of changes in exchange rates. Acquisitions and disposals are recognized under investing activities. The assets and liabilities that acquired and divested companies had at the time of the change are not included in the analysis of the changes in operating capital, nor in changes to balance sheet items recognized under investing and financing activities. These items are reported separately under investing activities.

Earnings per share

The calculation of earnings per share is based on the consolidated profit attributable to the Parent’s shareholders and the weighted average number of shares outstanding during the year.

When determining earnings per share after dilution, a company must base its calculations on the company’s shares and stock options which could result in dilution being exercised. Compensation from these instruments will be deemed to have been received from the issuing of ordinary shares at the average market price for ordinary shares during the period. The difference between the number of issued ordinary shares and the number of ordinary shares that should have been issued at the average market price for ordinary shares during the period, shall be treated as an issue of ordinary shares without consideration. According to paragraph 47 of IAS 33, options and stock options only have a dilutive effect when the average market price for ordinary shares during the period exceeds the exercise price for options or stock options.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 3 Financial risk management

Financial risk management

The AAK Group's operations are exposed to various financial risks, including market price risks (on raw materials, currencies and interest rates), liquidity risk, counterparty risk and credit risk. Since AAK's products are sold throughout the world, our sales revenues are exposed to market fluctuations in the exchange rates of the currencies involved. Moreover, the Group buys its raw materials on international markets, so its cost of raw materials is exposed to market fluctuations in both the price of the raw materials and the exchange rates of the currencies involved.

Exposure to such significant financial risks makes managing these risks a significant factor in successful operations. AAK believes that it is largely successful in managing risks owing to the policies and procedures established for the Group.

The Group's management of price risks and other risks related to purchasing of raw materials is regulated by AAK's policy and principles on the management of market risk for raw materials. Currency risk is hedged when risk arise from underlying commercial actions and flows. Interest rate risks are hedged in line with AAK's financial policy and principles. Counterparty risks are measured and managed according to AAK's financial policy and principles. Policies and principles are established by AAK's Board of Directors, which also monitors, evaluates and updates these policies and principles annually.

Raw material price risks

The Group's annual costs for raw materials are approximately 70-75 percent of the sales value of the finished products. AAK hedges both operational raw material price risk and the underlying operational currency risk when sales agreements are signed with customers.

Raw material prices fluctuate, so the Group has assigned a high priority to raw material procurement and to managing this exposure. Raw material procurement is managed by the Group procurement organization, which continually monitors and controls raw material market exposure for the Group. However, to maintain an effective organization, the Group's procurement organization is permitted to take limited price risks within the framework of our trading policy established by the Board of Directors.

AAK generally hedges sales contracts with physical purchases of raw material. However, for long-term sales contracts the Group typically uses financial derivatives to hedge its exposure, since there is low liquidity in the market for longer-period physical purchase contracts. The Group uses standard commodity futures traded on commodity exchanges or OTC hedge contracts as hedging instruments.

For some raw materials, there is no efficient hedge market available. Shea is by far the most important and must be sourced when they are available right after the harvest season. Therefore, the Group is typically left with a certain unhedged volume on this material in the months following the harvest season and endeavours to limit this exposure by entering into new raw material based sales contracts in subsequent months.

The table below illustrates the Group's exposure to raw material price risk as per the balance sheet date, expressed in thousands of metric tons. The amount of raw material sold under sales contracts less the amounts held in inventory and amounts purchased for future delivery, results in the Group's net exposure to price risk in oils and fats at any given point in time.

Exposure to raw material price risk, December 31, 2025

(Thousand tonnes)	Sales contracts	Inventory	Purchase contracts	Net exposure
Oils and fats	1,796	-336	-1,465	-5

Exposure to raw material price risk, December 31, 2024

(Thousand tonnes)	Sales contracts	Inventory	Purchase contracts	Net exposure
Oils and fats	2,029	-388	-1,628	13

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 3 Financial risk management

Sensitivity analysis—raw materials
With the stock and commercial contracts hedged by raw material hedge contracts, leaving a limited net exposure, changes in raw material prices have no significant effect on the Group’s profit margin. A 10 percent change in all raw material prices would therefore have a limited effect on Group operating profit.

Fair value hedge accounting disclosures
The following table provides information on the hedge accounting adjustments that follows from the Group’s application of fair value hedge accounting for price risk in inventory.

SEK million	2025	2024
Carrying amount of inventory	11,473	11,220
Accumulated amount of fair value hedge adjustments on inventory	279	652
Total inventories	11,752	11,872

Exposure to transaction risk, December 31, 2025

SEK million	Assets	Liabilities	Sales contracts	Purchase contracts	Currency contracts		Net exposure
					Sold	Bought	
USD	6,590	-2,827	-3,587	-99	-2,958	2,827	-54
EUR	3,519	-1,095	2,369	221	-5,890	868	-8
GBP	43	-733	49	-14	-626	1,281	0
Other	1,718	-2,013	347	73	-3,520	3,385	-10
Total	11,870	-6,668	-822	181	-12,994	8,361	-72

Exposure to transaction risk, December 31, 2024

SEK million	Assets	Liabilities	Sales contracts	Purchase contracts	Currency contracts		Net exposure
					Sold	Bought	
USD	8,309	-6,920	-3,207	360	-3,336	4,694	-100
EUR	3,722	-1,307	2,360	150	-6,054	1,119	-10
GBP	39	-547	61	-3	-832	1,275	-7
Other	1,997	-311	1,126	-533	-3,906	1,658	31
Total	14,067	-9,085	340	-26	-14,128	8,746	-86

Exposure to foreign currency
A significant portion of the Group’s buying and selling of raw materials is denominated in foreign currency. Moreover, most of the Group’s operational subsidiaries are located outside Sweden. Changes in exchange rates therefore affect AAK in several ways:

- Sales contracts and raw material contracts in foreign currency give rise to transaction risk.
- Changes in foreign currencies give rise to translation risk, when profit of each foreign subsidiary is translated into SEK.
- The Group’s equity is affected when equity in our foreign subsidiaries is translated to SEK.

AAK hedges all its currency transaction risks. Payment for all sales contracts is thus hedged in the local currency of the subsidiaries that have entered into such sales contracts. Exchange rate risks related to translating equity and profit/loss in our foreign subsidiaries to SEK are not hedged.

The table below illustrates the Group’s exposure to currency transaction price risk as per the balance sheet date.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes** _____ **136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 3 Financial risk management

Sensitivity analysis—transaction risk
With all foreign currency transaction risk hedged by currency hedge contracts, leaving a very limited net exposure, changes in foreign currencies will have an insignificant effect on each subsidiary’s profit margin. As this is considered non-material for AAK, no sensitivity analysis for transaction risk is shown.

Sensitivity analysis—translation risk
Changes in foreign currencies relative to SEK do affect Group profit when the profit of each foreign subsidiary is translated into SEK. A 10 percent change in the exchange rates of all foreign currencies relative to SEK would have an effect of ± SEK 380 million (± 403) on Group operating profit. Furthermore, a 10 percent change in the exchange rates of all foreign currencies relative to SEK would affect Group net sales by ± SEK 3,433 million (± 3,410) and Group net working capital by ± SEK 1,115 million (± 922).

Interest rate risk
AAK’s policy on interest rate risk management is to minimize volatility in cash flow and net profit caused by fluctuations in interest rates. However, during abnormal market conditions—e.g. a financial crisis—short-term interest rates can rise to extreme levels. In order to protect the Group’s interest costs against such abnormal scenarios, the interest rate on part of the Group’s net interest-bearing debt can be fixed or capped. As per year-end 2025, the Group had no out-standing bonds and no outstanding interest rate swaps.
At year-end 2025, the Group’s interest-bearing net debt, including pensions, amounted to SEK 3,358 million (1,696).

Effective interest rate on debt to banks and credit institutions at balance sheet date

%	2025	2024
SEK	2.9	3.9
DKK	3.1	3.3
CNY	2.9	3.2
TRY	N/A	53.5
INR	7.4	8.1

Sensitivity analysis—interest rates
At the closing date, the Group had a floating-rate-based net debt of SEK 4,118 million (2,631). A 1 percent change in interest rates would therefore have a full-year effect of SEK 41 million (26) on the Group’s interest costs before tax. Of the fixed-rate-based debt, SEK 0 million (0) was hedged with interest swaps.

Capital management
AAK defines its managed capital as the Group’s consolidated equity and net debt. The Group’s objective when managing capital is to safeguard its ability to continue as a going concern, while providing an adequate return to shareholders and benefits to other stakeholders, and maintaining an optimal capital structure that minimizes the cost of capital. To maintain or adjust the capital structure, the Group may, for example, raise new loans, amortize existing loans, adjust dividends, issue new shares, or divest assets.
AAK’s policy on capital structure is to optimize the level of debt financing. When managing capital, the Group monitors several measures, including the Net debt/EBITDA. Rather than applying a fixed target, the Group operates with an indicative operating leverage range of approximately 1.0–1.5x, with the potential to temporarily increase to 3x to support strategic investments and acquisitions. These levels are considered conservative and support AAK’s ability to maintain its strong creditworthiness.
The Group’s major borrowing facilities, amounted to SEK 3,600 million at year-end 2025, are subject to a single financial covenant requiring that the Net debt to EBITDA ratio does not exceed the agreed limit. The covenant is reported quarterly to the lenders in connection with the Group’s quarterly reporting. During the year, the Group complied with this covenant, maintaining a ratio comfortably within the permitted limit.

Multiple	2025	2024
Net debt/EBITDA	0.60	0.29

Main source for external funding is a Revolving Credit facility of EUR 400 million, and local bilateral credit facilities. The Group’s policy is to allocate total net borrowings per subsidiary relative to each subsidiary’s share of the Group’s cash flow. This minimizes the currency risk in relation to the Group’s ability to pay interest on and amortize its borrowings, which in turn strengthens the Group’s debt capacity.

Total borrowing reported in the balance sheet, per currency at balance sheet date

	2025	2024
SEK	3,631	2,353
DKK	398	484
EUR	270	-
CNY	136	16
INR	46	109
TRY	-	63
Other	6	7
Total	4,487	3,032

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 3 Financial risk management

Liquidity risk
Liquidity risk concerns the Group's ability to meet its financial commitments as they fall due. The following table shows all of the Group's financial commitments, listed by the earliest contractual maturity date at the balance sheet date. The Group pays floating interest rate on all liabilities to banks and credit institutions. In the maturity analysis, the future payments of floating

interest rate have been estimated using the prevalent floating rates at the balance sheet date. All liabilities in foreign currency are translated into SEK at year-end closing rates. The Group's cash and cash equivalents of SEK 1,566 million, unused committed credit facilities of SEK 4,792 million, and future cash generated by the business are together deemed sufficient for the Group to meet its financial commitments.

Maturities of financial liabilities, December 31, 2025

	Total amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to banks and credit institutions	4,478	4,088	-	-	390
Lease liabilities	584	117	86	149	232
Accounts payables	2,970	2,970 ¹⁾	-	-	-
Derivative financial instruments	934	934	-	-	-
Other interest-bearing liabilities	9	9	-	-	-
Total financial liabilities	8,975	8,118	86	149	622
Interest on liabilities to banks and credit institutions	195	120	-	-	75
Total financial liabilities and interest	9,170	8,238	86	149	697

¹⁾ The majority are due within 3 months.

Unused committed credit facilities available to the Group, December 31, 2025

	Total amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Unused committed credit facilities	4,792	271	1,100	3,421	-

Maturities of financial liabilities, December 31, 2024

	Total amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to banks and credit institutions	3,020	2,071	589	202	158
Lease liabilities	663	143	86	165	269
Accounts payables	4,121	4,121 ¹⁾	-	-	-
Derivative financial instruments	1,631	1,631	-	-	-
Other interest-bearing liabilities	11	11	-	-	-
Total financial liabilities	9,446	7,977	675	367	427
Interest on liabilities to banks and credit institutions	254	116	36	-	102
Total financial liabilities and interest	9,700	8,093	711	367	529

¹⁾ The majority are due within 3 months.

Unused committed credit facilities available to the Group, December 31, 2024

	Total amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Unused committed credit facilities	4,929	-	573	4,356	-

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 3 Financial risk management

Credit risk

The Company is exposed to credit risk primarily in relation to accounts receivables and customer contracts. Risk in the latter case is represented by customers’ failure to meet their commitments due to changes in market prices.

Generally, AAK’s credit risks are significantly limited due to the stable, long-term business relationships we have with our customers and suppliers. The customer structure for the Group is such that its single-largest customer is responsible for 5 percent of its total sales, and the average customer corresponds to well below 1 percent.

The Group operates in a wide range of geographic markets and a substantial share of the Group’s sales occur in countries where political and commercial risks are higher than in the Western economies. Nevertheless, the Group experiences a limited need for impairment even in these markets, largely because a significant portion of our business in such regions is conducted with large multinational companies. The partners with whom AAK do business are also primarily companies with which the Group have stable, long-term relationships.

Each business segment is responsible for managing its customer credit risks, while our large production facilities are responsible for managing their counterparty risk in relation to raw material procurement.

Change in allowance for expected credit losses on accounts receivables

	2025	2024
Balance, January 1	91	117
Provision for expected credit losses	3	20
Amounts written off	-1	-7
Reversal of prior year provisions	-13	-40
Exchange differences	-6	1
Balance, December 31	74	91

Total accounts receivables excluding provisions were SEK 5,908 million (5,884).

Accounts receivables past due

	2025	2024
1–30 days	470	497
31–120 days	68	42
121–360 days	12	10
Over 360 days	6	15
Total	556	564

Total past due is 9 percent (10) of total accounts receivables.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 3 Financial risk management

Accounting classification of financial instruments
The following table shows the carrying amounts of financial assets and financial liabilities per measurement category in IFRS 9. The table also shows the levels in the fair value hierarchy to which the instruments that are measured at fair value in the balance sheet belong to.

	Fair value through profit and loss			Amortized cost		Total	
	2025	2024	Level	2025	2024	2025	2024
<i>Financial assets</i>							
Derivative instruments, currency contracts	234	300	2	-	-	234	300
Derivative instruments (commodities) and sales and purchase contracts	792	1,034	2	-	-	792	1,034
Investment in unlisted shares	7	7	3	-	-	7	7
Investment in unlisted funds	59	67	3	-	-	59	67
Financial non-current assets	-	-		7	6	7	6
Accounts receivables	-	-		5,834	5,793	5,834	5,793
Cash and cash equivalents	-	-		1,566	1,911	1,566	1,911
Total financial assets	1,092	1,408		7,407	7,710	8,499	9,118
<i>Financial liabilities</i>							
Derivative instruments, currency contracts	246	240	2	-	-	246	240
Derivative instruments (commodities) and sales and purchase contracts	688	1,391	2	-	-	688	1,391
Liabilities to banks and credit institutions	-	-		4,478	3,020	4,478	3,020
Lease liabilities	-	-		460	551	460	551
Accounts payables	-	-		2,970	4,121	2,970	4,121
Other interest-bearing liabilities	-	-		9	11	9	11
Total financial liabilities	934	1,631		7,917	7,703	8,851	9,334

Fair values of financial instruments

Derivatives
The fair value for exchange traded derivatives is based on available quoted market prices. For OTC-derivatives the Group measures fair value using valuation models that discount future cash flows using a zero-coupon interest rate curve. The cash flows are estimated using forward curves for underlying variables such as raw materials, exchange rates and interest rates. The Group's credit risk is taken into consideration in determining the fair value of derivative liabilities, whereas the credit of the counterparty is considered when determining the fair value of derivative assets.

Sales and purchase contracts
Foreign currency contracts and the foreign currency components in sales and purchase contracts are valued at actual market foreign currency forward rates. The raw material price components in sales and purchase contracts are valued at actual market forward prices for identical or similar raw materials. The part of inventory identified as hedged items in hedges of fair value is valued at market prices for identical or similar raw materials.

Investment in funds

The fair value of the Group's investment in unlisted funds is assessed using IFRS 9 level 3 evaluation.

Fair values of financial assets and financial liabilities that are not measured at fair value in the balance sheet
The Group pays floating interest rate on its borrowings from banks and credit institutions and there has been no change in margins since the inception of the borrowings that would have a material impact on their fair values. The carrying amounts of the borrowings are therefore considered reasonable approximations of their respective fair values. For short-term financial instruments such as accounts payables and accounts receivables, the carrying amounts are also considered reasonable approximations of fair value due to the short-term maturity for these items.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 4 Critical accounting estimates and assumptions in applying accounting policies

The preparation of financial statements in accordance with IFRS accounting standards and generally accepted Swedish accounting principles requires estimates and assumptions to be made that affect recognized assets, liabilities, income and expenses as well as other information disclosed. These estimates and assumptions are often based on historical experience, but also on other factors, including expectations of future events. Actual results may differ from these estimates and assumptions. The areas that are impacted the most by estimates and assumptions are described below.

Impairment testing of goodwill

Goodwill is tested for impairment annually, or more frequently if there are indications of impairment. In connection with impairment testing of goodwill, the recoverable amount is calculated. The recoverable amount for each cash-generating unit is determined by calculating the value in use. The cash-generating units correspond to the operational business areas of AAK; Food Ingredients, Chocolate & Confectionery Fats and Technical Products & Feed. Calculation of the value in use is based on five-year strategic plans adopted by the Executive Committee. Key assumptions have been made about volume growth, operating margin, operating expenses, financing expenses, taxes, capital expenditures and working capital.

The discount rate used in the present value calculation of the anticipated future cash flows is the current weighted average cost of capital (WACC) established within the Group for the markets in which the cash-generating units conduct operations. The expected future cash flow for periods that are beyond the planning horizon of the strategy plan are extrapolated from the final year of the strategy plan using assumed growth of 3 percent. See also Note 13.

Income tax

The Group is liable to pay taxes in many countries. Extensive estimates are required to establish worldwide provisions for income tax liabilities. There are many transactions and calculations for which the final tax is uncertain. The Group recognizes a liability for anticipated tax audit issues based on assessment of whether an additional tax liability will arise. See also note 11.

Pension obligations

The present value of pension obligations depends on multiple factors determined on an actuarial basis using a number of assumptions. The assumptions used to determine net cost (income) for pensions include the discount rate. Each change in these assumptions will affect the carrying amount of pension obligations.

The Group determines a suitable discount rate at the end of each year. This is the rate used to determine the present value of assessed future payments that are expected to be demanded to settle the pension obligations. When determining a suitable discount rate, the Group considers the interest rates of high-quality mortgage bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity equivalent to the assessments for the pension obligation in question. See also note 9.

Climate change related risks

When conducting the Double Materiality Assessment, the Group has identified impacts and risks relating to climate change, which are disclosed in the sustainability statement. Several transition and physical risks have been identified, including investments required to meet AAK's SBTi targets, extreme weather events, rising sea levels and risks of land use. For more details and analysis, refer to the Sustainability statement, E1 Climate change, pages 67–83.

In preparing the IFRS financial statements, management has considered the potential impact from these risks on the assumptions used, including cash-flow projections and discount rates (Note 13 Intangible assets), useful lives of assets (Note 14 Property, Plant and equipment), inventory valuation (Note 17 Inventories) and the recognition of provisions (Note 21 Other provisions). The financial effects of the activities to mitigate the identified risks have not had a significant impact on the financial statements as of 31 December 2025. AAK assesses the physical and transitional risks as low in the short- and medium-term and assesses them as having limited impact on AAK's operations. Based on this, the assessment is that the climate risks identified in the sustainability statement will not significantly affect AAK's financial position.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 5 Auditors' remuneration

	Group		Parent	
	2025	2024	2025	2024
Audit				
Group-appointed auditor (EY 2025, KPMG 2024)	10 ¹⁾	10	2 ²⁾	1
Other	3	2	-	-
Subtotal, audit	13	12	2	1
Other audit assignments				
Group-appointed auditor (EY 2025, KPMG 2024)	1	1	-	0
Other	1	0	-	-
Subtotal, other audit assignments	2	1	-	0
Tax consulting				
Group-appointed auditor (EY 2025, KPMG 2024)	0	9	-	-
Other	0	1	-	-
Subtotal, tax consulting	0	10	-	-
Other assignments				
Group-appointed auditor (EY 2025, KPMG 2024)	-	1	-	-
Other	1	0	-	-
Subtotal, other assignments	1	1	-	-
Total	16	24	2	1

¹⁾ Of which SEK 4 million concerns Ernst & Young AB.

²⁾ Of which SEK 2 million concerns Ernst & Young AB.

The audit assignment refers to fees for the statutory audit, i.e. work that has been necessary in order to issue the Auditors' Report, and what is referred to as audit consulting, which is submitted in conjunction with the audit assignment.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 6 Employee benefits (SEK thousand)

	Group		Parent	
	2025	2024	2025	2024
Wages and salaries	2,834,151	2,990,511	155,459	133,034
Social security contributions	680,339	675,528	63,524	66,444
(of which pension costs)	(230,444)	(203,524)	(15,834)	(16,559)

SEK 9 million (7) of the Group pension costs relates to the CEO and other members of the Executive Committee.

Salaries and other remuneration for members of the Board of Directors and others

	2025		2025		2024	
	Board of Directors, CEO and other senior managers		Other employees		Board of Directors, CEO and other senior managers	
	Wages and salaries	Of which variable remuneration ¹⁾	Wages and salaries	Wages and salaries	Of which variable remuneration	Wages and salaries
Parent, Sweden	58,588	33,869	96,871	59,401	35,488	73,633
Subsidiaries, Sweden	4,264	3,693	390,331	6,658	2,120	367,659
	62,852	37,562	487,202	66,059	37,608	441,292
Foreign subsidiaries	75,935	43,700	2,208,162	130,011	45,785	2,353,149
Group total	138,787	81,262	2,695,364	196,070	83,393	2,794,441

¹⁾ Cost of Incentive Program 2023/2026 amounts to SEK 10.8 million.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

🔹 **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 7 Average number of employees, etc.

Average number of employees	2025			2024		
	Number of employees	Of which men	Of which women	Number of employees	Of which men	Of which women
Parent, Sweden	58	30	28	58	29	29
Subsidiaries in Sweden	593	417	176	570	414	156
	651	447	204	628	443	185

Foreign subsidiaries	2025			2024		
	Number of employees	Of which men	Of which women	Number of employees	Of which men	Of which women
United Kingdom	592	455	137	582	445	137
India	543	509	34	553	521	32
Mexico	438	362	76	402	328	74
USA	379	304	75	381	303	78
Denmark	255	182	73	250	183	67
Netherlands	223	150	73	218	147	71
Colombia	191	139	52	172	124	48
Brazil	172	115	57	169	108	61
China	166	121	45	170	125	45
Ghana	156	144	12	150	138	12
Benin	51	40	11	37	29	8
Ivory Coast	42	36	6	43	36	7
Turkey	41	28	13	40	27	13
Singapore	30	17	13	30	17	13
Burkina Faso	28	15	13	48	29	19
Belgium	26	15	11	26	13	13
Malaysia	21	2	19	24	3	21
Uruguay	19	8	11	20	8	12
Poland	10	5	5	9	6	3
Germany	7	3	4	7	3	4
Mali	5	5	-	5	5	-
Spain	5	2	3	4	2	2
Ukraine	3	2	1	6	4	2
Japan	3	2	1	5	4	1

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes** _____ **136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 7 Average number of employees, etc.

Foreign subsidiaries	2025			2024		
	Number of employees	Of which men	Of which women	Number of employees	Of which men	Of which women
Australia	3	1	2	4	2	2
Philippines	3	2	1	3	2	1
Cameroon	3	3	-	-	-	-
Czech Republic	2	1	1	2	1	1
Nigeria	2	2	-	1	-	1
Canada	1	1	-	1	1	-
Malta	1	1	-	1	1	-
Russia	1	-	1	1	-	1
	3,422	2,672	750	3,364	2,615	749
Group total	4,073	3,119	954	3,992	3,058	934

Board members and senior executives	2025		2024	
	Proportion of men (%)	Proportion of women (%)	Proportion of men (%)	Proportion of women (%)
Group (incl. subsidiaries)				
Board members	64	36	68	32
Chief Executive Officer and other senior executives	67	33	70	30
Parent company				
Board members ¹⁾	60	40	60	40
Chief Executive Officer and other senior executives	100	0	100	0

¹⁾ And two employee representatives, one male and one female.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 8 Remuneration of the Board of Directors and senior executives

Principles
The principles for the remuneration of senior managers at AAK, in both the Parent company and the Group, are designed to ensure that AAK can offer internationally competitive remuneration that can attract and retain qualified managers.

Consideration and determination
Compensation of the Chief Executive Officer and other senior managers is considered by the Remuneration Committee of the Board of Directors and all decisions are made by the Board as a whole.

Components of remuneration
Total remuneration includes salary, annual variable remuneration, pension, car allowance, and termination benefit.

Salary
Fixed salary, individually determined and differentiated according to responsibility and performance, is determined on competitive principles and reviewed annually. The applicable date for the annual performance review is January 1.

Variable remuneration
Annual variable remuneration is based on meeting set targets determined on an annual basis. These targets are related to the performance of the Company and how well the ESG targets are met. Senior management are entitled to up to 200 percent of their annual fixed salary in variable remuneration.

Incentive programs
At the Annual General Meeting in AAK AB on May 18, 2022 it was resolved to implement a long-term incentive program for senior executives and key employees in AAK and issue of subscription warrants for implementation of a subscription warrants program. The subscription warrants are acquired by the employees at market value using the Black & Scholes formula. The exercise period for the subscription warrants is September 1, 2025–August 31, 2027 at an exercise price of SEK 195.85 per share. The total number of subscription warrants in the program amounted to 5,000,000 with an initial value of SEK 20.22 per subscription warrant, in total SEK 101,100,000. In 2022, employees at AAK subscribed for 3,946,050 subscription warrants at an average price per subscription warrant of SEK 20.44 for a value of SEK 80,656,647. The company offers a cash bonus that partially subsidizes participants' purchase of warrants, with the bonus amounting to up to 65 percent of the investment and paid out annually over four years, with certain exceptions, provided that the participant remains employed and retains the warrants or the subscribed shares. For the CEO's and other senior executives' holdings of subscription warrants, please see page 123. The number of outstanding subscription warrants on December 31, 2025 amounted to 3,054,250.

Number	2025	2024
Subscription warrants outstanding, January 1	3,946,050	3,946,050
Exercised during period	-891,800	-
Subscription warrants outstanding, December 31	3,054,250	3,946,050

The average exercise price in both periods above was SEK 195.85.

The Annual General Meeting of AAK AB on May 4, 2023 resolved to implement a long-term incentive program for around 70 senior executives and certain key employees in the AAK Group who will receive a conditional right to be awarded AAK shares ("Performance Shares"), i.e. a right to receive shares at a future time provided that applicable performance conditions and other conditions during the vesting period are met. The conditional right to receive Performance Shares presupposes that the participant remains employed and has not given or received notice of termination as per February 28 of the year in which the Performance Shares are transferred. The award of Performance Shares is linked to a performance condition set by the Board of Directors based on earnings per share for the 2023 financial year. The performance condition set by the Board of Directors specified a minimum level that must be achieved for Performance Shares to be awarded, and a maximum level corresponding to the maximum allocation of Performance Shares. If actual performance is below the maximum level, but exceeds the minimum level, Performance Shares will be allocated proportionally. If all of the conditions set out in Incentive Program 2023/2026 are met, half of the Performance Shares were transferred in the first half of 2025 and the remainder will be transferred in the first half of 2026. The transfer of shares will be free of charge to the participants, but may be subject to personal income tax paid by the participants.

The value on the grant date will be a maximum value based on participants' basic salary. The participants are not being compensated for dividends paid during the vesting period. Participants are divided into two categories, where the maximum value for Group 1 is 40 percent of the participant's annual basic salary for 2023, and the maximum value for Group 2 is 25 percent of the participant's annual basic salary for 2023. The fair value of the program was determined on the grant date and will not be updated during the vesting period. On March 8, 2024, the monetary value of SEK 52,783,181 was converted into 224,180 Performance Shares using the volume-weighted average price of AAK AB's share on Nasdaq Stockholm in the period March 4–8, 2024, which amounted to SEK 235.45. For information on the cost of the 2023/2026 incentive program, see Note 6. As decided at the Annual General Meeting on May 8, 2024, in the financial year 2024 and onwards, CEO has a long term incentive variable bonus of up to 115 percent of base salary, and Chief Financial Officer (CFO) up to 90 percent.

Number	2025	2024
Performance shares outstanding, January 1	224,180	-
Awarded during period	-	224,180
Distributed to employees	-107,747	-
Cancelled during the period	-7,461	-
Performance shares outstanding, December 31	108,972	224,180

Pension
Pensions for senior management are in line with the Swedish KTP plan (corresponding to ITP) and retirement age for senior managers is from the age of 60 years at the earliest.

Termination benefits
The Company has separate agreements with the Chief Executive Officer and senior managers for termination compensation of one year's salary (fixed cash amount per month x 12 months) on termination by the Company. Neither the Chief Executive Officer nor any senior manager can independently assert the right to termination compensation.
The period of notice of termination by the Chief Executive Officer and senior managers is agreed as 6 months. Termination notice by the Company is agreed as 6–24 months.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 8 Remuneration of the Board of Directors and senior executives

Compensation of Board Members

Fees are paid to the elected members of the Board in accordance with a resolution of the Shareholders' Annual General Meeting. This is distributed between the members as decided by the Board of Directors.

No other compensation or benefits have been paid to members of the Board, except travel expenses. The CEO, and employee representatives to the Board do not receive any compensation other than for costs in connection with their participation in Board activities. The secretary of the Board received a compensation in 2025 of SEK 600,000.

Under a resolution of the Annual General Meeting, the compensation of elected external members of the Board, including compensation for committee work, for the period up to the next Annual General Meeting, should be distributed as follows: SEK 1,200,000 to the Chairman and SEK 500,000 to each of the other external members. Compensation for committee work is distributed, in accordance with a decision of the Annual General Meeting, as SEK 260,000 to the Chairman of the Audit Committee, SEK 130,000 to other members of the Audit Committee, SEK 100,000 to the Chairman of the Remuneration Committee, and SEK 50,000 to other members of the Remuneration Committee.

Remuneration and other benefits for the year¹⁾

SEK	Salary/Board of Directors’ fees	Annual variable remuneration	Other benefits ²⁾	Pension cost	Total
<i>Board of Directors</i>					
Patrik Andersson, Chairman	1,430,000	-	-	-	1,430,000
Märta Schörling Andreen	680,000	-	-	-	680,000
Fabienne Saadane-Oaks	500,000	-	-	-	500,000
Ian Roberts	500,000	-	-	-	500,000
Nils-Johan Andersson	760,000 ³⁾	-	-	-	760,000
Subtotal, Board of Directors	3,870,000	-	-	-	3,870,000
<i>Senior executives</i>					
Johan Westman, Chief Executive Officer	12,929,717	19,022,216 ^{4, 5)}	2,892,190	3,703,597	38,547,721
Other senior executives	37,624,974	49,725,777 ⁴⁾	7,321,479	4,678,557	99,350,787 ⁶⁾
Subtotal, senior executives	50,554,691	68,747,993	10,213,669	8,382,155	137,898,508
Total	54,424,691	68,747,993	10,213,669	8,382,155	141,768,508 ⁷⁾

¹⁾ Refers to items recorded as an expense in 2025.

²⁾ Other benefits refer primarily to company cars.

³⁾ Director’s fee for Nils-Johan Andersson’s Board and Committee services is paid to Melker Schörling AB directly.

⁴⁾ Final amounts approved by the Remuneration Committee to be paid in 2026. During the year, variable remuneration expensed in 2024 of SEK 54,885,760 was paid.

⁵⁾ Of the Annual variable remuneration, SEK 700,865 relates to the long-term share price related incentive program, decided by the 2023 Annual General Meeting. The incentive program that was introduced in 2024 amounts to SEK 5,054,103.

⁶⁾ Refers to the following for 2025: Tomas Bergendahl, Niall Sands, Susanne Jaspers, Octavio Díaz de León, Sten Estrup, Tim Stephenson (until September 2025), David Smith (until May 2025), Marcel Mensink (from June 2025) and Nese Tagma (from September 2025).

⁷⁾ Of the amount of SEK 141,768,508, SEK 68,418,802 relates to the Parent company, AAK AB.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 9 Provisions for pensions and similar obligations

Defined benefit plans

The Group maintains defined benefit retirement plans in which employees earn the right to payment of benefits after completing their employment, based on their final salary and period of service. These defined benefit retirement plans exist in Sweden, Belgium, and India. There are further commitments for retirement and survivors' pensions for salaried employees in Sweden that are insured through policies with Alecta or correspondingly in Folksam. According to the Swedish Financial Reporting Board, statement UFR10, this is a defined benefit plan which covers a number of employers. For the period from January 1 to December 31, 2025, AAK AB and AAK Sweden AB have not had access to sufficient information to recognize their proportional shares of the plan's obligations, plan assets and costs, which has meant that it has not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan that is insured through Folksam is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and survivors' pension is calculated individually and depends on factors including salary, pension earned previously and expected remaining period of service. Charges for ITP 2 pensions insured through Folksam are SEK 19 million (15).

The collective consolidation level consists of the market value of Alecta's assets as a percentage of the estimated insurance commitments, computed using Alecta's actuarial methods and assumptions, which are not in accordance with IAS 19. The collective consolidation

level should normally be permitted to vary between 125 and 175 percent. If Alecta's collective consolidation level is below 125 percent or above 175 percent, measures must be taken to create the conditions for the consolidation level to return to the normal range. If the consolidation is low, one measure may be to increase the agreed price for new and existing benefits. If the consolidation is high, one measure may be to introduce premium reductions. At year-end 2025, Alecta's and Folksam's surplus in the form of their collective consolidation levels were 167 percent and 116 percent, respectively (163 percent and 113 percent, respectively).

The Group has defined benefit pension plans in Sweden and some minor plans in Belgium and India. All plans are pension plans based on final salary and give employees covered by the plans benefits in the form of a guaranteed level of pension payments during their lives. The pension liability includes special payroll tax. The level of the benefits depends on the employees' period of service and salary on retirement. The pension payments in the Swedish plan are normally indexed according to the consumer price index. The plans are subject to largely similar risks. Benefits are paid from plans that are secured with foundations. The activities of the foundations are regulated by national regulations and practice which also apply to the relationship between the Group and the administrator (or equivalent) of the foundation's plan assets. Responsibility for monitoring the plans, including investment decisions and contributions, is held jointly by the company and the foundation's board.

	2025	2024
Specification of costs		
Costs for services during current year	22	24
Interest expenses/(income)	-6	-7
Employee contributions	0	0
Total cost of defined benefit plans, included in employee costs (Note 6)	15	17
Cost of defined contribution plans	215	187
Total pension costs	230	204
Net defined benefit liability in the Balance Sheet		
Present value of funded obligations	423	473
Fair value of plan assets	-393	-391
Net defined benefit liability	30	82

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 9 Provisions for pensions and similar obligations

	2025	2024
Change in defined benefit liability		
Net liability, January 1	82	31
Net cost (Income Statement, Employee benefit expenses)	15	17
Benefits paid	-21	-20
Disbursement of funds from the foundation	16	18
Contributions by employer to funded obligations	-6	-8
Actuarial losses/gains arising from changes in demographic assumptions (Statement of comprehensive income)	-39	32
Actuarial losses/gains arising from changes in financial assumptions (Statement of comprehensive income)	-	-
Actuarial losses/gains arising from changes in experience (Statement of comprehensive income)	-	-
Exchange rate differences on foreign plans	-6	2
Reclassifications	-11	10
Net liability, December 31	30	82
Composition of plan assets (%)		
Interest-bearing assets	51	53
Shares	37	36
Properties	12	11
Contributions to plans for post-employment benefits for the 2026 fiscal year are expected to amount to SEK 0 million. The weighted average term of the pension obligation is 14–16 years.		
Key actuarial assumptions (%)		
Sweden		
Discount rate	3.40	2.80
Inflation	1.70	1.80
Future annual salary increases	2.70	2.80
Impact on the defined benefit liability		
Sensitivity in the defined benefit liability to changes in key weighted assumptions		
Sweden	+1%	-1%
Discount rate	-45	56
Inflation	55	-45
Future annual salary increases	29	-19

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 10 Financial items

	Group		Parent	
	2025	2024	2025	2024
Interest income	67	88	0	2
Dividend	1	5	1	1
Dividend from Group companies	-	-	-	659
Share of profit in associated companies	17	2	-	-
Changes in exchange rates	-	1	-	-
Other financial income	0	6	-	-
Group contributions	-	-	108	210
Financial income	85	102	109	872
Interest expenses ¹⁾	-163	-204	-168	-245
Interest expenses leases	-19	-31	-0	-0
Changes in exchange rates	-12	-6	-1	-3
Effect of IAS 29	-25	-62	-	-
Other financial expenses	-37	-35	-0	-1
Financial expenses	-256	-338	-169	-249
Net financial items	-171	-236	-60	623
¹⁾ Interest on interest rate swaps is included with	-	14	-	14

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 11 Tax expenses

Tax expenses for the year

	Group		Parent	
	2025	2024	2025	2024
Current tax	-1,019	-1,197	-45	-
Deferred tax	-49	79	-2	1
Total	-1,068	-1,118	-47	1

Determination of the current tax expense

The Group's weighted average underlying tax rate is approximately 24–25 percent. The Group's weighted average tax rate for 2025, based on the tax rates in each of the various countries involved, was 24 percent (24). The tax rate in Sweden is 20.6 percent (20.6).

	Group		Parent	
	2025	2024	2025	2024
Profit before taxes	4,504	4,660	-168	409
Weighted average tax rate based on the tax rates in each country	-1,021	-1,153	35	-84
Tax effect of non-deductible expenses	-86	-59	-37	-53
Tax effect of tax-exempt income	59	84	2	137
Effect of deficit deductions not carried forward	-41	-104	0	0
Effect of tax rate changes	-29	-16	-45	-
Adjustment for current tax for previous years	50	130	-2	-
Tax expense	-1,068	-1,118	-47	1

Global minimum tax

The majority of the companies in the Group operate in countries that have adopted the new legislation to implement the global minimum tax, called Pillar 2. Current tax attributable to Pillar 2 is included in current tax for the period and is not reported separately, as the amount does not have a significant impact on the AAK Group's tax expense.

- Introduction
- The big picture
- Our strategy
- Our business
- Risks & Risk management
- Financial and sustainability disclosures
 - Directors' Report
 - Sustainability statement
 - Corporate Governance Report
- Financial statements and notes
 - Financial statements Group and Parent company _____ 124
 - Notes _____ 136
 - Board of Directors and CEO assurance _____ 176
- Reports from auditor
- Other information

Note 11 Tax expenses

Deferred tax assets and deferred tax liabilities
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the recognized tax assets and liabilities and when the deferred taxes refer to the same tax authority. Changes in and arising deferred tax assets and liabilities have been recognized in full through the income statement. The net amounts, after applying the right of offset, are as follows:

Deferred tax assets	Group		Parent	
	2025	2024	2025	2024
Tax loss carry-forwards	81	48	-	-
Non-current assets	110	49	-	-
Right-of-use assets	8	9	-	-
Inventory	19	22	-	-
Current assets	20	21	-	-
Provisions	110	183	1	3
Current liabilities	47	68	-	-
At year-end	395	400	1	3

Deferred tax liabilities	Group		Parent	
	2025	2024	2025	2024
Non-current assets	574	488	-	-
Inventory	19	113	-	-
Current assets	26	40	-	-
Provisions	6	0	-	-
Current liabilities	-14	-20	-	-
At year-end	611	621	-	-

Income tax liabilities and tax assets
In addition to deferred tax assets and liabilities, AAK has the following current tax liabilities and tax receivables:

	Group		Parent	
	2025	2024	2025	2024
Current tax liabilities	-434	-883	-9	-
Current tax receivables	449	710	0	14
Income tax liabilities/tax assets	15	-173	-8	14

- Introduction
- The big picture
- Our strategy
- Our business
- Risks & Risk management
- Financial and sustainability disclosures
- Directors' Report
- Sustainability statement
- Corporate Governance Report
- Financial statements and notes
 - Financial statements Group and Parent company _____ 124
 - ◆ **Notes** _____ **136**
 - Board of Directors and CEO assurance _____ 176
- Reports from auditor
- Other information

Note 12 Earnings per share

	Group	
	2025	2024
Earnings attributable to Parent company’s shareholders (SEK million)	3,429	3,536
Weighted average number of outstanding shares before dilution	259,687,506	259,559,202
Effect of subscription warrants	1,046,570	1,241,416
Effect of long-term incentive program	-139,623	-224,180
Weighted average number of outstanding shares after dilution from outstanding subscription warrants	260,594,453	260,576,438
Earnings per share before dilution, SEK ¹⁾	13.21	13.62
Earnings per share after dilution, SEK ²⁾	13.16	13.57

¹⁾ Earnings per share are calculated based on net profit for the year attributable to Parent company's shareholders, SEK 3,429 million (3,536) and on a weighted average number of outstanding shares of 259,687,506 (259,559,202).
²⁾ Earnings per share are calculated based on net profit for the year attributable to Parent company's shareholders and on a weighted average number of outstanding shares after dilution from outstanding subscription warrants.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 13 Intangible assets

Group	Goodwill	Patents and other intangible assets	Total
Cost, January 1, 2024	2,739	733	3,472
Investments	-	47	47
Disposals	-505	-19	-524
Adjustment IAS 29	32	1	33
Exchange differences	94	30	124
Accumulated cost, December 31, 2024	2,360	792	3,152
Cost, January 1, 2025	2,360	792	3,152
Investments	-	40	40
Adjustment IAS 29	25	-	25
Reclassifications	-	10	10
Exchange differences	-250	-82	-332
Accumulated cost, December 31, 2025	2,135	760	2,895
Amortization and impairment loss, January 1, 2024	27	443	470
Amortization and impairment loss for the year	-	32	32
Disposals	-	-19	-19
Exchange differences	-	16	16
Accumulated amortization and impairment loss, December 31, 2024	27	472	499
Amortization and impairment loss, January 1, 2025	27	472	499
Amortization and impairment loss for the year	-	30	30
Reclassifications	-	1	1
Exchange differences	-	-40	-40
Accumulated amortization and impairment loss, December 31, 2025	27	463	490
Residual value, December 31, 2024	2,333	320	2,653
Residual value, December 31, 2025	2,108	297	2,405

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
Financial statements Group and Parent company _____ 124
◆ Notes _____ 136
Board of Directors and CEO assurance _____ 176
Reports from auditor
Other information

Note 13Intangible assets

Reviewing impairment of goodwill
In preparing the financial statements for 2025, the Group has reviewed impairment of goodwill. Goodwill is allocated to the following cash-generating units: business areas Food Ingredients, Chocolate & Confectionery Fats, and Technical Products & Feed. These cash-generating units correspond to the operating segments of AAK. The recoverable amount for a cash-generating unit is determined by calculating its value in use. These calculations are based on estimated future cash flow as stated in budgets and forecasts covering a five-year period. The projection for 2026 is based on detailed reporting from each entity in the Group. The numbers are based on large number of assumptions regarding volume growth, operating margin, operating costs, capital expenditures, working capital, finance cost and taxes. The projection for the years 2027–2030 is based on management's general assumptions regarding expectations of market development and past performance. Key assumptions have been determined for volume growth, operating margin, operating costs, capital expenditures, working capital, finance cost and taxes. Cash flow beyond this period has been extrapolated by no more than 3 percent (3) in any case. Working capital beyond the five-year period is estimated at the same level as year five. Discount rates are assumed to be 9.5 percent (8.9) after tax for all three cash-generating units.

Testing has not identified any indication of impairment. Sensitivity analyses confirm that the carrying amount of recognized goodwill remains recoverable even if the discount rate increases by 1 percentage point or if the long-term growth rate decreases by 1 percentage point. Furthermore, no other reasonably possible change in key assumptions would result in an impairment.

Goodwill by cash-generating unit	2025	2024
Food Ingredients	1,053	1,155
Chocolate & Confectionery Fats	1,055	1,178
Technical Products & Feed	-	-
Total	2,108	2,333

Note 14Property, plant and equipment

Group	Land and buildings	Plant and machinery	Equipment, tools and fixtures and fittings	Non-current assets under construction	Total
Cost, January 1, 2024	2,959	13,222	1,047	1,594	18,822
Investments	149	495	83	471	1,198
Disposals	-100	-394	-16	-7	-517
Adjustment IAS 29	3	-	-	-	3
Reclassifications	105	264	33	-405	-3
Exchange differences	47	488	36	39	610
Accumulated cost, December 31, 2024	3,163	14,075	1,183	1,692	20,113

Cost, January 1, 2025	3,163	14,075	1,183	1,692	20,113
Investments	69	475	73	646	1,263
Disposals	-2	-37	-38	-1	-78
Adjustment IAS 29	4	-	-	-	4
Reclassifications	316	526	202	-1,063	-19
Exchange differences	-293	-1,169	-106	-101	-1,669
Accumulated cost, December 31, 2025	3,257	13,870	1,314	1,173	19,614

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 14 Property, plant and equipment

Group	Land and buildings	Plant and machinery	Equipment, tools and fixtures and fittings	Non-current assets under construction	Total
Depreciation, January 1, 2024	1,578	8,901	768	-	11,247
Disposals	-69	-296	-16	-	-381
Depreciations for the year	93	506	75	-	674
Exchange differences	50	335	26	-	411
Accumulated depreciation, December 31, 2024	1,652	9,447	852	-	11,951
Depreciation, January 1, 2025	1,652	9,447	852	-	11,951
Disposals	-2	-32	-35	-	-69
Reclassifications	-1	-8	4	-	-5
Depreciations for the year	94	510	84	-	688
Exchange differences	-138	-735	-78	-	-951
Accumulated depreciation, December 31, 2025	1,605	9,182	827	-	11,614
Impairment loss, January 1, 2024	21	57	4	-	82
Exchange differences	1	1	-	-	2
Accumulated impairment loss, December 31, 2024	22	58	4	-	84
Impairment loss, January 1, 2025	22	58	4	-	84
Write-down for the year	-	45	-	-	45
Exchange differences	-3	-3	-	-	-6
Accumulated impairment loss, December 31, 2025	19	100	4	-	123
Residual value, December 31, 2024	1,489	4,570	327	1,692	8,078
of which land	140				
Residual value, December 31, 2025	1,633	4,588	483	1,173	7,877
of which land	129				

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 15Leases

The consolidated balance sheet shows the following amounts related to leases:

Right-of-use assets	Group	
	2025	2024
Land and buildings	352	425
Plant and machinery	25	29
Equipment	3	5
Vehicles	51	57
Residual value, December 31	431	516

Additions to the right-of-use assets during the year were SEK 65 million (75).

Lease liabilities	Group	
	2025	2024
Non-current	351	411
Current	109	140
Total lease liabilities	460	551

For maturity analysis of the lease liabilities, see Note 3 Financial risk management.

The consolidated income statement shows the following amounts related to leases:

Depreciations of right-of-use assets	Group	
	2025	2024
Land and buildings	67	84
Plant and machinery	25	29
Equipment	2	11
Vehicles	25	32
Total depreciation	119	156
Expense related to short-term leases (included in Other external expenses)	20	19
Expense related to leases of low-value assets (included in Other external expenses)	3	1
Interest expense (included in Result from financial items)	19	31
Tax income (included in Income tax)	-0	-2

The total cash lease payments for the year amounted to SEK 138 million (197).

Note 16Shares in Group companies

Parent company’s direct holdings of shares in Group companies

Company name	Registration number	Domicile	Number of shares	Share of capital, %	2025 Book value	2024 Book value
AAK Denmark Holding A/S	45954919	Aarhus, Denmark	400,000,000	100	1,468	1,468
AAK Miyoshi Japan Co.Ltd	0118-01-031265	Tokyo, Japan	70,000,000	70	5	5
AarhusKarlshamn Finance AB	556880-4339	Malmö, Sweden	100,000	100	472	472
AarhusKarshamn Holding AB	556759-7918	Malmö, Sweden	100	100	481	481
AarhusKarlshamn Invest AB	556747-6931	Malmö, Sweden	1,000	100	4,587	4,587
Advanced Lipids AB	556728-5837	Karlshamn, Sweden	100	50	0	0
Total					7,013	7,013

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 16 Shares in Group companies

Group holding of shares in Group companies			
Company name	Registration number	Domicile	Share of capital, %
AAK (UK) Ltd	1585686	Hull, United Kingdom	100
AAK Australia Pty Ltd	094486361	New South Wales, Australia	100
AAK Baltic Holding AB	556381-8664	Karlshamn, Sweden	100
AAK Bastogne SA	0673.737.551	Bastogne, Belgium	100
AAK Belgium NV	0547.965.074	Antwerpen, Belgium	100
AAK BD Foods Ltd	04170983	Hull, United Kingdom	100
AAK Burkina Faso Sarl	BF BBD2007 B465	Bobo-Dioulasso, Burkina Faso	100
AAK Cameroon SASU	RC/GOU/2024/B/383	Garoua, Cameroon	100
AAK Canada Ltd	2040468	Toronto, Canada	100
AAK China Ltd	913 101 155 791 320 606	Shanghai, China	100
AAK Colombia S.A.S.	860090365-8	Bogotá, Colombia	100
AAK Côte d'Ivoire SASU	CI ABJ2018 B20038	Abidjan, Côte d'Ivoire	100
AAK Czech Republic s.r.o.,	15268853	Prague, Czech Republic	100
AAK Dalby AB	556236-0478	Lund, Sweden	100
AAK Denmark A/S	15672099	Aarhus, Denmark	100
AAK do Brasil Indústria e Comércio de Óleos Vegetais Ltda	07.830.192/0001-02	São Paulo, Brazil	100
AAK Germany GmbH	HRB89102	Darmstadt, Germany	100
AAK Havnen A/S	13919232	Aarhus, Denmark	100
AAK India Pvt Ltd	U15140MH2002PTC137681	Maharashtra, India	100
AAK Insurance Malta Ltd	C51071	St Julians, Malta	100
AAK International AB	559155-5411	Malmö, Sweden	100
AAK Invest Ltd	C59066	St Julians, Malta	100
AAK Malaysia Sdn. Bhd.	516423-P	Kuala Lumpur, Malaysia	100
AAK Mali SARL	MA BKO2018 H5859	Bamako, Mali	100
AAK Malta EUR Ltd	C78539	St Julians, Malta	100
AAK Malta MXN Ltd	C83359	St Julians, Malta	100
AAK Malta TRY Ltd	C88855	St Julians, Malta	100
AAK Malta USD Ltd	C59069	St Julians, Malta	100
AAK Mexico, S.A. de C.V.	AUM8302244G2	Morelia, Mexico	99.9976
AAK Natural Emulsifiers Ltd	7734226	Cheshire, United Kingdom	100
AAK Netherlands BV	35012547	Zaandijk, the Netherlands	100
AAK Nigeria Oils and Fats Ltd	1539623	Lagos, Nigeria	100
AAK Norway AS	988 369 403	Oslo, Norway	100
AAK LLC	7709851438	Moscow, Russia	100
AAK Phillippines Inc	CS201816294	Batangas, Philippines	100

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

🔹 **Notes _____ 136**

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 16 Shares in Group companies

Company name	Registration number	Domicile	Share of capital, %
AAK Poland Sp.z o.o.	0000124135	Warsaw, Poland	100
AAK Rotterdam BV	24419984	Rotterdam, the Netherlands	100
AAK SG Pte. Ltd.	201421305H	Singapore, Singapore	100
AAK South East India Pvt Ltd	U15142TG1986PTC006854	Telangana, India	100
AAK Sweden AB	556478-1796	Karlshamn, Sweden	100
AAK Togo SASU	TG-LFW-01-2021-817-0	Lomé, Togo	100
AAK Turkey Gıda Sanayi ve Ticaret Limited Sirketi	877226	Istanbul, Turkey	100
AAK USA Inc.	13-3445572	New Jersey, USA	100
AAK USA K1, LLC	45-2596488	Kentucky, USA	100
AAK USA K2, LLC	45-2700873	Kentucky, USA	100
AAK USA Realco, LLC	45-2596451	Kentucky, USA	100
AAK USA Richmond Corp.	94-28476111	Richmond, USA	100
AAK Zhangjiagang Ltd	913 205 920 885 469 71Q	Zhangjiagang, China	100
Aarhus 1 A/S	10112265	Aarhus, Denmark	100
Aarhus 3 A/S	16335770	Aarhus, Denmark	100
AarhusKarlshamn Hull Ltd	2193829	Hull, United Kingdom	100
AarhusKarlshamn Latin America S.A.	214947990014	Montevideo, Uruguay	100
AarhusKarlshamn Ltd	2747344	Hull, United Kingdom	100
AarhusKarlshamn Spain S.L	11174823	Madrid, Spain	100
Alba Fabrikers AB	556030-2183	Lund, Sweden	100
Allied Foods Ltd	500613	Hull, United Kingdom	100
Anglia Oils Ltd	1492748	Hull, United Kingdom	100
BIC Ingredients B.V.	56215819	s-Hertogenbosch, the Netherlands	100
Belico Holding AB	556537-0904	Karlshamn, Sweden	100
Book & Claim Ltd	5997462	Hull, United Kingdom	100
Ceylon Trading Co. Ltd.	J 333	Colombo, Sri Lanka	100
Chamber & Fargus Ltd	2352279	Hull, United Kingdom	100
Fondation (Centre de recherche sur l'arbre a karite)	00085852R	Satiri, Burkina Faso	100
Karlshamns International Plc	2366565	Hull, United Kingdom	100
Karlshamns UK Holdings Plc	83553	Hull, United Kingdom	100
KI Ghana Ltd	C-933	Tamale, Ghana	100
KNAR Benin Sarl	19 269B	Cotonou, Benin	100
Nutritionelle Ltd	1726044	Hull, United Kingdom	100
Rapsona	556759-4600	Malmö, Sweden	100
Rowallan Creamery Ltd	529393	Hull, United Kingdom	100
Tefac AB	556283-5214	Karlshamn, Sweden	100
Unicao Ltd	1492799	Hull, United Kingdom	100

- Introduction
- The big picture
- Our strategy
- Our business
- Risks & Risk management
- Financial and sustainability disclosures
 - Directors' Report
 - Sustainability statement
 - Corporate Governance Report
- Financial statements and notes
 - Financial statements Group and Parent company _____ 124
 - ◆ Notes _____ 136
 - Board of Directors and CEO assurance _____ 176
- Reports from auditor
- Other information

Note 17 Inventories

	Group	
	2025	2024
Raw materials and consumables	6,842	6,644
Goods in transit	1,586	1,921
Work in progress	2,113	2,035
Finished products and goods for resale	1,211	1,272
Total inventories	11,752	11,872

Impairment loss on inventories of SEK 19 million (18) is included in the Consolidated Income Statement in line items Raw materials and consumables and Changes in inventories of finished goods and work in progress.

Note 18 Cash and cash equivalents

	Group	
	2025	2024
Cash equivalents	1,531	1,619
Current investments	35	292
Total	1,566	1,911

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors’ Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company_____124

◆ **Notes _____136**

Board of Directors and CEO assurance _____176

Reports from auditor

Other information

Note 19Equity

Group				
Share capital				
As of December 31, 2025, the Group’s registered share capital was 260,451,002 shares (SEK 434,085,003).				
Reserves				
Statutory reserve				
The statutory reserve refers to a reduction of the share capital carried out previously.				
Hedging reserve				
The hedging reserve encompasses the effective portion of the accumulated net change in the fair value of a cash flow hedging instrument attributable to hedging transactions yet to take place.				
Translation reserve				
Translation reserves include all exchange differences that arise when translating financial statements from foreign operations whose financial statements are stated in currencies other than the Group’s presentation currency. The Parent company and the Group present their financial statements in SEK.				
Retained profits and profit for the year				
Retained profits and profit for the year include profits earned and retained by the Parent and subsidiaries, revaluation of the net pension commitment, long-term incentive program, new share issue and profit for the year.				
Treasury shares				
The Group owned a total of 0 (0) treasury shares as of December 31, 2025.				
Specification of equity item “Reserves”				
	Statutory reserve	Hedging reserve	Translation reserve	Total
2024 opening balance	5	10	530	545
Exchange differences	-	-10	467	457
2024 closing balance	5	0	997	1,002
2025 opening balance	5	0	997	1,002
Exchange differences	-	0	-2,547	-2,547
2025 closing balance	5	0	-1,550	-1,545

Parent company		
Share capital		
In accordance with the Articles of Association for AAK AB, share capital shall be a minimum of SEK 300 million and a maximum of SEK 1,200 million. All shares are fully paid and entitle the holder to equal voting rights and shares in Company assets. Share capital consists of 260,451,002 shares (259,559,202) at a quota value of SEK 1.67 per share, and shareholder equity of SEK 434,085,003 (432,598,670).		
Statutory reserve		
The statutory reserve refers to a reduction of the share capital carried out previously.		
Retained profit		
Retained profit includes non-restricted equity from the previous year after any dividend distribution together with the profit for the year. The total non-restricted equity is the amount available for dividends to shareholders.		
Proposed appropriation of profits		
In accordance with the Swedish Companies Act, the Board of Directors proposes appropriation of profits for the consideration and approval of the Annual General Meeting of the Shareholders.		

The Board of Directors proposes that		
the disposable profit brought forward	SEK	3,881,233,723
and profit/loss for the year	SEK	-215,212,206
Total	SEK	3,666,021,517

be appropriated as follows:		
To be distributed to shareholders, a dividend of SEK 5.50 per share	SEK	1,432,480,511
To be distributed to shareholders, an extraordinary dividend of SEK 3.85 per share	SEK	1,002,736,358
To be carried forward	SEK	1,230,804,648
Total	SEK	3,666,021,517

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company_____124

◆ Notes_____136

Board of Directors and CEO assurance_____176

Reports from auditor

Other information

Note 20Borrowings

Non-current	Group		Parent	
	2025	2024	2025	2024
Liabilities to banks and credit institutions	390	949	-	526
Total	390	949	-	526

Current	Group		Parent	
	2025	2024	2025	2024
Liabilities to banks and credit institutions	4,088	2,071	531	1,026
Total	4,088	2,071	531	1,026

Maturity for non-current borrowing is as follows:

	Group		Parent	
	2025	2024	2025	2024
Between 1 and 5 years	-	791	-	526
More than 5 years	390	158	-	-
Total	390	949	-	526

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
Financial statements Group and Parent company_____124
◆ Notes_____136
Board of Directors and CEO assurance_____176
Reports from auditor
Other information

Note 21Other provisions

Group	Restructuring	Environmental restoration	Legal	Other	Total
Opening balance, January 1, 2024	134	90	44	267	535
Provisions for the year	-	13	101	213	327
Provisions claimed for the year	-28	-	-	-129	-157
Reclassifications	-17	-	-	-1	-18
Reversal of unused amounts	-	-	-13	-56	-69
Exchange differences	-	2	-	2	4
Closing balance, December 31, 2024	89	105	132	296	622

Opening balance, January 1, 2025	89	105	132	296	622
Provisions for the year	128	-	16	132	276
Provisions claimed for the year	-73	-	-56	-85	-214
Reclassifications	12	-	-	-	12
Reversal of unused amounts	-	-	-1	-32	-33
Exchange differences	-	-6	-	-12	-18
Closing balance, December 31, 2025	156	99	91	299	645

Provisions include	2025	2024
Non-current	327	266
Current	318	356
Total	645	622

Restructuring
A provision for restructuring is reported when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either been started or published. No provisions are made for future operating expenses.

Environmental restoration
These provisions are primarily related to restoring contaminated land.

Legal
Provisions for legal claims relate to obligations arising from legal disputes such as expected settlement costs and directly attributable legal expenses.

Note 22Accrued expenses and deferred income

	Group		Parent	
	2025	2024	2025	2024
Employee-related expenses	622	686	82	84
Advance payments from customers	34	51	-	-
Other	975	1,473	11	5
Total	1,631	2,210	93	89

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

 Financial statements Group and Parent company _____ 124

◆ **Notes _____ 136**

 Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 23 Assets pledged

	Group		Parent	
	2025	2024	2025	2024
Collateral for provisions and liabilities				
Property mortgages	1,247	1,361	-	-
Total	1,247	1,361	-	-

Note 24 Contingent liabilities

	Group		Parent	
	2025	2024	2025	2024
Pension obligations	422	375	422	375
Total	422	375	422	375

Note 25 Related-party transactions

For the Parent, SEK 540 million (420), i.e. 100 percent (100) of sales were to Group companies. The Parent's purchasing from Group companies is related to administrative services of limited Scope. All transactions were carried out on commercial terms. As at December 31, 2025, the Parent had intragroup receivables of SEK 288 million (284) and intragroup liabilities of SEK 41 million (37).	In 2025, a management fee amounting to SEK 760,000 was paid to Melker Schörling AB. Besides transactions stated in Note 8 Remuneration of the Board of Directors and senior executives, and in the description of the Board of Directors on page 122, no transactions with related physical persons have taken place.
--	---

Note 26 Segment reporting

The Group's operations are organizationally divided into business areas based on product. The marketing organization also reflects this structure. All transactions between business areas are recognized at market value. Assets and liabilities not attributed to a business area include tax assets and tax liabilities, financial investments and financial liabilities, as well as cash and cash equivalents and interest-bearing receivables.	The external sales are based on where our customers are located. The carrying amounts of assets and the direct investment in plant for the period are determined by the location of the assets. Segment-based reporting is prepared in accordance with the accounting policies described in Note 2 "Accounting Policies".
--	---

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 26 Segment reporting

Reporting by business area					
2025	Food Ingredients	Chocolate & Confectionery Fats	Technical Products & Feed	Group Functions	Group
External sales	28,188	15,517	2,316	-	46,021
Operating profit	3,034	2,022	187	-568	4,675
Assets	14,872	13,828	1,323	87	30,110
Unallocated assets	-	-	-	-	2,512
Total assets	14,872	13,828	1,323	87	32,622
Liabilities	3,581	2,553	405	360	6,899
Unallocated liabilities	-	-	-	-	5,755
Total liabilities	3,581	2,553	405	360	12,654
Investments	768	418	79	38	1,303
Depreciation, amortization and impairment loss	496	277	50	14	837

Reporting by market					
2025	Europe	North and South America	Asia	Other countries	Total
External sales	16,608	21,381	7,253	779	46,021
of which Mexico	-	5,947	-	-	5,947
of which Sweden	3,235	-	-	-	3,235
of which United Kingdom	3,345	-	-	-	3,345
of which USA	-	8,033	-	-	8,033
Intangible assets and property, plant and equipment	5,577	3,408	1,410	318	10,713
of which Denmark	2,088	-	-	-	2,088
of which Sweden	1,512	-	-	-	1,512
of which United Kingdom	1,265	-	-	-	1,265
of which USA	-	1,863	-	-	1,863
Other assets	9,025	8,358	3,249	1,277	21,909
Total assets	14,602	11,766	4,659	1,595	32,622
Investments	729	512	53	9	1,303

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 26 Segment reporting

Reporting by business area					
2024	Food Ingredients	Chocolate & Confectionery Fats	Technical Products & Feed	Group Functions	Group
External sales	28,758	13,961	2,333	-	45,052
Operating profit	3,071	1,983	176	-334	4,896
Assets	14,457	15,215	1,072	523	31,267
Unallocated assets	-	-	-	-	3,119
Total assets	14,457	15,215	1,072	523	34,386
Liabilities	4,570	4,215	418	223	9,426
Unallocated liabilities	-	-	-	-	4,811
Total liabilities	4,570	4,215	418	223	14,237
Investments	703	411	86	45	1,245
Depreciation, amortization and impairment loss	527	274	48	13	862

Reporting by market					
2024	Europe	North and South America	Asia	Other countries	Total
External sales	17,381	20,192	6,921	558	45,052
of which Mexico	-	5,751	-	-	5,751
of which Sweden	3,250	-	-	-	3,250
of which United Kingdom	3,518	-	-	-	3,518
of which USA	-	9,336	-	-	9,336
Intangible assets and property, plant and equipment	5,518	3,655	1,712	362	11,247
of which Denmark	2,170	-	-	-	2,170
of which Sweden	1,316	-	-	-	1,316
of which United Kingdom	1,355	-	-	-	1,355
of which USA	-	2,149	-	-	2,149
Other assets	9,650	7,843	4,725	921	23,139
Total assets	15,168	11,498	6,437	1,283	34,386
Investments	680	506	48	11	1,245

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

◆ Notes _____ 136

Board of Directors and CEO assurance _____ 176

Reports from auditor

Other information

Note 27 Supplemental cash flow statement

	Group		Parent	
	2025	2024	2025	2024
Sales of operations	-	44	-	-
Sales of non-current assets	2	3	-	-
Changes in pensions and provisions	1	131	-1	6
Unrealized exchange rate effects	-382	144	-	-
Long-term incentive	13	22	41	5
Obligation for delivery of shares to LTI-program	-	-53	-	-53
Others	-17	192	6	6
Total	-383	483	46	-36

Cash flow from financing activities

Group	Dec 31, 2024	Cash flows	Changes that do not affect cash flow			Dec 31, 2025
			Reclassification	Exchange rate effects	IFRS 16 Leases	
Non-current financial assets	90	10	-	-3	-	97
Current financial assets	57	-4	-	0	-	53
Non-current financial liabilities	1,360	-36	-500	-24	-59	741
Current financial liabilities	2,222	1,418	500	-41	107	4,206
Total liabilities from financing activities	3,435	1,376	-	-62	48	4,797

Group	Dec 31, 2023	Cash flows	Changes that do not affect cash flow			Dec 31, 2024
			Reclassification	Exchange rate effects	IFRS 16 Leases	
Non-current financial assets	79	10	-	1	-	90
Current financial assets	599	-542	-	0	-	57
Non-current financial liabilities	2,600	-34	-1,000	14	-220	1,360
Current financial liabilities	1,896	-843	1,000	4	165	2,222
Total liabilities from financing activities	3,818	-345	-	17	-55	3,435

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
Financial statements Group and Parent company_____124
Notes_____136
Board of Directors and CEO assurance_____176
Reports from auditor
Other information

Note 27 Supplemental cash flow statement

Parent	Dec 31, 2024	Cash flows	Changes that do not affect cash flow		Dec 31, 2025
			Reclassification	IFRS 16 Leases	
Non-current financial assets	10	-6	-	-	4
Current financial assets	2	-2	-	-	0
Non-current financial liabilities	539	-25	-500	-2	12
Current financial liabilities	1,031	-1,001	500	7	537
Total liabilities from financing activities	1,558	-1,018	-	5	545

Parent	Dec 31, 2023	Cash flows	Changes that do not affect cash flow		Dec 31, 2024
			Reclassification	IFRS 16 Leases	
Non-current financial assets	4	6	-	-	10
Current financial assets	-	2	-	-	2
Non-current financial liabilities	1,517	26	-1,000	-4	539
Current financial liabilities	1,505	-1,479	1,000	5	1,031
Total liabilities from financing activities	3,018	-1,461	-	1	1,558

Note 28 Events after the balance sheet date

No significant events to be reported after the end of the reporting period.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Financial statements Group and Parent company _____ 124

Notes _____ 136

◆ **Board of Directors and CEO assurance _____ 176**

Reports from auditor

Other information

Assurance by the Board of Directors and CEO

The consolidated income statement and balance sheet will be presented to the Annual General Meeting on May 8, 2026 for adoption.

The Board of Directors and the Chief Executive Officer declare that the consolidated financial statements have been prepared in accordance with IFRS International Accounting Standards, as adopted by the EU, and provide a true and fair view of the Group's financial position and results. The Parent company's annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and provide a true and fair view of the Parent company's financial position and results. The annual and consolidated accounts have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications of the Taxonomy Regulation, as adopted by the EU.

The Directors' Report provides a true and fair view of the Parent company's and Group's operations, financial position and results and describes the material risks and uncertainties facing the Parent and the companies included in the Group.

Malmö, April 8, 2026

Patrik Andersson Chairman of the Board	Johan Westman President and CEO	Märta Schörling Andreen Board member
Nils-Johan Andersson Board member	Fabienne Saadane-Oaks Board member	Ian Roberts Board member
David Alfredsson Employee representative	Lena Nilsson Employee representative	

Our auditor's report regarding the annual accounts and the consolidated accounts was issued on April 9, 2026.

Our limited assurance report regarding the statutory sustainability statement was issued on April 9, 2026.

Ernst & Young AB

Henrik Jonzén
Authorized Public Accountant
Auditor in charge

Introduction
 The big picture
 Our strategy
 Our business
 Risks & Risk management

Financial and sustainability disclosures

Directors' Report
 Sustainability statement
 Corporate Governance Report
 Financial statements and notes

Reports from auditor
 ♦ **Auditor's Report** 177
 Auditor's limited assurance report on sustainability statement 182

Other information

Auditor's Report

To the general meeting of the shareholders of AAK AB (publ.), corporate identity number 556669-2850

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AAK AB (publ.) except for the sustainability report on pages 50–115 and the corporate governance statement on pages 116–123 for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 44–176 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 50–115 and the corporate governance statement on pages 116–123. The statutory administration report is consistent

with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014)

Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Matters

The audit of the annual accounts for 2024 was performed by another auditor who submitted an auditor's report dated April 8, 2025, with unmodified opinions in the Report on the annual accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

◆ Auditor's Report 177

Auditor's limited assurance report on sustainability statement 182

Other information

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–43, 50–115 and 184–189. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained

Valuation and accounting of inventory and sales and purchase contracts and related commodity derivative instruments	
Description	How our audit addressed this key audit matter
The Group applies fair value hedge accounting to hedge its exposure to raw material price risks in inventory and uses financial instruments as hedging instruments. This means that a change in the market price of raw materials affects both the value of the hedging instruments (the derivatives) and the value of the hedged item (the inventory). Sales and purchase contracts are measured at fair value through the application of the fair value option in IFRS 9. As of December 31, 2025, the carrying amount was SEK 11,752 million for inventory and SEK 792 million for commodity derivatives and sales and purchase contracts in assets, and SEK 688 million in liabilities. The management of raw material price risks is described in Note 3. The accounting policies are presented in Note 2. Key estimates and judgments are described in Note 4. Given the complexity of fair value calculations, the magnitude of these balance sheet items, and the fact that AAK must make judgments and assumptions when determining fair value and assessing the accounting, the valuation and accounting of inventory and sales and purchase contracts, as well as the related commodity derivatives, have been considered a key audit matter.	Our audit of the hedged item (the inventory) and the sales and purchase contracts as well as the commodity derivative instruments has included: • Evaluating the company's process and controls for managing exposure to raw material price risks. • Assessing the company's valuation method. • On a sample basis, verify the market prices used in the valuation. • Checking the calculations by performing our own independent valuations on a sample basis. • Assessing that the applied selected accounting principles have been applied correctly. • Reviewing the disclosures provided in the financial reports.

in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with

IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

◆ Auditor's Report 177

Auditor's limited assurance report on sustainability statement 182

Other information

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual

accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction,

supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned Scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

◆ Auditor's Report 177

Auditor's limited assurance report on sustainability statement 182

Other information

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AAK AB (publ.) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

◆ **Auditor's Report** _____ 177

 Auditor's limited assurance report on sustainability statement _____ 182

Other information

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for AAK AB (publ.) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of AAK AB (publ.) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing

Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that

enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 116–123 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's

examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in Scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of AAK AB (publ.) by the general meeting of the shareholders on May 8, 2025 and has been the company's auditor since May 8, 2025.

Stockholm April 9, 2026
Ernst & Young AB

Henrik Jonzén
Authorized Public Accountant

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Auditor's Report _____ 177

◆ **Auditor's limited assurance report on sustainability statement _____ 182**

Other information

Auditor's limited assurance report on sustainability statement

To the General Meeting of the shareholders AAK AB (publ.), corporate identity number 556669-2850

Conclusion

We have conducted a limited assurance engagement of the sustainability statement prepared by AAK AB (publ.) (the company) for the financial year 2025. The sustainability statement is included on pages 50–115 of this document.

Based on our limited assurance engagement as described in the section Auditor's Responsibility, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects, prepared in accordance with the Swedish Annual Accounts Act, which includes:

- Whether the sustainability statement meets the requirements of ESRS
- Whether the process carried out by the company to identify reported sustainability information has been conducted as described in the sustainability statement; and
- Compliance with the reporting requirements in Article 8 of the EU's Green Taxonomy Regulation.

Basis for Conclusion

We have conducted the limited assurance engagement in accordance with FAR's

recommendation RevR 19 – *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Our responsibility under this recommendation is described in more detail in the section Auditor's Responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information than the sustainability statement

This document also contains other information than the sustainability statement, found on pages 1–49, 116–176 and 184–189. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any conclusion with assurance regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance

engagement and assess whether the information otherwise appears to be materially misstated.

If we based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The sustainability statement for the previous financial year 2024 has not been subject to a limited assurance engagement according to RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Therefore, no limited assurance engagement of comparative figures in the sustainability statement for 2025 has been performed.

Responsibilities of the Board of Directors and Managing Director

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the

Managing Director determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion whether the sustainability statement is prepared in accordance with Chapter 6, Sections 12–12 f of the Swedish Annual Accounts Act based on our limited assurance engagement.

The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Auditor's Report _____ 177

◆ **Auditor's limited assurance report on sustainability statement** _____ 182

Other information

engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement, and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards of professional practice, and applicable laws and regulations.

We are independent of AAK AB (publ.) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities according to these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of

persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our review procedures regarding the sustainability statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included.
- Evaluating whether the structure and presentation of the sustainability statements are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the sustainability statements;
- Performing substantive review procedures of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Our review procedures regarding the process the company have undertaken to identify sustainability information to report included, but were not limited to the following:

- Obtaining an understanding of the process by conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the company aligns with the description of the process on pages 60–61 in the sustainability statement.

Our review procedures regarding the taxonomy disclosures included, but were not limited to the following:

- Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability statement.
- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures;
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures;
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation.

Inherent limitations

In reporting forward-looking information in accordance with ESRS, the board and management of AAK AB (publ.) must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of AAK AB (publ.). Actual outcomes are likely to differ, as expected events often do not occur as anticipated.

Stockholm, April 9, 2026
Ernst & Young AB

Henrik Jonsén
Authorized Public Accountant

This is the translation of the auditor's limited assurance report in Swedish.

- Introduction
- The big picture
- Our strategy
- Our business
- Risks & Risk management
- Financial and sustainability disclosures
 - Directors' Report
 - Sustainability statement
 - Corporate Governance Report
 - Financial statements and notes
 - Reports from auditor
- Other information
 - Alternative Performance Measures 184
 - Alternative Performance Measures (APMs) and other financial definitions 188
 - Financial calendar and Annual General Meeting 189

Alternative Performance Measures (APMs)

Organic volume growth %	2025	2024
Food Ingredients		
Organic volume growth	-2	+1
Acquisitions/divestments	-8	-
Volume growth	-10	+1
Chocolate & Confectionery Fats		
Organic volume growth	-6	+8
Volume growth	-6	+8
Technical Products & Feed		
Organic volume growth	+1	0
Volume growth	+1	0
AAK Group		
Organic volume growth	-3	+2
Acquisitions/divestments	-5	-
Volume growth	-8	+2
EBITDA		
SEK million	2025	2024
Operating profit (EBIT)	4,675	4,896
Depreciation, amortization and impairment losses	882	862
EBITDA	5,557	5,758

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

◆ **Alternative Performance Measures** _____ **184**

Alternative Performance Measures (APMs) and other financial definitions _____ 188

Financial calendar and Annual General Meeting _____ 189

Alternative Performance Measures (APMs)

Operating profit excluding items affecting comparability (IAC) and divested operation

SEK million

	2025	2024
Food Ingredients		
Operating profit excl. IAC and divested operation	3,034	2,987
Divested operation	-	84
Operating profit	3,034	3,071
Chocolate & Confectionery Fats		
Operating profit excl. IAC and divested operation	2,022	1,983
Operating profit	2,022	1,983
Technical Products & Feed		
Operating profit excl. IAC and divested operation	187	176
Operating profit	187	176
Group Functions		
Operating profit excl. IAC and divested operation	-318	-334
Cost performance program	-250	-
Operating profit	-568	-334
AAK Group		
Operating profit excl. IAC and divested operation	4,925	4,812
Cost performance program	-250	-
Divested operation	-	84
Operating profit	4,675	4,896

Introduction
The big picture
Our strategy
Our business
Risks & Risk management
Financial and sustainability disclosures
Directors' Report
Sustainability statement
Corporate Governance Report
Financial statements and notes
Reports from auditor
Other information
◆ Alternative Performance Measures _____ 184
Alternative Performance Measures (APMs) and other financial definitions _____ 188
Financial calendar and Annual General Meeting _____ 189

Alternative Performance Measures (APMs)

Return on Capital Employed excluding items affecting comparability (R12M) SEK million	2025	2024
Total assets	32,968	32,246
Cash and cash equivalents	-1,493	-1,523
Financial assets	-68	-291
Accounts payables	-3,508	-3,974
Other non-interest-bearing liabilities	-4,386	-4,609
Capital employed	23,513	21,849
Operating profit	4,925	4,896
Return on Capital Employed excluding items affecting comparability (R12M), %	20.9	22.4
Net working capital SEK million	2025	2024
Inventory	11,752	11,872
Accounts receivables	5,834	5,793
Other current receivables, non-interest-bearing	2,207	3,007
Accounts payables	-2,970	-4,121
Other current liabilities, non-interest-bearing	-3,587	-5,359
Net working capital	13,236	11,192
Net debt SEK million	2025	2024
Non-current interest-bearing receivables	0	0
Current interest-bearing receivables	53	57
Cash and cash equivalents	1,566	1,911
Pension liabilities	-30	-82
Lease liabilities	-460	-551
Non-current liabilities to banks and credit institutions	-390	-949
Current liabilities to banks and credit institutions	-4,088	-2,071
Other interest-bearing liabilities	-9	-11
Net debt	-3,358	-1,696

- Introduction
- The big picture
- Our strategy
- Our business
- Risks & Risk management

Financial and sustainability disclosures

- Directors' Report
- Sustainability statement
- Corporate Governance Report
- Financial statements and notes
- Reports from auditor
- Other information
 - Alternative Performance Measures 184
 - Alternative Performance Measures (APMs) and other financial definitions 188
 - Financial calendar and Annual General Meeting 189

Alternative Performance Measures (APMs)

Net debt/EBITDA SEK million	2025	2024
Net debt	3,358	1,696
EBITDA (R12M)	5,557	5,758
Net debt/EBITDA, multiple	0.60	0.29

Equity to assets ratio SEK million	2025	2024
Equity attributable to Parent's shareholders	19,897	20,087
Non-controlling interests	71	62
Total equity	19,968	20,149
Total assets	32,622	34,386
Equity to assets ratio, %	61.2	58.6

Introduction

The big picture

Our strategy

Our business

Risks & Risk management

Financial and sustainability disclosures

Directors' Report _____ 45

Sustainability statement

Corporate Governance Report

Financial statements and notes

Reports from auditor

Other information

Alternative Performance Measures _____184

◆ **Alternative Performance Measures (APMs) and other financial definitions _____188**

Financial calendar and Annual General Meeting ____189

Alternative Performance Measures (APMs) *and other financial definitions*

AAK presents Alternative Performance Measures (APMs) that are not defined in the financial reporting framework IFRS. APMs are used as guidance to the Group's management and external stakeholders in their analysis of the Group's operations and are considered as a supplement to the financial statements prepared in accordance with IFRS. AAK uses the following APMs:

Organic volume growth, EBITDA, Operating profit excluding items affecting comparability (IAC), Return on Capital Employed (ROCE), Net working capital, Net debt, Net debt/EBITDA and Equity/asset ratio. See pages 184–187 for calculations. See definitions of the APMs and other performance measures below.

Cash and cash equivalents

Cash and bank balances and short-term investments with a maturity of less than three months.

Capital employed

Total assets less cash and cash equivalents, other interest-bearing receivables, non-interest-bearing operating liabilities, but excluding deferred tax.

Direct yield

Dividend per share in relation to the share price at the reporting date. Expressed in percent.

Dividend pay-out ratio

Dividend in relation to the net profit for the year. Expressed in percent.

Earnings per share

Net profit for the year attributable to the Parent company shareholders divided by the average number of shares on the reporting date.

EBITDA

Earnings before interest, tax, depreciation and amortization.

Equity/assets ratio

Equity including non-controlling interests in relation to total assets. Expressed in percent.

Equity per share

Equity excluding non-controlling interests divided by the average number of shares on the reporting date.

Net debt

Interest-bearing liabilities (incl. pension liabilities and financial leases) less Cash and cash equivalents and other current interest-bearing receivables.

Net debt/EBITDA

Net debt in relation to EBITDA calculated on a rolling 12 months basis. Expressed as a multiple of EBITDA.

Net working capital

Non-interest-bearing current assets less non-interest-bearing current liabilities.

Operating profit excluding items affecting comparability (IAC)

Operating profit excluding acquisition, divestment and restructuring costs and other items affecting comparability if material.

Operating profit per kilo

Operating profit in relation to volume.

Organic volume growth

Total volume growth excluding effects of acquisitions/divestments. Expressed in percent.

Return on Capital employed (ROCE)

Operating profit excl. items affecting comparability in relation to average capital employed, calculated on a rolling 12 months basis. Expressed in percent.

Share price/equity

Share price in relation to equity per share.

Volume

Volume of sold products. Expressed in metric tonnes.

Introduction
The big picture
Our strategy
Our business
Risks & Risk management

Financial and sustainability disclosures

Directors' Report _____	45
Sustainability statement	
Corporate Governance Report	
Financial statements and notes	
Reports from auditor	
Other information	
Alternative Performance Measures _____	184
Alternative Performance Measures (APMs) and other financial definitions _____	188
 Financial calendar and Annual General Meeting _____	189

Financial calendar and *Annual General Meeting*

Reporting schedule

AAK AB (publ.) will provide financial information for the 2026 financial year on the following occasions:

- The interim report for the first quarter will be published on April 28.
- The interim report for the second quarter will be published on July 17.
- The interim report for the third quarter will be published on October 23.
- The fourth quarter and year-end report 2026 will be published on February 5, 2027.

Interim reports, press releases, and Annual Reports are available in English and Swedish at www.aak.com.

Annual General Meeting

AAK AB's Annual General Meeting will take place on Friday, May 8, 2026, in Malmö, Sweden.

Notice of Annual General Meeting

Notice of the Annual General Meeting is published in Post- och Inrikes Tidningar and on the company's website, including a complete agenda. In addition, an advertisement regarding the Annual General Meeting being convened will be published in Svenska Dagbladet.

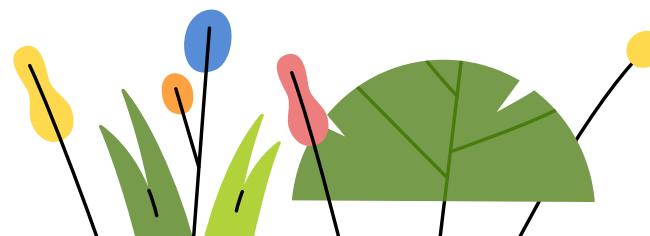
Address

AAK AB (publ.)

Pulpetgatan 20
215 37 Malmö, Sweden
Telephone: +46 (0)40 627 83 00
Email: info@aab.com
www.aak.com
Corporate identity no. 556669-2850

For further information, please visit our website at www.aak.com.

This document is a translation of the Swedish language version. In the event of any discrepancies between the translation and the original Swedish AAK Annual Report 2025, the latter shall prevail.



Everything we do is about Making Better Happen™

We specialize in plant-based oils that are the value-adding ingredients in the products people love to consume. We make these products better tasting, healthier, and more sustainable.

At the heart of AAK's offering is Customer Co-Development, combining our desire to understand what better means for each customer with the unique flexibility of our production assets and deep knowledge across products and industries. 4,000 employees support our close collaboration with customers through 25 regional sales offices, 16 dedicated Customer Innovation Centers and 19 production facilities.

Listed on Nasdaq Stockholm and with our headquarters in Malmö, Sweden, AAK has been Making Better Happen™ for more than 150 years.



Explore more at
www.aak.com

Or contact us at
info@aab.com

Copyright © 2025 AAK AB (publ.). Published by AAK AB.
Graphics and original: Solberg Kommunikation AB, www.johnjohns.se, Soja animationsstudio. Photography: AAK, Martin Sörbo + EDISEN, Bengt Nyberg, Max Alm-Norell, Søren Gammelmark, Giel Cambre, JS Sverige, Thomas Hergaard, Sophie Håkansson, Picasa, Torbjörn Lagerwall, Getty Images, Adobe Stock.