



# 2024

ANNUAL REVIEW



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FAZER IN 2024

# SAY IT WITH FAZER

Throughout our 130-year journey, we have evolved from a cherished Finnish icon to a modern, sustainable Food Experience Company, embracing a universal language that connects people and cultures worldwide.



# Fazer in brief

**We are a leading Nordic FMCG company focusing on confectionery, bakery, and plant-based categories.**

Fazer combines its heritage with innovative, sustainable food solutions to create memorable moments of delight. Fazer's product portfolio encompasses a wide array of categories, including confectionery, bakery and breakfast products, plant-based drinks, flours, and various food innovations. The company operates through three Business Areas: Fazer Confectionery, Fazer Bakery, and Fazer Lifestyle Foods.

**“** Fazer blends its Nordic heritage with innovation to create sustainable food moments that delight consumers in over 40 countries.





“ From our Finnish roots to a modern Nordic food company, Fazer thrives on quality, sustainability, and innovation, delivering food with a purpose and driving growth at home and abroad.

Fazer's operations span eight countries and employ almost 6,000 individuals; in manufacturing facilities, bakeries, mills, cafés, retail outlets and offices. Renowned for its exceptional taste experiences, unwavering quality, trustworthiness, and the joy it brings to consumers, Fazer exports its products to over 40 countries worldwide.

Fazer has evolved from a beloved and iconic Finnish brand into a modern and sustainable Nordic food company with a clear mission: Food with a purpose. The master brand, represented with the promise "Northern Magic. Made Real." serves as the cornerstone of Fazer's portfolio. It encompasses a diverse range of well-established cross-border brands, local brands, and challenger brands in new segments.

In addition to consumer products, Fazer is a major player in the Nordic grain milling market, and offers high-quality

grain products and solutions to industrial clients. Additionally, the company operates a network of cafés, bakery shops, and Shop-in-Shop bakeries in Finland, Sweden, and Estonia, enabling direct-to-consumer interactions. These channels provide Fazer with a valuable opportunity to establish and nurture direct dialogue with consumers.

In the future, Fazer is uniquely positioned to strengthen its position in the Finnish market, achieve profitable growth in Sweden, and expand internationally with clear priorities. With a results-driven culture, the company aims to promote its sustainability work while improving productivity and expanding margins to industry-leading levels.

For the fiscal year ending on December 31, 2024, Fazer reported net sales of EUR 1,183.1 million and a comparable operating profit (EBITDA) of EUR 141.4 million.

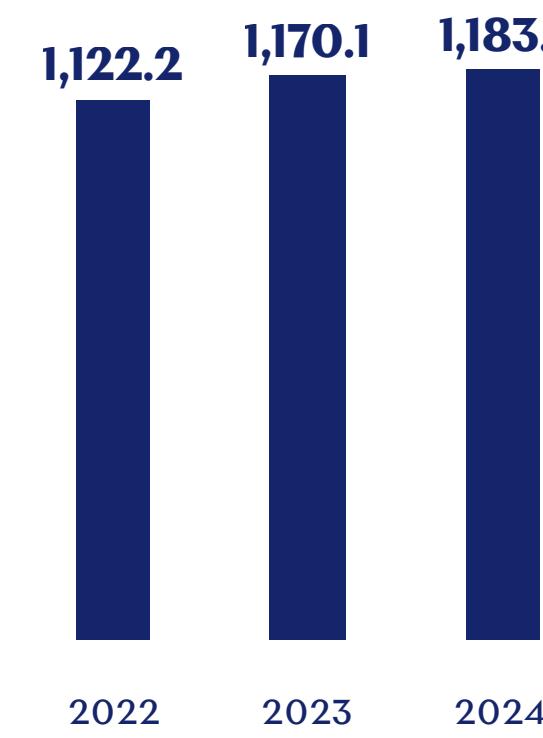
# KEY FIGURES 2024

## Key figures

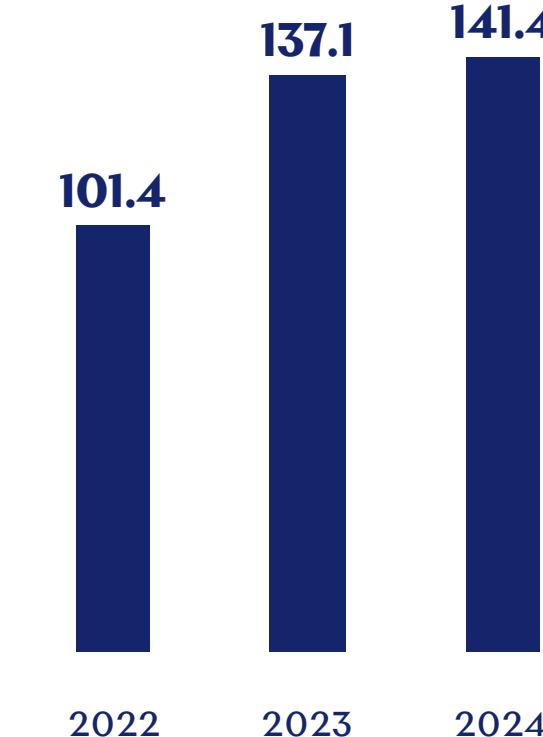
	2024	2023
Group net sales, MEUR	1,183.1	1,170.1
Comparable EBITDA, MEUR	141.4	137.1
Comparable EBITDA margin, %	12.0%	11.7%
EBITDA, MEUR	133.1	123.6
EBITDA margin, %	11.2%	10.6%
Comparable operating result, MEUR	75.9	66.8
Comparable operating result margin, %	6.4%	5.7%
Operating result, MEUR	46.0	-81.6
Operating result margin, %	3.9%	-7.0%
Profit before taxes, MEUR	45.4	-86.0
Profit for the period, MEUR	34.7	-86.5
Personnel, FTE month December*	4,764	4,743
Personnel, avg. FTE*	4,885	4,870
Return on capital employed (ROCE), %	5.9%	-9.5%
Comparable return on capital employed (ROCE), %	9.7%	7.8%
Equity ratio, %	64.9%	64.6%
Gearing, %	3.2%	6.2%

\* Personnel figures presented as number of full-time equivalents (FTE)

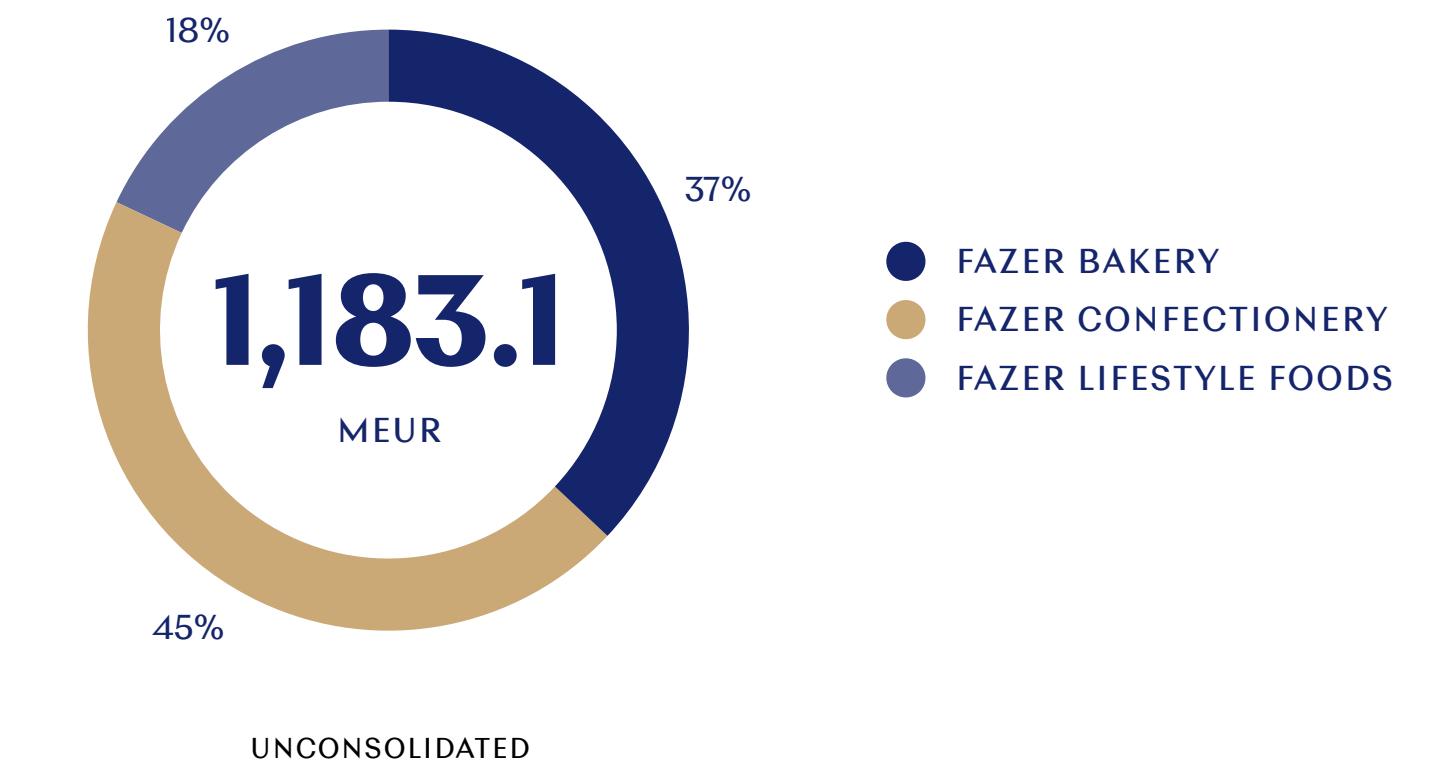
## GROUP NET SALES, MEUR



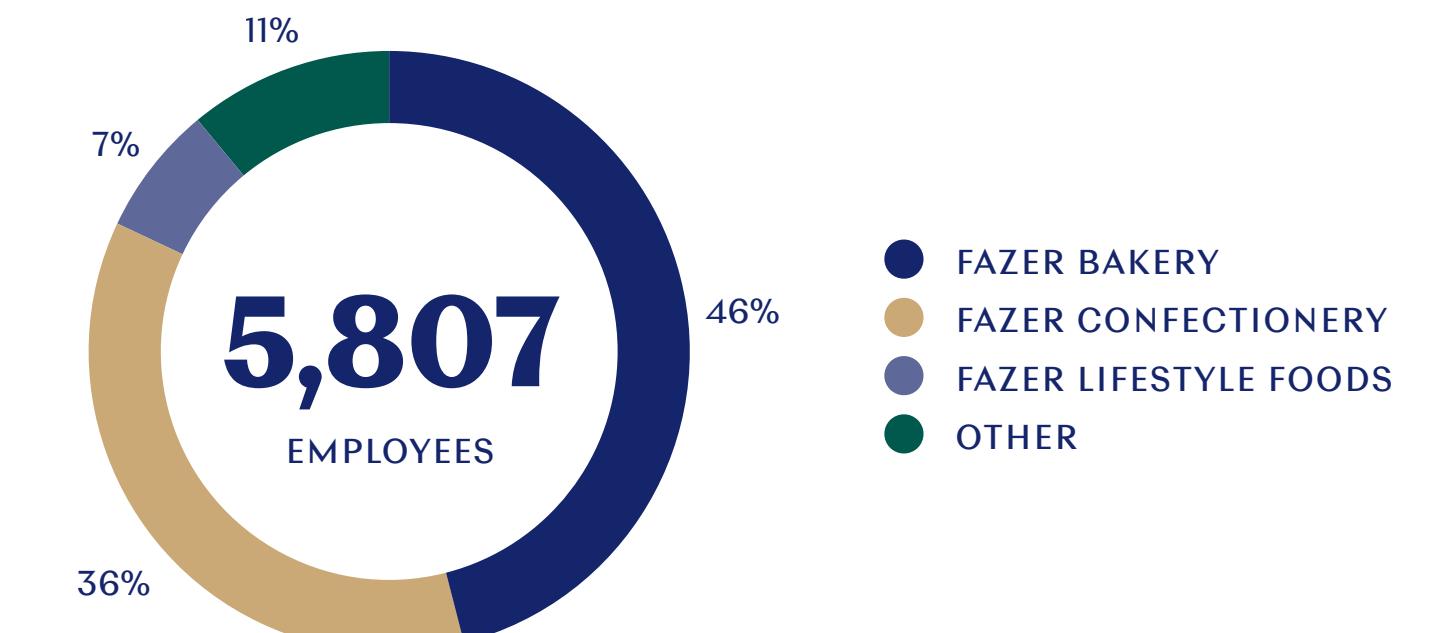
## GROUP COMPARABLE EBITDA, MEUR



## GROUP NET SALES BY BUSINESS AREA, %



## GROUP EMPLOYEES BY BUSINESS AREA\*



\* PERSONNEL FIGURES  
PRESENTED AS HEADCOUNTS

## PRESIDENT AND CEO CHRISTOPH VITZTHUM

# Performing well despite headwinds

The year 2024 was characterised by an increasingly demanding operating environment, where consumer cautiousness continued to impact the market, resulting in intensifying competition for the consumer. High input costs and especially accelerating cocoa prices continued to create challenges. The Finnish government's proposal to reclassify chocolates and candy to a higher VAT category further increased uncertainty. Despite these obstacles, we concentrated on growth and profitability and continued to offer products appealing to our consumers, implementing effective marketing strategies, building strong customer relations and maintaining a competitive cost base by continuous efficiency measures. Fazer's performance

in 2024 is a clear demonstration of perseverance and resilience with net sales EUR 1,183.1 million (1,170.1), representing a 3 percent growth in comparable terms, and improving comparable EBITDA of EUR 141.4 million (137.1).

Our confectionery business with its strong market positions, delicious chocolates, candys, biscuits, as well as inviting cafés and bakery shops, developed well in 2024 and consequently Fazer Confectionery delivered all-time high net sales of EUR 543.1 million (505.0). I am particularly happy with our development in Sweden, where we gained market share and traction through good demand, successful marketing and PR efforts and, most importantly, delicious products. Throughout the



**“** Fazer's performance in 2024 is a clear demonstration of perseverance and resilience with net sales EUR 1,183.1 million (1,170.1), representing a three percent growth in comparable terms, and improving comparable EBITDA of EUR 141.4 million (137.1).

year, timely and focused measures were taken in the business, tackling both strong market competition and high input costs with efficiency measures and continuous development of our offering. In 2024, Fazer launched several novelties, among others the Remix mini candy bags and the Karl Fazer Salty Toffee Crunch praline, that were to the taste of consumers both in Finland and Sweden. Our Gifts and Seasonal offering, a focus area in 2024, with novelties such as Fazer Glögg Jellies in Finland and the Klassiker chocolate praline box in Sweden, was also well received.

Our bakery businesses continued to be challenged by intense competition in all three markets and net sales decreased to EUR 452.4 million (462.6). During the second half of the year, demand for our Finnish bakery products increased, with good growth in Shop-in-Shop bakeries and high demand for the renewed Puikula rye bread and our Pullava sweet bakery. In Sweden and the Baltics, markets continued highly price driven with a high share of campaigning. To strengthen our positions in the Baltic markets, and to ensure future competitiveness, we announced the consolidation of all Baltic bakeries to one unit in Ogre in Latvia in April. The project is expected to be finalised in spring 2025.

Despite the fact that Fazer Lifestyle Foods was particularly highly affected by high promotion shares and strong competition in all markets, comparable net sales remained at the previous year's level, totalling EUR 218.5 million (216.0). Demand was good in the Cereals and Fruit businesses, whereas demand for Fazer's Plant-based drinks was lower. Fazer Lifestyle Foods continuously develops the business to support its competitiveness and demand. A further step on this journey is the transfer of our gurt production in Koria to Finnish Food Factory. The aim of

the transfer is to develop the capabilities of the gurt production, supporting our ambition to grow exports of the Fazer Aito gurts.

The ramp-up of Fazer's xylitol factory has been more complicated than anticipated. We continue to be committed to the xylitol business and intend to continue exploring different options to significantly increase production efficiency and production volumes. Therefore, we are currently testing other industrial side streams as a raw material for xylitol.

Fazer is well-positioned in progressive megatrends, positioning itself at the forefront of sustainability, wellness, and experiential snacking. These trends resonate with consumers and align with Fazer's dedication to creating exceptional products that both delight and nourish. In accordance with our strategy, we focus on becoming an even more consumer-centric company with continued positioning and strengthening of the brand and product portfolio in all markets through our four growth priorities; driving profitable growth as the number 1 FMCG company in Finland; accelerating profitable growth in Sweden; growing internationally with clear priorities; and accelerating growth through on-trend categories and winning

concepts. In parallel, we continuously focus on improving our productivity, streamlining processes and organisational structures and on continuous improvement to boost efficiency and achieve industry leading profitability.

Our overall objective of sustainable and profitable growth requires us to deliver on our sustainability agenda. In 2024, we made significant progress, notably in emission reduction, reducing food loss, and enhancing workplace safety. We also advanced our innovation agenda with sustainable solutions like the Fazer Taste the Future chocolate snack bar and the vegan Taste the Future Oat Choco toffee hearts, utilising okara from oat drink production.

The current economic environment will likely continue to affect private consumption, with consumers remaining cautious and price sensitive also in 2025. However, the strength of the Fazer brand and our quick response to changes make me confident that Fazer is well-prepared for the future. I want to thank all Fazer employees for their strong contribution to Fazer's good performance, and our customers and other stakeholders for the good cooperation in 2024.

## OUR PATH FORWARD

# CRACKING THE SUCCESS CODE

The ongoing food transition and emerging consumer trends are the central themes of Fazer's strategic approach. In this dynamic environment, shaped by evolving consumer expectations, our commitment lies in proactively anticipating shifts and consistently making a meaningful impact.

**Digitalisation**  
Freedom and convenience.



**Quality**  
Dependability and consistency amidst a changing environment.

**Innovation**  
The food of tomorrow through far-reaching research programmes and our very own Fazer Lab.

**Sustainability**  
Developing food as a solution for a more sustainable planet and business.

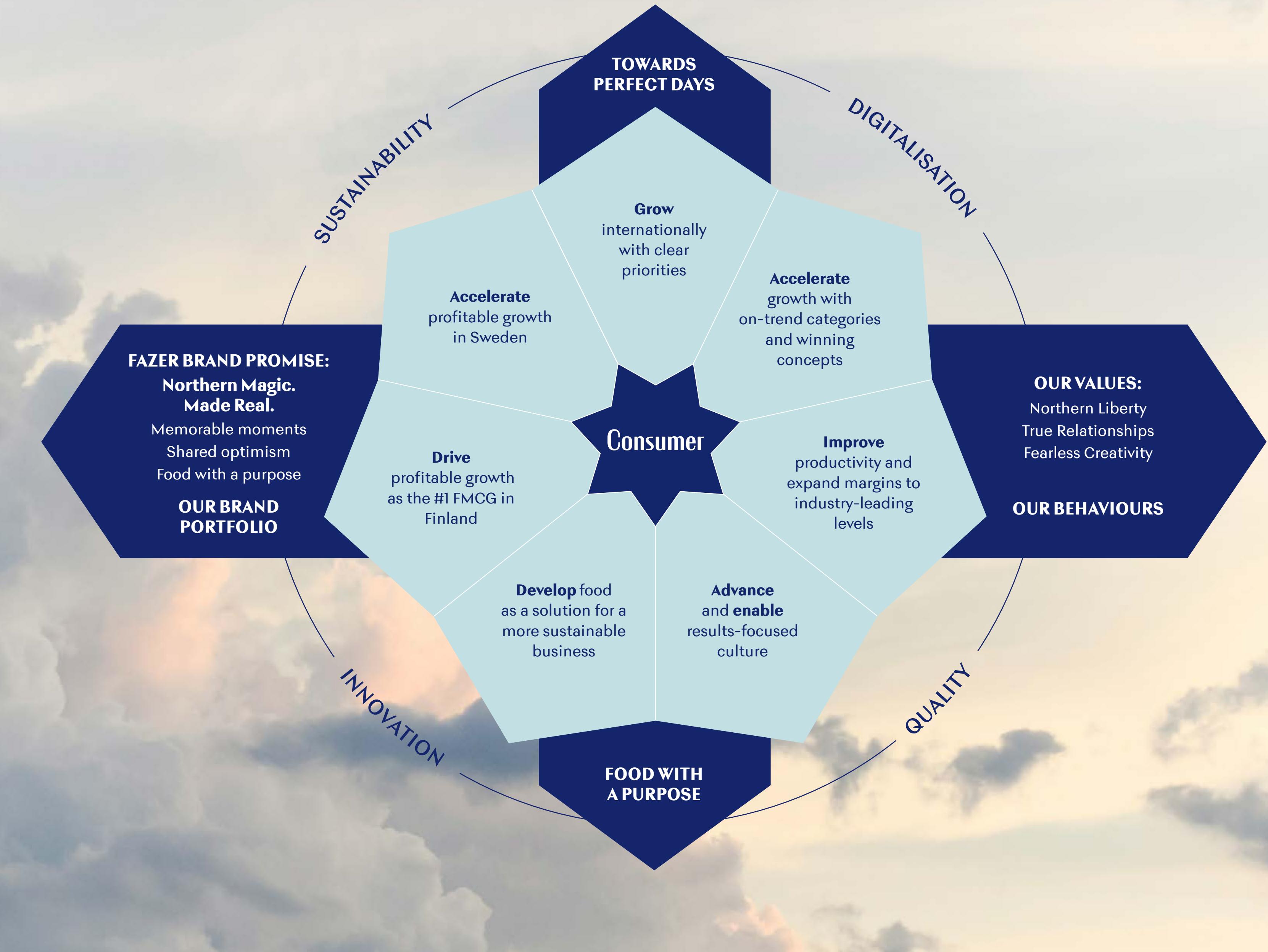
## We know it – the egg came first

## FAZER'S GROWTH STRATEGY

# Long term sustainable value with strong consumer focus

Fazer's growth strategy is underpinned by a solid foundation of beloved brands, strong positions and in-depth consumer understanding. Our consumer understanding allows us to tailor our products and services to meet the specific needs of different consumer segments. By leveraging our strengths, we can create value and drive growth across our diverse portfolios.

Our consumer-centric approach enables coordinated efforts among all business units, ensuring that every aspect of our operations aligns with consumer expectations and market trends. This synergistic approach enhances our capacity to innovate and seize new opportunities, promoting sustainable and profitable growth.



**“** Fazer Oat Rice is a unique food innovation offering a nutritious alternative to white rice. Since its launch in 2020, it has gained popularity in multiple markets and received several food industry awards.

### Drive profitable growth as the #1 FMCG company in Finland

To drive further profitable growth as the number one FMCG company in Finland, we will continue excelling in our core businesses by meeting consumer demands with our exceptional portfolio of beloved brands and high-quality products.

In addition, we expand across various consumer arenas by making the most of our strengths and diversifying our portfolio. By doing so, we can tap into new markets and meet the evolving needs of our consumers. We explore the full potential of our core businesses and innovate products that drive and align with market trends, fostering brand loyalty and driving growth in our home market.

### Accelerate profitable growth in Sweden

We have had local presence in Sweden since the 1930's with a portfolio of heritage brands for various occasions. We are committed to becoming a leading FMCG

company in Sweden, our second home market, by building on our core strengths and utilising our existing portfolio. We will enhance our strong market positions with trusted brands and high-quality products while addressing underserved consumer needs.

Optimising market positioning and combining different product categories will help boost profitability, accelerating Fazer's sustainable growth in Sweden.

### Grow internationally with clear priorities

We have refined our priorities to grow our international market share, and our success in the Nordics and Baltics provides a strong foundation for expansion in Central and Eastern Europe as well as in Asia. With a consumer-centric mindset, we aim to leverage our product and brand portfolio by emphasising unique selling points and offering products that appeal to local tastes. We will also cater to evolving needs to ensure our offerings remain relevant and appealing.





**By embracing on-trend categories and sustainable innovations, Fazer delivers premium experiences that elevate everyday life.**

Our key priority is to strengthen market positions through exceptional commercial excellence and deeper customer relationships. By fostering closer ties with customers and partners, we can expand in both existing and new markets.

We are exploring effective go-to-market strategies to accelerate brand growth, using local insights, and collaborating with organisations to tailor strategies and create demand more effectively.

#### **Accelerate growth through on-trend categories and winning concepts**

We are dedicated to delivering premium products that elevate everyday experiences, with the objective of ensuring customer satisfaction and creating memorable moments. Our strength in developing successful concepts allows us to seize growth opportunities across various categories by analysing market trends and consumer preferences.

By embracing consumer trends and functional innovations, we enhance our products' appeal and indispensability. We also optimise recipes and develop sustainable packaging to ensure our

products taste great, are presented attractively, and offer exceptional value. This focus on taste, quality, and packaging innovation strengthens consumer trust in our brand.

#### **Improve productivity and expand margins to industry-leading levels**

We are advancing towards our ambition of achieving industry-leading profitability. Several of our business units already meet top standards, and we have strategies to boost profitability across Fazer Group.

To improve profitability, we focus on growth, streamlining our operations, and enhancing productivity by increasing automation. Unified commercial and functional structures optimise our cost base and promote growth, while harmonised operations enhance collaboration and efficiency.

Our future competitiveness relies on evolving our supply chain and production through advanced technologies and sustainable practices. We are implementing selective business transformations to achieve a significant improvement in our profitability.

**“** By fostering diversity, well-being, and continuous learning, Fazer empowers employees to drive creativity, innovation, and long-term success.

#### **Advance and enable a results-focused culture**

Fazer aims to create a results-focused culture defined by strong accountability and prioritisation. Our long history of investing in our people and workplace, promoting resilience and an inclusive environment lays a strong foundation for our continued success.

A positive employee experience is at the heart of our culture. By modernising and automating processes and harmonising practices, we ensure seamless and supportive interactions. Our commitment to excellence enhances job satisfaction, engagement, productivity, and retention.

We seek to equip employees with future skills and promote continuous learning, encouraging competency upgrades through professional development and access to resources. This focus on learning fosters innovation and agility, keeping us competitive.

Furthermore, integrating well-being, diversity, and inclusion into our daily

working practices is a key aspect of our strategy. A diverse and inclusive workforce, where everyone feels valued, drives creativity and performance. To help employees understand their role in promoting well-being at work and support a healthy work-life balance, we implement well-being programmes, leading to higher employee satisfaction.

#### **Develop food as a solution for a more sustainable business**

Fazer is committed to building a sustainable business that benefits society and the environment. We focus on mitigating climate change and optimising resource use through innovative solutions that align with our environmental and business goals.

Our supply chain adheres to ethical standards, ensuring fairness and sustainability from sourcing to delivery, fostering trust and transparency with stakeholders. We promote growth within a modern, inclusive culture, valuing diversity to drive innovation and empower all employees.



## SUSTAINABILITY AT FAZER

# SEEDS OF CHANGE

At Fazer, sustainability is at the heart of our operations. We are committed to developing food solutions that promote a more sustainable business. Our efforts are guided by four key focus areas: mitigating climate change through circular practices, innovating for a sustainable food system, ensuring responsible sourcing, and enhancing the well-being of our people.

Scope 1 and 2 emissions  
(tCO<sub>2</sub>e) in 2024

-34%

Target: -42%  
emissions by 2030

Scope 3 emissions  
(tCO<sub>2</sub>e) in 2024

+1.6%

Target: -42%  
emissions by 2030

Avoidable food loss  
(kg/produced tonne) in 2024

-13.2%

Target: -50% food  
loss by 2030

Change % compared to the 2020 baseline

The share of plant-based in  
offering (SKU) in 2024

41%

Target: More plant-based

Engage our suppliers  
to set their own SBTi targets

53%

Target: 53% by spend by 2025

Recyclable  
packaging materials

87%

Target: 100% by 2030

## SUSTAINABILITY AT OUR CORE

# Guided by four ambitions

**Today, as we face the realities of a rapidly changing world, our mission – Food with a purpose – has grown even stronger.**

We are dedicated to continuous improvement, evolving every aspect of our business to build a more sustainable and resilient future. This journey is grounded in our four key sustainability ambitions, each reflecting our deep commitment to shaping a responsible and equitable food system.

### Climate and Circularity

Caring for our planet means reducing our impact and optimising our resource use. By cutting carbon emissions, embracing renewable energy, and designing waste out of our processes, we are building a

future that respects and restores natural resources. Through circularity, we strive to give back more than we take, creating sustainable cycles that benefit the planet.

### Sustainable Products and Innovations

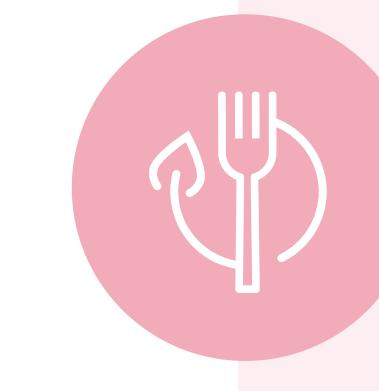
We innovate for a sustainable food system, focusing on developing products with lower emissions. We are also expanding our range of plant-based foods, prioritising raw materials with low carbon footprint. Our approach to health and nutrition empowers individuals to make dietary choices that enhance their well-being. We commit to reduce, recycle, and innovate sustainable

## Sustainability ambitions



### Climate & Circularity

We mitigate climate change and optimise our use of resources through circularity.



### Sustainable Products & Innovations

We innovate for a more sustainable food system.



### Sustainable Sourcing

Our supply chain is fair and sustainable.



### People & Well-being

We provide opportunities for growth in a modern, safe and inclusive culture.



**“** Fazer’s mission – Food with a purpose – drives our commitment to sustainability through climate action, circularity, and innovative plant-based products that respect the planet while enhancing individual well-being.

packaging, continuously improving our offering for people and the environment.

#### **Sustainable Sourcing**

We endeavour to make our supply chain fair, resilient, and responsible. We partner with farmers and suppliers who share our values, supporting fair trade, local communities, and ethical and sustainable practices. Together, we are striving to build a supply chain that nurtures the producers who grow our ingredients as well as the ecosystems they depend on.

#### **People and Well-being**

Our vision comes to life through the devoted efforts of our people. We are dedicated to fostering a workplace where every individual feels safe, included, and empowered to grow. By promoting diversity, equity, and a commitment to well-being, we are fostering a culture where passion

and purpose come together to create positive change. Turning this vision into reality demands collaboration across industries and communities, but every step brings us closer to a world where food truly nourishes both people and planet. As we work towards a sustainable future, we welcome our partners, customers, and communities to join us on this journey.



# We are the Food Experience Company

## OUR RAW MATERIALS

Our carefully selected **5,200 suppliers** provide us with services and **5,100 ingredients**. Our key raw materials are grains, cocoa, sugar, and milk.

## OUR PEOPLE

Our almost **6,000 employees** are the driving force behind our success, and their commitment to excellence and innovation is what allows us to continue to grow and thrive.

## OUR PRODUCTION

Our modern facilities at **16 sites** in Finland, Sweden, and Latvia serve global markets.

FAZER  
BAKERY  
FAZER  
CONFECTIONERY  
FAZER LIFESTYLE  
FOODS

## INNOVATION

We innovate for the food of tomorrow through far-reaching research programmes and our very own Fazer Lab.

## SUSTAINABILITY

We develop food as a solution for a more sustainable planet and business.

## OUR HIGH-QUALITY PRODUCTS AND SERVICES FOR CONSUMERS

We work to always understand and respond to evolving consumer needs and preferences. **41 percent** of our offering was plant-based in 2024.

## OUR ICONIC BRANDS

Our iconic Fazer brand and **80 other brands** create a winning formula for local markets.

## OUR CUSTOMER RELATIONSHIPS

We are growing market shares in our core categories together with our customers. In addition to having a strong presence in Northern European markets, we export to **40 countries**.

## COLLABORATION

We collaborate with our partners and the research community.

## DIGITALISATION

We nurture strong customer relationships and direct access to consumers in multiple channels.

## OUR CORPORATE CITIZENSHIP

We contribute to our local communities, and paid in 2024:

**750.8 MEUR** in supplier purchases

**299.2 MEUR** in personnel wages and benefits

**18.3 MEUR** in taxes (public sector)

**20.5 MEUR** in dividends

**5.0 MEUR** to financiers (interest and other financial expenses)

**0.2 MEUR** to communities (donations)

## STRONG FINANCIAL POSITION

We have a strong balance sheet, healthy profitability and cash flow.

## MANAGING OUR SUSTAINABILITY

# Our recipe: less waste, more taste

**We recognise that the way food is grown, produced, and consumed has a significant impact on people's well-being, the environment, and society. Our mission commits to prioritising sustainability in our growth strategy and product offering.**

One of our key strategic themes is to develop food as a solution for a more sustainable business, highlighting the maturity of our sustainability efforts. This reflects our goal to create and offer sustainable products while considering our supply chain, people, production processes, and positive impacts on the environment, society, and health. At the same time, it emphasises our approach of balancing sustainability with best practices.

To facilitate the food industry's transformation for the better, we focus on

developing our products and continuously invest in shaping the market. By aligning our offering with consumers' needs and taste preferences, we aim to reinforce our position as a market leader while also pioneering sustainability.

The operating environment remained challenging in 2024, especially with cocoa prices rising due to supply constraints and adverse weather conditions. In addition, consumer price consciousness was high, with a significant share of campaigns and strong competition from private

We commit to  
reduce food loss by  
**50%**  
by 2030.



“ Fazer integrates sustainability into every aspect of its operations, from reducing food loss and emissions to developing sustainable products and packaging, aligning with global goals like the UN’s SDGs.



labels in retail. Management prioritised continuously monitoring the situation and adapting accordingly throughout the year.

Nevertheless, we remain committed to sustainability, holding firm to our strategic priorities and ambitions. We aim to continue developing concrete long-term goals that integrate sustainability across our organisation.

#### Highlights of Fazer’s sustainability efforts in 2024

During the year, Fazer continued to execute its sustainability strategy with four sustainability ambitions: Climate and Circularity, Sustainable Products and Innovations, Sustainable Sourcing, and People and Well-being. We made significant progress, and external ratings, reflected by the Carbon Disclosure Project (CDP) and EcoVadis, affirmed our efforts.

While implementing our strategy, we identified the need to update our sustainability approach. An early-year analysis of peers, markets, and regulations highlighted areas for improvement. We refined our Sustainable Products and Innovations ambition and pinpointed two areas needing further focus. In Fazer’s product offering most of the CO<sub>2</sub>e emissions derive from raw materials and,

therefore, reducing emissions upstream to lower product level emissions is important.

Furthermore, we formalised our health and nutrition approach to empower individuals to make dietary choices that enhance their well-being.

In Climate and Circularity, we align with the Science Based Targets initiative (SBTi) to reducing emissions. Our actions include transitioning to fossil-free district heating and electrifying bakery ovens in Finland and the Baltics, as well as using biomass-based steam. In 2024, we continued investments to replace fossil fuel with electricity at multiple sites. All our businesses are also improving energy efficiency to further cut emissions.

We are firmly focused on reducing food loss by 50 percent by 2030. Our dedication to this aim is evidenced by our implementation of food loss as a performance-based bonus target across Fazer Group, supported by monthly reporting and subsequent analyses at site, business unit, and business area levels.

Fazer Group’s research and innovation unit, Fazer Lab, continued its work in the Fazer Upcycled R&D programme. Fazer Upcycled aims to find and develop value-added solutions to utilise food production side streams. These solutions can include

new food concepts, ingredients, or applications in non-food uses. The goal of the programme is to innovate means to improve material efficiency and decrease food loss. Preliminary findings are promising and support the continuation of the R&D work to upcycle production side streams.

Efforts toward developing more sustainable packaging materials continued, and during the last quarter of the year, we updated our Sustainable Packaging Vision 2030. Our ambition is to reduce, recycle, and innovate, ensuring that our packaging integrates into the natural cycle and is designed for the circular economy.

We reached our target to engage 53 percent of our suppliers by spend to commit to the SBTi, aligning with our Scope 3 emission targets. We identified the need to strengthen our Scope 3 emissions roadmap and accelerate progress. We are currently setting new targets, FLAG and Non-FLAG, as required by SBTi for food companies. We also updated our soy policy and approved a new coconut oil commitment. Third-party verification of our Grain Vision programme yielded positive results, and we are developing the next version with updated farmer requirements.

With a commitment to ethical sourcing and responsible supply chains, Fazer collaborates with farmers, suppliers, and partners to drive positive environmental and social impacts.

Several initiatives helped us progress our People and Well-being goals in 2024. We implemented the One Fazer Safety Programme throughout the company, updated the Group's anti-harassment policy and country-specific instructions, and conducted an anti-harassment survey.

#### Double materiality assessment to guide our sustainability actions

In 2023, Fazer conducted a comprehensive double materiality assessment, followed by an updating process in 2024. This assessment assists Fazer in determining the scope of the company's future sustainability reporting in compliance with the Corporate Sustainability Reporting Directive (CSRD). In addition, it provides crucial insights for shaping our sustainability ambitions and corporate strategy, ensuring they are well aligned. This process empowers us to make informed decisions and manage risks effectively.

#### Managing sustainability at Fazer

Sustainability is integrated into the agenda of Fazer's Board of Directors, and the highest authority in sustainability matters lies with the Board. The Board reviews and approves the company's sustainability ambitions, the Group-level risk assessment, including sustainability and climate risks, and Fazer's material sustainability topics and reporting. The Board receives quarterly updates on progress towards sustainability targets, the regulatory landscape, and trends. Although sustainability matters are integrated into various other topics as part of the Board's regular meeting agenda, they are also discussed at least bi-annually as a separate item.

As the Environmental, Social, and Governance (ESG) Sponsor, the Chairman of the Board is the company's top decision-maker on climate-related issues. The ESG Sponsor represents the Board in sustainability matters and is accountable



# Results of Fazer's double materiality assessment

Our most relevant sustainability topics



**Impact materiality:** Positive impact Negative impact

**Financial materiality:** Opportunity Risk

Topics scored above threshold ↑

**“** Sustainability at Fazer is guided by structured management systems, governance frameworks, and policies, ensuring regulatory compliance and driving continuous improvement across all aspects of our operations.

for ensuring that sustainability efforts are governed effectively and fulfil targets and objectives.

To ensure that the Group's sustainability targets and key priorities are met, the highest authority in operative decision making in sustainability lies with the Fazer Leadership Team (FLT).

As a subset of the FLT, the ESG Steering Group, chaired by the Group's President and CEO, with Business Area (BA) heads, Bakery Business Unit heads, and our Executive Vice President of Communications and Sustainability as members, discusses strategic sustainability topics and prepares them for FLT decision making. The ESG Steering Group also monitors and takes actions to comply with upcoming regulatory changes, steers the Group's operative sustainability work, and prepares matters and policies to be approved by the FLT and the Board of Directors.

The Board's ESG Sponsor is informed on sustainability issues by the FLT and ESG Steering Group after each meeting, serving as the link between the FLT and the Board. The Board receives updates on Fazer's sustainability performance through Key Performance Indicators (KPIs) on key targets and ambitions; emissions, food loss, plant-based products, packaging, sustainable sourcing, safety, and diversity, equity and inclusion (DE&I), at least on a quarterly basis.

Fazer Group's continuous sustainability work is managed by the Group Sustainability Team and the Sustainability and Quality, Environmental, Health and Safety (QEHS) networks, consisting of experts from all our businesses. Environmental developments and KPIs are reviewed quarterly with the BA responsible, sustainability team members, and EVP of Communications and Sustainability. Food loss and safety are monitored monthly at the Business Unit level.



Fazer's Sustainability Ambitions and focus areas guide our aspirations and collective efforts, while our Sustainability Policy outlines our commitment to responsible operations, integrating sustainability strategically into our daily work activities. This is reinforced by key documents such as Fazer Group's Human Rights Policy; Quality, Environmental, Health and Safety Policy; and Supplier Code of Conduct, along with our governance practices and procedures.

All of the mentioned forums have defined roles and responsibilities. Furthermore, the Group Sustainability Team, as well as our Sustainability and QEHS experts within our businesses and other relevant teams, manage and implement sustainability efforts. It is the responsibility of our business areas to carry out follow-up actions and monitor their results through their designated business unit teams and cross-functional teams.

Sustainability topics, such as reporting, risk management, Health and Safety updates, Human Resources (HR), and discussions about remuneration, are examined by cross-functional teams and functions.

Fazer Group's sustainability policies and principles:

- Fazer Code of Conduct
- Human Rights Policy
- QEHS Policy
- Marketing Policy
- Supplier Code of Conduct
- Sustainability Policy

#### Fazer's priority SDGs

The United Nations Sustainable Development Goals (SDGs) are 17 targets aimed at creating a sustainable future for generations to come, eradicating poverty and hunger, and promoting peaceful and inclusive societies for everyone, without distinction, by 2030. Fazer has reviewed the 17 goals to identify those we can most effectively contribute to. After evaluating our sustainability efforts and Sustainability Ambitions in relation to the SDGs, we determined that eight of these goals are the most relevant to Fazer's work:

- **SDG 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **SDG 3:** Ensure healthy lives and promote well-being for all at all ages
- **SDG 5:** Achieve gender equality and empower all women and girls
- **SDG 8:** Promote sustained, inclusive and sustainable economic growth, full

and productive employment and decent work for all

- **SDG 12:** Ensure sustainable consumption and production patterns
- **SDG 13:** Take urgent action to combat climate change and its impacts
- **SDG 14:** Conserve and sustainably use the oceans, seas and marine resources
- **SDG 15:** Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

#### Systematic sustainability management

Quality, food safety, environment, and occupational safety management systems are important means for driving sustainability at Fazer on the site level. Through site-specific management systems, we aim for unified and structured ways of working. This method develops competences, strengthens risk management, and helps to ensure regulatory compliance. The certification status of all Fazer's operational sites can be found on page 61.

Fazer works to ensure the first-rate safety and quality of its products, and all our production sites have food safety management certifications (FSSC 22000,

## Sustainability governance

### Board of Directors (BoD)

BoD ESG Sponsor

### Fazer Leadership Team (FLT)

ESG Steering Group

### Group Sustainability

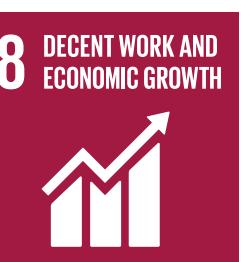


### Business Areas and Group functions

### Business Units and cross-functional teams

### All Fazer employees

## Fazer's priority SDGs



“ By embracing innovation, circularity, and consumer-focused approaches, Fazer pioneers sustainable solutions that balance environmental responsibility with business growth.

IFS) approved by the Global Food Safety Initiative (GFSI).

In addition, we maintain high quality standards and have numerous controls in place to protect food safety and uphold consistent quality. In 2024, there were six product recalls regarding food safety. The product recalls were made due to safety precautions related to safe consumption of products, allergen labelling or possible presence of contaminants.

In environmental management, the majority of our sites are ISO 14001 certified and use systematic processes to identify, monitor, and reduce their environmental impacts. Regarding health and safety, the Occupational Health and Safety (OHS) management systems at Fazer sites adhere to local legislative requirements as a minimum standard. Additionally, most of our sites are also ISO 45001 certified.

This year, there was one instance of non-compliance concerning marketing communications, related to misleading claims. We will continue to increase

internal awareness of these topics through checklists and training sessions.

#### **Stakeholder engagement highlights in 2024**

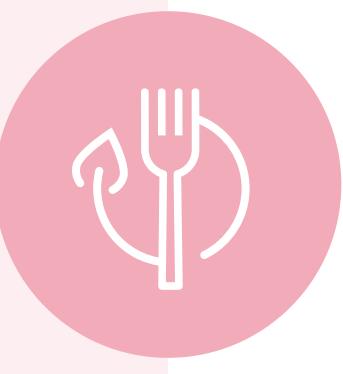
Fazer participates in initiatives such as the UN Global Compact. We support organisations like SOS Children's Villages, BSAG, and the World Wildlife Fund (WWF). In Sweden, we are part of Hållbar Livsmedelskedja, Livsmedelsföretagen's (LI, The Swedish Food Federation) sustainability development work, and DLF, a trade association aimed at promoting an efficient, innovative, and sustainable fast-moving consumer goods (FMCG) industry in Sweden.

#### **Memberships and commitments**

Fazer is actively involved in several associations that drive sustainable practices within the food industry and across the countries where we operate. Additionally, we collaborate with organisations dedicated to important causes in our communities.



# Sustainability key focus areas

Sustainability key focus areas	Ambitions	Sustainability targets	Performance in 2024 (previous year if available)
<b>CLIMATE &amp; CIRCULARITY</b>		<b>We mitigate climate change and optimise the use of resources through circularity</b>	<b>42% less GHG emissions (Scope 1 and 2) by 2030, compared to the 2020 baseline</b> -34% (-24%) <b>50% less avoidable food loss by 2030, compared to the 2020 baseline</b> -13% (-5%)
<b>SUSTAINABLE PRODUCTS &amp; INNOVATIONS</b>		<b>We innovate for a more sustainable food system</b>	<b>More plant-based in offering</b> 41% (45%) <b>More plant-based in novelties</b> 41% (37%) <b>Recyclable packaging materials by 2030</b> 87% <b>Reduced usage of plastic and metal (2018 baseline)</b> -13% plastics -5.3% metal
<b>SUSTAINABLE SOURCING</b>		<b>Our supply chain is fair and sustainable</b>	<b>100% traceable cocoa by 2027</b> 34% (35%) <b>100% signed Supplier Code of Conduct latest by 2030</b> 89% (89%) <b>42% less GHG emissions (Scope 3) by 2030, compared to the 2020 baseline</b> 2% (-5%) <b>Engage 53% of our suppliers by spend to set their own SBTi targets by 2025</b> 53% (47%)
<b>PEOPLE &amp; WELL-BEING</b>		<b>We provide opportunities for growth in a modern, safe, and inclusive culture</b>	<b>Long-term target: Zero Lost Time Accidents (LTAF)</b> 4.0 (5.1) <b>YoY improvement of engagement score in the annual people survey</b> 3.8 <b>YoY improvement of DEI driver in the annual people survey</b> 3.8

# Stakeholder engagement

Key stakeholders	Key channels of dialogue	How we respond to stakeholder expectations
Consumers	We have a strong presence in the Nordic market and engage with consumers in our cafés, shop-in-shop bakeries and bakery shops, as well as through consumer service and online channels, surveys, websites and social media, and packaging.	We understand consumers' needs for health, sustainability and convenience when it comes to their food experience. It is vital for us to engage with consumers to understand what they value, and to be able to turn these insights into new products and services. Consumers trust and have high expectations towards the Fazer brand and the quality and safety of our products and services. We provide reliable information on our products and services and Fazer as a company.
Customers	We maintain close relationships with our customers through meetings and other cooperation events, questionnaires, newsletters, and customer feedback surveys.	Our customers are particularly interested in how we ensure food safety and quality, the sustainability of our raw materials, and our actions in emission reduction. We pay close attention to providing transparent information about the origins and other sustainability-related information of our products. We bring value through both services and products that are of high quality, sustainable, and right for the customer.
Employees	In addition to company-wide processes such as the Individual Performance Management Process, employee engagement surveys, and Fazer's whistleblowing service, we ensure active dialogue through day-to-day communication between managers and employees, personnel events, our intranet and other internal channels, and discussions with local HR.	Ensuring the well-being, health, and safety of all our employees is our priority. We have established workplace safety practices at all our production sites, emphasise competence development and work for a more diverse and inclusive working environment.
Shareholders and financial institutions	Annual general meeting, Annual Review, regular reports, information meetings, other regular events and shareholders' website	We provide accurate and reliable information on our performance, governance, business development, and sustainability in channels which best suit the shareholders.
Suppliers and service providers	Supplier relationship management process, meetings, agreements, supplier requirements, audit questionnaires, audits, monitoring meetings and visits	Working together with our suppliers to ensure food safety and quality, ethical business practices as well as minimising the environmental impact of raw material production, is the foundation of our approach with suppliers. We have close supplier relationships and we cooperate with our suppliers in areas such as sustainability. We equally want to safeguard human rights and fair working conditions throughout our supply chain.
Society (authorities and governments, media, NGOs and local communities)	Meetings, partnerships and collaboration, questionnaires and events	We create value for society and engage in active dialogue. We are members of and have partnerships with various organisations and support numerous non-profit organisations. We believe in open and transparent communication.
Universities, research institutes and start-ups	We are an active participant in research consortiums and ecosystems that bring together actors in the food industry and beyond.	We want to continuously develop our offering for a more sustainable food system and strengthen our expertise in foodtech. Through partnerships and by combining our own research with collaborations with universities and start-ups, we expand our own expertise and improve our capabilities to introduce sustainable innovations with social significance.

# Memberships

Fazer is an active member in several associations that drive sustainable practices in the food industry and Fazer's operating countries. We additionally support and work with organisations that provide aid or work for an important cause in our communities.

## Food industry and trade associations

- Finnish Food and Drink Industries' Federation (ETL) with a representative from Fazer on its board and Fazer experts in its working groups
- Food industry associations in Sweden, such as Swedish Food Federation and DLF, a grocery retail and foodservice trade association with Fazer as Board member
- Other relevant food industry associations in our operating countries, such as the Finnish Bread Information (Leipätiedotus ry)
- Confederation of Finnish Industries (EK) with Fazer experts in its working groups
- Consumer Goods Forum, global retailers' and consumer goods manufacturers' collaboration organisation
- Other local Chambers of Commerce in Estonia, Lithuania and Latvia, with Fazer as a member company

## Sustainability initiatives

- The United Nations Global Compact, with Fazer member since 2012
- The Science Based Targets for substantial emissions reductions in Fazer's operations and value chain by 2030
- Member in key sustainability associations on the sustainability of raw materials: Roundtable on Sustainable Palm Oil, Round Table on Responsible Soy Association and World Cocoa Foundation
- Food Data Finland: GS1 led consortium developing and pioneering the use of unified food chain data
- Several sustainability initiatives in Sweden, such as the DLF Plastic and Transport initiatives 2025 and Sustainable Food Chain (Hållbar Livsmedelskedja)
- Other topic-specific sustainability initiatives, such as the Baltic Sea Action Group
- Business networks for sustainability, such as FIBS (Finnish Business & Society)

## Research consortiums and projects

- Towards Climate Positive Agriculture, a research project with Helsinki University under Valio Food 2.0 funded by Business Finland
- RETHINK project lead by VTT to develop new plant protein value chains
- Giant Leaps, Horizon Europe funded project aims to accelerate the transition to alternative dietary proteins
- Rosetta @oru, project led by Örebro University about responsive nutrition and biomarkers
- CERAFIM project led by VTT researching the sustainable food production through biotechnology
- Research collaboration with universities and other educational institutions, such as the University of Helsinki, Aalto University, Uppsala University, the Swedish University of Agricultural Sciences and Örebro University

## Support and collaboration

- Non-profit organisations, such as WWF Finland, SOS Children's Villages, NPO Estonian Association of Large Families and the Lithuanian and Latvian Red Cross organisations
- Cooperation with schools and educational institutions, such as Hanken School of Economics, Finland, Stockholm School of Economics, and Latvia University of Life Sciences and Technologies
- Sports events and associations, such as the Stafettkarnevalen event in Helsinki, Finland
- Title partner of the Fazer Junior Grand Prix of the Finnish Tennis Association and main partner of BNP Paribas Nordic Open tournament



## CLIMATE AND CIRCULARITY

# Consistent climate action for lasting change

Recognising the global food system's major impact on climate change, we commit to systematically lowering emissions throughout our operations and supply chain, protecting the environment, and ensuring the future of our business.

In 2024, Fazer's total emissions across Scope 1, 2, and 3 amounted to 693,223 tCO<sub>2</sub>e, representing a 6 percent increase from the previous year and a 1 percent decrease compared to the 2020 baseline year.

Emissions from our own operations (Scope 1 and 2) saw an impressive drop of 13 percent from 2023 and 34 percent from 2020. This good performance was primarily driven by key investments in fossil-free heating in Finland, electrification of steam production in Eskilstuna bakery, and other energy efficiency measures.

To sustain momentum, we are refining our Scope 1 and 2 transition plan, which will guide our future actions and ensure we stay on track for further reductions. We

are continuously developing this transition plan, identifying additional opportunities to exceed our set targets.

We made solid progress in decreasing our Scope 1 and 2 emissions in 2024, keeping Fazer on track toward our 2030 climate targets. So far, we have cut our emissions by 34 percent from our 2020 baseline, moving closer to our 42 percent reduction goal by 2030.

Our Scope 3 emissions increased in 2024 by 1.6 percent compared to the baseline mainly due to updated emission factors. This led to an increase in our emissions and unwanted development related to our 2030 target. We achieved an 8 percent reduction in avoidable food loss compared to previous year and an 13 percent decrease compared



“

In 2024, Fazer achieved a 13 percent decrease in food loss compared to the baseline year 2020. The target is 50 percent reduction in food loss by 2030.

to baseline year 2020. Food loss remains a firm focus area for all businesses and sites. During the year we successfully completed a water and wastewater mapping study across all our production sites, furthering our commitment to resource efficiency.

#### Key actions for emission reductions

Several decisive actions helped us lower our emissions in 2024. Switching to fossil-free heating at all our major production sites in Finland cut our emissions by approximately 1,900 tonnes of CO<sub>2</sub>e compared to 2023. Additionally, our investment in an electric steam boiler at

our Eskilstuna bakery in Sweden delivered further reductions, 684 tonnes of CO<sub>2</sub>e compared to 2023.

#### Progress toward our 2030 emission reduction targets

We are making considerable strides and are well on track to surpass our goal of 42 percent Scope 1 and 2 emission reduction targets by 2030. An electric boiler, planned to be constructed in 2025 and replacing the existing gas-powered boiler at our Lappeenranta site, will be crucial in helping us meet this target. Continuing to focus on energy-efficient projects across our

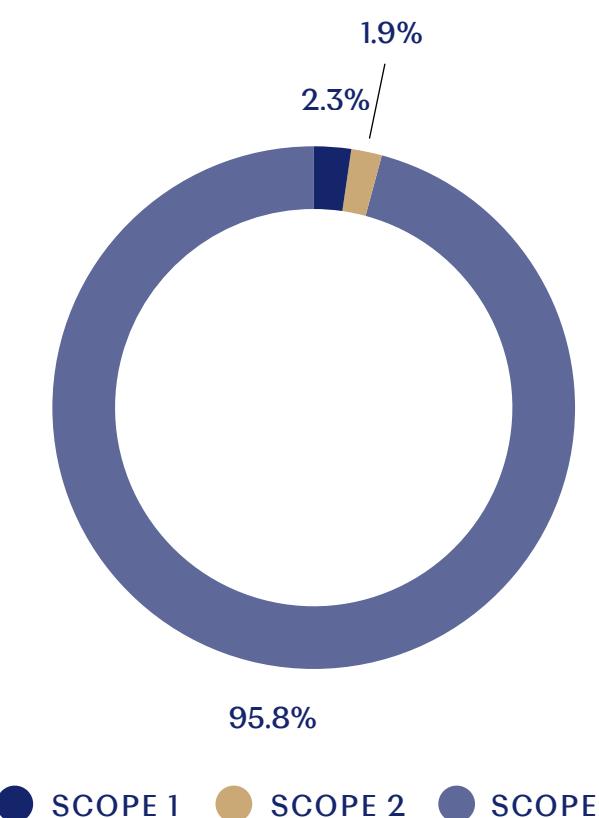
operations is essential as we strive toward this goal.

#### Scope 3 FLAG target status

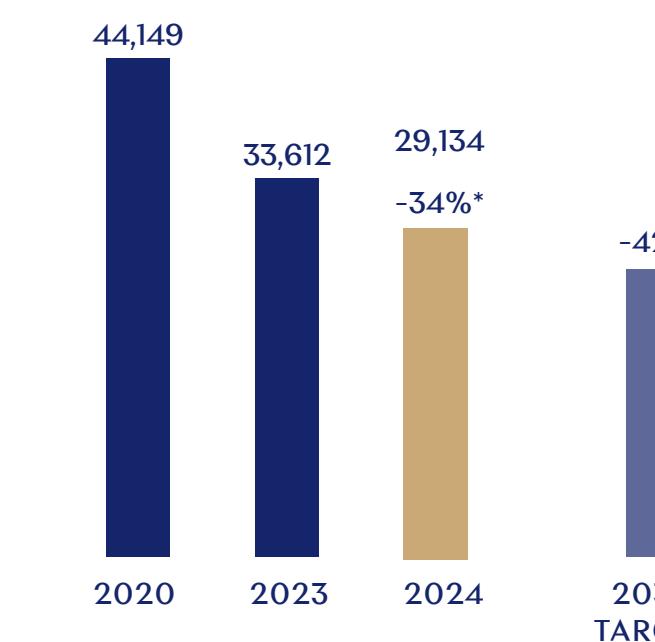
We began calculating our Forest, Land, and Agriculture (FLAG) emissions in 2023, and in 2024, we made significant progress in updating our emission reduction targets to comply with FLAG guidance. We expect these new Scope 3 targets to be validated by the Science Based Targets initiative (SBTi) during 2025.

Aside from preparing for the new Scope 3 target setting, our efforts to

GREENHOUSE GAS EMISSIONS BY SCOPE, %

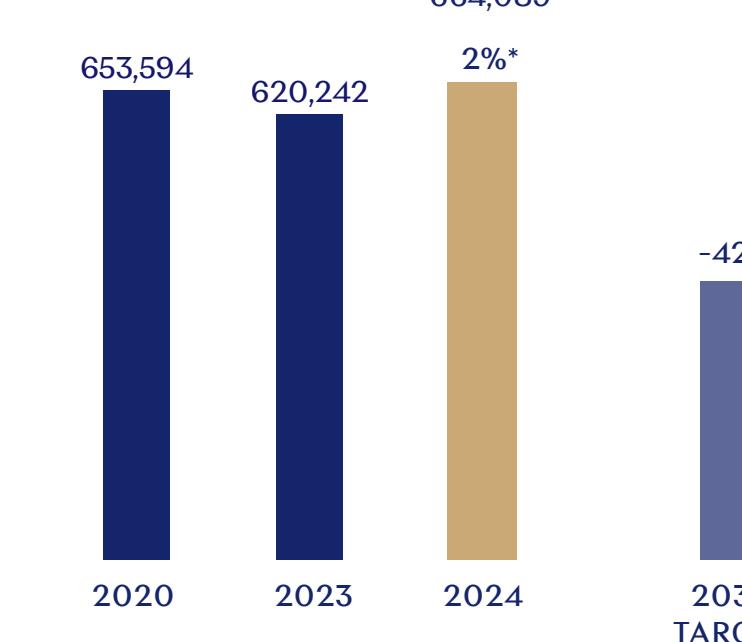


GREENHOUSE GAS EMISSIONS FROM OWN OPERATIONS  
SCOPE 1 AND 2 EMISSIONS, tCO<sub>2</sub>e



\* CHANGE % COMPARED TO THE 2020 BASELINE

GREENHOUSE GAS EMISSIONS FROM VALUE CHAIN  
SCOPE 3 EMISSIONS, tCO<sub>2</sub>e



\* CHANGE % COMPARED TO THE 2020 BASELINE

prioritise reduction actions within a Scope 3 roadmap have moved ahead. We are quantifying existing supplier solutions and continue to hold collaborative discussions with key category suppliers to evaluate new FLAG-specific emission reduction levers. Including FLAG emissions will increase our overall emissions by accounting for currently unreported land-based emissions.

Improving data quality continues to be a key focus area for Scope 3. During 2024, we started to create guidelines for emission factors, starting with key categories. During the year, the adoption of these factors has been case-by-case, slowed down by limited primary FLAG data availability.

### Fazer Group's Energy Framework and key actions in 2024

Since updating our Group Energy Framework in 2022, we have implemented energy efficiency initiatives across all our business supply chain departments. These actions are guided by quarterly Energy Forum meetings. The aim is to optimise our energy use and hedge against price fluctuations.

Some of the most significant strides in 2024 included the expansion of fossil-free energy across our operations. We are fully powered by 100 percent fossil-free

CASE

## New Fazer Shop Lappeenranta: Reducing food loss together with consumers

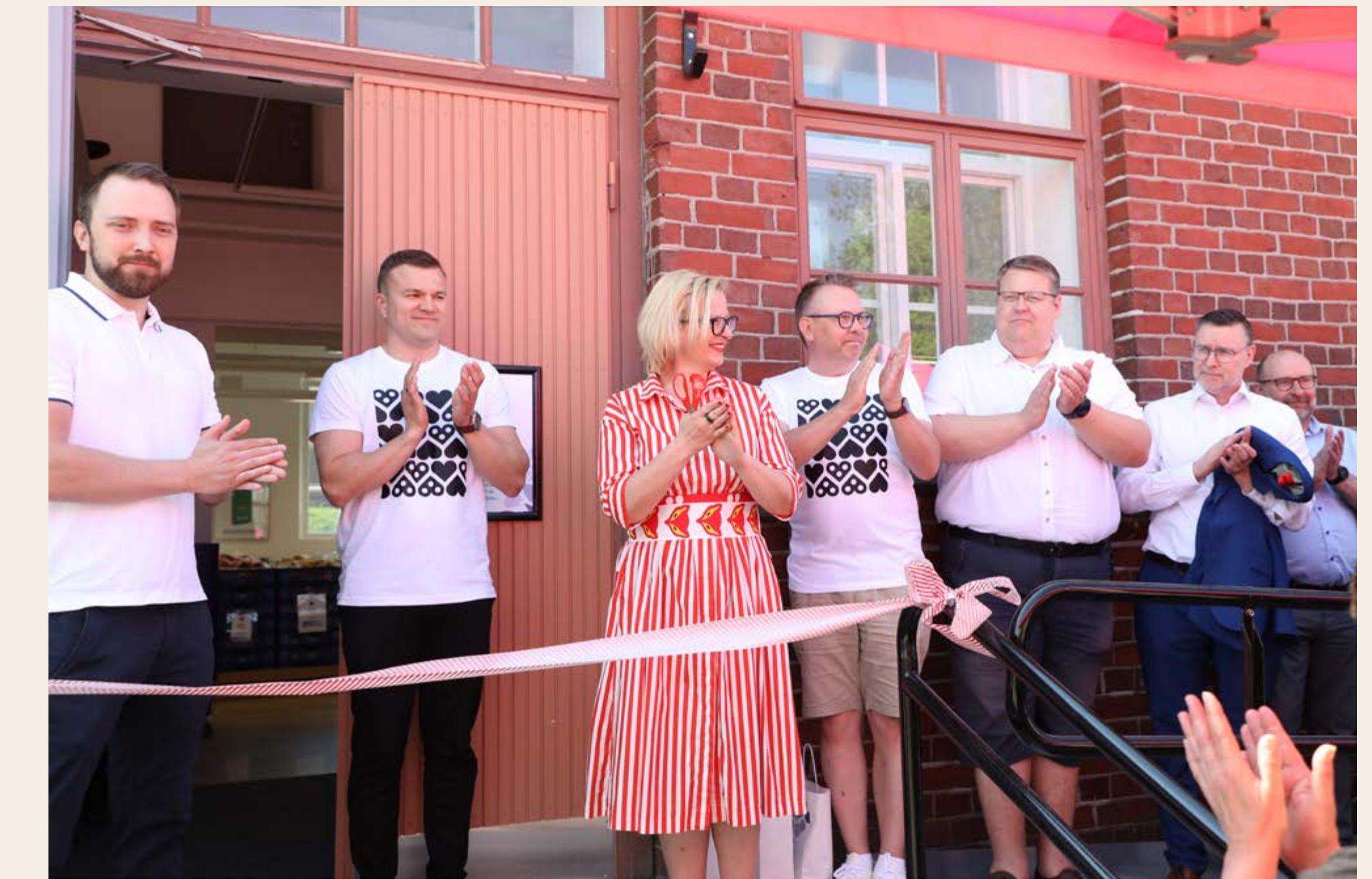
**In June 2024, we opened a pilot outlet store in Lappeenranta, focused on selling products nearing their best-before dates or not meeting our strict first-class quality standards.**

In addition to selling candy, the Fazer Shop also carries a broad range of our other products, such as breads, porridges, and mueslis.

The outlet's performance has exceeded expectations and maintained public interest throughout the summer months. It continues to attract consumers and will operate until at least late 2025.

**Supporting Fazer's sustainability ambition**  
The outlet store supports the company's broader sustainability strategy, allowing us to reduce food loss by selling products that are tasty but would otherwise be discarded.

Driven by the company-wide focus on reducing food loss, which was formalised



as a bonus target in 2023, we identified the opportunity to reduce food waste by offering value-grade products directly to consumers.

The success of the outlet store is measured by tracking the number of best-before-risk products and non-standard items sold, with clear results in reducing food waste.

By turning potential waste into consumable goods, the project contributes to circularity efforts – a critical part of implementing the company's sustainability strategy. It aligns with our sustainability ambition to mitigate climate change by optimising resource use and contributing to a more sustainable food system.

electricity and have increased heat recovery systems across several production sites.

### Green transition and renewable energy

In **Fazer Confectionery**, we have initiated a project to electrify steam production at the Lappeenranta factory. This will reduce emissions by 90 percent at the facility and cut Fazer Group's Scope 1 and 2 emissions over 10% from the baseline. Furthermore, we will achieve significant energy savings by recovering and reusing heat in the factory's processes.

Preparations for electrifying steam production at the confectionery factory have been supported by extensive collaboration between Fazer and the city's stakeholders. The new electric boiler will be installed in the current boiler hall, with minimal visible changes outside the factory premises. The existing gas boilers will be maintained as backup boilers at the factory.

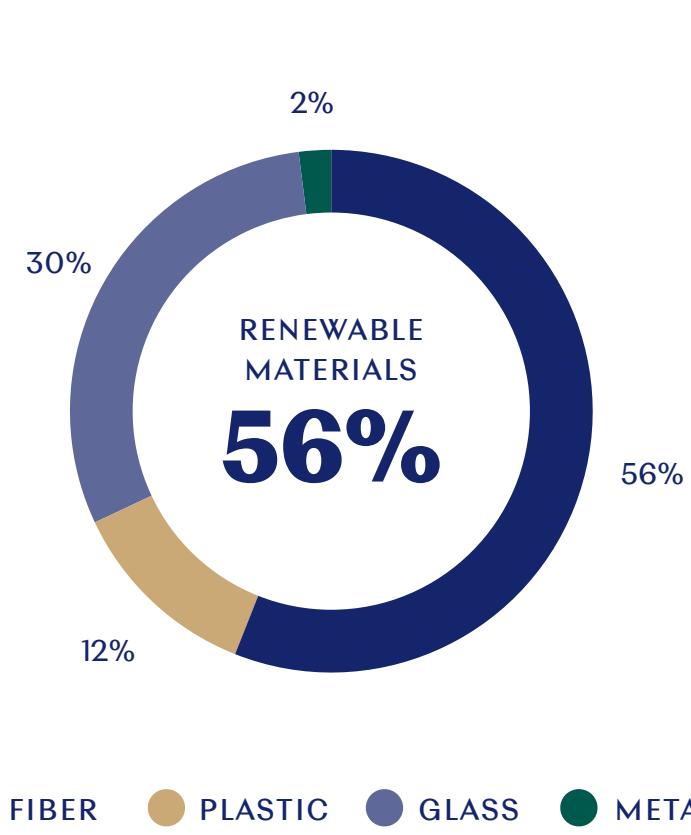
### Emission reductions continue at Fazer Bakeries

**Fazer Bakeries** place a high priority on reducing CO<sub>2</sub> emissions, concentrating on three key focus areas:

#### Reducing fossil fuel use

- In 2023, Fazer Bakery Finland switched to fossil-free district heating at all its large bakeries, namely Vantaa, Lahti, and Lappeenranta. The change reduces CO<sub>2</sub> emissions by 1,200 CO<sub>2</sub> tonnes/year and decreases Fazer Bakery Finland's Scope 1 and 2 CO<sub>2</sub> emissions by 13 percent.
- At the Lahti bakery, 67 percent of the steam is produced with biomass made from the side stream of oat kernel husks.
- At the Umeå bakery we switched to fossil-free district heating with CO<sub>2</sub> impact of close to 2 tonnes.

### PACKAGING MATERIALS USED



### Raw materials and water withdrawal

	2024	2023	2022
Used raw materials (tonne)	519,399	502,811	541,395
Raw materials intensity (tonnes/produced tonne)	1.17	1.12	1.10
Water withdrawal (m <sup>3</sup> )	844,315	1,036,049	1,127,662
Water withdrawal intensity (m <sup>3</sup> /produced tonne)	1.90	2.30	2.30
Water consumption (m <sup>3</sup> )	180,336	209,433	259,469
Water discharge (m <sup>3</sup> )	662,061	793,918	843,774

### Food loss and waste fractions

Tonnes	2024	2023	2022
Used directly as animal feed	1,975	3,452	5,546
Side streams to energy production	32,220	37,129	50,658
Side streams directed to animal feed production	59,446	44,068	51,725
Other use, e.g. composted biowaste	1,974	3,127	2,090
Landfill*	252	295	317
Total side streams in production	95,616	87,776	110,019
Recycled waste	4,129	5,195	4,656
Incinerated waste with energy recovery	2,444	1,778	2,088
Total non-hazardous waste	6,824	7,268	7,061
Incinerated, with energy recovery	16	19	88
Incinerated, without energy recovery	7	1	7
Hazardous waste to landfill and other use	41	32	14
Total hazardous waste	65	52	110
Total side streams and waste from Fazer's operations	102,505	95,096	117,189
Avoidable food loss/production volumes (kg/produced tonne)**	98	107	112
Food donations***	222	552	621

\* Can also include waste streams other than food loss

\*\* Excludes side streams from milling operations

\*\*\* Considered as a way to reduce food loss but not a part of food loss calculation



### Increasing electrification

- Lahti Bakery's new energy-efficient portion bread line – including an electric oven and starting full-scale production in early 2025 – will reduce CO<sub>2</sub> by 800 tonnes in 2025, and around 1,030 tonnes yearly thereafter. Also, two old production lines in Lahti Bakery have been dismantled.
- At Fazer Bakery Baltics electrification of two of our production lines will result in approximately 400 tonnes in CO<sub>2</sub> savings.
- Electrification of steam production in Eskilstuna bakery in Sweden at the end of 2023 has reduced emissions by 684 tonnes in 2024.
- In 2024, solar panels were installed at Vantaa and Lahti Gluten-free bakery areas.

### Improving energy efficiency

- In 2023–2024 several smaller projects, such as enhancing heat recovery, automating air conditioning, and optimising district heating, have improved energy efficiency in Fazer Bakery Finland by 4.3 percent in 2023. At the end of 2024, the reduction amounted to 5.6 percent.



▲ Adopting fossil-free district heating helped us to reduce CO<sub>2</sub> emissions by 1,200 tonnes annually across our Finnish bakery facilities such as in Lahti.

- Ongoing food loss reduction projects have also improved functionality of production lines, and thus energy efficiency, at all our bakeries.
- At Fazer Bakery Baltics, we have implemented heat recovery on five lines, further contributing to CO<sub>2</sub> reductions.

We have also advanced our efforts in the green transition by signing a letter of intent with Finnish energy company Gasum to use renewable e-methane in bread transport and production at our Fazer Bakery Finland site.

“ By integrating sustainability into its operations, Fazer advanced food loss reduction, enhanced waste management, and introduced measures like the ESG Scorecard for investments, reflecting its commitment to a greener and more efficient future.

As for **Fazer Lifestyle Foods**, the transfer of production activities from Koria, Finland, to Tingsryd, Sweden, has already resulted in approximately 750 tonnes of CO<sub>2</sub> savings, thanks to the use of biofuel at the Tingsryd facility.

#### ESG Scorecard launched for new investments

To ensure that all future investments align with our climate goals, we have introduced an ESG Scorecard for any investment in machinery and systems exceeding EUR 250,000. The new scorecard requires investment managers to detail sustainability impact, including emission reductions, energy sources, food loss reductions, and supplier standards. This structured approach to rationalising new investments will help us meet our sustainability targets and continue Fazer's transition toward a low-carbon future.

#### Progress in halving food loss by 2030

We remain committed to our target of halving food loss at Fazer by 2030. In 2024, Fazer achieved a 8 percent reduction in avoidable food loss compared to the previous year and a 13 percent decrease from our 2020 baseline. This improvement stems from collaborative efforts across business areas, including enhanced supply chain management, cross-departmental teamwork, and increased awareness throughout our organisation. We also donate significant amounts of products nearing their best before dates to charitable foundations.

Fazer Lab (R&D) and Sustainability teams have facilitated innovative projects that promote synergy and effectiveness. Reducing food loss is now integral to our performance bonuses, along with safety metrics, making it high priority throughout the organisation.

#### Direct greenhouse gas emissions (Scope 1)

CO <sub>2</sub> e tonnes	2024	2023	2022
Fuels combusted for generation of electricity, heat, or steam	13,568	15,770	16,948
Fuels combusted for transportation of materials, products, waste, and leased vehicles	796	906	751
Fugitive emissions of cooling agents	1,535	955	1,147
<b>Total Scope 1 emissions</b>	<b>15,899</b>	<b>17,631</b>	<b>18,846</b>

Biogenic emissions from fuel combustion

4,520 4,281\* 5,192\*

\* The data for 2022 and 2023 has been restated

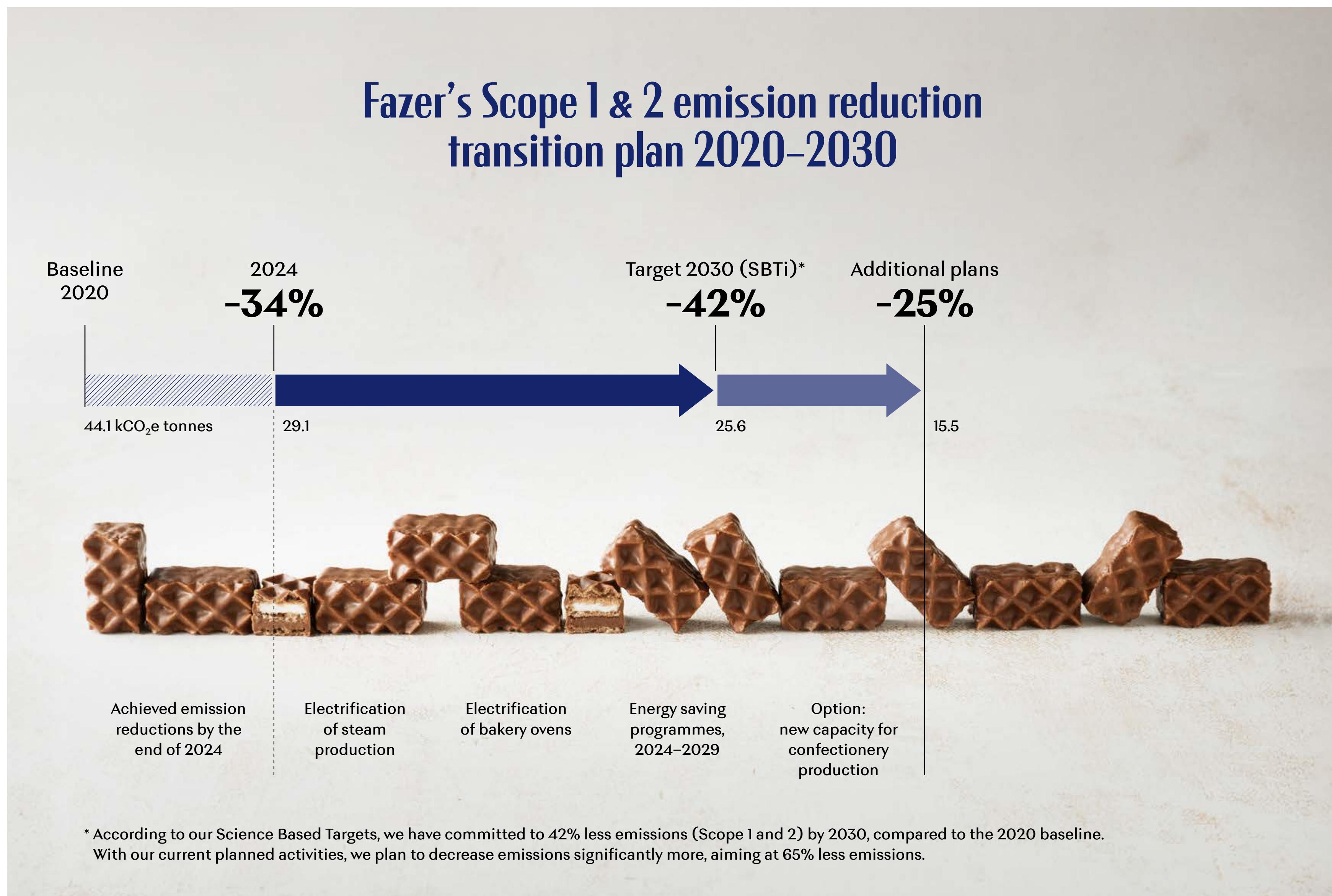
#### Indirect greenhouse gas emissions from purchased energy (Scope 2)

CO <sub>2</sub> e tonnes	2024	2023	2022
Electricity	0	0*	0*
Steam	13,183	13,176	14,347
District heating	52	1,952	4,776
<b>Total Scope 2 emissions (market-based)</b>	<b>13,235</b>	<b>15,128*</b>	<b>19,124*</b>
<b>Total Scope 2 emissions (location-based)</b>	<b>16,734</b>	<b>23,582</b>	<b>25,301</b>

\* The data for 2022 and 2023 has been restated

#### Indirect greenhouse gas emissions in value chain (Scope 3)

CO <sub>2</sub> e tonnes	2024	2023	2022
Purchased goods and services, e.g. food raw materials and packaging	582,359	547,751	608,268
Capital goods, such as investments in production facilities and machinery	32,793	21,522	22,835
Fuel and energy related activities (not reported in Scope 1 and 2)	973	1,866	1,982
Upstream transportation and distribution	16,837	18,654	21,818
Waste generated in operations	343	474	532
Business travel	542	411	343
Employee commuting	6,591	6,756	7,078
Downstream transportation and distribution	18,386	17,046	17,957
End-of-life treatment of sold products	5,265	5,761	5,401
<b>Total Scope 3 emissions</b>	<b>664,089</b>	<b>620,242</b>	<b>686,215</b>



In 2024, each business unit focused on food loss reduction. Key strategies include:

- **Fazer Confectionery:** Implementing a business area-level programme to improve production efficiency and pilot new initiatives.
- **Fazer Bakery:** Conducting food loss workshops and production audits and establishing new and more efficient sales channels for previously wasted fractions.
- **Fazer Lifestyle Foods:** Enhancing production efficiency in Plant-based drinks and optimising sales and operations' planning for Cereals.

While general waste tracking continues, we are exploring the increased use of side streams, such as oat hulls and wheat bran. Okara and dough waste remain significant contributors to our food loss, linked to high production volumes.

The Fazer Upcycled programme has been pivotal in providing a framework for food loss innovations to gain business viability and secure necessary resources, with several cross-functional projects initiated through Fazer Ventures expected to yield results in 2025.

Key actions for continued improvement include enhanced supply chain analysis,

portfolio reviews to assess the impact of high food loss products, and investments in efficient production facilities, including a new chocolate factory. We are developing circular economy practices to repurpose food waste and create new products. Additionally, we are implementing new sales strategies for items approaching their expiration dates, or those that do not meet our stringent quality standards.

Finally, our participation in the Material Efficiency Commitment illustrates our dedication to climate action and resource efficiency. The framework guides our efforts, ensuring that we minimise environmental impacts and continuously optimise our operations. Through these concerted efforts, we are making substantial strides toward our goal of halving food loss by 2030.

**Further strides in waste reduction**  
In 2024, we have achieved tangible results in waste reduction, particularly in composted biowaste in employee break rooms and plastic packaging material waste, which has returned to lower levels compared to the previous year. The unusually low total waste volume but high level of hazardous waste in 2023 initiated efforts to analyse and mitigate waste. In

2024, the overall waste levels were higher because of increased production volume in certain parts of the company and attention to correct measurements.

In alignment with Finnish waste legislation, we have implemented new waste sorting solutions at Fazer's headquarters in Vantaa. As of August, offices now feature separate collection containers for plastics and cardboard. While this initiative is currently limited to a few locations, we plan to expand these efforts as soon as possible.

Looking ahead, we are exploring the integration of more biomass into our energy production processes to reduce our dependency on forest resources.

#### Overview of Fazer's water use

In 2024, Fazer's total water withdrawal decreased by 19 percent, while wastewater volumes also declined by 18 percent compared to 2023. This shift can be attributed to several factors, including revised cooling water processes and targeted conservation efforts.

We have conducted a comprehensive mapping of water and wastewater management across all factory sites to create an overview of current water withdrawal, wastewater levels, and effluent

**In 2024, Fazer advanced its commitment to halving food loss by 2030 through innovative upcycling projects, enhanced supply chain practices, and performance-linked reduction targets.**



**“** By mapping water and wastewater management across all sites, Fazer identified key opportunities for conservation, reinforcing its dedication to sustainable resource use and environmental responsibility.

outputs. This survey has enabled us to identify risks and improvement areas.

In 2024, we focused on our most water-intensive processes to identify reduction opportunities. Although options to decrease overall water usage at the production plant level are limited, our efforts have provided valuable insights into optimising cleaning processes and ingredient use. While no new methods or systems were implemented this year to optimise water usage in daily operations, the water survey has helped us identify our water-related risks. It also highlights the importance of studying production losses released to wastewater. Data from nine sites indicated significant amounts that could potentially be reduced through better management and side-stream utilisation for biogas production. Wastewater treatment costs increased at seven of our 16 sites in 2024, underscoring the economic incentive to improve wastewater management.

Additionally, we are planning the contents for the revised Grain Vision programme, which will emphasise farmer collaboration and focus on mitigating the environmental impacts of grain farming, including water protection.

Through these ongoing initiatives, we commit to enhancing water efficiency across our operations, ensuring responsible management of this vital resource.



#### Greenhouse gas emission intensity

CO<sub>2</sub>e tonne/produced tonne

	2024	2023	2022
Scope 1	0.04	0.04	0.04
Scope 2	0.03	0.04	0.04
Scope 3	1.49	1.38	1.40
<b>Total emissions intensity</b>	<b>1.56</b>	<b>1.45</b>	<b>1.48</b>

#### Fuel combustion and energy consumption

MWh

	2024	2023	2022
Oil	3,538	6,397*	9,854
Natural gas	58,173	64,948	72,429
Liquefied petroleum gas (LPG)	4,461	6,720*	126
Diesel	704	1,177*	1,004
Petrol	1,732	1,021*	790
<b>Total non-renewable fuels</b>	<b>68,609</b>	<b>82,415</b>	<b>84,077</b>
Wood pellets	6,032	5,573	6,108
Biodiesel	15,893	14,913*	188
Biogas	0	14,862	22,680
<b>Total renewable fuels</b>	<b>21,925</b>	<b>20,486*</b>	<b>28,976</b>
Renewable electricity	214,652	207,589*	214,755
Non-renewable electricity	0		
Purchased steam	73,654	73,501	76,810
District heating	39,951	41,547*	42,120
Compressed air	1,022	928*	901
<b>Total purchased electricity</b>	<b>214,652</b>	<b>207,589*</b>	<b>214,755</b>
<b>Total generated electricity</b>	<b>815</b>		
<b>Total energy consumption</b>	<b>420,628</b>	<b>424,313*</b>	<b>447,639</b>
<b>Total energy intensity (MWh/produced tonne)</b>	<b>0.94</b>	<b>0.94*</b>	<b>0.91</b>

\* The data for 2023 has been restated



## SUSTAINABLE PRODUCTS AND INNOVATIONS

# Food meets the future: our take on what's next

**Innovating for a more sustainable food system demands boldness – pioneering solutions and exploring uncharted possibilities.**

Innovation is an important enabler in our transformation to become a modern and sustainable food company.

As an industry leader, we are committed to the pursuit of innovative solutions to combat climate change. We believe that by embracing the challenge of creating sustainable food options, we can enable consumers to make choices that are not only tasty but also more environmentally sustainable and socially responsible.

In 2024, we revised the focus areas and contents of our ambition for Sustainable Products and Innovations. The updated ambition now emphasises the reduction

of emissions across our product portfolio, and it defines our approach to health and nutrition.

Promoting plant-based diets remains an aspect of Fazer's approach to reducing environmental impact and embracing sustainable consumption. This aim supports our efforts to improve emission reductions on the product level.

**Fazer Taste the Future chocolate snack bar powered by Solein launched in Singapore**  
During the year, Fazer introduced a unique chocolate snack bar, Fazer Taste the Future powered by Solein®, a revolutionary

all-purpose protein created out of thin air and without agriculture.

By offering Singaporean consumers the first taste of Solein in the form of a chocolate snack bar, Fazer became the first fast-moving consumer goods company ever to offer products incorporating the novel protein to retail consumers.

Part of Fazer's agenda for developing the future of chocolate, Taste the Future is a limited-edition snack bar that was introduced at selected shops in Singapore in mid-January.

The limited-edition dark chocolate snack bar with strawberry and hazelnut contains fibre-rich oat puffs that are enhanced with highly functional, nutritious, and versatile Solein. The addition of Solein enriches the chocolate snack bar's flavours, while raising its iron content.

#### Plant-based offering, %

	2024	2023	2022
Share of plant-based products in novelties	41	37	48
Share of plant-based products in offering	41	45	48

Fazer has been present in Singaporean market for almost 30 years, and Singapore was the first country in the world to grant a novel food regulatory approval for Solein. Solein manufacturer Solar Foods has already received independent GRAS (Generally Recognized as Safe) status in the United States. The groundbreaking protein is expected to receive approval in the European Union by the end of 2025.

#### Increasing plant-based and palm oil free offering

In 2024, the share of plant-based products in Fazer's offering was 41 percent (45%), and plant-based products made up 41 percent (37%) of our product novelties. The most recent advancements in expanding Fazer's range of plant-based products include Fazer Glögg Jellies, Fazer Aito Choco Oat Drink, Fazer Aito Oat Drink Plus, and Oululainen Reissumies Eväsleipä Falafel.

Mainly due to the environmental, health, and social impacts associated with the production and use of palm oil, Fazer's research and development works to find solutions for replacing the ingredient in confectionery and bakery products.





### Fazer Aito Oat Drink sales expanded to Germany and Sweden

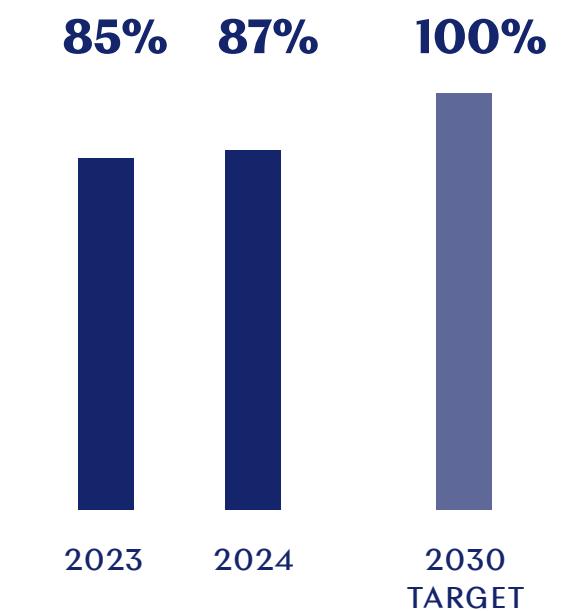
Our strategic aim is to become a leader in plant-based foods in the Nordics. Plans for Fazer Lifestyle Foods to expand internationally progressed in 2024 with the start of exports of Fazer Aito Oat Drink to Germany, as well as sales launched in the Swedish market. To further support international growth, an Asian development team was established to accelerate sales in Asia, with Japan, China, and South Korea as the main markets.

### Fazer Upcycled programme progressed further

Fazer Lab established the Fazer Upcycled programme in March 2023, and the initiative has since received funding from Business Finland. The research and development programme seeks to accelerate innovation by finding new ways to upcycle side streams and surplus materials from production.

In addition to proactively advancing sustainable ingredients from upcycled side streams for the food industry, the three-year programme aims to pilot and develop entirely new prototypes for future sustainable consumer products.

### PACKAGING MATERIALS DESIGNED FOR RECYCLING\*



\* DESIGNED FOR RECYCLING CALCULATED ON THE PACKAGING MATERIAL LEVEL. RECYCLABLE MEANS >70% RECYCLING RATE.

The early stages of the programme mapped production side streams in greater detail while studying their processing potential. At the same time, several projects were launched in cooperation with partner companies and research institutes. The programme has also explored consumers' perceptions and wishes concerning food waste utilisation, and how the topic can be communicated clearly in connection with products.

In 2024, the Fazer Upcycled programme was particularly focused on grain side streams, such as the utilisation of wheat

“ Fazer Lab continued the work to find new ways to utilise side streams and surplus in the Fazer Upcycled programme.

bran. It has also placed an emphasis on side streams from confectionery production.

#### Upcycled ingredients continue to be used in products

Fazer reduces waste and promotes circular economy by incorporating upcycled ingredients into its products. Here are examples of products that feature upcycled components:

- Taste the Future Oat Choco toffee hearts, with upcycled ingredients such as okara, a side stream of oat drink production, and surplus from confectionery production.
- Domino Bites Mint Choco, and Domino Bites Choco Vanilla, both made from imperfect Domino biscuits.

CASE



## On track to significantly reduce plastic use

Fazer recently cut an additional 40 tonnes of plastic from its packaging by reducing the thickness of its popular pralines' wrappers.

We demonstrated our commitment to our target to reduce plastic in accordance with our packaging vision, cutting 40 tonnes of plastic annually by thinning the wrapping material for our popular pralines. 40 tonnes reduction constitutes 2.2 percent of Fazer Confectionery's annual plastic use. The initiatives concerned such familiar brands

as Karl Fazer, Geisha, Fazermint and Dumle, to name a few.

We reduced the thickness of our praline wrappers without compromising quality. Through extensive testing and production trials, the updated, thinner wrappers were launched in Christmas 2023.

#### Packaging development is a journey

At Fazer, packaging development is guided by a shared vision founded on three pillars. We work to:

- reduce the overall amount of packaging materials
- improve the recyclability and to promote packaging materials from renewable sources
- develop entirely new types of packaging solutions in cooperation with external parties.

This latest action, which did not alter the look, feel, or quality of the product, exemplifies Fazer's commitment to reducing plastic waste and packaging costs. Prior to this change, we had already reached significant results, reducing our annual use of plastic in packaging by more than 400 tonnes in total.

In addition to significantly reducing our use of packaging materials, such as plastic and metal, Fazer's goal is that by 2030, all our packaging is recyclable.

“ Fazer’s Sustainable Packaging Vision 2030 focuses on recyclable and renewable materials, aligning with our ambitious sustainability targets.

Fazer Confectionery has been reusing raw materials as efficiently as possible for decades, and those efforts continue today.

#### Reducing, recycling, and innovating for sustainable food packaging

During the year, we renewed our Sustainable Packaging Vision 2030 with clear and ambitious targets. Fazer’s vision towards sustainable food packaging considers food packaging as part of the cycle of nature. With this in mind, we design our packaging for the circular economy.

Since as early as 2018, we had set our ambition to reduce, recycle, and innovate for sustainable food packaging. Fazer’s packaging experts have taken part in national development teams with other industry members and authorities. Benefiting from the knowledge they have gained in these roles, we have now detailed

our packaging vision with more ambitious targets, aligning it with the new EU Packaging and Packaging Waste Regulation (PPWR).

In 2024, Fazer set ambitious and measurable reduction targets for single-use plastic packaging categories.

#### Emission awareness growing throughout the organisation

Fazer’s Sustainable Packaging Vision promotes the use of recyclable, reusable, and renewable packaging materials while developing new solutions with lower environmental impact. We will focus on sustainable products and innovations by raising awareness of emissions across the entire organisation. Adopting innovative approaches to managing emerging data will be essential for success moving forward.

# Fazer’s Sustainable Packaging Vision 2030

OUR VISION

## Towards sustainable food packaging

Our packaging is part of the cycle of nature. We design our packaging for the circular economy.

OUR AMBITION

## Our ambition is to reduce, recycle and innovate for sustainable food packaging



### REDUCE

- Reduce packaging material usage
- Reduce CO<sub>2</sub>e emission
- Optimise packaging size & logistics



### RECYCLE

- Packaging sortable for recycling
- Improve packaging recyclability
- Increase use of recycled material for packaging



### INNOVATE

- Increase renewable and certified fibre packaging
- Increase reusable packaging
- Research packaging & materials for disruptive innovation

Efforts towards Fazer's Sustainable Packaging Vision include introducing new KPIs and insights into our operations. With enhanced data, we will continue leading the initiative, focusing on recyclable packaging materials. Our goal is to build a future-proof portfolio centred on consumer insights.

### Achievements in Fazer's Sustainable Packaging Development Programme in 2024

In 2024, Fazer's group-wide Sustainable Packaging Development Programme evolved, aiming at Fazer's Sustainable Packaging Vision 2030, introduced new and updated KPIs.



### Packaging material data improvement enables better reporting and EPR compliance

Fazer has significantly improved its packaging material data and data availability, leveraging automation to set detailed KPIs for future performance monitoring. The company is also developing IT systems to meet the EU's Extended Producer Responsibility (EPR) reporting requirements, which mandate producers to manage the recycling of all packaging materials they release to the EU market.

To support compliance, Fazer has built an automated reporting tool for Confectionery, Bakery, and Mill operations in Finland, with ongoing development to extend the tool's capabilities. Reliable reporting is essential for achieving our sustainable packaging goals.

### Monitoring and influencing regulatory developments in packaging

Fazer is actively preparing for the significant changes expected under the upcoming EU Packaging and Packaging Waste Regulation (PPWR). We are monitoring both EU and national legislative developments and are directly involved in working groups and task forces to ensure a clear understanding of the new regulations.

## Sustainable Packaging Development Programme Targets and Achievements

KPI	Our target	Outcome 2024	Actions 2024
<b>Reduction in Packaging Materials</b>	Reduce plastics, metal, glass, and fibre-based packaging compared to the 2018 baseline	13% less plastic 0.2% less fibre-based 5.3% less metal	<b>Achieved annual reductions compared to the previous year</b> <ul style="list-style-type: none"> <li>Reduced packaging material thickness for wrapped pralines, saving 40 tonnes of plastic annually.</li> <li>Slashed plastic use by 1.3 tonnes annually by shifting Makea Moka Sweet Mistake and selected Tutti Frutti candy bags to monoplastics and reducing their thickness.</li> <li>Replaced 750 ml glass Froosh smoothie bottles with liquid carton packaging.</li> <li>Cut 8,600 kg of plastic annually by optimising pallet stretch film use across Fazer bakeries in Finland and Plant-based drinks operations.</li> <li>Optimised logistics by improving palletisation for Cereals porridge and granola packages, reducing pallet usage by 1,000 units annually without affecting product volume.</li> </ul>
<b>Less Packaging Materials Used</b>	Decreasing trend in kilograms of packaging per tonne of products sold	Fazer Group total 5.0 kg packaging /tonne of products sold	<ul style="list-style-type: none"> <li>We started to follow up this target in 2024.</li> </ul>
<b>100% Recyclable Packaging by 2030</b>	Ensure all packaging is designed for recyclability	87% of packaging materials are recyclable	<ul style="list-style-type: none"> <li>Transitioned to 100% recycled plastic in biscuit trays.</li> <li>Improved recyclability of Makea Moka Sweet Mistake and selected Tutti Frutti candy bags by transitioning to monoplastics.</li> <li>Introduced fully fibre-based, award-winning packaging for Fazer Oat Rice Pastries, highlighting innovation and sustainability.</li> </ul>

## SUSTAINABLE SOURCING

# Shaping ethical and sustainable supply chains

**We commit to a fair and sustainable supply chain by upholding the highest quality standards for raw materials and responsible practices at every stage.**

We recognise that the choices we make in our supply chain deeply affect people, communities, and the environment. We are committed to sourcing materials fairly and sustainably, upholding human rights, and ensuring fair working conditions.

By partnering with suppliers who align with Fazer's Supplier Code of Conduct, we promote equity and sustainability in our products and services. Furthermore, we support farming practices that reduce climate impact and protect biodiversity, safeguarding ecosystems on land and in water.

In 2024, we prioritised improving reporting in our sourcing practices through three key actions:

- Using Forest, Land, and Agriculture (FLAG) target calculations to set more detailed Science Based Targets (SBTi)
- Preparing for the European Union Deforestation Regulation (EUDR) across our supply chain and operations
- Getting ready to report according to the upcoming Corporate Sustainability Reporting Directive (CSRD) and other regulations



The following sections will examine each of these initiatives, detailing the steps we have taken to enhance reporting on the sustainability of our sourcing practices.

### Promoting supplier compliance

Fazer works exclusively with carefully selected suppliers and business partners. Our Supplier Code of Conduct (SCoC) sets the basic conditions related to human rights, the environment, occupational health and safety, and business ethics. To foster sustainable sourcing in our businesses, we measure the percentage of spend from suppliers who have signed our Supplier Code of Conduct.

At the end of 2024, 89 percent of all our suppliers by spend had signed the SCoC. Divided by our procurement categories, these included 96 percent of our direct suppliers, 77 percent of our indirect suppliers, and 98 percent of our contract manufacturers.

In 2024, we maintained the same three levels of engagement as in previous years, with adherence to our SCoC as the first or basic requirement. At the second level, we require certifications for specific high-risk raw materials. The third level concerns our strategic raw materials, namely cocoa and grains. Through our Cocoa and Grain Vision

CASE

## Fazer's Grain Vision – Empowering farmers in regenerative farming

**Back in 2013, we embarked on our ambitious Grain Vision programme to promote regenerative farming in the Nordic region, addressing pressing environmental challenges, such as the eutrophication of the Baltic Sea.**

Recognising the importance of sustainable farming practices, Fazer partnered with the Baltic Sea Action Group (BSAG) and various stakeholders – including farmers, grain traders, and research institutes – to develop ten core principles of sustainable agriculture.

The target was set for 2025: all grain sourced for Fazer's consumer products in Finland and Sweden should follow these principles.

In 2024, as the programme neared its conclusion, a comprehensive audit revealed significant progress. The study consisted of two phases: interviews were arranged in spring, and onsite farm visits during summer. The study was carried out by

ProAgria Southern Finland in Finland and HS Certifiering in Sweden.

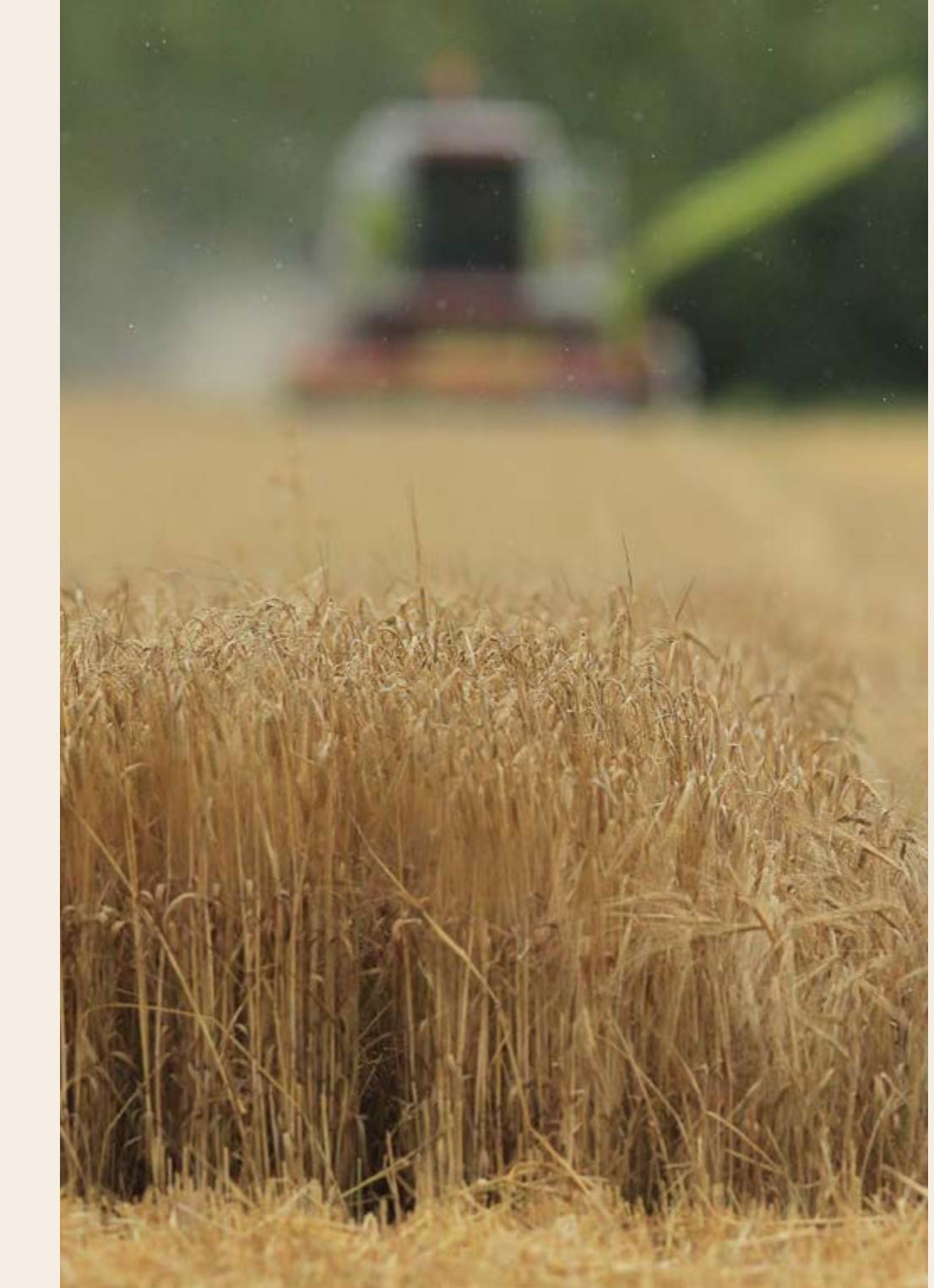
### **86 percent of farmers adhere to the Grain Vision's founding principles**

The survey of 76 farmers in the supply chain showed that already 86 percent adhere to the Grain Vision principles, demonstrating the impact of our decade-long commitment.

Farmers have widely adopted essential practices, such as annual cultivation planning. Notably, Finnish farmers excelled in integrated pest management, while Swedish farmers led in crop rotation practices.

The results underscore how most of the sustainable farming practices have become standard among farmers, contributing to reduced CO<sub>2</sub>e emissions and improved biodiversity.

More than a decade since its launch, the stage is set for the next generation of the Grain Vision 2.0 programme.



With plans to integrate advanced data tools for measuring and reporting climate and biodiversity impact and invest further into farmer communication, we are ready to enhance the programme's efforts, driving more meaningful change in agricultural practices across the Nordic region.



We reached our target to engage 53 percent of our suppliers by spend in targeted categories to commit to SBTi and we continue active collaboration to engage even more of our suppliers.

programmes, we can engage deeply with farmers and producers through a variety of activities in the supply chain.

#### Cooperating with suppliers to reduce emissions

As part of Fazer's commitment to reduce emissions throughout our value chain, we encourage our suppliers to set ambitious emission reduction targets. In 2024, we reached our target to engage 53 percent (47%) of our suppliers in targeted categories, direct materials, contract manufacturing and logistics by spend committed to the Science Based Targets initiative (SBTi) for emission reduction.

Because suppliers engaged to SBTi express their commitment to reducing their own emissions, this in turn eases the initiation of discussions on sharing data and creating joint reduction projects. We keep track of Fazer's SBTi pipeline by including the subset of suppliers who express their intent to commit to the initiative.

In 2024, we began actively improving the accuracy of our emissions data by shifting from spend to volume-based emission factors, updating database versions, and examining data gaps. As a result, our Scope 3 emissions may change to reflect a more

accurate representation of the actual environmental impact, capturing previously overlooked or underestimated factors.

During the year, we focused on measuring our land-based emissions for the upcoming SBTi Forest, Land and Agriculture (FLAG) targets. We engaged with key FLAG category suppliers regarding their data updates and reduction projects. At the same time, we started to update Fazer's Scope 3 emission reduction roadmap to align with FLAG focus areas.

#### RESPONSIBLE COCOA STATUS



● FARMER PROGRAMMES  
● RAINFOREST ALLIANCE OR FAIRTRADE CERTIFIED

“ Our Cocoa Vision means that all our cocoa originates from sustainably managed sources that are third-party verified. We buy cocoa through farmer programmes and sustainability certifications according to strict standards, fostering better livelihoods, traceability, and environmental protection across our supply chain.

#### Supplier approval and monitoring

In 2024, we focused on gathering detailed information from our existing supplier base through a self-assessment questionnaire.

In addition, we have strengthened the use of the Supplier Ethical Data Exchange (SEDEX) network, supporting a targeted, risk-based monitoring strategy. SEDEX is a global membership organisation and an online platform widely used in supply chain management to ensure ethical sourcing.

To build internal auditing capacity, two of our employees completed social audit training in 2024. We conducted five sustainability assessments, in addition to over 20 food safety and quality audits.

#### Supplier risk assessments

In our procurement sustainability risk assessments, we evaluate risks based on the specific sector or raw material, the country of origin, and the unique characteristics of each supplier. Enhancing our understanding of supply chains is an

ongoing effort, strengthened in 2024 by incorporating new data sources into our analysis.

#### Fazer's Cocoa Vision

Fazer's Cocoa Vision is our long-term approach aiming to improve conditions in the production of cocoa and to safeguard that all cocoa used in our products originates from responsibly managed sources. According to this approach, we source all our cocoa products either through Fazer's own farmer programmes in Nigeria, Ivory Coast, and Ecuador, from the Cocoa Horizons sustainability programme, or with certifications from the Rainforest Alliance or Fairtrade.

In 2024, 53 percent of the cocoa used in Fazer's products was certified, while 47 percent was sourced from farmer programmes. Given the complexity of the cocoa market and our stringent quality standards, the proportion obtained from our own programmes fluctuates annually.



However, our objective is to increase this share over time.

### Fazer Cocoa Farmer Programmes

Sourcing through our farmer programmes enables us to improve traceability and to channel our support actions to those farmers that cultivate cocoa. Our programmes are implemented through the Fazer Cocoa Standard, which includes 24 critical indicators and 92 basic ones.

The programmes focus on four key areas: child labour, deforestation, living income, and carbon emission reduction. Their objectives are to secure profitable farming, improve the well-being of cocoa communities, and respect the planet and its natural resources. To do this, the farmer programmes implement Child Labour Monitoring and Remediation Systems (CLMRS) and facilitate various actions, including paying premiums to farmers, providing training in good agricultural practices, and conducting waste management schemes.

Fazer also supports community infrastructure projects, such as those for schools and healthcare, and participates in initiatives that empower women.

The Fazer Cocoa Farmer Programme verification process takes place annually by SCS Global and the methodology follows a three-year cycle. The first year is the most comprehensive, and the scope of subsequent years depends on earlier years' results. Verification covers different links in the supply chain: the supplier, cooperatives or buying agents, and farmers.

The 2023–2024 period marked the third year of Fazer's verification round. SCS Global visited suppliers in all three countries, including a sample of cooperatives or buying agents, and a selection of farms in Ivory Coast.

In 2024, in Ecuador and Nigeria, the verification results have been highly positive overall. In Ecuador, there was one critical finding related to collective decision making on premiums. In Ivory Coast, critical findings included issues such as lack of contracts, children not attending school, minimum wages, and inaccurate registries of producer groups.

For these non-compliances, the supplier was required to create a corrective action plan, which has been followed up in regular meetings. As a result of corrective actions, we received an attestation letter from SCS



“Through initiatives like the Cocoa and Grain Vision programmes, Fazer supports ethical farming practices that reduce climate impact and protect biodiversity.

Global that confirmed our compliance with the Cocoa Standard. The new verification round began in December 2024, and will be continued in 2025.

We are closely monitoring industry developments regarding accurate measurement of farmer incomes, recognising the complexity of this topic. Nevertheless, accurately measuring this income is crucial for understanding the impact of sustainability interventions on both cocoa farmer households and the environment.

### EU Deforestation Regulation

At Fazer, we recognise climate change and biodiversity loss as two of the most pressing environmental challenges of our time. We support the EU's goal to ensure that consumption in EU countries does not contribute to deforestation or forest degradation worldwide. The EU Deforestation Regulation (EUDR) mainly affects our cocoa sourcing, with minor impacts elsewhere in our supply chain.

In 2024, we made considerable efforts to ensure that cocoa traceability aligns with EUDR standards. We engaged with authorities and industry groups, conducted

**“** We advance sustainable sourcing by enhancing traceability, aligning with new regulations, and fostering partnerships that protect biodiversity, reduce emissions, and uphold human rights across the supply chain.

peer learning sessions, formed an internal working group to develop tools and processes, and discussed compliance with suppliers.

Biodiversity, closely linked to deforestation, is a crucial topic for Fazer. For this reason, biodiversity aspects are included in the certification standards used in our raw material commitments.

Both Grain Vision and Cocoa Vision have biodiversity-related requirements, such as protecting areas of high conservation value, managing agrochemicals responsibly, preventing the release of invasive species, and maintaining areas with diverse vegetation that are not farmed or sprayed.

### Safeguarding human rights in our supply chain

In response to our 2022 human rights impact assessment, we have significantly expanded our supply chain programmes

and reinforced efforts to prevent human rights violations. We are committed to continuous improvement and are a member of the Nordic Business Network for Human Rights and the UN Global Compact European Peer Learning Group on Business and Human Rights.

In 2024, we have focused on preparing for the upcoming Corporate Sustainability Due Diligence Directive (CSDDD) by identifying future requirements and mapping potential gaps to make action plans for the following years.

To raise awareness about sustainability, we have promoted the UN Global Compact Academy courses via our intranet and delivered extensive training throughout Fazer Group. This includes sessions such as "Behind the Scenes of Cocoa Vision" and "Living Income and CLMRS" and a presentation of the Cocoa Farmer Programme for the management team



**“**We are dedicated to enhancing sustainability through traceable raw materials, resilient sourcing practices, and innovative industry partnerships, ensuring a positive impact on the environment and supply chain.



of Fazer Confectionery as well as our ESG Steering group.

Additionally, we have organised sessions on the EU Deforestation Regulation and SBTi land-related emissions (FLAG), along with the previously mentioned social auditing training, and broader education on Fazer's Code of Conduct and Supplier Code of Conduct. These initiatives seek to ensure that both our personnel and our suppliers are well-equipped to uphold and advance human rights within our supply chain.

#### Advancing in our raw material commitments

In 2024, we revisited our approach to soy sourcing. Our previous commitment was based on the Finnish Soy Commitment, which operated from 2016 to 2020 as a collaborative effort by the Finnish food industry, coordinated by WWF. As a result, we successfully achieved our goal of using only certified soy.

Currently, soy is not a major raw material for Fazer. We primarily use it in the form of lecithin. According to our updated approach, we focus on the physical origin of the soy we use, ensuring it is sourced from Europe or North America, where the risk of deforestation is lower, or is certified with segregated certification. We will continue

to utilise soy credits to compensate for indirect soy use linked to animal feed in our animal-based raw materials and ingredients.

Moreover, we have refined our approach to coconut oil by prioritising increased traceability. We also joined the Sustainable Coconut Partnership, an industry initiative aimed at promoting a responsible and resilient coconut sector.

To meet Fazer's target of using only certified or recycled fibre-based packaging materials by 2026, the following preparations took place during the year:

- Aligning our procurement practices with the requirements of the corresponding standards.
- Informing key suppliers about the target so they can prepare through their own sourcing decisions, ensuring the availability of certified material.

These steps are crucial for achieving our sustainability goals and fostering a more environmentally responsible supply chain.

#### Gradually phasing out palm oil

Fazer has actively sought alternatives to palm oil as an ingredient in its offering. We have reduced the use of palm oil in our products by 67 percent since 2019.

The remaining palm oil still used at Fazer is certified by the Roundtable on Sustainable Palm Oil (RSPO) with segregated traceability level.

#### Sustainable fish according to the WWF fish guide

We are committed to using exclusively sustainably produced fish and shellfish in our operations. 94 percent of the fish Fazer used was green-listed in WWF Fish Guide or either MSC or ASC certified. Fazer does not use endangered, red-listed fish.

#### Driving fair and sustainable supply chains through key partnerships

Fazer's partnerships that aim to promote fair and sustainable supply chains include, among others:

- Towards Climate Positive Agriculture, a research project by Helsinki University under Valio Food 2.0 and Business Finland.
- Baltic Sea Action Group (BSAG) and Lake Vesijärvi Foundation, supporting regional environmental initiatives.
- Yara GHG Measurement Project (2023–2024) with Yara and HKFoods, with results to be published in 2025.



**“** Fazer’s Grain Vision aims to ensure that all grain used in our consumer goods in Finland and Sweden complies with sustainable farming principles by 2025, promoting environmentally friendly practices and supporting biodiversity.

- CAP Discussion Initiative with BSAG, contributing to smarter agricultural policy within the Common Agricultural Policy (CAP).
- Nordic Source, membership in the sustainability working group of a cooperative that coordinates sourcing activities across several companies.

These, along with involvement in other associations, bolster our commitment to sustainable sourcing and responsible agricultural practices.

#### Water usage

In 2024, we analysed sourcing regions, comparing high water use raw materials with water scarcity maps to assess water stress across our supply chain. The findings led to a lowered relevancy of water-related issues in Fazer’s Double Materiality

Assessment (DMA). Additionally, we conducted a visit to rice fields in Italy to understand water management practices specific to rice cultivation.

Fazer also continued its cooperation with the Baltic Sea Action Group (BSAG) on water-related topics impacting lakes and streams in Finland and Sweden, as well as the Baltic Sea.

Our outlook for sustainable sourcing in 2025 and beyond centres on three key priorities: preparing for new EU regulations related to supply chains and reporting requirements, ensuring our processes are fully aligned; collaborating closely with suppliers to achieve emission reductions across our supply chain; and maintaining and strengthening good practices in our Fazer Cocoa Farmer Programme and in overall sourcing.

## PEOPLE AND WELL-BEING

# Building resilience through diversity and well-being

**We strive to build a culture where every team member feels a sense of safety, belonging, and trust, enabling them to bring their best selves to work.**

At Fazer, we are dedicated to fostering a diverse, equal, and inclusive working environment. Authenticity and inclusion are crucial for well-being. Additionally, they drive excellence and innovation. When people feel safe to be their true selves, they can reach their highest potential, bringing together varied viewpoints that form the breeding ground of true innovation.

At the end of 2024, Fazer employed 5,807 people in 8 countries. The largest number of our employees, 4,064, worked in Finland, followed by Sweden with 1,238 employees, and Latvia with 353 employees.

Approximately 4,100 persons working for us – spanning roles in transportation, maintenance, office, and technical support – were not directly employed by Fazer. Given the challenges of finding skilled employees, we sometimes rely on agency personnel, particularly in production and retail operations, where turnover tends to be high.

Over 82 percent of the company's employees are covered by collective bargaining agreements. For others, employment terms are set through personal negotiations based on standard contracts and local employment laws.



Fazer employed

**5,807**  
people in 2024.

# Ten Cardinal Safety Rules bring Fazer closer to the zero-accident target

**“Safety first” means we prioritise safety every day and in all situations.**

Acting safely is a choice we make repeatedly, day after day. Fazer’s Ten Cardinal Safety Rules simplify the process by offering clear instructions on making safe decisions in various circumstances.

By having common safety rules, we can all focus on specific details, whether we are working in a factory or in an office environment. The rules, while straightforward, require consistent training and daily adherence, and the aim is to ensure through communication and team discussions that everyone understands and adheres to these rules.

## Standard safety rules foster a consistent safety culture

As a company, Fazer has made significant strides toward achieving zero accidents, and our safety culture has seen gradual improvement over the past decade. However, despite our progress, we still experience a few accidents each year,

many of which could have been avoided had we adhered to the Cardinal Safety Rules. The managers’ role is to make certain everyone knows the rules and follows them. If someone acts unsafely, feedback should be provided immediately, making sure the employee understands the rules properly.

## Psychological safety supports physical safety

Cardinal Safety Rules were created because the safety of our people is a top priority for Fazer. These rules also guide us in building psychological safety in our working environments, which is just as important as physical safety.

Psychological safety supports physical safety: When we feel well and appreciated at work, we can concentrate better on our tasks and are less likely to hurt ourselves physically.

Above all, it is crucial to recognise that by adhering to these rules, we ensure our safe return home to our loved ones.



**Cardinal Safety Rules help us make every working day safe and achieve our goal: zero accidents.**

 I move safely at work and on the way to work	 I use personal protective equipment specified for the task
 I behave in a friendly and appropriate manner in my work community	 I anticipate the hazards related to my work and intervene in unsafe activities
 I remember ergonomically safe working methods	 I know escape routes and practices in emergencies
 I keep my work environment clean and organized	 I pay attention to forklift traffic instructions and risks
 I always do my job following safety instructions	 I pay attention to high-risk jobs at my workplace

A new European Works Council (EWC) agreement for a three-year term was signed in 2023, with the annual meeting held in November 2024. The EWC facilitates active discussions between employees from all of Fazer's operating countries and management on shared topics that affect workers' employment conditions.

### Building safety, one step at a time

In 2024, we took significant strides in reducing accidents and strengthening

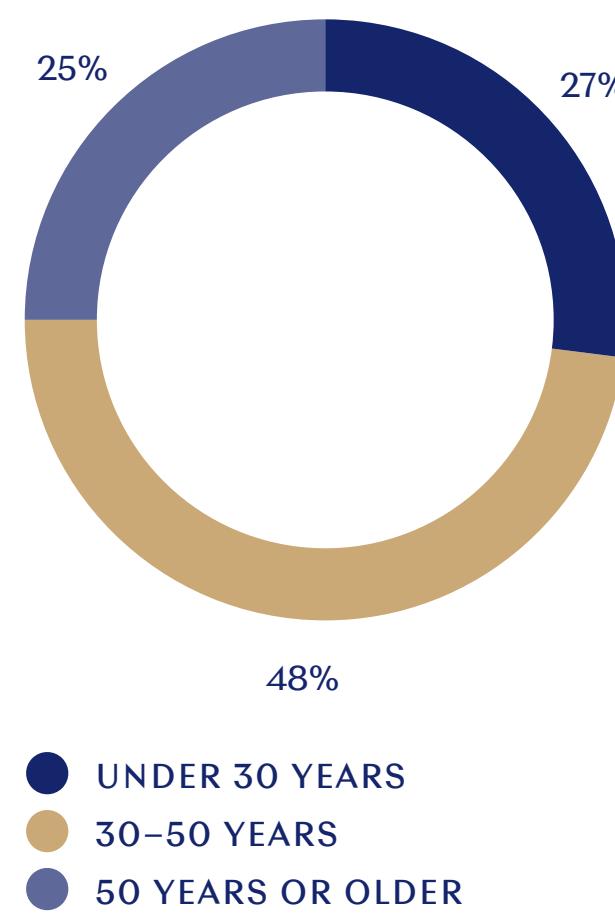
our dedication to fostering a leadership-driven safety culture. Through a wide range of initiatives, we have aimed at equipping our employees with the knowledge and skills necessary to work safely and efficiently. These latest efforts have built on the launch of the One Fazer Safety Programme, introduced in 2023 to develop a more systematic, disciplined, and consistent safety culture across the company.

### Towards our safety vision with the One Fazer Safety Programme

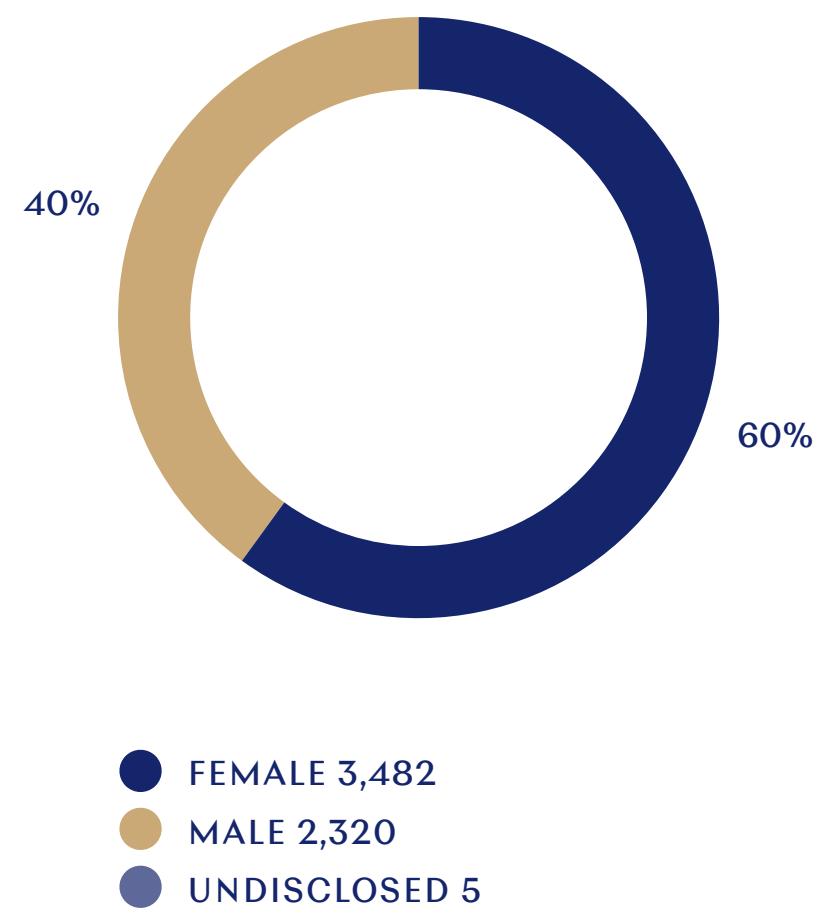
As part of our safety vision, we strive to become the safest food company in Northern Europe. The reduction of workplace accidents is crucial not only for employee well-being but also for the overall efficiency, quality and productivity of our operations.

In 2024, we redefined our accident key performance indicators and began monitoring Total Recordable Incidents (TRI) across Fazer Group. We had no fatal accidents

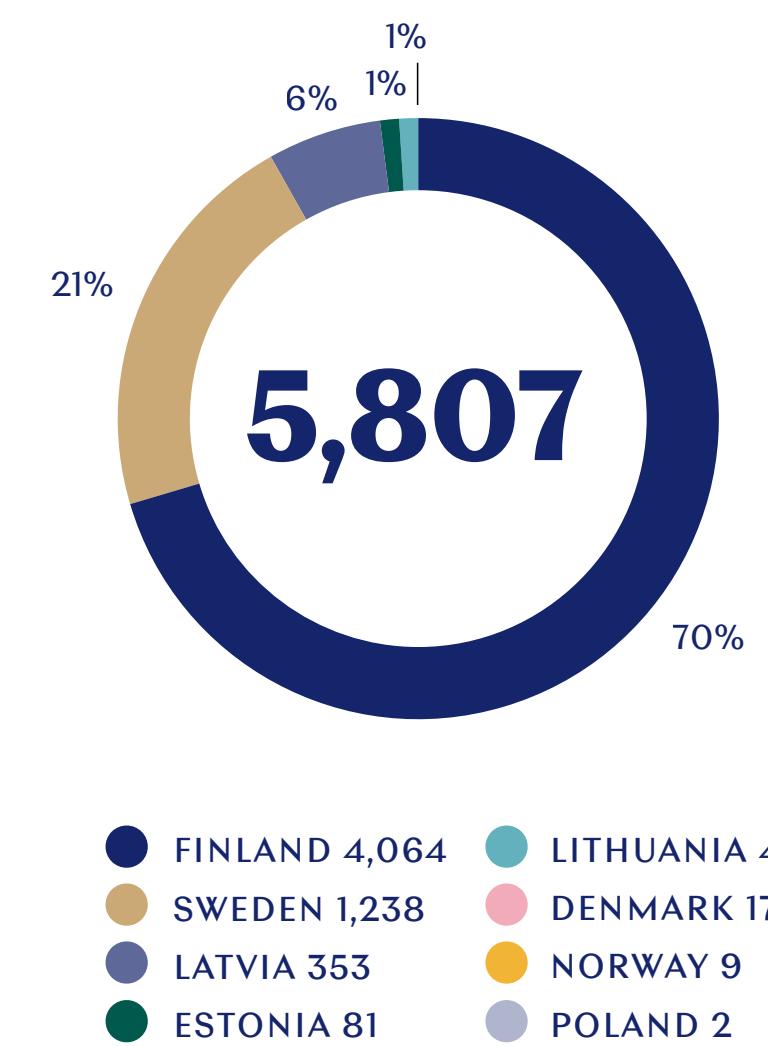
#### EMPLOYEES BY AGE



#### EMPLOYEES BY GENDER



#### EMPLOYEES BY COUNTRY\*



\* PERSONNEL FIGURES PRESENTED AS HEADCOUNTS





“ Fazer is committed to fostering a diverse and inclusive workplace where authenticity and inclusion drive innovation, well-being, and excellence.

during the year and have significantly reduced the number of accidents and recordable incidents.

Fazer Group's Lost Time Accident Frequency (LTAF) for the year amounted to 4.0, while our Total Recordable Incident Frequency (TRIF) came to 13.4.

Launching and implementing Fazer's ten **Cardinal Safety Rules** across all levels of our organisation has been pivotal to our safety strategy, providing clear expectations for behaviour and practices. The rules include the most important areas of safety, adhering to safe operating procedures, and reporting unsafe conditions. Monthly team discussions and communication activities throughout the year emphasised the importance of these rules, while providing an open forum for examining safety concerns.

#### Leadership Safety Walks gained momentum during the year

Leaders across Fazer Group continued to conduct regular safety walks and dialogues

at our manufacturing sites, enabling them to have continuous discussions with employees while paying attention to unsafe work conditions and behaviour. Safety walks not only enhance both leaders' and frontline employees' awareness of our operating environment. They also establish a stronger safety culture by fostering connections between leaders and staff.

Fazer's leaders play a crucial role in promoting safety culture, with managers and supervisors expected to model safe behaviour and actively engage with teams about safety practices. This visible commitment from leadership reinforces the significance of safety. In 2024, our leaders and supervisors carried out a total of 3,278 safety walks at our different facilities in Finland, Sweden and the Baltics.

We also implemented the second phase of amplifying our leaders' safety commitment across the Group by providing training on Leadership Safety Culture. The training has deepened leaders'

understanding and expanded their skills for leading safety successfully.

### Reinforcing an atmosphere of psychological safety

Fazer has also made efforts to improve psychological safety across the organisation, including promoting platforms for employees to share opinions, such as our annual Employee Engagement Survey and a new harassment reporting channel introduced in 2024. We endorse regular open conversations between employees and managers about safety, including psychological safety. These topics are part of the Individual Performance Management Process (IPMP) and one-on-one discussion guidelines.

### Policies, commitments and training

Our commitment and principles for managing Occupational Health and Safety (OHS) are outlined in Fazer's Quality, Food safety, Environment, and Occupational Health and Safety, QEHS Policy. Furthermore, we manage occupational health and safety through the ISO 45001 management system across our confectionery business, Fazer Mills in Finland, as well as in all our Bakery sites in Sweden, covering 52 percent of our production site personnel.

Employee representatives participate in the work to develop our health and safety management systems, for example, through local health and safety committees, accident investigations, safety campaigns, and safety training sessions.

Fazer employees receive both generic company-level safety training and local safety training relevant to their roles and tasks. These are conducted during working hours, excluding those online safety training sessions which must be completed before entering sites.

Additionally, employees who work in production receive annual refresher training, and certain qualifications for high-risk jobs must be renewed regularly, including those for hot work, working in confined spaces, working at heights, and in conditions where electrical safety is concerned.

We continue to update our practices to ensure that our procedures throughout the organisation empower employees to act when it is evident that someone is breaching our safety guidelines or policies. It is crucial that our mandatory health and safety guidelines, such as our ten Cardinal Safety Rules, are not only well understood by all employees but also standardised across all countries. While legal contexts

may vary, methods and processes that enable interventions to be carried out are essential.

As we reflect on our health and safety initiatives in 2024, our commitment to accident reduction, the implementation of Cardinal Safety Rules, and the cultivation of a leadership-driven safety culture have yielded positive results. Nevertheless, despite our significant progress, we acknowledge that achieving a zero-accident workplace requires persistent effort.

### Shaping a diverse and inclusive culture

As part of our commitment to promoting employee well-being, diversity, and inclusion, we focused on these key well-being initiatives across the Group:

- **Mandatory DEI e-learning** for all employees, first launched for managers in 2022, and for all employees in 2023.
- **Pay transparency project**, initiated in 2023.
- **Emphasis on daily well-being practices** in all areas affecting individual well-being. This includes incorporating selected well-being themes, such as good work ergonomics and respectful behaviour, into Fazer's Cardinal Safety Rules.





**“**In 2024, Fazer implemented key measures to enhance psychological safety, including a global anti-harassment policy, updated training, and employee surveys.

At the end of 2024, 72 percent of all Fazer employees had completed training on Diversity, Equity and Inclusion (DEI). The training aims to foster a shared understanding of DEI concepts and underscore their significance at Fazer.

Throughout the year, we offered a range of local programmes and activities for specific needs, such as the HeiaHeia Safety and Well-being Challenges programme for all employees.

Our Holistic Well-being Framework continues to promote a healthy balance between all aspects that influence one's well-being. In addition, we have a Hybrid Working approach across Fazer, which facilitates the most appropriate way of working in each situation.

To further strengthen psychological safety and inclusion, we implemented several measures in 2024 to reduce discrimination and harassment in the workplace. Key achievements include: a renewed global anti-harassment policy with country-specific guidelines, an

updated online anti-harassment course, a survey for employees who have experienced harassment, and targeted local actions based on survey findings.

#### **Actively promoting diversity in recruitment**

In 2024, Fazer has cultivated diversity, equity, and inclusion through various methods.

Enhanced development of DEI practices in recruitment, including:

- A pilot training, “Working Life Finnish”, which seeks to develop Finnish language skills for employees from different language backgrounds working at Fazer Bakery Shop-in-Shops.
- A pilot programme designed with a vocational college, which aims to hire staff from various linguistic backgrounds, preparing non-native speakers for bakery jobs and

promoting responsible hiring while addressing workplace requirements.

### The Fazer Recognition Reward

Launched in May 2023, the Fazer Recognition Reward has been successfully adopted by managers to acknowledge outstanding achievements. Around 120 employees across Finland, Sweden, and Latvia have received cash rewards, while over 900 have been given non-cash recognitions like movie tickets and gift cards. We are now working on more efficient tools to manage non-cash rewards globally.

### Promoting engagement and well-being

One major initiative that boosted the company's People and Well-being goals in 2024 was improving managers' skills to support their own and their teams' well-being through specific interventions. These included training sessions for managers on identifying early warning signs, well-being cafés centred on recovery and workload management, and team workshops designed to boost individual stress management skills and resilience.

Moreover, we have enhanced our occupational health care by improving access to the right services through

### Employees and employment types

	TOTAL		FINLAND		SWEDEN		LATVIA		ESTONIA		LITHUANIA		OTHER COUNTRIES	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of employees*	3,482	2,320	2,571	1,488	591	647	213	140	72	9	22	21	13	15
<b>Employment types</b>														
Permanent	2,972	2,072	2,211	1,338	465	554	194	135	67	9	22	21	13	15
Temporary	239	166	167	78	49	83	19	5	4	0	0	0	0	0
On-call	271	82	193	72	77	10	0	0	1	0	0	0	0	0
Full-time	2,342	2,006	1,728	1,300	303	522	211	139	65	9	22	21	13	15
Part-time	1,140	314	843	188	288	125	2	1	7	0	0	0	0	0

\* Does not include persons of undisclosed gender

### Management by gender, %

	Female	Male
Board of Directors	33%	67%
Fazer Leadership Team	33%	67%

### Management by age, %

	Under 30	30–50	Over 50
Board of Directors	0%	22%	78%
Fazer Leadership Team	0%	0%	100%

### Group employees by gender, %

	Female	Male
Management	46%	54%
Senior salaried	58%	42%
Salaried	60%	40%
Blue-collar	61%	39%

### Group employees by age group, %

	Under 30	30–50	Over 50
Management	0%	63%	37%
Senior salaried	4%	71%	26%
Salaried	14%	56%	30%
Blue-collar	35%	43%	23%

### Frequency of occupational accidents

Number of accidents per one million working hours	2024	2023	2022
Fazer Bakery	4.7	3.2	3.2
Fazer Confectionery	2.6	7.8	4.3
Fazer Lifestyle Foods	4.0	6.4	7.7
Others	4.4	4.9	2.4
<b>Total in Group</b>	<b>4.0</b>	<b>5.1</b>	<b>4.1</b>



partnerships and tailored packages with selected providers in each operating country.

### Progress towards fair and transparent compensation

Fazer has made significant strides in creating a fair and transparent compensation system. In 2022, global salary setting instructions for white-collar employees were redefined, and the same standards were put into place for all office-based employees. In 2023 and 2024, a new Job Architecture and improved Job Grading process were implemented to ensure fair evaluations.

The annual Merit Increase process was also revamped for transparency and fairness towards all white-collar employees. In late 2024, a group-wide Compensation and Benefits (C&B) Instruction was created, with plans for widespread training and communication in 2025.

On-going projects to be finalised in 2025–2026 include reviewing blue-collar roles and job evaluation criteria, creating transparent access to C&B information for employees and candidates, implementing a technical solution for pay equity and fair

pay analysis, and ensuring data quality for detailed analyses.

### Continuous learning and competence development

On average, Fazer employees participated in 6.6 hours of training in 2024. That included: 2.3 h e-learning and 4.3 h classroom training per employee. Additionally, by the end of the year, the share of Fazer's white-collar employees who had received the Code of Conduct eLearning was 96 percent while 86 percent of blue-collar employees had viewed the Code of Conduct video. 93.5 percent of all white-collar employees attended a yearly development discussion with their managers.

Fazer aids employees' professional growth through regular processes that identify both organisational and individual needs. We offer development opportunities, identified through strategy processes, annual talent reviews, succession planning, and IPMP processes. These opportunities are structured around the 70–20–10 model, our core learning and development methodology.

Content is taught using different methods, with online live training

sessions being the most significant. These sessions have allowed us to effectively and sustainably connect with our geographically dispersed organisation. Additionally, online training facilitates real-time dialogue and engagement with the learning audience.

On the whole, in 2024, competence development programmes focused on topics such as Leadership and change management, AI, Environment, Health and Safety, and Artisanal baking. New training topics in 2024 included subjects such as Emotional skills, Microsoft 365 Copilot, Generative AI, Processes and data, Digital marketing, and Process automation.

### Internal job rotation remains essential

Throughout Fazer, 60 percent of white-collar vacancies were filled by internal candidates in 2024. Internal job rotation continues to play a crucial role in our employees' development, with a variety of opportunities available within Fazer. This practice broadens perspectives of both individuals and the organisation. Job rotations vary in form and duration and can be either permanent or temporary.

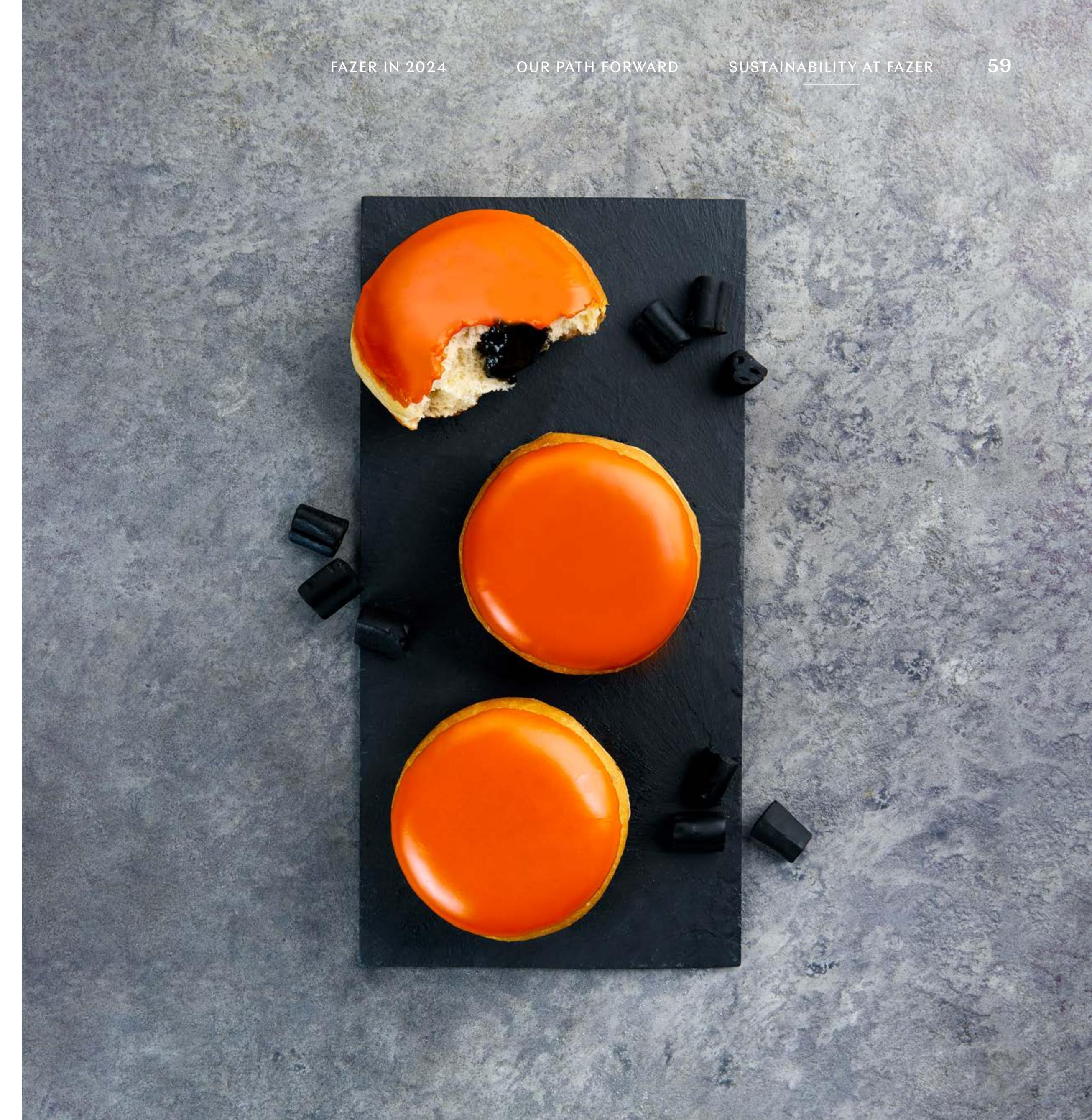
# Sustainability reporting principles and data

For the first time in 2021, Fazer reported in accordance with the Global Reporting Initiative (GRI) and continues to do so by reporting according to the GRI's Universal Standards 2021. To prepare the company for sustainability reporting according to the Corporate Sustainability Reporting Directive (CSRD) in 2025, we conducted a deep-dive double materiality assessment in 2023 and updated it in 2024. However, the results of Fazer's double materiality assessment have not been taken into account in the 2024 report.

The reporting period corresponds to the calendar year and to Fazer's financial year of 1 January–31 December 2024. The reporting

scope covers all sites and production units, unless otherwise indicated.

During the GHG inventory consolidation and limited assurance process we found three errors that had impacts on already disclosed figures. By mistake, 2021 values were used for petrol, biogas and biodiesel instead of 2023 values. In addition to this, the combustion of liquefied petroleum gas (LPG) was by mistake excluded from last year's reporting. This resulted in understating fuel and energy combustion by 7,443 MWh. A conversion of megajoule to MWh was incorrect, resulting in understating Biogenic Scope 1 in 2023 with 2,228 tCO<sub>2</sub>e



and in 2022 with 2,995 tCO<sub>2</sub>e. Lastly, a misinterpretation of our electricity suppliers' EPD resulted in using a wrong emission factor for Scope 2, which resulted in overstating 2023 emissions by 858 tCO<sub>2</sub>e and 2022 by 891 tCO<sub>2</sub>e.

#### Data collection

All financial data has been collected through Fazer's financial reporting systems. All financial figures presented in this report are based on Fazer's consolidated and audited Financial Statements. The personnel data covers all Fazer's operating countries and its personnel. The data is collected by Fazer's HR organisation through a centralised HR information system covering all Fazer's operating countries. In sustainability reporting, the personnel-related data is presented in headcounts, whereas in financial reporting the data is presented in FTEs instead. The number of non-Fazer personnel is collected from security systems that Fazer operates. The granted access and amount of grants given is used to determine headcounts in the reporting.

The classification of production tonnes excludes the milling side stream fractions classified as human non-edibles. The production volumes used for any intensity

calculation are based on the data from Fazer's Enterprise Resource Planning (ERP) system.

Fazer's environmental performance is tracked via a company specific Excel-based workflow covering all necessary indicators to comply with GRI Universal Standards 2021. The environmental data has been collected from all Fazer's production units in Finland, Sweden, Latvia and Lithuania. The environmental data covers energy usage and fuel combustion, waste fraction volumes, water withdrawal, wastewater and environmental incidents, and it is collected from manufacturing sites monthly.

Fazer's GHG emission inventory has been reported in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, with an Operational Control approach. In the process of setting Science Based Targets in 2021, the company performed an emissions screening to identify material emission categories.

For Scope 1 emission calculations, the used emission factors have been a combination of the DEFRA database (UK Government GHG Conversion Factors for Company Reporting, 2022) and Fuel classification and supplier provided emission calculations of Statistics Finland.

The Scope 2 emissions have been calculated according to the dual reporting principles of the GHG Protocol Scope 2 Guidance (market and location-based method). The appropriate location emission factors have been obtained from Statistics Finland, the Association of Issuing Bodies (EU Residual Mix) and the International Energy Agency (IEA). Fazer's electricity provider guarantees the origin of the purchased hydroelectricity via certificate and provides the emission factors via a public Environmental Product Declaration.

Most of the Scope 3 supply chain related emissions (categories 1, 2, 4, 9 and 12) are calculated with a hybrid data approach utilising emission factors from the Ecoinvent database (volume-based factors) and Exiobase database (spend-based factors), where Ecoinvent accounts for the largest share. The upstream emissions from fuel and energy-related activities are calculated with a mix of national Well-to-Tank emission factors. The transportation and distribution data covers all the inbound raw material transport, inter-Fazer transportation and outbound finished goods transportation from Fazer's production units to customers paid by Fazer. The logistics emissions (transport,

storage and distribution) are calculated with a mix of Exiobase spend-based factors and conversion factors published by DEFRA. The emissions from waste generated in operations are calculated by using a combination of emission factors from the DEFRA database and Helsinki Region Environmental Services' Julia 2030 Project. Emissions from business travel are calculated by Fazer's supplier based on travelled kilometres for both air and rail, and supplemented with DEFRA emission factors selected by the service provider. Employee commuting emissions are calculated based on the headcount by country and by using the emission factors from the DEFRA database and the LIPASTO database from the VTT Technical Research Centre of Finland Ltd.



# Standards, certifications and audits

	QEHS Standards						Food safety standards			Sustainability		Ethical trade		
	Employees	ISO 9001	ISO 14001	ISO 50001	Gluten-free	AOECS	ISO 45001	FSSC 22000	IFS	AIB	BCR	RSPO	SMEFA2-pillar	SMEFA4-pillar
<b>Fazer Confectionery</b>														
Vantaa	715	X	X				X	X				X		X
Lappeenranta	422	X	X				X	X				X		X
Hako (Lahti Crisps)	39	X	X				X	X						
<b>Fazer Bakery Finland</b>														
Vantaa	470		X					X				X		
Lahti	326		X					X						
Lappeenranta	77		X					X						
Gluten-free bakery	56				X			X				X		
<b>Fazer Bakery Sweden</b>														
Eskilstuna	174		X				X	X						
Lidköping	154		X				X	X	X					
Umeå	162		X				X	X	X					
<b>Fazer Bakery Baltics</b>														
Ogre	353			X				X						
Kaunas	43							X						
<b>Fazer Lifestyle Foods</b>														
Mills Finland Lahti	106				X		X	X			X			
Mills Sweden Lidköping	85		X						X					
Koria	65										X			X
Tingsryd	146										X			

# GRI content index

GRI Standards disclosure		Location	Reported fully ● partially ●	Comments
<b>GRI 2: General disclosures (2021)</b>				
<b>Organisational profile</b>				
2-1	Organisational details	Corporate Governance Report, Annual review: People and well-being	●	Fazerintie 6 P.O. Box 4 FI-00941 HELSINKI FINLAND
2-2	Entities included in the organisation's sustainability reporting	Annual review: Sustainability reporting principles and data	●	Reporting period: 1 January–31 December 2024 Report publication date: 10th of March, 2025 Contact point: Joséphine Mickwitz, josephine.mickwitz@fazer.com
2-3	Reporting period, frequency and contact point	GRI index	●	No restatements of information were made during the reporting period.
2-4	Restatements of information		●	Limited assurance for food loss and emissions related data has been conducted linked to revolving credit facility (RCF) agreement.
<b>Activities and workers</b>				
2-6	Activities, value chain and other business relationships	Annual review: Fazer in brief, Sustainability at our core, Stakeholder engagement	●	
2-7	Employees	Annual review: People and well-being, Sustainability reporting principles and data	●	Bakery operations discontinued in Lithuania.
2-8	Workers who are not employees	Annual review: People and well-being, Sustainability reporting principles and data	●	There has been no significant fluctuations in the number of workers who are not employees compared to the last reporting period.
<b>Governance</b>				
2-9	Governance structure and composition	Corporate Governance Report, Financial review: Board of Directors' Report	●	
2-10	Nomination and selection of the highest governance body	Corporate Governance Report	●	
2-11	Chair of the highest governance body	Corporate Governance Report	●	The Chairman of the Board is not a senior executive in the company.
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report, Financial review: Board of Directors' Report	●	
2-13	Delegation of responsibility for managing impacts	Financial review: Board of Directors' Report, Annual review: Managing our sustainability	●	

GRI Standards disclosure	Location	Reported fully ●	Comments
		partially ●	
2-14 Role of the highest governance body in sustainability reporting	Financial review: Board of Directors' Report	●	
2-15 Conflicts of interest	Corporate Governance Report	●	
2-16 Communication of critical concerns	Financial review: Board of Directors' Report	●	
2-17 Collective knowledge of the highest governance body	Financial review: Board of Directors' Report	●	
2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	●	
2-19 Remuneration policies	Corporate Governance Report	●	
2-20 Process to determine remuneration	Corporate Governance Report	●	
2-21 Annual total compensation ratio	Corporate Governance Report	●	Fazer reports the total compensation of the President & CEO and members of the Fazer Leadership Team. The total compensation ratio is not disclosed due to incomplete data regarding the median annual compensation for employees.
<b>Strategy, policies and practices</b>			
2-22 Statement on sustainable development strategy	Annual review: CEO's review	●	
2-23 Policy commitments	Financial review: Board of Directors' Report, Annual review: Managing our sustainability	●	Fazer's policies can be found <a href="#">online</a> .
2-24 Embedding policy commitments	Financial review: Board of Directors' Report, Annual review: Managing our sustainability	●	
2-25 Processes to remediate negative impacts	Financial review: Board of Directors' Report, Annual review: Sustainable sourcing, People and well-being	●	
2-26 Mechanisms for seeking advice and raising concerns	Financial review: Board of Directors' Report	●	
2-27 Compliance with laws and regulations	GRI index	●	There have been no significant instances of non-compliance to laws and regulations during 2024.
2-28 Membership associations	Annual review: Memberships	●	
<b>Stakeholder engagement</b>			
2-29 Approach to stakeholder engagement	Annual review: Managing our sustainability	●	Key stakeholders have been identified during the double materiality assessment.
2-30 Collective bargaining agreements	Annual review: People and well-being	●	

GRI Standards disclosure		Location	Reported fully ● partially ●	Comments
<b>GRI 3: Material Topics (2021)</b>				
3-1	Process to determine material topics	Annual review: Managing our sustainability	●	Process to determine material topics can be found <a href="#">online</a> .
3-2	List of material topics	Annual review: Managing our sustainability	●	Double materiality assessment has been reviewed in 2024. Minor changes to the number of material topics. Updated results on <a href="#">page 21</a> .
3-3	Management of material topics	Annual review: Managing our sustainability, Climate and circularity, Sustainable products and innovations, Sustainable sourcing, People and well-being	●	
<b>ECONOMIC STANDARDS</b>				
<b>GRI 201: Economic performance (2016)</b>				
201-1	Direct economic value generated and distributed	Financial review: Group key figures, Financial statements, Annual review: Fazer in brief, Sustainability at our core	●	
<b>GRI 203: Indirect economic impacts (2016)</b>				
203-2	Significant indirect economic impacts	Financial review: Board of Directors' Report, Annual review: CEO's review, Sustainability at our core	●	
<b>ENVIRONMENTAL STANDARDS</b>				
<b>GRI 301: Materials (2016)</b>				
301-1	Materials used by weight or volume	Annual review: Climate and circularity	●	The data refers to packaging materials.
<b>GRI 302: Energy (2016)</b>				
302-1	Energy consumption within the organisation	Annual review: Climate and circularity	●	
302-3	Energy intensity	Annual review: Climate and circularity	●	Energy intensity has been calculated on the sum of all energy types.
<b>GRI 303: Water and Effluents (2018)</b>				
303-1	Interactions with water as a shared resource	Annual review: Climate and circularity	●	
303-2	Management of water discharge-related impacts	Annual review: Climate and circularity	●	
303-3	Water withdrawal	Annual review: Climate and circularity	●	Water withdrawal not broken down by source, but in most instances, water is drawn from the municipal supply.
303-4	Water discharge	Annual review: Climate and circularity	●	Water discharge not broken down by source, but in most instances, water discharge from production goes to municipal sewage and is handled there.
303-5	Water consumption	Annual review: Climate and circularity	●	

GRI Standards disclosure		Location	Reported fully ● partially ●	Comments
<b>GRI 304: Biodiversity (2016)</b>				
304-2	Significant impacts of activities, products, and services on biodiversity	Annual review: Sustainable sourcing	●	Fazer's main indirect impacts to biodiversity occur in its supply chain, in connection to the farming of the raw materials. Species affected, the extent of areas impacted, the duration and reversability of impacts not reported.
<b>GRI 305: Emissions (2016)</b>				
305-1	Direct (Scope 1) GHG emissions	Annual review: Climate and circularity, Sustainability reporting principles and data	●	All gases included as Fazer uses CO <sub>2</sub> equivalents in GHG emission calculations.
305-2	Energy indirect (Scope 2) GHG emissions	Annual review: Climate and circularity, Sustainability reporting principles and data	●	See comment above.
305-3	Other indirect (Scope 3) GHG emissions	Annual review: Climate and circularity, Sustainability reporting principles and data	●	See comment above.
305-4	GHG emissions intensity	Annual review: Climate and circularity, Sustainability reporting principles and data	●	See comment above. Organisation-specific metric is produced tonnes.
<b>GRI 306: Waste (2020)</b>				
306-1	Waste generation and significant waste-related impacts	Annual review: Climate and circularity, Sustainable products and innovations	●	
306-2	Management of significant waste-related impacts	Annual review: Climate and circularity, Sustainable products and innovations	●	
306-3	Waste generated	Annual review: Climate and circularity	●	
306-4	Waste diverted from disposal	Annual review: Climate and circularity	●	
306-5	Waste directed to disposal	Annual review: Climate and circularity	●	
<b>GRI 308: Supplier Environmental Assessments</b>				
308-1	New suppliers that were screened using environmental criteria	Annual review: Sustainable sourcing	●	
<b>SOCIAL STANDARDS</b>				
<b>GRI 403: Occupational health and safety (2018)</b>				
403-1	Occupational health and safety management system	Annual review: Managing our sustainability, People and well-being	●	Workers who are not employees but whose work and/or workplace is controlled by the organisation are not included in the reported information.
403-2	Hazard identification, risk assessment, and incident investigation	Annual review: People and well-being	●	See comment above.
403-4	Worker participation, consultation, and communication on occupational health and safety	Annual review: People and well-being	●	See comment above.

GRI Standards disclosure		Location	Reported fully ● partially ◉	Comments
403-5	Worker training on occupational health and safety	Annual review: People and well-being	●	See comment above.
403-6	Promotion of worker health	Annual review: People and well-being	●	See comment above.
403-9	Work-related injuries	Annual review: People and well-being	●	See comment above. The total rate of accidents has been reported.
<b>GRI 404: Training and education (2016)</b>				
404-1	Average hours of training per year per employee	Annual review: People and well-being	●	Employee category not reported. The data covers all countries for e-learning hours, and Finland, Estonia, Latvia and Lithuania for classroom training hours.
<b>GRI 405: Diversity and equal opportunity (2016)</b>				
405-1	Diversity of governance bodies and employees	Corporate Governance Report, Annual review: People and well-being	●	Gender and age reported.
<b>GRI 416: Customer health and safety (2016)</b>				
416-1	Assessment of the health and safety impacts of product and service categories	Financial review: Board of Directors' report	●	Aggregated figure at Group level not collected.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Financial review: Board of Directors' report, Annual review: Managing our sustainability	●	
<b>GRI 417: Marketing and labelling (2016)</b>				
417-3	Incidents of non-compliance concerning marketing communications	Annual review: Managing our sustainability	●	



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