



# Insight

## AAK Magazine

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The Co-Development Company

#5, November 2017

AAK – ready for China, pages 4–5  
Unlocking the potential of medical nutrition, pages 6–7  
Product spotlight: Flaked shortening, page 13

**AAK**

## Dear readers,

Welcome to another issue of AAK's customer magazine *Insight*. In this edition we will take a closer look at our newly inaugurated factory in China and what this establishment will mean for AAK and for our customers in the region. Our General Manager in China, Weiyu Fan, gives a detailed view of the opportunities and challenges in this huge and highly competitive market.

In addition to this new factory we have recently opened another Customer Innovation Center in the United States. The center, located at our production site in Louisville, Kentucky, is AAK's twelfth worldwide and features a bakery lab, an analytical lab, and a process pilot plant. On pages 12–13 you can read more about this state-of-the-art facility.

We will also take a closer look at our business within medical nutrition. This is a market that we have been serving for many years, particularly in Europe. But with the creation of our Special Nutrition segment, comprised of Infant, Senior and Medical Nutrition, we aim to expand our supply of medical nutrition solutions to a global level.

### Food trends and their impact on AAK

Transparency, health, sustainability, and personalization are some of the global megatrends, analysts agree, that will influence the future of the food industry. Other trends that will play a major role going forward are plant-based foods, the concept of snackification, and premiumization. In this magazine we will pay some extra attention to these three very important trends. To find out what they will mean for AAK and our value proposition to our customers, we have talked to the company's Marketing Directors for the Dairy, Bakery and Chocolate & Confectionery segments.

### The Co-Development Company

Furthermore, we give you some concrete examples of what it means to be the Co-Development Company. We have asked colleagues from different parts of the organization to share some of their recent co-development stories, and to explain how our customer value propositions for health and reduced costs have helped our customers improve and grow their businesses.

If you have any comments or questions about the magazine or if you have suggestions for future articles, don't hesitate to talk to your AAK representative or contact us via [insight@aak.com](mailto:insight@aak.com).

Enjoy your reading.

Anne Mette Olesen  
Chief Marketing Officer



## Contents

AAK inaugurates another state-of-the-art factory	3
Ready for China	4–5
Unlocking the potential of medical nutrition	6–7
Global megatrends and their impact	8–10
AAK walks the sustainability talk	11
New Customer Innovation Center in the US	12–13
AAK – The Co-Development Company	14–15

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# AAK inaugurates another state-of-the-art factory

**In 2014, AAK announced that it would construct a speciality and semi-speciality edible oils factory in China. The new production facility, seen as an integral part of the company's global growth strategy, was inaugurated in September.**

The plant, which is AAK's first in China, is located in Zhangjiagang, a city along the Yangtze River and a two-hour drive from Shanghai where the company already has a sales office and a customer innovation center.

In his inauguration speech, AAK's Torben Friis Lange, President Asia, communicated the company's commitment to its customers.

"It is very important for us to be close to the market when we work with our customers to develop their products. With our presence in China, we can now collaborate with our customers using our co-development approach, as AAK would do in any other part of the world, with a complete integrated operation. We aim to act with global knowledge, but carry out our business locally."

With an area of 67,000 square meters, the factory is built with the latest AAK technologies and state-of-the-art facilities. It has a production capacity of 100,000 MT per year. A fully automated process guarantees high product quality and process efficiency, and enables AAK to be best in class in providing speciality oils and fats solutions to customers in China.

## AAK's plant in Zhangjiagang, China

- Will serve food customers in China in all key segments
- Designed to work with multi-oils, providing customized solutions to key customers
- State-of-the-art crystallization line and drum filling lines
- Unique deodorizer design ensuring product freshness and shelf life stability
- Fully automated production line delivering highest standards of quality and food safety



# Ready for China

**With AAK's new factory in Zhangjiagang up and running, the company stands well prepared to fully service one of the largest edible oils and fats markets in the world. *Insight* met up with AAK China's General Manager Weiyu Fan to discuss the potentials and challenges in this highly competitive market.**

**AAK has been present in China since 2011 when a sales office was opened in Shanghai. What is it that makes China such an interesting market?**

The Chinese market is one of the largest edible oils and fats markets in the world with 30 million MT of total consumption. We estimate that 5–8 percent of the total market can be considered speciality or semi-speciality, for which the main users are packaged food product manufacturers within segments such as chocolate and confectionery, bakery, dairy, nutrition, and foodservice. AAK's broad global product portfolio, innovative application know-how, and co-development approach allow us to develop partnerships with key customers in China and serve them with our speciality and semi-speciality oils and fats products – a market that is still growing at 10 percent a year in China. In addition, many of AAK's key customers in the US and Europe have come to China to establish manufacturing bases. Our global partnerships combined with our local teams have put us in a very good position to serve these customers in China.

**What is the potential in the Chinese market and within what particular segments?**

As the speciality and semi-speciality oils and fats market grows about 10 percent a year, we believe the market size will reach 3 million MT in five years. With the recently adopted two-child policy and an expanding senior population, the nutrition segment will grow even faster. The dairy segment is also very interesting as Chinese consumers are becoming more health-conscious and as the plant protein drinks segment has seen very rapid growth in recent years. The bakery segment continues to be very innovative with new hot products hitting the market every year. With our innovation focus, our newly inaugurated plant and its ability to deliver tailor-made solutions with local taste and flavor profiles, we are confident that we will grow our volume and market share aggressively in this important segment.

**What characterize Chinese consumer preferences and how does this impact AAK?**

China is moving from an emerging market to a more developed market, especially with a growing middle class in tier one and tier two cities. More consumers are looking for higher-quality food products from their trusted brands, focusing on better taste, food safety and health. Chinese consumers are very sensitive to taste and flavor and will not compromise taste for other characteristics. Therefore, AAK must develop products that enhance the sensory experience of local consumers. This means that we must understand the

Chinese preferences and develop innovations for local products. Very few have succeeded in China by directly copying a western food product into the Chinese market. Localization is a critical step.

**What is the competition like in China and how will AAK position itself in the market?**

China overall is a hyper-competitive market. The competition in the oils and fats market is also extremely fierce. There are quite a few established players, including local, state-owned and multinational corporations with a much larger scale/volume and multiple plants located in different regional markets. Our way to success is to provide innovative and value-adding solutions to our customers through our co-development approach.



*Weiyu Fan  
General Manager,  
AAK China*



What would you say are the biggest challenges when entering a market such as the Chinese?

AAK is a global company with strong capabilities and application know-how. At the same time, food products in China are very local when it comes to flavor, taste and mouthfeel. Therefore, we must be able to transfer global technologies into local applications, and in order to do so, we need a very strong customer innovation team in China. We have made progress in this area but overall we are still on a learning curve. With the inauguration of our new factory, we quickly need to establish a world-class operation team to achieve operational excellence in Zhangjiagang with both high quality and cost efficiency.

What is AAK's short-term goal for its China operations and what do you expect in the longer term?

Thanks to the relentless efforts of the entire AAK China team we have been achieving healthy growth this year compared to last year. Our short-term goal for the coming year is to continue to gain trust from our customers in China to become their co-development partner, especially with products from our newly inaugurated Zhangjiagang plant. In the longer run, our goal is to become an innovation leader and a quality leader in the Chinese market contributing our share to the growth and to the continuous modernization of the Chinese food industry.





# Unlocking the potential of medical nutrition

**In parallel with its successful infant nutrition business, AAK has served the medical nutrition market for many years, particularly to European customers. With the broadening of the company's nutritional focus, collected under the segment Special Nutrition, AAK aims to expand its supply of medical nutrition solutions to a global level.**

"AAK has operated in the medical nutrition segment for half a century and we have worked for decades with converting our conventional oils into structured triglycerides for advanced applications", says Marc Vissers, Senior Manager New Product Development for AAK's Special Nutrition segment. "This way we have created an oil range with enhanced properties for the medical industry to develop innovative products and help patients recover and feel better."

The market for medical nutrition is expected to grow over the next couple of years which is mainly due to an aging population, an increase in chronic and lifestyle-related diseases, and a higher health care spending globally. One

topic gaining increasing attention all over the world is the treatment and prevention of Disease Related Malnutrition (DRM) which in Europe alone affects 33 million people. Furthermore, it is estimated that as much as 60 percent of all patients globally that could benefit from medical nutrition still go without.

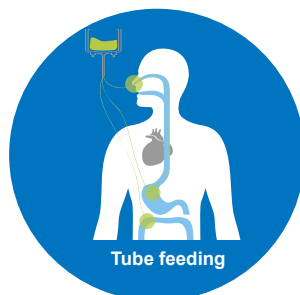
"With our technological capabilities and extensive experience in supplying approved and proven lipids, we work with solutions for both enteral and parenteral formulations", says Marc Vissers, explaining that enteral nutrition generally refers to methods of feeding that use the gastrointestinal tract, while parenteral nutrition refers to intravenous feeding.

**Enteral Nutrition**  
Akovita® and Akonino®  
food and infant legislation



## Oral Nutritional Supplementation

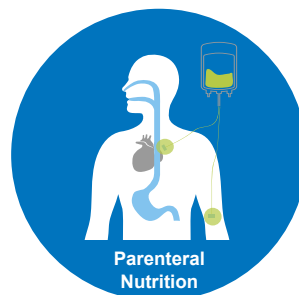
Speciality oil and fat blends, with active lipids, customized and balanced.



## Tube feeding

AAK has served its customers with tailored blends of high-purity vegetable oils for decades.

**Parenteral Nutrition**  
Akomed®  
pharmaceutical legislation



## Injectable products

cGMP approved single oils and structured triglycerides used as active pharmaceutical ingredients.

## Enteral nutrition

AAK has a proven track record of supplying lipids and oil blends to enteral nutrition customers, both when it comes to Oral Nutritional Supplements (ONS) and tube feeding.

Research from Medical Nutrition International Industry has revealed that among other nutritional options, an increased use of ONS in hospitals could potentially save 33 percent more lives, reduce one third of complications, and enable patients to leave the hospital two days sooner. Use of ONS outside the hospital setting and in the community, helps people stay healthy, saves one in six hospitalizations, and results in a better quality of life.

Tube feeding is both for prematurely born babies and the main choice for patients that are unable to drink and eat by themselves but still have partial functionality in the gastrointestinal system.

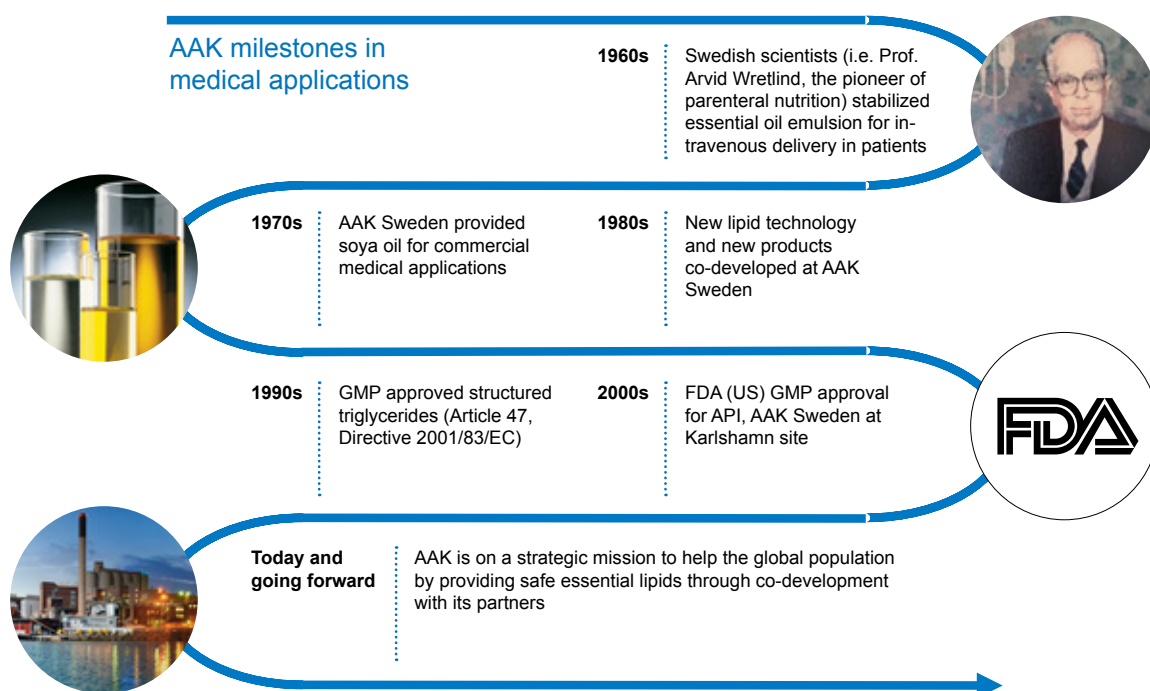
“For premature babies, which are among the most sensitive patients, our Akonino® range is used and fulfills the quality demands for infants”, says Catharina Aarøe, Commercial Product Manager, Special Nutrition. “Through our experience within enteral nutrition we are creating oil

solutions beneficial for healthy adults who want to take the advantage of a nutritional support through the diet. We have collected all health-promoting oil blends under our brand Akovita®.”

## Parenteral nutrition

Developing formulations that deliver optimal nutritional benefits with few pro-inflammatory or even anti-inflammatory attributes is pivotal to help health care professionals save more lives, reduce complications and speed up recovery. Ingredients for these formulations must undergo extensive clinical testing to demonstrate that they meet safety and quality standards to be used in parenteral nutrition.

“Parenteral nutrition is used when no other option for fulfilling the dietary intake exists”, says Catharina Aarøe. “The patients need the highest degree of purity as it is to be injected into the blood stream. We are cGMP compliant (current Good Manufacturing Practices) and our Akomed® range is specially designed to fulfill the demands for active pharmaceutical ingredients.”



## AAK's Special Nutrition segment

AAK's range showcases a strong portfolio for the nutrition industry. With product safety and quality assurance always paramount, the company's range comprises essential and speciality oils that are complemented with functional ingredients and tailored to work for any nutritional application.

### Akovita® – Lipids for life

- ◆ Functional products
- ◆ Healthy benefits from lipids
- ◆ Support throughout life

### Akonino® – Healthy development

- ◆ Optimal growth and development
- ◆ Lipid profile and bioavailability are key
- ◆ High quality and food safety

### Akomed® – Proven support

- ◆ Compliance with medical and pharmaceutical standards
- ◆ Recovery and remain healthy
- ◆ Essential and speciality lipids





# Global megatrends and their impact on the food industry

**Every year numerous food trend analyses are being conducted and published by industry experts and market intelligence agencies. *Insight* has identified a number of trends or themes that most analysts agree will heavily influence the future of the food industry.**

One recurring theme is the call for a transparent food industry that promotes products with sustainable, ethical and even moral qualities. Today's consumers, particularly the large and powerful millennial generation, are making informed choices in this regard and often scrutinize the credentials of companies.

Products that support a healthy and active lifestyle is another frequent theme as consumers seeking health benefits are in search for a more holistic approach to health and wellness. The rise of fat as a key nutrient and the focus on sugar as a new enemy, are important health themes that are thought to make major differences within the food industry going forward.

A growing number of consumers, particularly the younger generation, make personalized dietary decisions based on recommendations found online, as traditional dietary norms have shown to be flawed. With people making their own rules and experimenting to support their diets, this "personalization trend" is expected to highly influence the future of the food industry.

Although all these trends, in and of themselves, are important and interesting there are, for a company like AAK, three that are of particular interest: plant-based dairy products, the concept of snackification, and premiumization.

## Plant-based

Plant-based foods have for the last couple of years seen significant growth, both in consumer popularity and in strategic importance. Starting off as a niche, the trend is now slowly moving into the mass market where the growth potential is enormous. The trend is supported by a number of different drivers, including efforts to lower sugar intake and to eat the "right kind" of carbs. Plant-based foods present major opportunities not only for the dairy industry with its fast emerging non-dairy drinks, but also within snacking, pre-prepared vegetables, and as meat substitutes.

Many food industry experts assert that this trend, despite its name and direction, is not about a rise in vegetarianism or veganism. Mainstream consumers, their argument goes, are still happy with animal-based foods – alongside, not instead of, plant-based foods.

## Snackification

Most categories are trying to get a piece of the snacking market as consumers not only snack between meals but sometimes instead of them. The snackification trend opens up great opportunities for product developers as consumer preferences are many and varied and as people tend to be willing to pay for new and innovative healthy snacks.



There is a significant success rate for snacking, in large part due to its flexible and versatile concept: virtually any food category can be made into a snack; any time is a good time for a snack; and new product development seems to be unlimited. According to one trend analysis, 60 percent of snack brands launched between 2003 and 2013 were still on the market last year, giving the snack category the highest success rate among all categories.

#### Premiumization

In a market saturated with standard products and private labels consumers start to focus their interest in products with added characteristics that provide a high-end and premium

experience. These premium products are characterized by the quality of the raw materials, the craftsmanship, and the overall eating experience. Consumers are constantly being influenced by the web and as their needs fragment, they will be willing to pay more for products that they believe meet their individual needs.

The growing role in the market of smaller and more agile players means that larger companies must change the way they think about premium food products. A few have started to embrace the change but a lot of work remains for most of them.

## Trends and AAK

***Insight met up with AAK's Marketing Directors for the company's Dairy, Bakery and Chocolate & Confectionery segments to find out how these three trends are influencing the food industry in general, how they affect AAK's proposition to the market, and what we can expect for the future.***

### Henning Villadsen, Marketing Director Dairy, on the plant-based trend

#### How is the plant-based trend influencing the industry?

The potential this trend has released within the dairy industry has been widely discussed for some time now and today you can find several different plant-based alternatives within all traditional dairy categories. For example, during the past year all major ice cream brands have launched multiple flavors within their plant-based portfolios. This strong trend is now clearly coming through within the meat alternative category as well.

#### How does this trend fit your value proposition to the market?

Our value proposition of being purely vegetable-based is a perfect match with this trend. We develop value-adding solutions which offer unique sensory experiences and which, at the same time, have a strong sustainability and health promise. Today's consumers care about our planet and understand the impact that their diets have on the environmental challenges, which is why many people choose a flexitarian or a purely vegan lifestyle.

#### Going forward, what do you expect for the dairy industry in relation to the trend?

We have already started to see its impact. The creation of DanoneWave was one of the first examples of how a dairy company expands its activities by including plant-based alternatives. For all products made with ingredients of animal origin, there will sooner or later be purely plant-based alternatives – providing the consumer with a choice.



## Rasa Moorthamer, Marketing Director Bakery, on the snackification trend

### How is the snackification trend influencing the industry?

On-the-go snacks are experiencing a very rapid growth rate. As a result, many major food multinationals have dramatically increased their launches of these types of snacks – by more than 300 percent over the past five years. New formats need to target on-the-go consumers and bakery brands are looking to gain a share of these formats by making their products more portable and snackable.

### How does this trend fit your value proposition to the market?

Consumers are snacking with greater frequency, sometimes even replacing meals with snacks altogether. As a result, consumers are expecting more nourishment rather than just empty calories from their snacks. This is exactly where we can support our customers. With our oils and fats solutions we can achieve a desired nutritional profile and a desired fatty acid composition for the final consumer product.

### Going forward, what do you expect for the bakery industry in relation to the trend?

The role of snack foods is changing and consumers increasingly want to see meal-time ingredients, such as vegetables, legumes and protein, in their snacks. Nourishing and natural is the new benchmark feature that ingredients in biscuits, cookies and crackers must meet. This trend particularly impacts the savory segment of the biscuits, cookies and crackers category, as it is used less for indulgence, and lends itself more readily to incorporation of such ingredients.



## Marco Oomen, Marketing Director Chocolate & Confectionery Fats, on the premiumization trend

### How has the premiumization trend influenced your industry?

In the chocolate industry premiumization is a value growth driver and has for years been a way for product differentiation. Today's chocolate consumers want indulgence and in some markets consumers are getting used to premium products. The differentiation between boutique premium and mainstream premium has blurred and the premium of today is in some cases tomorrow's mainstream.

### How does this trend fit your value proposition to the market?

Our co-development approach enables us to deliver the solutions that will meet our customers' market needs. We are experts in finding the right chocolate/confectionery solution whether a customer wants to join the premium trend of adding more nuts or cocoa butter, if they want a specific sensory experience, or to optimize their products' look, feel, snap, and texture.

### Going forward, what do you expect for the chocolate industry in relation to the trend?

The chocolate and confectionery industry will continue to be driven by consumer indulgence and a need for delivering the perfect end product to consumers adjusted to local preferences. AAK follows this trend very closely and through our academies and innovation days we inspire our customers to meet this trend and even be one step ahead.





# AAK walks the sustainability talk

According to a recent report on sustainability communication, published by the Stockholm School of Economics, AAK has made significant improvements in communicating its sustainability work.

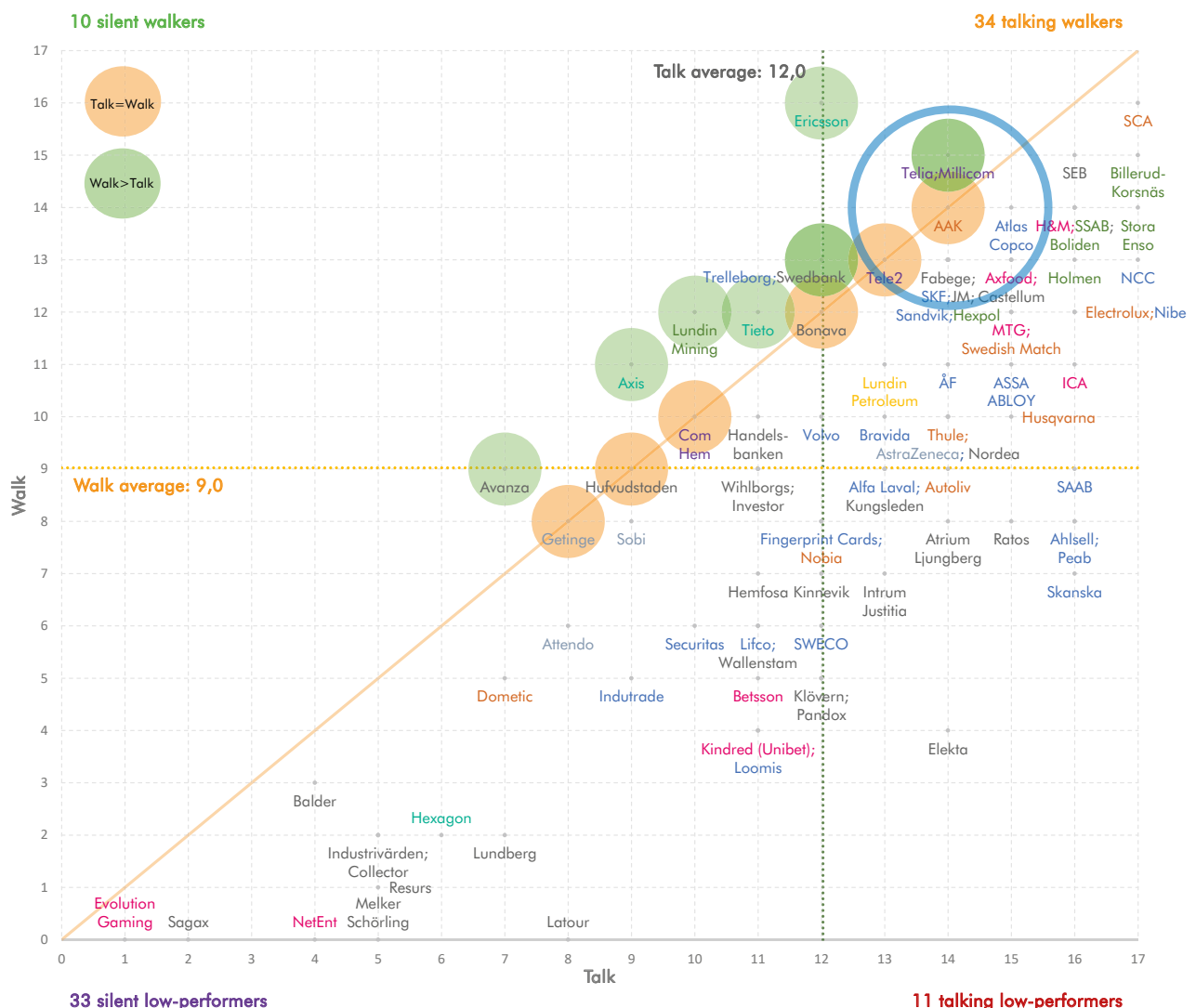
In the report, "Walking the Talk", which was published in late September, 88 companies listed on the Nasdaq OMX Stockholm Large Cap index were compared by analyzing what they say that they will do and what they say they have done – identified as the companies' "talk" and "walk" – within Sustainability/Corporate Responsibility.

The channels examined for the report were corporate websites along with sustainability reports and annual reports for the financial year 2016. Altogether, more than 14,000 pages of data were collected, encoded and analyzed.

Out of a maximum of 17 points, the average talk score was 12 while the average walk score was 9. AAK managed to score 14 on both walk and talk, increasing its points from 11 and 10 respectively compared to the report published two years ago.

"This is of course great recognition of our hard and persistent work within the sustainability area", says Mads Feer, Global CSR Manager at AAK. "Of all companies analyzed, it was found that 83 percent talk more than they walk, but our score tells us that there is a perfect balance between how much sustainability work we say we will do, and how much we actually have done."

*Relative performance of companies listed on the Nasdaq OMX Large Cap index. Graph taken from the report Walking the Talk, produced by Mistra Center for Sustainable Markets (Misum) at the Stockholm School of Economics.*



# AAK opens yet another Customer Innovation Center

**AAK USA has recently completed the construction of a new Customer Innovation Center at its manufacturing site in Louisville, Kentucky, making it AAK's twelfth in its global network of such centers. This latest addition, measuring over 2,000 square feet, is comprised of a state-of-the-art bakery lab, an analytical lab, and a process pilot plant.**

Earlier this year, AAK USA opened its first Customer Innovation Center in Edison, New Jersey, featuring both a bakery application lab and a chocolate and confectionery lab. The Louisville Customer Innovation Center represents the second in a network of laboratories that are slated to open to serve customers across the United States and Canada.

"The new labs and pilot plant will allow us to further our co-development approach and will be a great benefit to AAK's customers", said Terry Thomas, President AAK USA. "This facility will be instrumental in taking our Customer Co-Development model to our bakery customers in the Southeast and Midwest of the United States. Our Customer Innovation team in Louisville is now equipped with the best tools to deliver value-adding solutions for our customers' toughest application challenges."

In addition to the new bakery application lab, the analytical lab and the pilot plant offer new tools to expedite product development. The analytical lab will have bench-scale bleaching, hydrogenation, interesterification, and deodorization capabilities while the new pilot plant will feature a pilot votator. These tools coupled with the application capabilities and a local customer innovation team will offer bakery customers exciting new opportunities.

"The application labs, alongside our new analytical labs and our process pilot plant will truly enable improved speed to market, reducing the amount of time needed to develop samples, test in application, and scale-up", said Dr. James S. Jones who leads the AAK USA Customer Innovation team as Vice President. "Our Customer Innovation application team is very excited to be able to work closer with customers, fulfilling our co-development promise."

Application labs at AAK's location in Richmond, California are scheduled to open next year.





## Product spotlight: Flaked shortening

*One important product that will play a major role at AAK's newly opened Customer Innovation Center in Louisville, Kentucky is flaked shortening, a product that despite its many advantages still is unfamiliar to many customers. AAK's Anker Fog, Business Development and Marketing Analyst, explains the capabilities of this value-adding product.*

Flaked shortening, with its intrinsic value-adding properties, has proven itself time and time again to be an integral product in AAK's bakery portfolio. Although the technology has been commercially available in the US and the UK for several years, many customers are still unacquainted with the product and the immediate advantages it provides. The versatility of flaked shortening makes it a true value-adding product as it can be used for two major purposes: functionality and flavor delivery.

In terms of functionality, flaked shortening improves dough processing and eating qualities in a finished baked good. There are many facets to functionality, but we like to think about it in terms of how it helps a customer to achieve its goals. Flakes are easier to handle and incorporate into the dough than traditional packaged shortening, but for the customer this translates into labor cost, waste, and processing time reductions. Flakes provide improved aeration, flakiness, and tenderness in a baked good and create an open cell structure, but what the customer gets is an overall better product with enhanced consumer appeal. When it comes to flavor delivery, flaked shortening has a clear advantage over traditional shortening because it can

be evenly (and easily) dispersed throughout the dough. This uniform distribution of fat creates pockets of flavor that are consistent throughout a baked good. Our ability to create custom flavors of flakes, such as natural butter and cinnamon sugar, creates another value-adding layer as we can eliminate an entire step in the customer's manufacturing process.

Typically, flakes have performed best in frozen and refrigerated doughs as well as applications such as American biscuits, pizza dough, and pie crusts. Flakes perform especially well in these products because of how well they maintain their structural integrity during processing and handling and for the flakiness, tenderness, and air pockets they provide in the finished baked good.

### Customer Co-Development in the United States

## Flaked shortening to the rescue

Made at our sites in Louisville, USA and Hull, UK, flakes have been used in unique ways to solve the toughest formulation challenges. Recently, a US customer was having issues during scale-up to full production of a brand new cake mix when using a competitor's liquid shortening. The product clumped and occasionally clogged the customer's high-speed packaging line. Although we were not the primary supplier, AAK was invited to walk the plant to see if we could help.

We recognized the issues the customer was facing and determined that our flaked shortening could be easily incorporated into the dry ingredient mix, especially when combined with granulated salt or sugar. The higher melting point of our speciality flakes also gave great heat tolerance

to withstand friction created by processing. Although the customer had never worked with the product, our suggestion to switch from liquid shortening to flaked shortening resulted in a highly successful production trial and enabled the customer to accelerate the development process and launch their cake mix 8–12 months ahead of schedule.

For AAK, flaked shortening is the very definition of a value-adding solution.

*Sandy Courtney  
Account Manager, AAK USA*

*Laura Muller  
Customer Innovation Application Specialist, AAK USA*



# AAK – The Co-Development Company

**The Co-Development Company. What is really in that brand promise from AAK? In a simplified way you could say that AAK collaborates with its customers – from idea to product launch – in order to create value-adding solutions. But how does it work? *Insight* asked some of AAK's teams around the world to share some recent successful co-development stories.**

## Customer Co-Development in North Latin America

### New AAK solution for the Colombian dairy market

When scouting for new business opportunities in Colombia, we did some market research and visited many cheese production facilities. The idea was to find new customers that could use our Dairy+ solutions. A number of workshops with potential customers were conducted in order to find their needs and pains. Two major concerns were identified: the problem of standardizing the texture and structure of the milk used, and the non-consistent availability of milk. Therefore, the customers needed something more than a simple milk fat extender.

We proceeded to co-develop an integral solution with our customers and MIX2 was born. This solution, which is

a powder blend, is mainly used for extending filata cheese and the final product has better structure and elasticity than a cheese made with 100 percent milk. This concept allowed our customers to extend the filata cheese up to 40 percent, which alleviated the pains of availability and uniformity in the milk. It also gave AAK a competitive advantage in the Colombian market by positioning our company as an expert in dairy solutions, focusing on customer co-development to meet different needs.

*José Concepción Hernandez Raya*  
*Frying and Dairy solutions Manager, AAK Mexico*



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## Customer Co-Development in Turkey

### Customized CBI for better texture and production processes

For many chocolate and confectionery producers, the use of any other fat than cocoa butter is sometimes debatable. But in order to protect a product's stability in certain temperatures, the use of a Cocoa Butter Improver (CBI) might be necessary.

A customer who was using a certain type of CBI was able to reach the correct hardness level and heat stability but was left with a waxy mouthfeel. Furthermore, there were often fluctuations in the SFC values (Solid Fat Content) and the fact that it was an imported product caused both long custom processes and increased costs due to import duties. Because of these difficulties the customer had to have high stocks in case of an urgent, unexpected need.

Approximately a year and a half ago, we started to develop a customized CBI based on our ILLEXAO HS 85 and we managed to create a product with an improved and pleasant mouthfeel.

During the development process, 36 different fat blend recipes were evaluated in the laboratory trials and four of them were used in the factory trials, before we ended up with one perfect match.

Thanks to this very close cooperation the project resulted in very important developments for our customer, both in regards to process and texture. In addition, AAK's consistent approach on product quality, flexibility and ability to build customer-oriented solutions, combined with local production capabilities, allowed our customer to overcome the commercial and operational difficulties, winning time and creating cost advantages.

*Sacid Erdem*  
*Senior Customer Innovation Manager, AAK Turkey*

*Burç Bölükbaşı*  
*Sales Director, AAK Turkey*







#### Customer Co-Development in Colombia

### AAK Colombia adapts award-winning bakery solution to tropical markets

A year ago, AAK Colombia launched Könditori, a new brand for premium bakery margarines. Under this brand we offer two solutions for the most demanding pastry chefs that want superior performance: Könditori Hojaldre, specially designed for puff pastry, and Könditori Repostería, for cakes and cookies.

Könditori Hojaldre was designed using the same technology as AAK's Akopastry solution, awarded Best Bakery Innovation at Food ingredients Europe 2015. The formulation

was adapted by our Bakery Customer Innovation team to guarantee a best-in-class taste, smell and performance for tropical weather (equatorial countries with temperatures from 10 to 35°C).

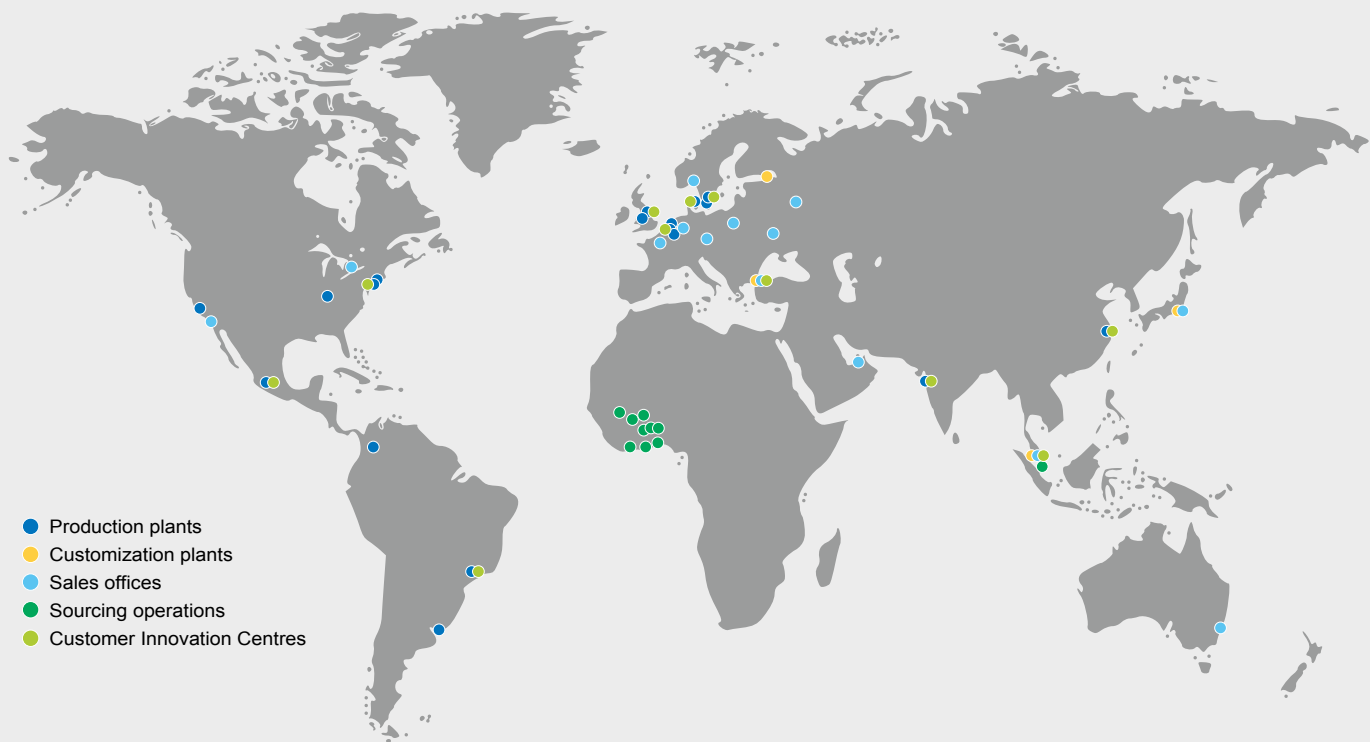
Könditori was developed in collaboration with our customers, using our co-development approach. To find a soft, long-lasting, real butter flavor with great performance, it was necessary to go through a number of trials.

By benchmarking the solution, Könditori demonstrated its superiority in the Colombian market – handling the laminating process in just one stage, making 144 layers of dough with a margarine that does not lose plasticity – resulting in a better performance in volume, crunchiness and uniform highness.

The puff pastry made with Könditori has a soft and delicate butter flavor and an excellent shelf life taking care of the crunchiness, freshness and tenderness of the pastry layers.

*Andrés Daza*  
General Manager, AAK Colombia





# The first choice for value-adding vegetable oil solutions

We develop and provide value-adding vegetable oil solutions in close collaboration with our customers, enabling them to achieve long lasting business results.

We do so through our in-depth expertise in oils & fats within food applications, working with a wide range of raw materials and broad process capabilities.

Through our unique co-development approach we bring together our customers' skills and know-how with our capabilities and mindset. By doing so, we solve customer specific needs 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. With our headquarters in Malmö, Sweden, 20 production facilities and customization plants, and sales offices in more than 25 countries, more than 3,000 employees are dedicated to providing innovative value-adding solutions to our customers.

So no matter where you are in the world, we are ready to help you achieve long lasting results.

Explore more at  
[www.aak.com](http://www.aak.com)

We are AAK – The Co-Development Company.

# AAK