



# GREEN FINANCE FRAMEWORK

June 2025



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# Fazer Group

Fazer is an international family owned FMCG company, bringing joy and well-being through its high-quality products and services to people in the Nordics, Baltics and beyond to over 40 different countries. Anticipating consumers' needs to safeguard our progress in a rapidly changing world will be even more critical as we master the food transition. Our strategy serves as a compass pointing to where we want to take the company. Fazer's vision, Towards Perfect Days, guides us on the path we take with consumers and customers offering them new tastes and experiences that make the best of every moment. In line with its mission, Fazer strives to create Food with a purpose. This means offering delicious and inspiring products that bring people nourishment, health, and well-being, while simultaneously doing good for the planet. Fazer's businesses are driven by a shared passion for creating food experiences and new products for sustainable lifestyles. We want people to think of Fazer when they remember

special occasions because that is how we deliver on our brand promise, Northern Magic. Made Real.

Fazer operates through three business areas: Fazer Bakery, Fazer Confectionery, and Fazer Lifestyle Foods. The company is also a major player in the Nordic grain milling market and in retail by operating shop-in-shop bakeries, cafés and bakery shops throughout Finland, Sweden and the Baltics.

Fazer sells bakery products to more than 20 countries. In Finland, the company's bakeries are located in Vantaa, Lahti and Lappeenranta. Fazer also has 139 shop-in-shop bakeries in Finnish grocery stores. The shop-in-shop bakery concept has also been extended to the Baltic countries and Sweden and Fazer currently has 12 shop-in-shop bakeries in Estonia and two in Sweden. The Baltic bakery is located in Ogre in Latvia. In Sweden, Fazer has bakeries in Umeå, Eskilstuna and Lidköping.





Fazer's confectionery business consists of confectionery and biscuits sales, Fazer Cafés, Gateau bakery shops and Travel Retail. Fazer's confectionery production is located in Vantaa, Lahti and Lappeenranta. The business area sells its products to more than 40 countries through its extensive customer network and consumer channels. Founded in 2017, Fazer Lifestyle Foods' range includes non-dairy snacks and drinks, dairy products as well as Froosh smoothies. Fazer Cereals has mills located in Lahti, Finland and Lidköping, Sweden, sell their products primarily to B2B customers. Non-dairy products are manufactured in Tingsryd in Sweden.

Sustainability is at the core of Fazer's mission, Food with a purpose. It is an integral element of our Group's strategic priorities that plays a prominent role in our present and future.

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 conveys our determination to give sustainability a decisive role in our growth strategy as well as in our product offering. One of our key strategic priorities, developing food as a solution for a more sustainable business, points to

the maturity of our sustainability efforts. It communicates our aim to create and offer sustainable products, while also taking our supply chain, people, production processes, and final outputs into account. At the same time, it emphasises our approach of balancing sustainability with business.

### **Rationale for the framework**

Sustainability is an integrated part of Fazer's mission, values, culture and strategy. We have clear sustainability targets that are part of our daily operations whether we are looking at sourcing, sustainable products & innovations, climate and circularity actions or people and well-being.

With the increasing need to mitigate climate change, Fazer continues to innovate sustainable products that support the well-being of people and the planet. Fazer sees climate action as an important business opportunity, which is also visible in our strategy. By closely monitoring and anticipating the developments in consumer needs, we develop our business to better respond to consumer demand for more sustainable and plant-based products.

High ambitions and actions also mean significant investments. Our aim is to facilitate these crucial investments with this Green Finance Framework. We are also happy to engage with investors and help them to understand our key ambitions and commitments that relate to sustainability. This Framework is a continuum of our efforts in Sustainable Finance. The Green Finance Framework supports our sustainability agenda and strategy. In 2022, we signed a EUR 200 million revolving credit facility agreement linked to sustainability targets to be used for general corporate purposes. In 2023, the facility amount was raised to EUR 220 million.

**Sustainability Ambitions**

Sustainability is an important strategic priority embedded in everything we do at Fazer, starting from how the company is managed, and then throughout the value chain, from raw materials and supply, via our own operations and business including R&D, product innovation, and marketing.

Our sustainability work is guided by the United Nation Sustainability Development Goals (SDGs). We have prioritised the most

relevant SDGs associated to our work. We follow sustainability-related guidelines and policies based on the latest international principles. We are signatories of various commitments, most importantly, to limit global warming to 1.5°C, our climate targets for our own operations and for our value chain are approved by Science Based Targets initiative (SBTi).

Our sustainability work is guided by four focus areas: Climate and circularity, Sustainable products and innovations, Sustainable sourcing, and People and well-being. We have analysed how to best create and enable value and have defined high-level ambitions in each of these in accordance with our mission Food with a Purpose.

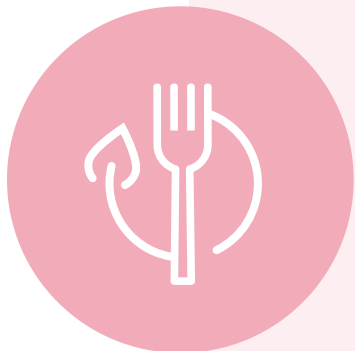
Fazer’s Sustainability Ambitions address relevant global trends while taking the views and expectations of our stakeholders into account. The strategic reasoning behind them incorporates the societal megatrends that are the most closely related to our industry, a substantial materiality assessment and a thorough risk assessment.

**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**


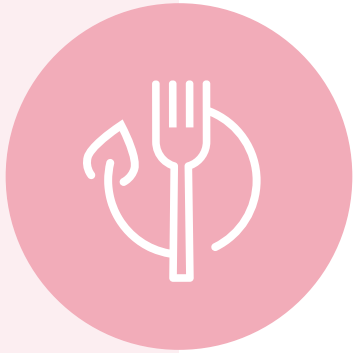

Our supply chain is fair and sustainable.



**People & Well-being**

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

# Sustainability key focus areas

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

# Results of Fazer's double materiality assessment

Our most relevant sustainability topics



Topics scored above threshold ↑

Impact materiality: **P** Positive impact **N** Negative impact

Financial materiality: **O** Opportunity **R** Risk

Materiality Assessment

We acknowledge substantial environmental, societal and well-being impact in our purchases of raw materials and the way food is grown and transported, produced, and consumed. In order to maximise impact of our sustainability work, we have mapped our contribution and determined our priorities towards 2030 across our value chain.

We continuously conduct and update our materiality analysis encompassing our main markets. In order to understand and focus on the topics our stakeholders consider relevant, we gather the views of stakeholders, including our customers, partners and our own employees. We continuously evaluate material topics to our sustainability work. In addition to the work done earlier with the focus on stakeholders’ views and relevance of material topics impacts, we have started to apply the double materiality concept from 2023 onwards.

In preparation for the new CSRD regulation we conducted an extensive double materiality assessment to define the most important sustainability topics for us, both from the impact and from the financial perspective. Above you will find the result from this work per

our Sustainability Ambition showing the topics, which were assessed critical for us. This analysis will have an impact on our sustainability reporting but also steer our strategic decisions.

Fazer’s Priority Sustainable Development Goals

The United Nation’s Sustainable Development Goals, or SDGs, are 17 broad goals with many sub-targets, which aim to ensure a sustainable future for generations to come, eliminate poverty and hunger and promote peaceful and inclusive societies all by 2030. In 2021 Fazer took a deeper look at all the 17 goals to prioritize the ones we can most help advance. We reviewed our sustainability work and Sustainability Ambitions against the SDGs and concluded that eight SDGs stand out as most relevant for Fazer’s work now and in the near future.

Sustainability governance

Sustainability is integrated into the agenda of Fazer’s Board of Directors (BoD), and the highest authority in sustainability matters lies with the BoD. The BoD reviews and approves the company’s strategy and sustainability

ambitions, the Group-level risk assessment, as well as Fazer’s material sustainability topics and reporting. The BoD receives quarterly updates on sustainability matters related to Fazer’s business and its progress towards its sustainability targets, as well as the regulatory landscape and trends. Even though sustainability matters are integrated to various other topics as part of the BoD’s regular meeting agenda, they are also discussed at least biannually as a separate item. The individual with the highest responsibility for sustainability issues on the BoD is the Chairman of the BoD in his role as ESG sponsor. The BoD’s ESG sponsor, represents the BoD in ESG matters and is accountable for ensuring that sustainability efforts are governed effectively in the company and deliver on targets and objectives.

The highest authority when it comes to operative decision making in sustainability matters lies with the Fazer Leadership Team (FLT). As part of the FLT, the ESG steering group, chaired by the Group’s President and CEO, with Business Area (BA) heads and EVP, Comms & Sustainability as members, discusses strategic sustainability topics, and prepares them for decision-making in FLT. The steering group

	<b>SDG 2:</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture
	<b>SDG 3:</b> Ensure healthy lives and promote well-being for all at all ages
	<b>SDG 5:</b> Achieve gender equality and empower all women and girls
	<b>SDG 8:</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	<b>SDG 12:</b> Ensure sustainable consumption and production patterns
	<b>SDG 13:</b> Take urgent action to combat climate change and its impacts
	<b>SDG 14:</b> Conserve and sustainable use the oceans, seas and marine resources
	<b>SDG 15:</b> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

also monitors and takes actions to comply to upcoming regulatory changes, steers the Group’s operative sustainability work and prepares matters and policies to be approved by the FLT and BoD.

The Group’s continuous sustainability work is managed by the group sustainability team and the sustainability and Quality, Environmental, Health and Safety (QEHS) network, which consists of experts from all our businesses and countries. Environmental developments and KPIs are followed up on a quarterly basis in the environmental performance reviews, with the BA and BU Management Teams and sustainability team members.

As an organisation, Fazer always strives for excellence and endeavours to serve as a trusted partner to our customers and other business associates. Our Code of Conduct is based on the ten international principles of the UN Global Compact, which we joined in 2012, as well as the Universal Declaration of Human Rights and the International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights (UNGPs). Our

efforts are also guided by our Sustainability Policy, Human Rights Policy, Supplier Code of Conduct, and QEHS Policy. Fazer is also committed to responsible marketing practices and follows the guidelines set by the International Chamber of Commerce (ICC) for Responsible Food and Beverage Marketing communication.

Fazer’s sustainability performance is reported in accordance with applicable laws and regulations, as well as several external frameworks such as Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI) and UN Global Compact communication of progress report.

**Sustainability commitments and memberships**

Fazer has several sustainability commitments and 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.

**Sustainability governance**





### Science Based Targets initiative (SBTi) -

Drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. The SBTi is a partnership between CDP, the UN Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

The SBTi's approval of our climate targets at the end of 2021 confirms that our actions to reduce our emissions support the Paris Climate Agreement's goal to limit the global temperature increase below 1.5C above pre-industrial levels. We have committed to the following actions:

- Reduce absolute scope 1 and 2, greenhouse gas (GHG) emissions by 42% from a 2020 base year by 2030
- Reduce absolute scope 3 greenhouse gas (GHG) emissions by 42% from a 2020 base year by 2030
- Engage 53% of our suppliers by spend to set their own Science Based Targets by 2025



**UN Global Compact** - The UN Global Compact is a corporate responsibility initiative launched by the UN in 2000 which promotes and develops the ecological, social and economic responsibility of companies and communities, utilizing the Ten Principles of the UN Global Compact and the UN Sustainable Development Goals. Fazer has been a member since 2012.

**Other initiatives** – Fazer engages in a range of other external initiatives, including the Baltic Sea Action Group (BSAG), the Finnish water stewardship commitment, FIBS, Hållbar Livsmedelskedja, and the World Wide Fund For Nature (WWF) Finland. More information on Fazer's commitments can be found on our website.

# Framework Structure

This Green Finance Framework (the “Framework”) has been developed as part of Fazer’s continued commitment to sustainability. The structure of the Framework is developed to be in line with both the ICMA Green Bond Principles (GBP) 2021 (with June 2022 Appendix I), as well as the LMA and APLMA Green Loan Principles (GLP) 2025, and therefore the framework consists of the key core components for alignment with the GBP and GLB and the key recommendations for heightened transparency. With this framework, Fazer may utilize a variety of Green Finance Instruments, including but not limited to Green Loans, Leases, Bonds and Schuldscheins.

- **Use of proceeds**
- **Process for project evaluation and selection**
- **Management of proceeds**
- **Reporting**
- **External Review**

It is Fazer’s intention to follow the best practices in Green Bonds and Loans, as the market standards and the EU classification of environmentally sustainable economic activities (EU Taxonomy) develop. Therefore, Fazer’s Framework may be amended and/or updated to reflect the changes in market practice. The second party opinion, together with the Framework, is publicly available on Fazer’s website.

## **Exclusions**

The net proceeds from Green Financing will not be allocated to projects for which the purpose of the project is fossil energy production and harmful resource extraction. Buildings heated directly by fossil fuels, parking lots or in general heavily emitting industrial buildings are also excluded.



# Green Finance Framework

The net proceeds from Fazer's issuances of Green Finance Instruments will exclusively be used to finance Eligible Assets within Fazer, its subsidiaries, or any acquired entities. Net proceeds will finance Eligible Assets according to this Framework in part or in full that promote environmental and societal benefits and identify and manage potential social and environmental risks as determined by Fazer and its sustainability policy. The proceeds raised based on this Framework can be applied towards operational and maintenance costs, labour costs, capital expenditures, R&D, and acquisitions, such as facilities, tools, processes, ICT systems and machines according to the eligibility criteria below. Information about the split between financed and refinanced assets will be included in the Green Finance Impact Report. Financed assets are defined as assets, which have been, or will be, taken into operation



on or after one year before the date such asset is approved by the Green Finance Committee. Refinanced assets are therefore defined as those assets taken into operation one year before but no longer than three years before such assets were approved by the Green Finance Committee.

In addition to Green Finance Instruments issued by Fazer in the capital market, the company may have bilateral Green Loans provided by lending institutions. Green Loans taken by Fazer may be provided by lending institutions that finance these by issuing Green Bonds. Fazer will report the aggregate amount of Green Loans taken and specify each Eligible Asset that has been financed by a Green Loans in a separate section of the Green Finance Investor Report.



Use of Proceeds


GBP Category: Green Buildings

Context	Eligible projects	EU Environmental Objective	UN SDGs
<p>A clear majority of our emissions are related to purchased goods and services eg. food raw materials, which cause emissions throughout the value chain from land use in farming to transport to our factories. In 2024, the emissions from purchased good and services accounted 96% of our total Scope 1, Scope 2 (market-based) and Scope 3 emissions. On top of this, majority of the remaining 4% is related to processing of these raw materials to eatable consumer goods. Key drivers to address the emissions in our own operations relate to more efficient production processes, actions that improve energy and material efficiency, and reduce food-loss.</p> <p>These efforts require investments into new factory technology and setup. A good example of the investments is FC2030, a new chocolate factory. The new factory will enable a significant energy and emission efficiency improvement and a material reduction of food loss for the chocolate product category but also for the group as a whole.</p>	<p>Financing or refinancing the construction or acquisition of commercial buildings*</p> <p><b>NEW BUILDINGS</b> Built on or after 31st December 2020:</p> <ul style="list-style-type: none"><li>• New commercial and residential properties where energy performance of the building resulting from construction is at least 10% lower than the threshold set for the nearly zero-energy buildings (NZEB) requirements.</li></ul> <p>OR</p> <ul style="list-style-type: none"><li>• Factory buildings used in production that have BREEAM certification of “Excellent” or better.</li></ul> <p><b>EXISTING BUILDINGS</b> Built before 31st December 2020:</p> <ul style="list-style-type: none"><li>• Refinancing of existing commercial and residential properties that has Energy Performance Certificate (EPC) class A.</li></ul> <p>OR</p> <ul style="list-style-type: none"><li>• Refinancing of existing commercial and residential properties that is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED).</li></ul> <p>OR</p> <ul style="list-style-type: none"><li>• Factory buildings used in production that have BREEAM certification of “Excellent” or better.</li></ul> <p><b>RENOVATIONS</b> Renovations leading to minimum 30% energy efficiency improvements compared to pre-renovation levels. Renovations leading to minimum &gt;10% greenhouse gas emission reductions from pre-renovation levels.</p>	<p>Climate change mitigation</p>	<div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div></div> <p>9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>This category refers to the SDGs 9.2, 9.4 and 11.3.</p>

\* Buildings heated directly by fossil fuels, parking lots or in general heavily emitting industrial buildings are excluded.



\*\* In accordance with the EU EPBD, all buildings constructed from 1st January 2021 ought to have a primary energy demand (PED) measured in (kWh/m²/yr.), expressed through the EPC-label (Energy Performance Certificate) that is minimum 10% lower than the PED stipulated in the national definition of a NZEB building.

GBP Category: Renewable Energy


Context	Eligible projects	EU Environmental Objective	UN SDGs
<p>Fazer’s energy strategy guides planning and financing of investments in production and energy infrastructure. Following Russia’s attack on Ukraine as well as Fazer’s sustainability approach and ambitions, Fazer made an effort to develop an even better understanding of the future energy landscape and the accelerated transition to renewables to guide us in our ambition to reduce the risk of single source energy dependency, secure energy availability, and find opportunities to reduce the Group’s emissions. Based on this work the Group’s energy strategy was updated and a decision was made to invest in solar energy during 2023.</p> <p>Lahti Bakery’s new energy-efficient portion bread line 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.</p> <p>A great example of our emphasis on renewable energy is our Lahti site. The Lahti biopowered heating facility utilises side streams from our mill and xylitol factory. In 2023, the factory has produced 65% of the steam used in the Lahti factory area – replacing natural gas as a source for steam. We continue to actively monitor the latest scientific and technological advancements in fossil-free and low-carbon solutions and seek for new ways to reduce our emissions in collaboration with our key stakeholders to support us in achieving our SBTi targets.</p> <p>In Sweden we have invested in new more energy efficient electric steam boilers replacing oil boilers and reducing CO<sub>2</sub>e emissions of Fazer Bakery Sweden significantly starting from 2024.</p>	<p>Financing or refinancing of the acquisition, development, expansion, operation and maintenance of facilities for energy production from renewable sources, as well as supporting infrastructure:</p> <ul style="list-style-type: none"><li>• Solar energy: Photovoltaic energy projects (PV), Solar thermal heating</li><li>• Wind power</li><li>• Geothermal energy with LCA emissions &lt; 100g CO<sub>2</sub>e/kWh</li><li>• Biomass* (for example chip firing) projects with LCA emissions &lt; 100gCO<sub>2</sub>/kWh</li><li>• Energy storages: Battery Energy Storage Systems and Heat Storages</li><li>• Biogas projects utilizing side streams</li></ul>	<p>Climate change mitigation</p>	<div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><p>7. Ensure access to affordable reliable, sustainable and modern energy for all</p><p>This category refers to the SDGs 7.2 and 7.3.</p></div>

\* Bioenergy from food- or feed crops will be excluded

GBP Category: Energy Efficiency




Context	Eligible projects	EU Environmental Objective	UN SDGs
<p>Key focus in Fazer’s Group Energy Framework is to increase energy efficiency in our factories and processes. We aim to improve our energy efficiency and reduce the related emissions by developing existing production facilities and processes. We invest in energy efficient solutions that also reduce the amount of food loss generated in production. Automatisatation and optimisation of air conditioning and production processes and efficient heat recovery are important improvement levers for us. To improve energy efficiency in the production and machinery, we have plans to replace the natural gas ovens with alternative sources of energy, such as electrical heating elements, which would minimize the CO<sub>2</sub> emissions.</p> <p>We have already initiated energy efficiency improvements in the recent years. For example, we have increased the use of heat recovered from cooling units’ condensers. Also, by optimising ventilation systems, we have reduced our demand for primary energy, most notably at our Vantaa bakery.</p> <p>One example of our work to improve energy efficiency is Fazer Bakery Finland’s investment into a new energy-efficient baking line at the Vantaa bakery in 2022. With the new line we were able to reduce the bakery’s CO<sub>2</sub> emissions by 8% per year. The 8% reduction in carbon dioxide emissions is based on a number of energy-saving solutions. For example, the new bread ovens are more energy-efficient than their predecessors and the heat from their chimneys is recovered for use in other areas of the bakery. When the hot bread comes out of the oven, it is cooled before being packed in a bag, leading to a more energy efficient process than before.</p> <p>Lahti Bakery’s new energy-efficient portion bread line will reduce CO<sub>2</sub> by 800 tonnes in 2025, and around 1,030 tonnes yearly thereafter.</p> <p>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.</p> <p>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.</p> <p>In 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</p>	<p>Financing or refinancing of activities, projects, services, installations, equipment, and related infrastructure enabling improved energy efficiency and monitoring of energy use, or the replacement of fossil energy-use. This includes:</p> <p>Buildings and their energy savings:</p> <ul style="list-style-type: none"><li>• Direct costs (e.g., materials, equipment, and labour) for installing energy efficient technologies such as heat pumps, energy management systems, automation, new windows, energy efficient lightning, ventilation, heat recovery and heating system modernisation renovation or costs associated with enabling the use of renewable energy sources.</li><li>• Professional technical consultations, energy audits and management services related to the improvement of energy performance of buildings.</li></ul> <p>Energy efficiency improvement in the production/machinery:</p> <ul style="list-style-type: none"><li>• Switching to future-proof sources, electricity network development. Changing ovens and other production equipment from fossil to fossil-free energy solutions.</li><li>• Direct costs (e.g. materials, equipment and labour) for installing energy saving technologies, such as heat recovery from ovens or other systems that use fossil free primary energy.</li><li>• Costs related to Energy as a Service business model where process cooling, heating and steam generating equipment are utilized to improve energy efficiency.</li></ul>	<p>Climate change mitigation</p>	<div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div></div> <p>7. Ensure access to affordable reliable, sustainable and modern energy for all</p> <p>9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>This category refers to the SDGs 7.3, 9.1, 9.2, and 9.4.</p>

GBP Category: Pollution prevention and control

Context	Eligible projects	EU Environmental Objective	UN SDGs
<p>We are constantly finding new ways to increase our waste recycling rates and have invested in new waste collecting and handling methods that make recycling more effective. Waste hierarchy sets principles for our waste handling. In addition, Fazer has an Upcycled program, where sidestreams are developed into new products. Our target is 50% less avoidable food loss by 2030 compared to 2020 baseline.</p> <p>Cutting down on food loss is one of the most efficient ways to reduce the food system’s impact on the environment and to integrate climate action into many parts of the company. Therefore, the company has committed to 50% less avoidable food loss by 2030. Food loss has a large (approx 7%) impact on Fazer scope 3 emissions and reducing the Group’s food loss volumes is included in the Group’s scope 3 emission reduction plan.</p> <p>By effective material recovery (e.g. different plastic types, cardboard, metals) via our partners and better utilisation of sidestreams, we are making the circularity true in our everyday operations. We carefully collect and process food waste within our facilities to deliver it to animal feed or generate valuable biogas. Our approach aligns with the principles of sustainable development as we strive to efficiently utilize resources and minimize our environmental footprint.</p> <p>Fazer also focuses on the development of more sustainable packaging innovations that support the transition to a circular economy. In 2024, Fazer renewed its 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.</p>	<p>The financing or refinancing of investments in pollution prevention and waste management, such as prevention, reduction or recycling of waste as well as enabling infrastructure and facilities, including:</p> <p>Waste management:</p> <p>Waste management, such as the reduction of the amount of waste through process efficiency improvements, side-stream management and waste-to-energy*</p> <p>Emission and discharge reduction:</p> <p>The reduction of emissions and discharge to air, water and soil</p> <ul style="list-style-type: none"><li>• through physical, chemical and mechanical methods, including carbon capture and storage (CCS) and bioenergy carbon capture and storage (BECCS).</li></ul>	<p>Climate change mitigation, The transition to a circular economy, Pollution prevention and control</p>	<div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div>12.Ensure sustainable consumption and production patterns</div></div> <p>This category refers to the SDGs 12.2, 12.3, 12.5 and 12.6.</p>

\* Waste-to-energy facilities are only eligible where the energy recovery from waste follows a waste hierarchy to ensure that an ambitious amount of the waste is reused and recycled before being converted to energy.

GBP Category: Sustainable water and wastewater management

Context	Eligible projects	EU Environmental Objective	UN SDGs	
<p>In our operations, we use water as an ingredient as well as for various cleaning processes. Water is also needed in several areas of our supply chain but primarily in growing crops to produce our ingredients. We manage our own water usage and the associated risks through our environmental permits, QEHS processes and ISO14001 Environmental management system. For our value chain, we use Supplier Code of Conduct as an auditing tool to assess risks and minimize water-related environmental impacts in our value chain.</p> <p>We are committed to prepare a water stewardship plan that further specifies our goals and measures related to water consumption, waste water and reduction of water usage in our value chain. We are part of the Finnish Water Stewardship Commitment and collaborate with WWF Finland, farmers and other partners in our grain supply chain to minimize environmental impacts involving water.</p>	<p>The financing or refinancing of the establishment, capacity expansion and upgrade of sustainable freshwater supply and/or wastewater treatment facilities, and the associated infrastructure and water efficiency measures, including:</p> <ul style="list-style-type: none"><li>• Facilities and technologies to ensure a safe and sustainable freshwater supply</li><li>• Wastewater treatment facilities</li><li>• Measures to prevent or reduce discharge of pollutants into water and soil</li><li>• Improvement of water-use efficiency, e.g., re-use of water, replacement and upgrades of water pipelines and to reduce leakage in networks</li></ul>	Climate change mitigation, The transition to a circular economy, Pollution prevention and control	<div><div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div></div> <div>6. Ensure availability and sustainable management of water and sanitation for all</div> <div>11. Make cities and human settlements inclusive, safe, resilient and sustainable</div> <div>12.Ensure sustainable consumption and production patterns</div>	<p>This category refers to the SDGs 6.3, 11.3, 12.2, 12.3, 12.5 and 12.6.</p>

**Selection and Evaluation  
of Eligible Projects**

Fazer has established a Green Finance Committee (GFC) to evaluate and select assets that are in line with the criteria set out in the use of proceeds section of this document, and to ensure that these eligible assets promote environmental and social benefits and identify and manage potential environmental and social risks as determined by Fazer and the sustainability policy. The committee meets at least on an annual basis or when needed. The GFC is comprised of CFO (chair) and representatives from Group Treasury, Group Sustainability and Group Business Control (Investment management). The Green Finance committee is responsible for evaluating the compliance of proposed assets with the eligibility criteria outlined in the Use of Proceeds section above, ensuring that the pool of Eligible Assets is aligned with the categories and criteria as specified in the Use of Proceeds section, replacing investments that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria etc.), and on a best effort

basis, reviewing and updating the content of the Framework and managing any future updates of this document to reflect relevant changes in Fazer’s corporate strategy, technology and market developments.

**Management of proceeds**

An amount equal to the net proceeds of any Green Financing raised will be credited to an earmarked account that will support Fazer’s lending to Eligible Assets. So long as the Green Financing is outstanding and the earmarked account has a positive balance, funds may be deducted from the earmarked account and added to Fazer’s lending pool in an amount up to all disbursements from that pool made in respect of Eligible Assets. The earmarked account will ensure, monitor, and track the Eligible Assets. The Group Treasury is responsible for the allocation of proceeds. If, for any reason, an Eligible Asset ceases to comply with the requirements set out in this Framework, such asset will be removed from the earmarked pool. Proceeds yet to be allocated towards Eligible Assets will be placed in the liquidity reserves, taking the exclusion criteria into account and managed as such.



Reporting

To enable investors to follow the development and to provide insight to prioritized areas, Fazer will provide a Green Financing Impact Report on an annual basis until the maturity of any issued Green Finance Instruments. Fazer intends to report on quantitative impact indicators where feasible and where relevant data is available. The Green Financing Impact Report will include:

Allocation Reporting

1. A description of the portfolio of Eligible Assets;
2. Type of financing instruments utilized and respective outstanding amounts;
3. Information on the split between new financing and re-financing; and
4. A list of Eligible Assets including the amounts allocated, allocated and disbursed amounts per category, and geographical distribution.

Impact Reporting

The impact reporting aims to disclose the environmental impact of the Eligible Assets

financed under this Framework, based on Fazer’s financing share of each project. As Fazer can finance large and small Eligible Assets in the same Project Category, impact reporting will, to some extent, be aggregated.

The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis (e.g., if a Green Building is under construction but not yet operational, Fazer will provide best estimates of future energy performance levels). The impact assessment will, if applicable, be based on the Key Performance Indicators (KPIs) presented in the table below.

External Review

Second party opinion (pre-issuance)

To secure alignment with national and international guidelines, Fazer has engaged Sustainalytics to function as an external verifier of this Framework and the Eligible Projects.

Third-Party Review (post-issuance)

Fazer has appointed an external independent auditor to annually assure that the selection

process for the financing of Eligible Projects and that the allocation of the net proceeds of the Green Financing are done in accordance with the Framework.

Publicly Available Documents

The Framework, the second party opinion, the third-party review, and the Green Financing Impact Report will be publicly available on Fazer website.

GBP Categories	Examples of impact indicators
Green Buildings	New and existing buildings: <ul style="list-style-type: none"><li>• % of portfolio divided by year and/or EPC label</li><li>• Annual GHG emissions avoided (in tonnes CO<sub>2</sub>eq.)</li></ul> Renovations: <ul style="list-style-type: none"><li>• Reduction in kWh/m<sup>2</sup> and/or CO<sub>2</sub>eq. relative to pre-investment situation</li></ul>
Renewable energy	<ul style="list-style-type: none"><li>• Annual renewable energy generation (MWh/a)</li><li>• Installed capacity (MW)</li><li>• Annual GHG emissions reduced/avoided, in tonnes, CO<sub>2</sub>-equivalent</li></ul>
Energy efficiency	<ul style="list-style-type: none"><li>• Annual energy savings (MWh/GWh or GJ/TJ)</li><li>• Annual GHG emissions avoided (in tonnes CO<sub>2</sub>-equivalent) relative to Finnish grid factor</li><li>• Percentage of energy use reduced/avoided energy efficiency increase</li></ul>
Pollution Prevention and Control	<ul style="list-style-type: none"><li>• Annual GHG emissions avoided (in tonnes CO<sub>2</sub>eq.)</li><li>• Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes per year</li></ul>
Sustainable water and wastewater management	<ul style="list-style-type: none"><li>• Annual absolute (gross) water savings (in m<sup>3</sup>/a, in %)</li><li>• Annual absolute (gross) amount of wastewater treated, reused or avoided (in m<sup>3</sup>/a, in %)</li></ul>



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