Shea post-harvest progress report 2019

The Co-Development Company
AAK is proud to present the latest results of our responsible sourcing activities in our shea supply chains. Since our last shea progress report published in June 2019 the industry has harvested the 2019/2020 crop – and it was a good one from a volume point of view!

AAK’s teams in West Africa have been working tirelessly to source the kernels we need to supply our customers with the best quality products we can. This report is our post-harvest progress report representing all progress between July 2019 and January 2020.

We are starting the report with a stronger focus on the traditional shea supply chain with an introduction to one of AAK’s newly established sourcing offices in Nigeria as well as a highlight of the competitive market scene in Ghana. We continue with an insight into ISCC certification and what value it can bring to side streams. We will round up the traditional supply chain chapter with an associated dashboard. We have decided to make a clearer split between the traditional supply chain and our Kolo Nafaso supply chain in this report to highlight the characteristics of each supply chain in the best possible way. One highlight of the traditional dashboard in this report is our increased transparency of supplier engagement showing the scores of eight countries instead of five. The reason is that we have now established constant and stable business relationships with Nigeria, Guinea and Togo and would like to track our progress on supplier engagement as well. Another highlight is a newly introduced KPI called “Number of trees planted” which will track AAK’s new engagement in rejuvenating the shea belt. We are also highlighting this in the short article at page 8.

The second part of the report starts with the Kolo Nafaso dashboard.

AAK is celebrating 10 years of Kolo Nafaso in 2019. We are very happy to introduce a new country to the family, which is delivering the first Kolo Nafaso kernels this season – Ivory Coast! Read all about their first experiences in this report.

As introduced in our pre-harvest report, we have conducted an impact assessment of Kolo Nafaso in Ghana and Burkina Faso. We are sharing the key results in this report. Finally, we would like to conclude the report with two great examples of team work highlighting our great partnerships with our customers Beiersdorf and Cloetta.

Enjoy the reading!
Expanding our foothold in the conventional supply chain

Shea is an important raw material for AAK and therefore we are constantly trying to improve our local sourcing organization in West Africa. In 2019 we have expanded our local presence into Nigeria, with quite some success so far.

Nigeria is a special country in Africa: In terms of scale you can fit Ivory Coast, Ghana and Burkina Faso in it and most of the land area is suitable for growing shea trees. On top of that Nigeria is the most populated country in Africa with nearly 200 million inhabitants, this also means a lot of potential to empower shea collectors!

The 2019/2020 shea crop was abundant, and the AAK Nigeria team has been able to source good volumes. This was very important to prove that Nigeria is a valuable addition to the already established shea sourcing countries.

As a new sourcing area, the main challenge has been to structure the conventional supply chain to get the volumes we are looking for. In parallel, by creating this new supply chain, the idea is to align the local way of doing business with the AAK values. This also means helping to transform from a rather informal business climate to a more formal and professional industry in respect of monitoring flows and ethics to make it fit with our way of doing business.

While doing all this, the team is dealing on a daily basis with the challenges of operating in Nigeria, like a lack of essential infrastructure (e.g. roads, harbor) and security issues.

For the coming season, we are looking at improving the quality of shea kernels by providing educational material to the women to enable them to process the kernels in the bush in the best and most efficient way.

The general idea for the future is put more focus on the shea industry in Nigeria to stimulate the protection of trees and to make shea a valuable resource for the country as well as for AAK.

Progressing on responsible sourcing in shea – two parallel supply chains

Traditional supply chain
- No plantations – agroforestry
- Extensive network of middlemen providing logistics
- Important extra income for individual women

Kolo Nafaso – Women’s groups supply chain
- AAK has taken responsibility as market leader
- Direct sourcing from women
- Extension officers providing extra training and support

Traditional Shea Supply Chain

AAK’s women groups supply chain

Women organized in groups
AAK Extension officers training and educating the women
AAK
Insight into the competitive market of shea in Ghana

The team in Ghana has prepared themselves for an intense season, expecting large volumes of shea kernels – but also a lot of competition.

The Ghanaian market is important when it comes to the shea producing countries in West Africa since it is perceived as a relatively safe space to conduct business, politically and economically. The result is a competitive and fragmented market as small companies are setting up direct sourcing supply chains while large actors are active in the market as well. Furthermore, there are a lot of processing facilities installed in Ghana which further incentivize bigger players to source there.

AAK has responded by establishing new and creative ways of sourcing the kernels. For example, they have started to buy smaller parcels directly at the AAK yard in the center of Tamale. This has brought a significant number of women to our gates to sell their kernels directly to us. This means they are no longer exclusively dependent on middlemen to bring their kernels to the market.

As a result the 2019/2020 season for AAK in Ghana has been a record year. The team managed to source more kernels in the conventional supply chain in Ghana than ever before, while also growing the Kolo Nafaso program to record numbers.
ISCC certification in the conventional shea supply chain

AAK maintains an ISCC-EU certification of the Shea supply chain originating from Benin, Burkina Faso and Ivory Coast. The certification covers the supply chain from collecting the shea kernels to the processing of shea products at our production facility in Denmark.

International Sustainability & Carbon Certification (ISCC) is an organisation with the objectives to contribute to the implementation of environmentally, socially and economically sustainable production and the use of all kinds of biomass in global supply chains.

The ISCC way:
- Implementing social and ecological sustainability criteria
- Monitoring deforestation-free supply chains
- Avoiding conversion of biodiverse grassland
- Calculating and reducing GHG emissions
- Establishing traceability in global supply chains

ISCC certification is important for the biofuel sector to verify that the biomass used to create the fuels have a significantly smaller environmental footprint than conventional fuels. The products can be claimed as sustainable if the requirements in both the EU RED directive (EU Directive 2009/28 article 17) and the ISCC 202 are fulfilled (see fact box). Maintaining the ISCC certification for our shea supply chain enables AAK to create a maximal value for our side streams from processing shea kernels, such as shea meal and sometimes shea olein. Both shea meal and shea olein can be used in biofuel applications, however AAK promotes the use of shea olein in our food or personal care products above the use for biofuel applications. For each ton shea meal used to replace mineral fuel (light fuel) there is a saving of 1.3 ton CO₂ equivalents.

Maximizing the value of all side streams is a way to increase the value of shea as a whole and to increase efficiency in the industry.

EU RED requirements:
1. The savings of greenhouse gases using biofuel must be at least 50% (60% if processed at newer plants) compared to conventional fuel.
2. The biofuels must not originate from raw materials obtained from areas:
   a. With high biodiversity
   b. With high carbon stock
   c. Which were peatland in 2008

ISCC 202 requirements (six ISCC principles):
1. Protection of land with high biodiversity value or high carbon stock (similar to EU RED requirement 2)
2. Environmentally responsible production to protect soil, water and air
3. Safe working conditions
4. Compliance with human, labour and land rights
5. Compliance with laws and international treaties
6. Good management practices and continuous improvement
The AAK Shea Dashboard

Supplier engagement in the traditional Shea supply chain

% of suppliers having signed the Code of Conduct – 2019

- Burkina Faso: 100%
- Ghana: 91%
- Benin: 100%
- Guinea: 100%
- Ivory Coast: 80%
- Mali: 79%
- Togo: 82%
- Nigeria: 97%

Employee statistics

West Africa

Number of permanent AAK employees in West Africa

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>95</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td>2017</td>
<td></td>
<td></td>
<td></td>
<td>245</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>285</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>396</td>
</tr>
</tbody>
</table>

% increase between 2017 and 2019: 62%

% of employees having signed the AAK Code of Conduct:
- Shea: 100%
- Anti-corruption: 100%
- Competition law: 100%
- Sustainability: 100%
- Benin: 100%
- Ghana: 100%
- Togo: 82%
- Nigeria: 97%

% of target group trained:
- Anti-corruption: 100%
- Competition law: 100%
- Sustainability: 100%
- Shea: 100%

% of employees trained in first aid: 99%

4,700 numbers of trees planted in 2019

AAK Shea supply base map

Guinea | Mali | Ivory Coast | Burkina Faso | Ghana | Togo | Benin | Nigeria
Traditional supply chain:

Code of Conduct for suppliers of raw materials
In 2019 we are significantly increasing the number of countries we are reporting about since we have increased our footprint in the area and these countries have become stable contributors to our traditional supply chain. The Code of Conduct for suppliers of raw materials is the foundation of our work, but we still see some gaps to close at the end of 2019 with an average score of 91% of suppliers having signed the Code of Conduct for Suppliers of Raw Materials in West Africa. Our supplier base is dynamic, some join AAK while others leave. In the 2019/2020 season many suppliers have joined due to the high demand for kernels and good harvest. We are working on getting them fully integrated into AAK’s way of working. At the time of reporting 91% of the West African suppliers have signed the Code of Conduct for suppliers of raw materials.

Training of employees
As our employee base in West Africa is continuously expanding. We are making sure that every new employee has access to and are provided with relevant trainings. Some functions in AAK require specific training related to sustainability topics. Currently, 100 percent of our relevant employees in West Africa have received training on anti-corruption, competition law, shea and CSR.

Traceability
On page 6 you can see our shea supply base map showing the origin of the shea that AAK is buying this season. 100% of our shea kernels are originating from these regions.

Employee statistics
We are continuously increasing the number of people employed in West Africa. Between 2017 and 2019 we have increased by 62% from 245 to 396 people employed. Especially important is that the jobs are created in regions with limited other job opportunities.
As an important player in the shea industry AAK sees the importance to contribute to the conservation and rejuvenation of the shea belt. Next to the training we are already providing to parts of our Kolo Nafaso members regarding pruning and protecting the trees, in 2019 we have taken the step to actively contribute to replanting new trees in Western Burkina Faso.

In order to facilitate this new project a partnership was established between AAK, GIZ and the Program for the Protection and Rehabilitation of degraded lands and strengthening of local land in rural areas of Burkina Faso (ProSol-Burkina Faso). The ambition of the partnership was to contribute to the mitigation of loss of shea trees, the reducing degradation of local ecosystems and the reduction of poverty.

As part of this partnership, shea seedlings were given to residents of the villages of Tiarako and Mogobasso in western Burkina Faso. People were trained on the best practices to plant and nurture shea trees in order to increase the survival rate of the seedlings. In total 4,700 seedlings have been distributed and planted by the people.

Periodic follow up of the project is crucially important to assist people in taking care of the shea trees and to improve our knowledge of best practice shea planting.

This initiative is the beginning of a new way of contributing for AAK to the long-term flourishing of the shea belt and we are excited to see the results grow.
Kolo Nafaso Dashboard (women’s groups)

Direct engagement on women’s groups level

72% increase between 2018 and 2019

Number of women enrolled in Burkina Faso and Ghana

<table>
<thead>
<tr>
<th>Year</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4,300</td>
</tr>
<tr>
<td>2010</td>
<td>7,613</td>
</tr>
<tr>
<td>2011</td>
<td>14,304</td>
</tr>
<tr>
<td>2012</td>
<td>35,579</td>
</tr>
<tr>
<td>2013</td>
<td>64,919</td>
</tr>
<tr>
<td>2014</td>
<td>94,473</td>
</tr>
<tr>
<td>2015</td>
<td>119,527</td>
</tr>
<tr>
<td>2016</td>
<td>131,607</td>
</tr>
<tr>
<td>2017</td>
<td>134,261</td>
</tr>
<tr>
<td>2018</td>
<td>230,876</td>
</tr>
</tbody>
</table>

100% traceable and segregated*

*The shea kernels from Kolo Nafaso are fully traceable to the women’s groups program in Burkina Faso, Ghana and Ivory Coast. See the map below for the specific regions our Kolo Nafaso kernels are originating from. (please see below for instructions regarding this map)

AAK engagement level

Number of bank accounts AAK has opened for the women’s groups

<table>
<thead>
<tr>
<th>Year</th>
<th>Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>961</td>
</tr>
<tr>
<td>2016</td>
<td>1,789</td>
</tr>
<tr>
<td>2017</td>
<td>2,147</td>
</tr>
<tr>
<td>2018</td>
<td>2,616</td>
</tr>
<tr>
<td>2019</td>
<td>4,249</td>
</tr>
</tbody>
</table>

Number of village visits by AAK extension officers

<table>
<thead>
<tr>
<th>Year</th>
<th>Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/17</td>
<td>11,664</td>
</tr>
<tr>
<td>2017/18</td>
<td>13,365</td>
</tr>
<tr>
<td>2019/20</td>
<td>16,729</td>
</tr>
</tbody>
</table>

Number of rocket stoves built

<table>
<thead>
<tr>
<th>Year</th>
<th>Stoves</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>306</td>
</tr>
<tr>
<td>2017</td>
<td>1,320</td>
</tr>
<tr>
<td>2018</td>
<td>1,836</td>
</tr>
<tr>
<td>2019</td>
<td>2,456</td>
</tr>
</tbody>
</table>

Kolo Nafaso

This season we have been able to increase the number of women enrolled in our Kolo Nafaso program from 134,261 in 2018 to 230,876 in 2019. This is an increase of 96,615 women and nearly 72 percent. We are now operating in Burkina Faso, Ghana and Ivory Coast. The increase in membership was possible due to a very strong performance of all teams in West Africa and especially Ghana who have more than doubled their overall number of women enrolled compared to 2018. While we are still expecting to grow the program in the coming years, we do not expect to see the same growth rate every year, because we also have to grow our organization to take care of larger numbers of members.

Traceability

All shea kernels from Kolo Nafaso are fully traceable to the women’s groups program, which means they come from our women’s groups in Burkina Faso, Ghana and Ivory coast. The Kolo Nafaso kernels are kept separate from the traditional kernels. We are for the first time showing the specific regions of origin of our Kolo Nafaso kernels in this progress report.
AAK Ivory Coast started Kolo Nafaso in February 2019 in the north-eastern part of the country, setting up our logistic base in the town of Bondoukou. The local authorities and people were very welcoming and they quickly saw AAK as a potential partner.

We started the program by spending weeks driving around in the villages. Are there shea trees? How are communities organized? Are women collecting the nuts? These are questions we tried to answer. We met community leaders and women, explained them the Kolo Nafaso system and tried to figure out if we could work together.

As feedbacks were positive, we started to recruit extension officers. Because of languages and cultures, it was important to recruit local people with a good knowledge of the area and strong communication skills.

"The Kolo Nafaso Program is a great employment opportunity for the youth in this region, and I am really proud to be part of the team!"

Jean Kouadio Atta Tia, Extension Officer since June 2019

We faced many challenges from the beginning and all along the season, many of them being socio-cultural. People had never heard of AAK before, and only knew middlemen buying shea in villages. It was hard to organize community meetings and convince people that there was something to gain working with us. Also, there had been many stakeholders in the past claiming that they would buy the shea in the village but never did, which left women with stocks. Finally, some communities had painful experiences with buyers loading trucks with other products, like coal or cassava and never came back to pay. This made it difficult to gain people’s trust at first.
“A woman came one day and brought from the community two trucks of coal. The trucks left the village and we never got paid, it was a drama for the community. Therefore, it was hard to trust AAK, until we did a first shea collection and saw the money coming after a few days. There is now mutual trust between us!”

Sie Yawa Odette, president of Kouniperou women group, Zagala village

Other challenges were linked to local circumstances, like the pressure on shea trees due to the development of cashew plantation, the accessibility of some villages, the availability of banks. “Every beginning is difficult” is what everybody kept repeating this season, but fortunately we ended up being very positive about our work here and we could overcome most of the challenges!

At the first shea collections, women would only sell a small part of their kernels, to test the system. Seeing that AAK were trustworthy people, they started to sell more. The word spread that we were actually paying and it gradually got better. We are very positive about next season as now this trust is clearly established between the women, extension officers and AAK.

Setting up Kolo Nafaso in the Zanzan region of Ivory Coast is very inspiring because for many communities, there was no reliable market outlet guaranteeing that the kernels collected would be sold and at an attractive price. AAK brings a solid business opportunity for women here. We are positive on the fact that it will influence tree conservation in this area, which is very important for all stakeholders in the supply chain.
Third Party Kolo Nafaso Impact Assessment

AAK is frequently checking how satisfied the women are with the program through a large-scale survey conducted every two years. This gives very good feedback, but we thought it was time to include an external partner to conduct an independent assessment of the program.

The assessment was carried out in Ghana and Burkina Faso only, since Ivory Coast is experiencing its first season in 2019/2020. The impact assessment was carried out by the same researcher and adjusted to the local context.

Here we are giving you a quick overview of the most relevant findings, similarities and differences:

Overview of impact assessment surveys

<table>
<thead>
<tr>
<th>Country</th>
<th>Women surveyed*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>122</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>201</td>
</tr>
</tbody>
</table>

* Before the questionnaire a large amount of time has been spent on designing the survey through in-depth interviews and focus groups

Women in the society

“A woman starting a new business or farming on a new field has not only an impact on her perception of herself and her activities, but also on the community in general. Indeed, having women becoming proper economic actor in the community participates in shifting the perception of people on women. From the interviews and the relation in general with the women, we could see that their self-confidence was increased and being considered as a serious partner by the company turned out to be a factor for that empowerment. Not only on the women side, many males seeing that shift in behavior welcomed it with approbation. As it is very hard to measure the "level" of "proudness" of the women, it has not been investigated in the questionnaire, but it would be very relevant to carry out further research on the women position in the community and its evolution.”

Francois Questiaux, Researcher
Women in society reflected through access to farming equipment

Access to farming equipment is an important indicator for assessing the potential impact of AAK’s pre-financing on the general farming system and its profitability for women.

83% of the women in Burkina Faso and 79% of the women in Ghana claim that their husband gets access to ploughing equipment more easily than them.

The reasons are:

- He’s a man
- He has a bigger farm
- He has a better network
- I don’t have the money at the needed point in time

AAK can have a direct impact on the financial constraints mentioned. We are supporting women’s access to farming equipment by providing the needed finances through the pre-financing. Empowering women to be respected economic actors in the communities can have an indirect impact on overcoming gender issues limiting access to farming. A follow up survey on this is recommended.

Pre-financing

What are women using their pre-finance for?*

**Ghana**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Ghana Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td>79%</td>
</tr>
<tr>
<td>Food and other</td>
<td>30%</td>
</tr>
<tr>
<td>Trading shea nuts</td>
<td>11%</td>
</tr>
<tr>
<td>Trading</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Burkina Faso**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Burkina Faso Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td>48%</td>
</tr>
<tr>
<td>Food and other</td>
<td>32%</td>
</tr>
<tr>
<td>Trading shea nuts</td>
<td>19%</td>
</tr>
<tr>
<td>Trading</td>
<td>18%</td>
</tr>
<tr>
<td>Animal husbandry</td>
<td>4%</td>
</tr>
<tr>
<td>Savings</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Several answers possible

A major part of the pre-financing is being invested in income generating activities. These activities have the potential to create a multiplying effect, which the author recommends to quantify further. Ghana seems to have a higher focus on investing in agriculture while Burkina Faso seems to focus a bit more on trading activities.

Both countries show that investment in non income generating activities (IGA) reflect the contribution to food security, especially for poorer households.
The purpose of the bonus system is to enable women’s groups to invest in communal projects that benefit the larger village community. According to the impact assessment, the system shows not to be working as effectively as it could. Some communities are saving the bonus for communal projects, but the large share of groups who withdraw money after every transaction show that the bonus money is distributed to the individual women in the majority of the groups. However, as the women become more and more confident with the program and know that they can rely on it on a yearly basis, their behavior might change towards more communal use of the bonus rather than distribution.

The women have decreased their own shea butter production in both Ghana and Burkina Faso after they have joined the Kolo Nafaso program. The women find it more interesting to sell their kernels rather than produce shea butter. This can be due to the difficulty of production (butter production is a tedious work), but also the very low added value women get for such a work. This means a change in the traditional way of working in the villages, but also gives women more flexibility to choose how they spend their time most effectively.

Feedback from an impact assessment like this one is crucially important for AAK to continuously improve the way we are working with Kolo Nafaso. We have already taken first steps in improving the way we are working with our bonus and banking system. We will continue to explore solutions to empower the women in the best possible way that fits the local culture.
AAK and Cloetta in partnership for sustainable shea

AAK and the Scandinavian confectionery company Cloetta have formed a partnership for sustainable shea. AAK met up with Åsa Portnoff Sundström, Cloetta’s Director Sustainability Affairs, to talk about the importance of sustainable raw materials.

Åsa, Cloetta has ambitious sustainability targets, particularly when it comes to sustainable sourcing. What are some of the most important raw materials in your chocolate production?

In our chocolate products, we use raw materials like cocoa butter, cocoa liquor, cocoa powder, sugar, milk powder, palm oil, and shea oil. All cocoa that we source is UTZ certified, the palm oil is RSPO certified, and the shea oil, used in several of our chocolate brands, is sustainably sourced via AAK’s program.

What aspects of sustainability are important to you when it comes to shea?

We have targeted to put sustainability programs in place by 2020 for some key raw materials.

For shea specifically, it’s important to empower women in rural Africa taking part in the shea industry by making sure they get a good price for their crop. That way, women are willing to invest time and effort into the shea business resulting in improved quality of the shea kernels and a stable supply. With an improved income, the women are also in a better situation to address poverty, which is so often the root cause of many sustainability problems.

Another very important aspect for Cloetta is improved traceability – to have information about the origin of the raw materials we use.

Why did you partner with AAK for sustainable shea?

By partnering up in the AAK program, we have found a strong foundation to address our key areas of importance for shea. The basic principle of the program is to establish a direct relationship with the rural women in West Africa. Traditionally, the supply chain contains a series of middlemen between the women and AAK. A prerequisite for the program, which engages more than 230,000 women, is that AAK helps the women to organize themselves into women’s groups, normally consisting of women from the local village.

By organizing the women into groups, AAK builds a direct buying relationship with them, whereupon the women are trained in good post-harvest practices. The main advantage for the women is a higher return, as they are selling directly to AAK. It’s also a guaranteed outlet for all their shea kernels.

The advantage for Cloetta is a more secure, transparent and sustainable supply chain with increased opportunities to impact the quality of the shea kernels.

Another important benefit for the women is the possibility of obtaining pre-financing. At the beginning of the season, AAK extension officers visit the women’s groups to discuss the women’s outlook for the season. Part of the volume is then pre-financed, and the women are paid at a time of year when they have little or no other source of income. It’s also a guarantee that AAK will come back and buy their shea kernels. The pre-financing is interest-free – an advance payment, not a loan.

The AAK program, which has been running since 2009 in Burkina Faso and since 2015 in Ghana, is a good way to responsibly source shea, increase transparency and improve social conditions for women in the shea supply chain.

Cloetta recently visited West Africa to meet with some of the women’s groups. What learnings did you get from your visit?

A key learning was that we take so much for granted in our general way of life which is simply not possible to do in rural Africa.

This learning creates a deeper understanding that we need to work with sustainability programs like the one AAK has set up over a long period of time – it’s not a quick fix! We also learned that it’s important, before you enter and invest in a sustainability program, to evaluate the impact of such a program in person in the countries of origin, in this case by following the supply chain from tree to port in Ghana.

Where do you see Cloetta’s sustainability work in the next few years?

Cloetta’s overall goal for corporate responsibility is to build sustainable long-term value. For Cloetta, sustainable value is about growing as a company while at the same time ensuring that the people and environments that are affected by Cloetta’s operations or products are not negatively impacted. Cloetta’s sustainability commitment functions as the road map for building long-term sustainable value.

Åsa Portnoff Sundström
Cloetta’s Director Sustainability Affairs
We are delighted to welcome Beiersdorf as the latest member of our Sustainability Partner Program. This initiative enables cosmetic manufacturers to actively increase the social value of their brands through investment in targeted projects with the women’s groups engaged on our AAK Kolo Nafaso direct shea sourcing program in West Africa. Supported by the Global Shea Alliance (GSA) and with partner funding matched by the United States Agency for International Development (USAID), our shared aim is to deliver greater independence, improve livelihoods and provide a more secure future for the women shea collectors and their families. It’s a win-win opportunity for all.

The partnership with Beiersdorf will benefit our AAK women’s groups in Burkina Faso and Ghana, supporting 10,000 individuals over a 5-year period through projects targeted at improving health and safety, productivity and commercial expertise.

“With this approach, we are promoting the development of rural communities by educating the women collectors on how to further develop their business and hence help them to earn a steady income and raise their standard of living,” says Julia Beier, Responsible Sourcing Manager at Beiersdorf.

To increase consumer awareness of the far-reaching socio-economic benefits of shea as a cosmetic ingredient, Beiersdorf has launched the “Nivea Von Herzen – 100% Pure Shea Butter” limited edition lip balm made exclusively with our Lipex SheaSoft TR, a new fully traceable emollient that will be listed in the AAK Personal Care portfolio from 2020 onwards. The idea for Nivea von Herzen (from the heart) came from four Beiersdorf employees who run their own social projects on the ground in Burkina Faso and was made possible through the “Freedom to Innovate” program.

Under the scheme, run by Beiersdorf’s Research and Development department, employees with innovative and convincing ideas get to devote ten per cent of their work time to bringing their concepts to fruition.

Julia Beier, Responsible Sourcing Manager and one of the initiators of the Nivea Von Herzen project explains:

“We wanted to enrich our NIVEA assortment with a product that only contains one raw material – pure shea butter – which is sustainably and ethically sourced, and at the same time create awareness about the women empowerment topic of shea sourcing. The NIVEA Limited Edition contains 100% sustainably sourced shea butter from West Africa. The entire value chain is transparent and traceable back to the women groups who collect the shea kernels.”

For every product sold, Beiersdorf will donate one Euro to the two social projects in Burkina Faso that are privately supported by the initiators of the “NIVEA VON HERZEN” idea.

“This is a wonderful initiative from Beiersdorf and one which truly does come ‘from the heart’. We are delighted to welcome the team on-board as sustainable partners and look forward to a long-term and successful collaboration in the future!”, says Lisette Townsend, AAK Global Business Development Director.

Read more about the NIVEA shea butter here: https://www.nivea.de/neu-von-nivea/sheabutter
Award for Kolo Nafaso as Sustainability Pioneer

AAK has been recognized with a 2019 Sustainable Beauty Award and named winner in the Sustainability Pioneer Category for the social impact of our Kolo Nafaso direct sourcing program. As this year marked the 10th anniversary of the program, it was a particularly timely way to celebrate the tremendous achievements that have been made over the past decade.

“AAK has been undertaken ethical sourcing long before it became fashionable in the personal care industry,” says Amarjit Sahota, Founder and President of Ecovia Intelligence and organizer of the Sustainable Beauty Awards. “AAK Personal Care is a deserved winner of the Sustainability Pioneer Award because of the positive impact of its Kolo Nafaso program, which is providing income to over 230,000 women shea collectors in Burkina Faso, Ghana and Ivory Coast.”

The award was presented to Lisette Townsend, Global Business Development Manager, and Laura Schlebes, Sustainable Multi Oil Manager, at a reception hosted by Ecovia Intelligence during the Sustainable Cosmetics Summit, in Paris, France, in November 2019. Aimed at encouraging sustainability in the beauty industry, the summit brings together key-stakeholders to debate major issues in a high-level forum. AAK contributed to the event with a 20-minute presentation on the social benefits of our Kolo Nafaso program and the growth of our sustainability partnership initiative to an audience that included cosmetic manufacturers, retailers, distributors, researchers, industry organizations and certification agencies to name just a few.

“The Sustainable Cosmetics Summit is an important date in the beauty industry calendar, and we are incredibly proud to have been honored during such an influential and well-attended event,” says AAK’s Lisette Townsend. “We’d like to dedicate our award to the teams on the ground in West Africa for their continuous hard work and dedication and say a huge thank you to everyone involved in making the Kolo Nafaso program such a success.”
AAK is a leading provider of value-adding vegetable oils & fats. Our expertise in lipid technology within foods and special nutrition applications, our wide range of raw materials and our broad process capabilities enable us to develop innovative and value-adding solutions across many industries – Chocolate & Confectionery, Bakery, Dairy, Special Nutrition, Foodservice, Personal Care, and more. AAK's proven expertise is based on more than 140 years of experience within oils & fats. Our unique co-development approach brings our customers' skills and know-how together with our own capabilities and mindset for lasting results.

Listed on the NASDAQ OMX Stockholm and with our headquarters in Malmö, Sweden, AAK has more than 20 different production sites, sales offices in more than 25 countries and more than 3,800 employees.

We are AAK – The Co-Development Company.