

Fazer 2025

# ANNUAL REPORT





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The consumer is at the core of our strategy



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Our aim is to develop food as a solution for a more sustainable business

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We are known for our high-quality confectionery, bakery and plant-based products



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## FAZER IN 2025

# Testing. Tasting. Perfecting.

Our product developers are constantly innovating to meet evolving tastes. While our portfolio includes more than 2,000 consumer products, many of them beloved classics that have stood the test of time for decades, new products also play a major role.

In 2025 alone, we introduced altogether over 250 novelties, inspired by consumer feedback, local preferences, and emerging health trends. It's all part of our commitment to staying one step ahead of what delicious means tomorrow.



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Over  
**250**  
novelties in 2025

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# Fazer at a glance

Fazer is a leading FMCG company in Northern Europe, renowned for its high-quality confectionery, bakery and plant-based products. With a rich heritage and a strong presence across the region, Fazer delights consumers with innovative and beloved brands.

## OUR GEOGRAPHIC FOOTPRINT

Personnel in **8** countries

**15** production facilities

Export to over **40** countries



## FAZER CONFECTIONERY

Fazer Confectionery is a leading player in the Nordic chocolate and sugar confectionery market, with a strong portfolio of well-known local and international brands, including Karl Fazer, Tutti Frutti, Dumle, and Geisha. With all production based in Finland, we build on strong craftsmanship and quality to deliver superior taste. Our ambition is to grow through brand-led innovation and expansion into selected European and Asian growth markets. Today, we export to around 40 countries and have an expanding presence in global travel retail. Additionally, we create taste experiences through Fazer Cafés and Gateau bakery shops.



## FAZER BAKERY

Fazer Bakery, with its world-class expertise in rye and oat baking, is a leading producer of bakery products in Finland and a major player in the Swedish and Baltic bakery markets. Fazer's bakery products are produced in Finland, Sweden, and Latvia. The business also has more than 150 Shop-in-Shop bakeries in Finland and Estonia. Products are sold in more than 20 countries. Some of Fazer Bakery's most popular brands include Fazer Puikula, Oululainen Reissumies and Pullava, Fazer Leipurit, Skogaholm, Druva, and Gardesis.



## FAZER LIFESTYLE FOODS

Fazer Lifestyle Foods offers modern consumers a wide range of plant-based products, from oat drinks and breakfast products to smoothies. Under the Fazer Aito brand, we produce oat drinks made from Nordic oats in Sweden. The offering also includes Froosh smoothies containing solely fruits and vegetables, with no added ingredients. Fazer is also a major player in the Nordic grain milling market. Fazer's oat mills, located in Finland and Sweden, provide consumers with porridges, mueslis, and cereals under Fazer Alku and Frebaco brands, and supply industrial customers with high-quality grain products and value-adding solutions.



# Financial highlights

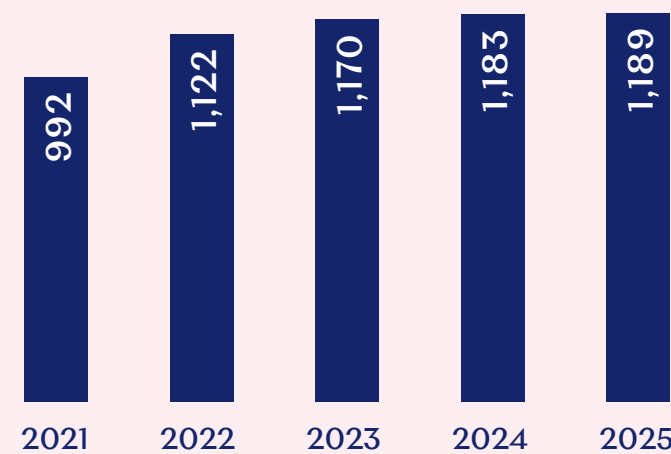
## GROUP NET SALES 2025 MEUR

# 1,188.6

## COMPARABLE EBITDA MEUR

# 137.8

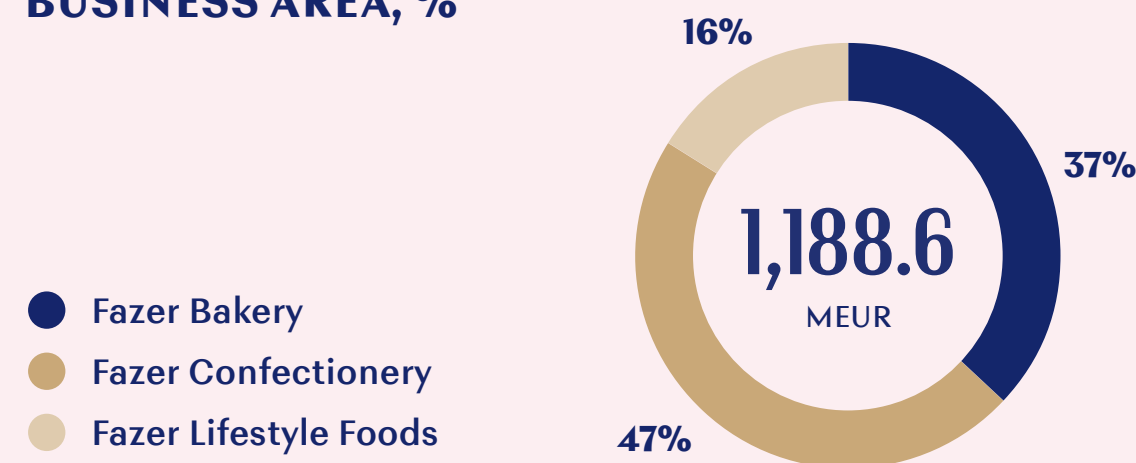
## GROUP NET SALES DEVELOPMENT



## COMPARABLE OPERATING RESULT MEUR

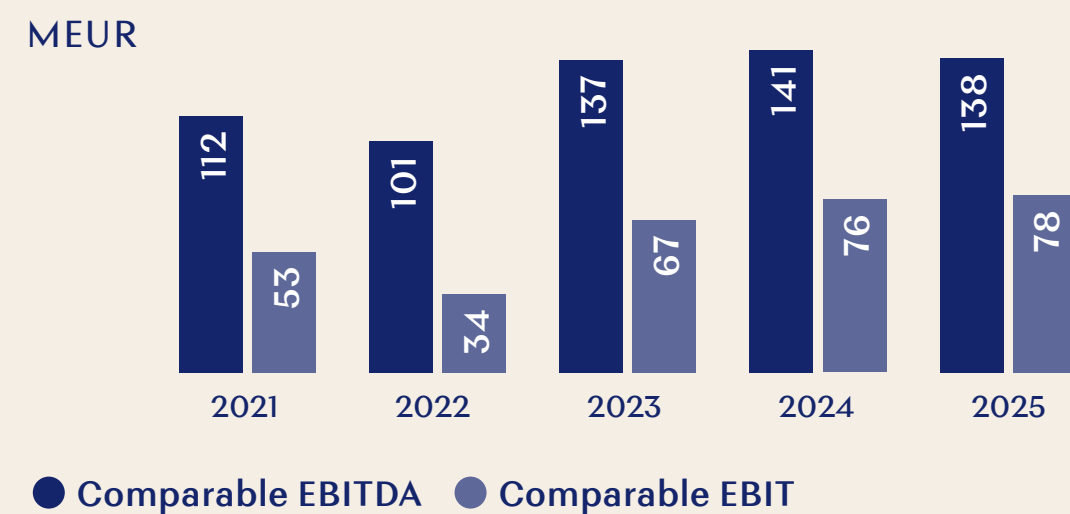


## GROUP NET SALES BY BUSINESS AREA, %



UNCONSOLIDATED

## GROUP COMPARABLE OPERATING PROFIT DEVELOPMENT



## KEY FIGURES 2025

	2025	2024
Group net sales, MEUR	1,188.6	1,183.1
Comparable EBITDA, MEUR	137.8	141.4
Comparable EBITDA margin, %	11.6%	12.0%
EBITDA, MEUR	133.5	133.1
EBITDA margin, %	11.2%	11.2%
Comparable operating result, MEUR	77.8	75.9
Comparable operating result margin, %	6.5%	6.4%
Operating result, MEUR	-1.0	46.0
Operating result margin, %	-0.1%	3.9%
Profit before taxes, MEUR	-3.9	45.4
Profit for the period, MEUR	-19.1	34.7
Personnel, FTE month December*	4,693	4,764
Personnel, avg. FTE*	4,761	4,885
Return on capital employed (ROCE), %	-0.1%	5.9%
Comparable return on capital employed (ROCE), %	10.3%	9.7%
Equity ratio, %	63.2%	64.9%
Gearing, %	2.2%	3.2%

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

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PRESIDENT AND CEO CHRISTOPH VITZTHUM

# A year of bold decisions and resilient performance

**In 2025, Fazer made solid progress toward its targets and continued to advance positively across its businesses, despite the continued challenging market environment.**

## Q&A

### **How would you summarise the company's overall performance and key financial results for the year?**

In 2025, Fazer achieved record-high net sales and a record-high comparable operating profit. I am very pleased that we succeeded in increasing our operating profit above the record levels achieved last year. This positive outcome was not guaranteed, but rather the result of disciplined management of the situation, our rigorous marketing initiatives, and a relentless focus on operational efficiency. Following a demanding first half of the year characterised by significant increases in raw material costs – most notably, a substantial rise in cocoa costs – Fazer Confectionery's performance showed recovery towards the end of the year. Intensified competition in the bakery markets meant we fell slightly short of last year's figures, and

the plant-based category faced persistent challenges from subdued demand and strong price competition.

### **Looking back at 2025, what are you most proud of?**

There were many things that made me proud during the year, but above all I am very happy that we were able to finalise the decision to invest EUR 400 million in a new, ultra-modern chocolate factory in Lahti, Finland. This major strategic investment will support both our domestic growth and international expansion, and is an important step in our commitment to offer the market's most interesting and innovative products – both today and in the future. This decision was supported by the Finnish government's decision to withdraw its proposal of a substantial VAT increase on confectionery.



**Our goal is to drive international growth by offering high-quality products with superior taste, fuelled by continuous innovation.**

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The groundbreaking ceremony of the new chocolate factory took place in Lahti on 29 September 2025. In the photo, from the right: Prime Minister Petteri Orpo, Fazer Group's President and CEO Christoph Vitzthum, Fazer's Chairman of the Board of Directors Casper von Koskull, Mayor of Lahti Niko Kyynäräinen, Skanska Finland's CEO Tuomas Särkilahti, and Tanja Sallinen, Chief Shop Steward at Fazer's Vantaa confectionery factory.

### What were the main risks and challenges during the year and what was your approach to managing these risks?

The past five years have been reflected by cost inflation, high price volatility, availability issues and supply chain disruptions in our key raw materials. Additionally, for the past 1.5 years we have been burdened by all-time high cocoa prices. I think we have been able to adapt our management style and processes

and are now much better equipped to perform in this kind of volatile environment. In practise this means that although our long-term strategy hasn't changed, our planning cycles have become more dynamic, we frequently use scenario analysis as a tool and if needed, even take a war-room approach when an issue needs our daily or even hourly attention. We are an agile organisation and adapt quickly to changing situations. That said, we must stay alert, always follow market development meticulously and take the current and potential risks into consideration in our planning.

### Moving forward, what are the primary drivers of growth for the business?

Consumer trends and preferences are evolving. People are increasingly seeking unique taste experiences, everyday luxury and indulgence, as well as on-the-go products that suit a fast-paced lifestyle. Our goal is to drive growth by offering superior taste, quality, and innovation. By capitalising on our established portfolio of superior brands and responding to market trends, we build brand loyalty and deliver premium products in all our categories. In addition to driving growth through our category choices, we also seek sustainable growth by expanding geographically.

### What steps is the company taking to strengthen its market positions and grow internationally?

To drive further profitable growth as the leading FMCG company in Finland, we will

continue strengthening our profitable core while simultaneously diversifying our portfolio for example in gifts and seasonal products. We also aim to strengthen our position in Sweden by leveraging our trusted brands and high-quality products, focusing on unmet consumer needs. Our success at home supports international growth, especially as we introduce chocolate products and plant-based drinks to Central and Eastern Europe by highlighting their unique selling points.

### How do you see the markets developing in 2026?

For a few years already, the food sector has navigated a very volatile and dynamic operating environment marked by shifting consumer expectations and macroeconomic recalibration. Across all our markets, the overarching trend has been heightened price sensitivity and value-driven purchasing behaviour. Promotional campaigns have dominated the landscape, and private labels have continued to challenge branded offerings. Looking ahead, the macroeconomic signals are cautiously optimistic, and consumer confidence is improving. Labour markets are stabilising, although unemployment remains high, in Finland in particular. We enter the year with confidence.

### Any final words?

I want to thank all Fazer employees, our partners, customers and consumers for the past year. I look forward to working with all of you in 2026 again.

”

The new ultra-modern chocolate factory in Lahti, Finland, is the largest investment in Fazer's history.



## STRATEGY

# Building value through insight and innovation

Fazer's growth strategy is built on deep consumer understanding and continuous innovation. By leveraging consumer insights and focusing on our strong brands, operational efficiency, and sustainability, we create long-term value and accelerate international expansion.

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Illustration of the new chocolate factory in Lahti, Finland.



## STRATEGY

# Our approach to understanding consumer needs

**Tracking consumer needs and market trends guides our growth and delivers sustainable, long-term value.**

Tracking consumer needs is central to our strategy, guiding both innovation and ongoing value creation. We leverage a combination of real-time data analytics, consumer panels, surveys, and social media sentiment analysis to identify emerging preferences and behaviours. In addition, Fazer Experience, Fazer Cafés, Gateau bakery shops and Shop-in-Shop bakeries offer us a unique opportunity to listen to consumers and engage in dialogue with them. These insights help us segment the market according to evolving need states, such as convenience, indulgence and functional, enabling targeted product development and consumer communication. By continuously monitoring and interpreting consumer trends, we ensure that our brands remain relevant and responsive in a dynamic marketplace. This data-driven approach empowers us to deliver tailored solutions that build long-term consumer loyalty.



## Consumer trends and implications for Fazer

Consumer trend		Our response
<b>Value for money</b>	In response to economic pressures like inflation, consumers have become more cost-conscious, seeking better value for their money.	For us, this means that while we strive to strengthen our premium position, we simultaneously offer different product formats at various price points so that consumers get the best possible value. Leveraging strong brand equity and recipe innovation will be key to sustaining loyalty in a cost-conscious market.
<b>Convenience &amp; Omnichannel shopping</b>	Consumers use multiple channels (online, social media, physical shops) before making purchases, expecting seamless integration and convenience.	We continue investing in digital capabilities in cooperation with our customers and in our Direct-to-Consumer channels.
<b>Health, wellness and well-being</b>	Consumers increasingly pursue healthier lifestyles and conscious living, including reducing food waste, recycling, and aiming for natural, nutritious food choices. Demand is shaped by the intersection of health, sustainability, and value-consciousness.	Our health and nutrition approach is designed to empower individuals to make dietary choices that enhance their well-being. By focusing on aspects such as portion control, good nutritional value, health benefits, and increasing plant-based offering combined with a touch of indulgence we want to make sure that every meal contributes meaningfully to a balanced diet.
<b>Influence of social media</b>	Platforms such as TikTok and Instagram have dramatically accelerated the speed of consumer trends, shrinking cycles from months or years to just days or weeks. The platform serves as a modern R&D lab, where viral, visually driven, and user-generated content directly translates into real-world purchasing behaviour.	For Fazer, this highlights the need to constantly monitor consumer preferences and social media trends, stay agile, and continuously develop popular categories and concepts. Fazer's upcoming flexible, automated chocolate factory is a strong response to these shifts in consumer behaviour.

STRATEGY

# Our markets

**Fazer operates in the confectionery, bakery and plant-based product markets and is also a significant player in the Nordic grain milling market. Fazer has strong positions in Finland, Sweden and across Northern Europe.**

Fazer’s addressable markets cover a broad range of fast-moving consumer goods categories. These include chocolates and sugar confectionery, bakery products such as bread and sweet bakery, as well as biscuits and crisp bread. The company also serves the market for plant-based drinks, porridges, mueslis, granolas and cereals, where consumer interest continues to rise in line with health, sustainability and lifestyle trends. The remainder of the market includes categories such as savoury snacks, where Fazer sees significant potential. Fazer is well-positioned within the growing and profitable parts of the markets, with strong potential for further market share expansion.

**Current operating environment**

Fazer is currently operating in a dynamic market environment shaped by changing consumer preferences and broader macroeconomic development. While macroeconomic indicators show slight optimism, consumers remain cautious, and confidence remains low in Finland in particular. In all Fazer’s markets, the prevailing trend is a strong focus on price, and consumers are value-oriented, leading to intense price competition from both branded and private label products. The sector’s success relies on high quality, superior taste and innovations in combination with efficient operations, strong branding, and agility in responding to changing market trends – areas where Fazer is well-positioned to drive growth and create lasting value for its shareholders.

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**While macroeconomic indicators showed slight optimism, consumers remained cautious in 2025.**





## STRATEGY

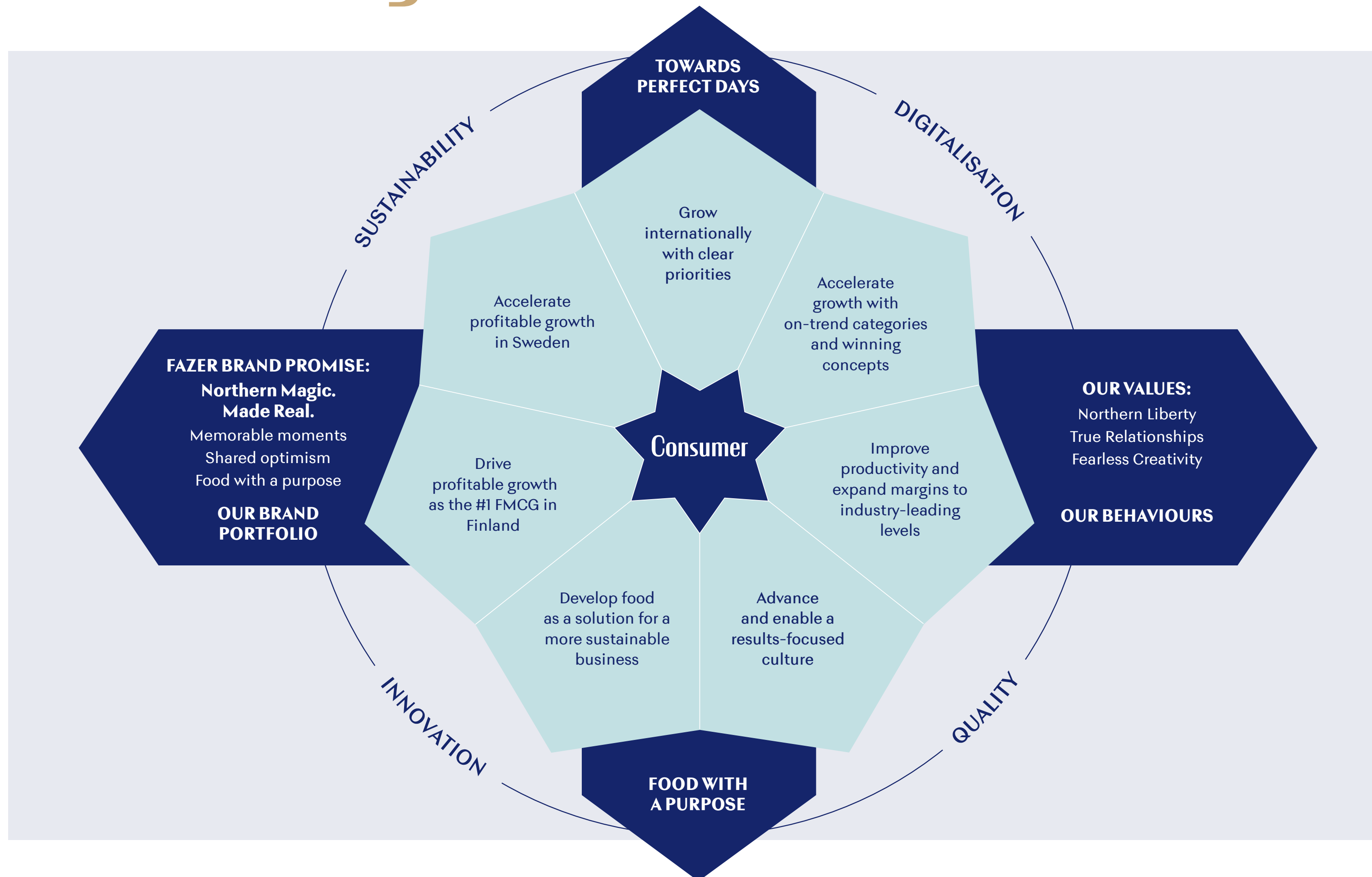
# Building long-term sustainable value with a strong consumer focus

Fazer's growth strategy is underpinned by in-depth consumer understanding, a solid foundation of beloved brands and products, and strong market positions.

## Where we play and how we win

### Category choices

Fazer is committed to strengthening its position as a leading Nordic FMCG company by focusing on its core categories, confectionery and bakery, supported by plant-based categories and ensuring that resources and attention are directed towards the most impactful areas of the business. By accelerating volume growth through ongoing innovation, we can introduce new products and adapt swiftly to consumer demands, further strengthening our competitive edge. Our goal is to drive growth by offering superior taste and quality in combination with innovations. By capitalising on our established portfolio of superior brands we build brand loyalty and deliver premium products. We prioritise categories where we hold strong positions in key consumer needs. We have



market leading positions in indulgence, are present in daily breakfast and snacking moments, and see significant potential in functional products. Our continuous focus on innovation and novelties further strengthens customer loyalty and brand equity. Value creation is also accelerated with targeted acquisitions both in our current home markets and to support international expansion.

### Geographical choices

#### Finland

Finland is our birthplace, home to some of our most iconic brands, and we are the clear market leader in the Finnish confectionery and bakery markets. To drive further profitable growth as the leading FMCG company in Finland, we will continue strengthening our profitable core and accelerating the growth of our strongholds, while always aiming to meet and exceed consumer demands. In addition, we want to expand across various daily key consumer need states by leveraging our strengths and diversifying our portfolio in certain areas, such as gifts and seasonal products. While harnessing the full potential of our core businesses, we innovate concepts that drive market trends and create demand in new occasions.

#### International expansion

We are committed to becoming a leading FMCG company in our second home market Sweden, where we see big potential. Our goal is to further strengthen our positions by building on our core strengths and utilising our existing portfolio of trusted brands and high-quality products while addressing underserved consumer needs across categories. By leveraging our strong heritage and positions in our priority categories and by strengthening our customer relationships to introduce a broader Fazer portfolio to the market, we will accelerate profitable growth in Sweden.

With operations in the Baltic countries, Norway, Denmark and Poland, and with export to more than 40 countries worldwide, we have refined our priorities to grow internationally. Our success in our current home countries provides a strong foundation for international expansion. Our goal is to leverage our product and brand portfolio by emphasising unique selling points, and offering chocolate products and plant-based drinks in the Central and Eastern European 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.



” **Our Candy business performed well in Sweden, driven by the strong demand for the popular Tutti Frutti, with annual sales exceeding 10 million bags.**



### Productivity and efficiency

Our approach to driving our margins to industry-leading levels involves focusing on growth, improving productivity and greater operational efficiency by increasing automation as well as streamlining our operations. Our future competitiveness relies on evolving our supply chain and production through advanced technologies and sustainable practices. Investment in digital solutions and direct-to-consumer (D2C) channels allow us to build stronger relationships with consumers and respond quickly to market trends.

### Results-focused culture

Fazer nurtures a results-focused culture rooted in accountability and resilience. By investing in people and harmonising practices, we create a workplace that attracts and retains industry leading talent. We strive for an inclusive environment that enhances employee satisfaction and engagement. Continuous learning and professional

development equip our teams with future skills, fostering innovation and agility. Our commitment to well-being, diversity, and inclusion supports a healthy, high-performing workforce and underpins our long-term success.

### Food as a solution for a more sustainable business

We are committed to building a sustainable business that supports long-term success and benefits society and the environment. By innovating for a more sustainable food system, we work to reduce our environmental impact and turn food loss into new opportunities. Our supply chain is guided by fairness and sustainability, ensuring ethical sourcing and transparency at every stage.



**ROADMAP FOR  
ACCELERATING  
VALUE GENERATION**

**Growth from home  
markets**

**International  
expansion**

**Value creation  
via targeted  
acquisitions**

**Business  
transformations**

**Supply chain  
excellence and  
automation**

**Digitalisation**

**Organisational  
efficiency and  
group synergies**



## OUR STRENGTHS

- ▶ Clear **market leader in Finland** and **strong market position in Sweden** with portfolio of beloved consumer brands.
- ▶ Demonstrated track record and **substantial value-creation opportunities with international expansion.**
- ▶ Ability to develop concepts matching consumer needs and to launch innovative new products, such as chocolate products that will in the future be produced in the **ultra-modern chocolate factory in Lahti, Finland.**
- ▶ Well-positioned in **growing health & wellness trend** with grain and fruit-based products.
- ▶ **Resilient business model with category-leading profitability and robust cash flows** offering further upsides from cost efficiency with lean organisation, group synergies and new technologies.
- ▶ Ability to drive consolidation and value creation with **M&A opportunities.**

”

**Our core strength is the ability to develop concepts matching consumer needs and to launch innovative new products.**



# Our progress in 2025

We continued to implement our strategy and engaged in several strategic initiatives during the year.

PRIORITY	PROGRESS
Drive profitable growth as the #1 FMCG in Finland	We are the clear market leader in the Finnish confectionery and bakery markets. We made the decision to invest in a new, ultra-modern chocolate factory in Lahti, Finland. The investment strengthens our foundation for future growth, enabling both domestic expansion and increased international reach.
Accelerate profitable growth in Sweden	Fazer Confectionery, in particular, took focused steps to grow its presence in the Swedish market by launching several novelties and seasonal products to the market. The products were well received, and consequently net sales in Sweden increased by 4% during the year. We also gained market shares in several categories.
Grow internationally with clear priorities	Our chocolate and plant-based products were well received in Northern Europe, with clear potential to scale further across Europe as awareness grows.
Accelerate growth through on-trend categories and winning concepts	We advanced sustainable innovations by introducing cocoa-free, grain-based confectionery, including the Taste the Future range and Raspberry Dream wafer bar. We also introduced Solein®-based snacking products in the US, highlighting our commitment to growth and product innovation.
Improve productivity and expand margins to industry-leading levels	To improve efficiency, we centralised the warehouse functions of the Confectionery, Fazer Lifestyle Foods and Xylitol businesses to one operator in Finland. We also made the decision to invest in a new ERP system to modernise our technology platform, increase efficiency and productivity through end-to-end process automation and provide robust support for the new chocolate factory.
Advance and enable a results-focused culture	We invested in critical skills needed to deliver on our growth strategy by, among others, introducing new Leadership Cornerstones, further developing change leadership capabilities, and growing future leaders.
Develop food as a solution for a more sustainable business	Among other important steps, Fazer Bakery Finland's new rye bread production line was finalised and ramped up in 2025. The new production line significantly reduces energy consumption of the Lahti bakery and the CO <sub>2</sub> emissions of the Group.





## OUR BUSINESSES

# Taste experiences that bring joy to everyday moments

With a proud heritage and a commitment to sustainability, our passionate experts create food experiences that evolve with consumer tastes – bringing joy while driving continuous growth.



# 5,630

employees across 8 countries



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# Fazer Confectionery

Fazer Confectionery is the leading producer of chocolates, candy, and biscuits in Finland, with strengthening positions both in Sweden and internationally.

## Business in brief

Fazer Confectionery's strong brands, along with its Fazer Cafés in Finland and Gateau bakery shops in both Finland and Sweden, are highly regarded by consumers. Today, all Fazer's chocolate is produced at our Vantaa factory in Finland, with over 13 million tablets made annually. Fazer's candy assortment is produced in Lappeenranta in Finland. Fazer Confectionery exports to around 40 countries and operates in global travel retail.

## Confectionery markets 2025

High cocoa prices continued to challenge the confectionery markets during the majority of the year. The competitive landscape remained intense, with a high level of campaigning and an increasing number of new confectionery concepts and entrants

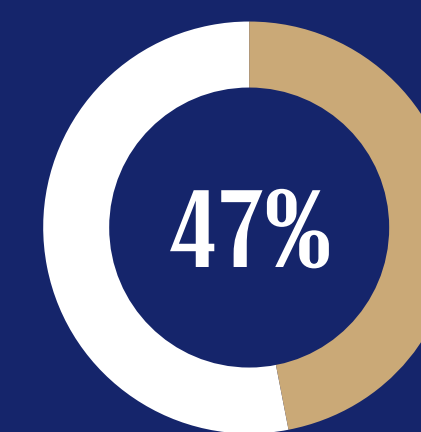
intensifying competition within the sector. In Finland, the chocolate market was soft but picked up towards the end of the year thanks to campaigning. The Finnish candy market remained flat. In Sweden on the other hand, the candy market delivered strong volume growth driven mainly by pick & mix. In the biscuits market, private label cookies and in-between meals were the growing segments.

## Business performance 2025

Fazer Confectionery achieved all time high net sales in 2025. Growth in the Chocolate & Snacking business was mainly driven by price increases, while volumes decreased. Candy performed strongly in Sweden and Denmark where, among others, Tutti Frutti Remix bag was in high demand. Fazer Retail, consisting of Fazer Cafés and Gateau bakery shops, grew significantly in Finland but fell short of expectations in Sweden.



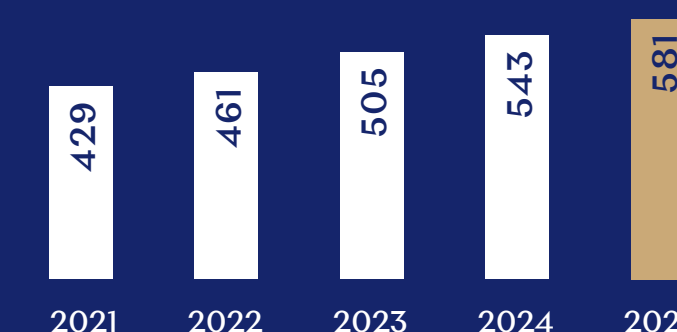
## SHARE OF GROUP NET SALES



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## NET SALES DEVELOPMENT

Fazer Confectionery, MEUR



## ACTIONS

### STRATEGY IN ACTION

- Fazer began its largest-ever investment: construction of a modern chocolate factory in Lahti, Finland.
- Fazer Confectionery grew and gained market share in Sweden.
- Successful new product launches, such as seasonal jellies, in both Finland and Sweden.

## FOCUS AREAS 2026

In 2026, Fazer Confectionery will continue to

- execute on its strong innovation and novelty agenda both for chocolates and candy
- further strengthen and diversify its portfolio in, for example, gifts and seasonal products
- focus on securing market leadership in Finland and further expanding the presence in Sweden and selected targeted international markets.



# Fazer Bakery

Fazer Bakery is the leading player in the Finnish bakery market and also holds strong positions in Sweden and the Baltics.

## Business in brief

Fazer Bakery consists of three business units: Fazer Bakery Finland with bakeries in Vantaa, Lahti and Lappeenranta, Fazer Bakery Sweden with bakeries in Umeå, Eskilstuna and Lidköping, and Fazer Bakery Baltics with a bakery in Ogre in Latvia. Fazer Bakery also has 140 Shop-in-Shop bakeries in Finland and 12 in Estonia.

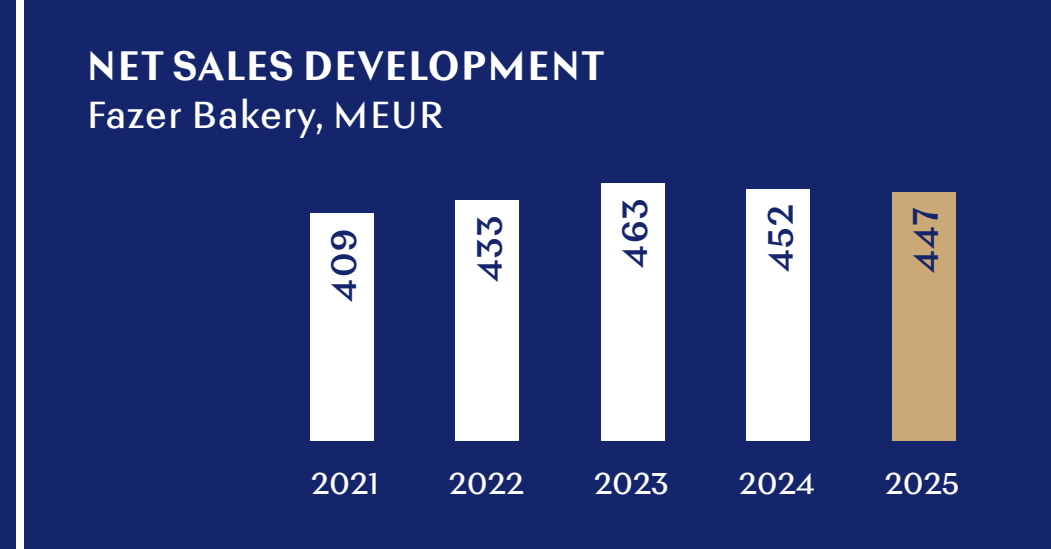
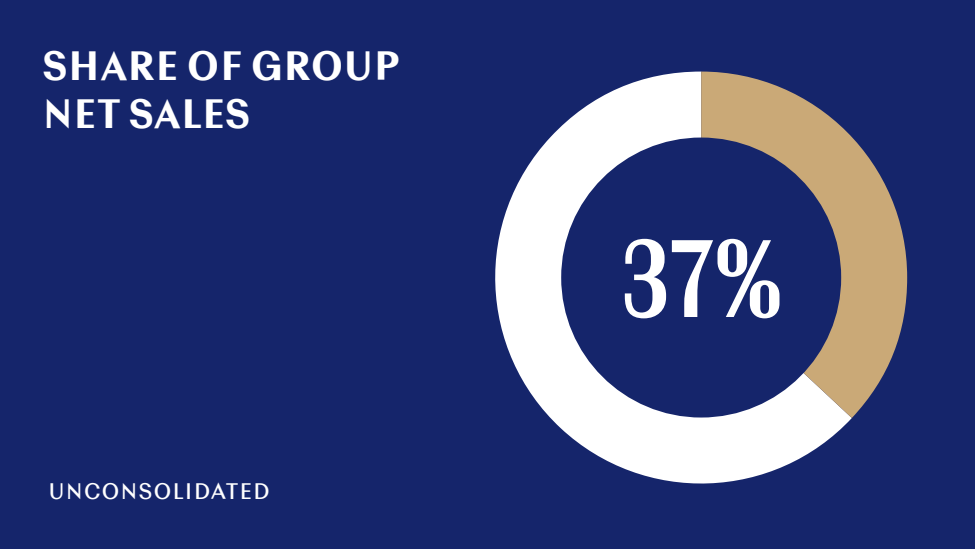
## Bakery markets 2025

In 2025, the value of the Finnish bakery market remained at the previous year's level. Bake-off sales saw strong growth, and the market for savoury products remained unchanged, while the market for packaged fresh bread declined. In 2025, the Swedish bakery market saw a slight decline in value and volume, with private label products gaining shares. The Baltic bakery markets are dominated by a few large regional players. Already for some years, the Baltic bakery markets have been highly competitive with price

as the most important purchase driver. During the past years, retailers in all three markets have ramped up their private label business, increasingly competing with branded bakery products.

## Business performance 2025

Fazer Bakery Finland's performance was solid, despite the slightly negative impact from labour strikes earlier in the year. Shop-in-Shops performed particularly well throughout the year, driven mainly by strong seasonal and renewed surplus concept. In Fazer Bakery Sweden, dark portion and country style breads demonstrated continued growth, and toasts returned to growth towards the end of the year, whereas demand for loafs continued to decline. Fazer Bakery Baltics continued to be challenged by the intensified competition, as well as operational issues with production transfer processes from Lithuania to Latvia.



## ACTIONS

### STRATEGY IN ACTION

- Strong growth in Shop-in-Shop sales in Finland driven by unique seasonal offering and renewed surplus sales concept.
- The consolidation of bakeries to one site in Ogre, Latvia, finalised in Fazer Bakery Baltics.
- New state-of-the-art rye bread production line opened at the Lahti bakery, decreasing Fazer Group's emissions by 4.3%.

### FOCUS AREAS 2026

- In 2026, Fazer Bakery will continue to
- deliver delicious flavours and exceptional product quality, supported by robust brand recognition
  - execute on its strong novelty agenda, underpinned by strong marketing activations and in-store excellence in all its operating markets
  - focus on offering differentiated innovations and new formats
  - execute on its long-term sustainability agenda.



# Fazer Lifestyle Foods

Fazer Lifestyle Foods offers an extensive portfolio designed to meet the evolving preferences of modern consumers, including a variety of plant-based products, smoothies and breakfast products.

## Business in brief

The Fazer Aito brand focuses on nutritious oat drinks, gurts and cooking products made from Nordic oats, while Froosh smoothies contain only fruit and vegetables with no additives. The portfolio also includes porridges, mueslis and cereals under the Fazer Alku and Frebaco brands. In addition, the Cereals and Plant-Based Drinks business units are strategically positioned to serve industrial customers, with large B2B offering.

## Markets for plant-based products 2025

In 2025, Fazer Lifestyle Foods' operating environment remained challenging, characterised by intensified competition and subdued demand in key categories. In Finland, the plant-based drinks market grew marginally, and Fazer strengthened its position in the category. In the cereals market, competition intensified due to increased

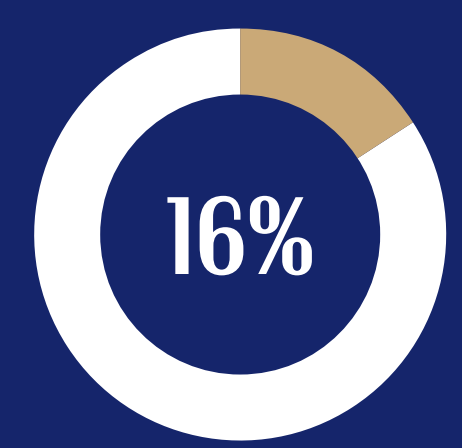
capacity and new entrants. The Cereals' B2B market saw intensified pressure on pricing, while in B2C, value declines were observed, although some sub-categories like muesli and granolas showed resilience. Notably, the smoothie category defied the downward trend, registering growth in both Finland and Sweden.

## Business performance 2025

Fazer Lifestyle Foods' net sales declined year-on-year. Lower volumes in the Cereals and Plant-Based Drinks B2B businesses weighed on the overall result, as these segments account for most net sales. Fruit achieved slight growth, and B2C Plant-Based Drinks saw increased demand, supported by successful barista and protein drink launches and campaigns in Finland. Fazer Aito products also entered the German market.



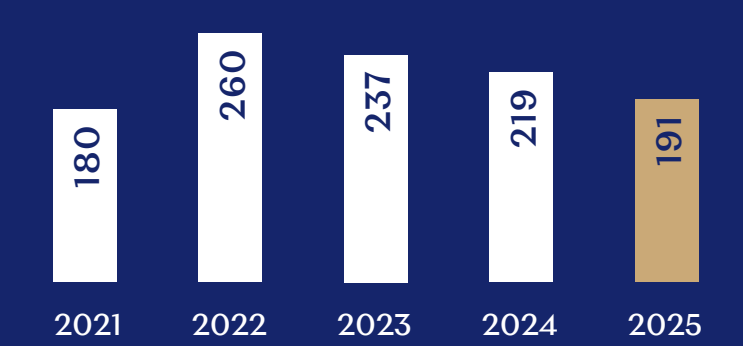
### SHARE OF GROUP NET SALES



UNCONSOLIDATED

### NET SALES DEVELOPMENT

Fazer Lifestyle Foods, MEUR



## ACTIONS

### STRATEGY IN ACTION

- Good growth for Fazer Aito plant-based drinks in Finland and expansion to the German market.
- Successful transition of Fazer Aito gurt production to co-manufacturing at Finnish Food Factory.
- Improved grain-to-deal process development and value chain management in the Cereals business.
- Particularly strong market share growth for Froosh smoothies in Sweden.

## FOCUS AREAS 2026

- In 2026, Fazer Lifestyle Foods will continue to focus on
- further strengthening B2B businesses in both Cereals and Plant-Based Drinks, attracting new international customers, and maintaining strong partnerships with existing clients
  - driving growth through strong consumer brands across categories
  - in-store excellence leveraging the uniqueness of the brands
  - expanding the plant-based drinks presence in selected Central European markets.



## SUSTAINABILITY AT FAZER

# Food for the future

The way we grow, produce, and consume food affects our well-being, environment, and society. At Fazer, we develop food as a solution for a more sustainable business.

FAZER  
IN 2025

STRATEGY

OUR  
BUSINESSES

SUSTAINABILITY  
AT FAZER

CORPORATE  
GOVERNANCE

FINANCIAL  
REVIEW

FAZER  
GROUP

ANNUAL  
REPORT  
2025

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**41%**  
less emissions from own  
operations compared to the  
2020 baseline

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## GENERAL INFORMATION

# How we turn sustainability into action

**Sustainability is at the core of Fazer’s strategy, shaping our growth, innovations, and sourcing decisions as we work to build a resilient and responsible food system.**

” **One of Fazer’s key strategic priorities is to develop food as a solution for a more sustainable business.**

### Sustainability programme

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

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. Acknowledging that global collaboration is vital in solving the significant challenges the world faces, we support the [United Nations Sustainable Development Goals \(SDGs\)](#), defining the ones that are most relevant to our work.

One of Fazer’s key strategic themes is to develop food as a solution for a more sustainable business. Our goal is to create and offer sustainable products while considering our supply chain, people, production processes and impacts on the environment, society, and health. We strive to combine sustainability with industry best practices in all aspects of our approach.

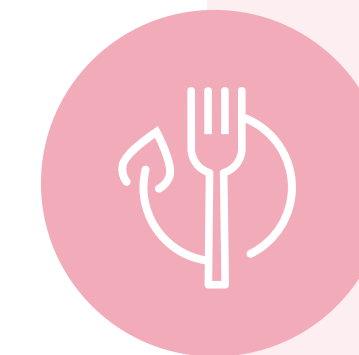
Fazer’s operating environment remained challenging in 2025, largely due to high cocoa prices relating to supply constraints and adverse weather conditions, as well as high consumer price sensitivity. During the year, competition from private labels and branded products further intensified in all Fazer’s markets, and several international players entered the markets. Fazer’s management is continuously monitoring the situation and adapting accordingly.

## Sustainability ambitions



### Climate, Nature & Circularity

We mitigate climate change and nature loss



### 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



Despite these challenges, we remain committed to sustainability and maintain a strong focus on our strategic priorities and ambitions. 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, Nature & Circularity

We are committed to building long-term value by minimising our environmental impact and maximising resource efficiency. By cutting carbon emissions, increasing the adoption of renewable energy, and the integration of waste-free design principles, we are building a future that respects and restores natural resources. Through circularity, we create resilient, sustainable cycles that support both planetary health and business continuity. As biodiversity continues to gain strategic importance, we have integrated nature as a new priority theme within our sustainability strategy.

### Sustainable Products & Innovations

We innovate for a sustainable food system, and focus on developing products with lower emissions. We are prioritising raw materials with low carbon footprints. Our approach to health and nutrition empowers individuals to make dietary choices that

enhance their well-being. We commit to reducing, recycling, and innovating sustainable packaging, while 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 & 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.

As we work towards a sustainable future, we welcome our partners, customers, and communities to join us on this journey.

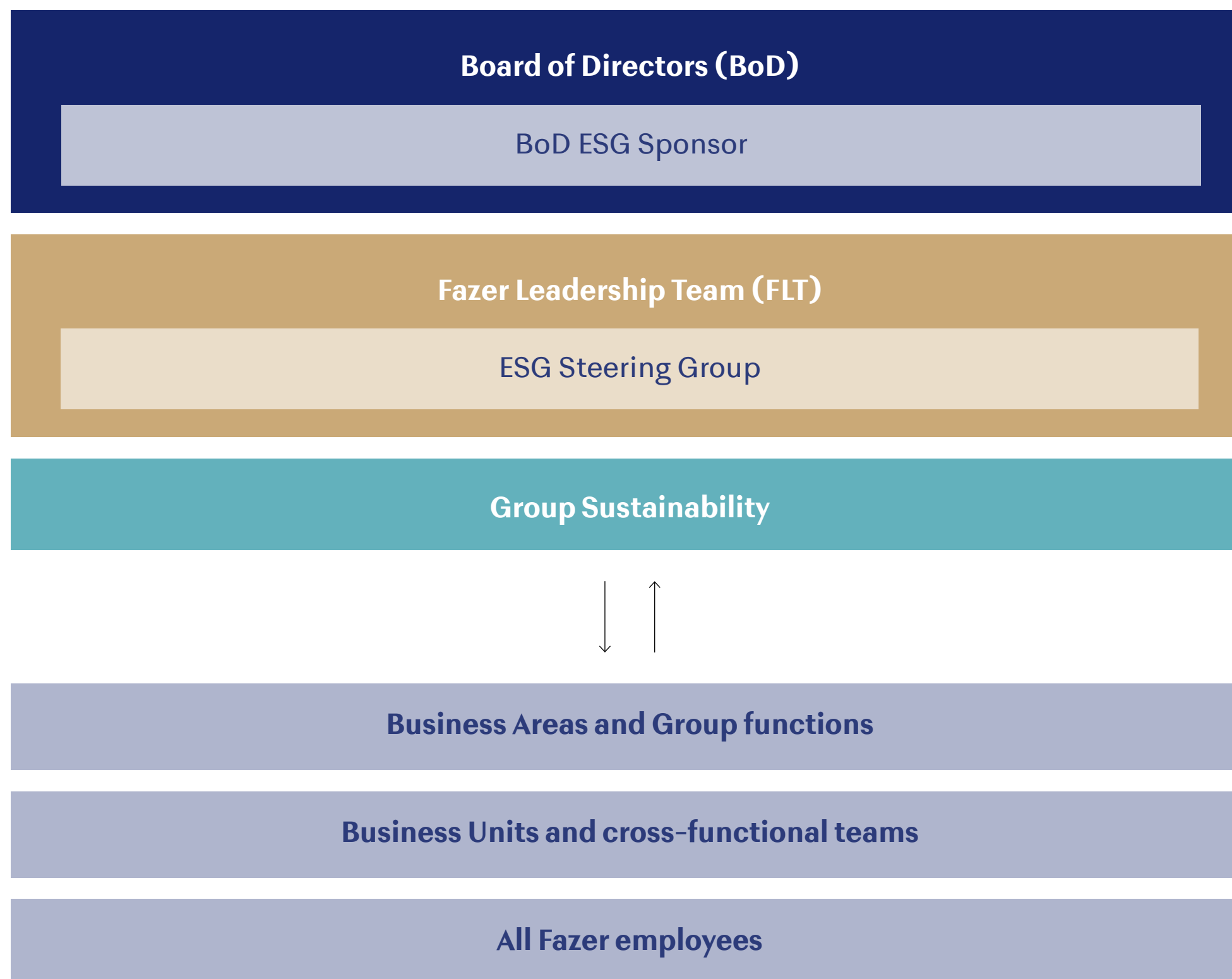


**24%** less avoidable food loss compared to baseline 2020

» Read more from [fazergroup.com](https://fazergroup.com)



# Sustainability governance



## Sustainability governance

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, 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 for ensuring that sustainability efforts are governed effectively and fulfil targets and objectives. The Board gets regular updates relating to the company’s strategic sustainability activities, regulatory changes, and the environment, among other matters, broadening their knowledge about relevant sustainability topics.

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 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, innovative products, packaging, sustainable sourcing, safety, and Diversity, Equity and Inclusion (DEI), 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.

All 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.

” We are taking a peek into the flavours of the future. As an alternative to cocoa, we have used locally grown grains in the Taste the Future Raspberry Dream wafer bar.



Our business areas are responsible for carrying out follow-up actions and monitoring 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.

Employee representatives participate in efforts 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’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. These are 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. For more information about Fazer’s sustainability policies and principles, see page 58.

### Stakeholders and memberships

#### Stakeholder engagement

Fazer participates in initiatives such as the UN Global Compact. We support organisations like the Baltic Sea Action Group (BSAG), World Wildlife Fund (WWF) and SOS Children’s

Villages. In Sweden, we are members of the following sustainability networks: Hållbar Livsmedelskedja and Livsmedelföretagens Hållbarhetsnätverk (LI, The Swedish Food Federation). For more information about Fazer’s stakeholders, see page 59.

#### Memberships and commitments

We are 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.


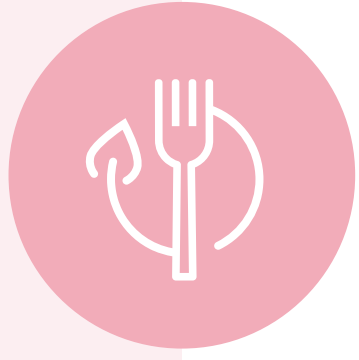


#### Double materiality assessment process and results

In 2023, Fazer conducted a double materiality assessment, which was updated in 2024 to align sustainability ambitions with corporate strategy and reporting. This process involved an analysis of external data, stakeholder interviews, and internal workshops across all business areas. Material topics were confirmed, with a greater emphasis placed on biodiversity, water stress, and pollution. The Fazer Leadership Team has reviewed and approved the outcome of the assessment.

Fazer is working to ensure that the materiality assessment process aligns with both the current business landscape and the broader context of sustainability practices and standards. We will update the assessment and material topics more thoroughly as CRSD regulation and the revised ESRS standards are finalised.



# Sustainability key focus areas

Focus areas	Ambitions	Sustainability targets	Performance in 2025 (previous year if available)
<b>CLIMATE, NATURE &amp; CIRCULARITY</b> 	<b>We mitigate climate change and nature loss</b>	42% less GHG emissions (Scope 1 and 2) by 2030, compared to the 2020 baseline	-41% (-34%)
		50% less avoidable food loss by 2030, compared to the 2020 baseline	-24% (-13%)
<b>SUSTAINABLE PRODUCTS &amp; INNOVATIONS</b> 	<b>We innovate for a more sustainable food system</b>	Recyclable packaging materials by 2030	89% (87%)
		Reduced usage of plastic and metal (2018 baseline)	-14% (-13%) plastics -5.4% (-5.3%) metal
<b>SUSTAINABLE SOURCING</b> 	<b>Our supply chain is fair and sustainable</b>	100% signed Supplier Code of Conduct latest by 2030	90% (89%)
		42% less GHG emissions (Scope 3) by 2030, compared to the 2020 baseline	6% (2%)
<b>PEOPLE &amp; WELL-BEING</b> 	<b>We provide opportunities for growth in a modern, safe, and inclusive culture</b>	Long-term target: Zero Lost Time Accidents (LTAF)	2.7 (4.0)
		YoY improvement of engagement score in the annual people survey	3.8 (3.8)
		YoY improvement of DEI driver in the annual people survey	3.9 (3.8)



# We are the food experience company

## OUR RAW MATERIALS

Our carefully selected **4,700 suppliers** provide us with services and **5,000 ingredients**. Our key raw materials are grains, cocoa, sugar, and milk.

## OUR PEOPLE

Our almost **5,700 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 **15 sites** in Finland, Sweden and Latvia serve global markets.

**FAZER  
BAKERY  
FAZER  
CONFECTIONERY  
FAZER LIFESTYLE  
FOODS**

## OUR HIGH-QUALITY PRODUCTS AND SERVICES FOR CONSUMERS

We work to always understand and respond to evolving consumer needs and preferences. In 2025, we launched over **250 novelties**.

## 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**.

## OUR CORPORATE CITIZENSHIP

We contribute to our local communities, and paid in 2025:

**766.7 MEUR** in supplier purchases

**296.3 MEUR** in personnel wages and benefits

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

**27.4 MEUR** in dividends

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

**0.1 MEUR** to communities (donations)

## INNOVATION

We innovate for the food of tomorrow through far-reaching research programmes.

## SUSTAINABILITY

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

## COLLABORATION

We collaborate with our partners and the research community.

## DIGITALISATION

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

## STRONG FINANCIAL POSITION

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



# 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 a Board member
- Other relevant food industry associations in our operating countries, such as the Finnish Bread Information (Leipätiedotus ry) and FullkornsFrämjandet in Sweden
- Confederation of Finnish Industries (EK) with Fazer experts in its working groups
- Caobisco, the Association of Chocolate, Biscuit and Confectionery Industries of Europe, and FoodDrinkEurope
- Consumer Goods Forum, global retailers' and consumer goods manufacturers' collaboration organisation
- Local Chambers of Commerce in Lithuania and Latvia
- Latvian Federation of Food Companies

## 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 and Aalto University in Finland and Uppsala University, the Swedish University of Agricultural Sciences and Örebro University in Sweden

## Sustainability initiatives

- The United Nations Global Compact, with Fazer as a member since 2012
- The Science Based Targets initiative for substantial emissions reductions in Fazer's operations and value chain
- 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: GSI-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 Commitment with BSAG
- Business networks for sustainability, such as FIBS (Finnish Business & Society)
- Nordic Source, membership in the sustainability working group of a cooperative that coordinates sourcing activities across several companies

## Support and collaboration

- Non-profit organisations, such as WWF Finland, SOS Children's Villages, NPO Estonian Association of Large Families, the Latvian Red Cross organisation and Pink Ribbon in Sweden
- Cooperation with schools and educational institutions, such as Hanken School of Economics, Finland; Stockholm School of Economics, Sweden; Latvia University of Life Sciences and Technologies; VDU University in Kaunas, Lithuania; Tallinn School of Service, Estonia; and Vantaa Vocational College Varia and Salpaus Further Education, Finland
- 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



# Environmental information

We mitigate climate change, support farming practices that protect biodiversity and optimise the use of resources through circularity.



## Climate change

Our targets are aligned with limiting global warming to 1.5°C.

## Scope 1 and 2 emissions (tCO<sub>2</sub>e) in 2025

# -41%

Target: -42% emissions by 2030

## Scope 3 emissions (tCO<sub>2</sub>e) in 2025\*

# +6%

Target: -42% emissions by 2030

Climate targets approved by Science Based Targets initiative (SBTi)

\* Improvements in data quality caused changes in Scope 3 emission calculations.

## Resource use and circular economy

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

## Avoidable food loss (kg/produced tonne) in 2025

# -24%

Target: 50% less food loss by 2030

## Recyclable packaging materials

# 89%

Target: 100% recyclable packaging by 2030

# Reducing our climate footprint

**Recognising the role of the global food system in climate change, we are committed to reducing emissions across our value chain, protecting the environment, and securing the future of our business.**

**” In 2025, we achieved a 41% reduction in our Scope 1 and 2 emissions compared to the 2020 baseline. With our planned measures, we are on track to exceed our SBTi climate target of a 42% reduction and project a 65% reduction.**



Fazer addresses climate change as part of our strategy to develop food as a solution for a more sustainable business. Our climate approach covers our products and innovations, own operations, and supply chain – spanning from raw material selection to end-of-life packaging recycling. Fazer is committed to carrying its responsibility for limiting global warming to 1.5°C and has set ambitious climate targets according to the Science Based Targets initiative (SBTi).

The main climate-related impact within our value chain stems from the cultivation and production of our raw materials, notably grains, cocoa, milk, and sugar, as well as packaging materials. Other impact areas include the emissions related to the production of materials used for Fazer’s facilities and machinery (capital goods), transportation and distribution, as well as the energy use and food loss created in our own operations.

**Fazer’s climate transition plan and targets**

Our approach to climate action is outlined in Fazer’s Sustainability and Quality, Environmental, Health, and Safety (QEHS) Policies, as well as our Supplier Code of Conduct. We drive our action in practice

through our climate transition plan with near-term targets set through the SBTi.

We have implemented a separate transition plan for our own operations (Scope 1 and 2 emissions). We are committed to reducing greenhouse gas (GHG) emissions from our own operations (Scope 1 and 2) by 42 percent by 2030, compared to the 2020 baseline level. Our planned activities are projected to exceed this target, enabling us to achieve a reduction of over 65 percent.

The main levers in our Scope 1 and 2 transition plan are the electrification of steam production and bakery ovens. In 2024, the production of Fazer’s plant-based drinks was centralised to Tingsryd factory where energy is fossil-free, leading to significant reduction of CO<sub>2</sub> emissions. The upcoming new chocolate factory in Lahti will also reduce our emissions footprint. Additionally, we have initiated preparations for the new energy efficiency directive by standardising our management systems. Previously, we have switched to fossil-free district heating and steam generated from biomass.

The transition plan for our own operations is approved by Fazer’s ESG Steering Group. We optimise energy use across all our business supply chain departments. The actions implemented as part of the transition plan are



reviewed in quarterly cross-functional Energy Forum meetings.

To ensure that all future investments align with our climate goals, we use an ESG Scorecard, detailing the sustainability impacts of the investment, for any investment in machinery and systems exceeding EUR 250,000.

In our value chain, we aim to reduce the absolute Scope 3 GHG emissions by 42 percent by 2030 from 2020 baseline levels. Fazer is in the process of updating its Scope 3 SBTi target to align with developing industry guidance on emissions from Forest, Land, and Agriculture (FLAG). Preliminary calculations of FLAG emissions were initiated in 2023 and finalised in 2024. Discussions with suppliers to understand actual FLAG emissions in supply chains have continued to develop a more robust understanding of areas of influence.

Grains, cocoa, and dairy were highlighted as the most significant FLAG emission sources for Fazer and will be the primary focus areas for near-term target efforts. However, the postponement of the publication of GHG Protocol's Land Sector & Removals Guidance – the guiding principles for calculating land-based emissions and removals referenced by the SBTi – to 2026, has pushed back initial plans to update the target. The revision of other Scope 3 targets will occur in parallel to the FLAG target update.

We continue our work to cut emissions in our value chain based on our current short-term targets. We have, for example, revised our Grain Vision programme which incentivises

#### CASE

## Electrification at Fazer's Lappeenranta confectionery factory cuts its annual carbon emissions by up to 90%

**The modernisation will recover heat from cooling systems, further enhancing energy efficiency.**

The installation of an electric boiler will reduce the factory's annual carbon emissions by up to 90%. While the new electric boiler is introduced, the existing gas boilers will remain in place as backup solutions.

With a workforce of 400 skilled employees, the Lappeenranta factory crafts a range of sugar confectionery, liquorice, marmalades, and xylitol products. Having previously relied on natural gas for steam production, the facility's transition to renewable electricity reinforces Fazer's commitment to sustainable operations.

The Fazer Group's other recent achievements in reducing emissions include switching Finnish sites to green district heating, electrifying bakery ovens, and investing in an electric boiler at the Eskilstuna bakery in Sweden. Notably, the electrification project in Lappeenranta has received NextGenerationEU financing from the European Union.

All these efforts are part of Fazer's ongoing journey towards substantial emission reductions.





## ” Fazer’s new chocolate factory in Lahti, Finland, will be CO<sub>2</sub> emission-free.

contract farmers for sustainable farming practises. Climate transition planning will be done in conjunction with business units in 2026. In 2025, we took an important step in understanding our product-level emissions by piloting carbon footprint calculations for around 100 products across various categories.

### Actions and progress against targets

In 2025, Fazer’s total emissions across Scope 1, 2, and 3 amounted to 727,843 CO<sub>2</sub>e tonnes, representing a 5 percent increase from the previous year and a 4.3 percent increase compared to the 2020 baseline level.

In terms of our Scope 1 and 2 emissions, we made solid progress in line with our climate transition plan, achieving a 41

percent reduction in 2025 compared to our 2020 baseline. This good performance was primarily driven by moving from natural gas to electricity. We continue to be powered by 100 percent fossil-free electricity.

Actions related to Scope 1 and 2 emissions reduction included:

- An ongoing investment to replace natural gas with electricity in Lappeenranta confectionery factory steam production.
- Taking into use a new electric oven in Lahti Bakery, Finland, resulting in reducing emissions by 1,250 CO<sub>2</sub>e tonnes compared to 2024, corresponding to a 4.3 percent reduction at Group level.
- Transferring of the Plant-Based Drinks production from Korja, Finland, to Tingsryd,

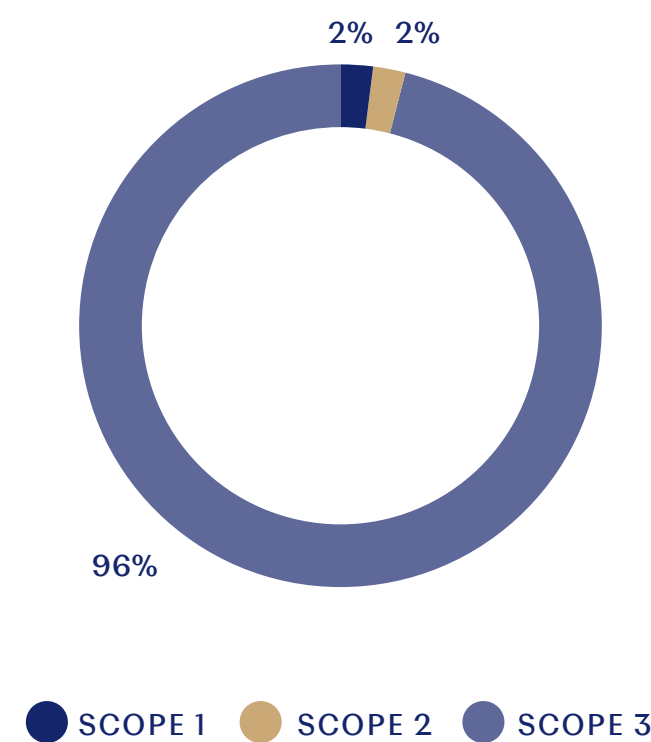
Sweden, as well as the gurt production from Korja to Finnish Food Factory resulted in 1,360 CO<sub>2</sub>e tonnes reduction, corresponding to a 4.7 percent CO<sub>2</sub>e reduction at Group level.

In 2025, Fazer announced an investment of approximately EUR 400 million in a new chocolate factory in Lahti, Finland. The factory’s operations will be CO<sub>2</sub> emission-free, featuring automated, energy-efficient, and all-electric machinery, as well as comprehensive energy recovery systems. The new factory is estimated to reduce the Group’s emissions significantly. The production will be moved to the new factory during 2028.

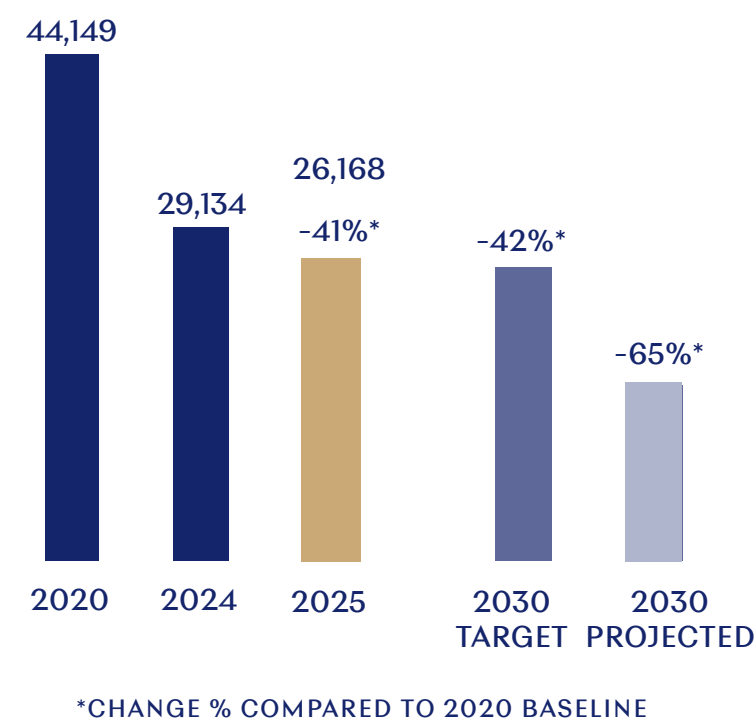
Our Scope 3 emissions increased in 2025 by 6% compared to the 2020 baseline mainly due to a shift to more accurate volume-based emission factors for key raw materials such as grains. This improves data precision, and we are working together with our suppliers to have more supplier-specific emission factors to better capture real emission reduction efforts across the value chain.

As part of Fazer’s commitment to reduce emissions in the value chain, we encourage our suppliers to set ambitious emission reduction targets via the SBTi. Suppliers of raw materials, packaging, contract manufacturing, and logistics are our current engagement focus, as they account for the largest portion of value chain emissions. Fazer reached its SBTi supplier engagement target in 2024, with 53 percent of suppliers by spend committed to setting SBTs. During 2025, we

GREENHOUSE GAS EMISSIONS BY SCOPE, %

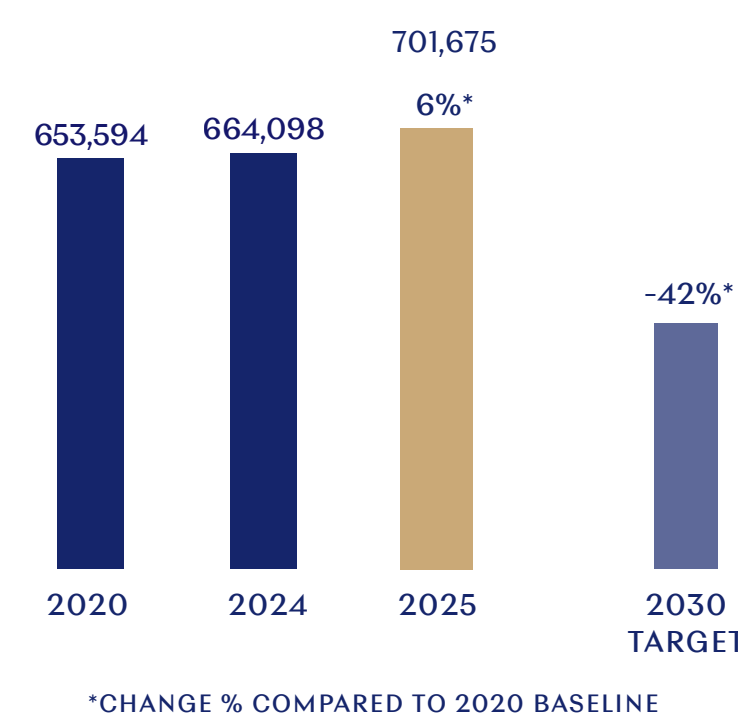


GREENHOUSE GAS EMISSIONS FROM OWN OPERATIONS SCOPE 1 AND 2 EMISSIONS, tCO<sub>2</sub>e



\*CHANGE % COMPARED TO 2020 BASELINE

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



\*CHANGE % COMPARED TO 2020 BASELINE



continued to encourage our suppliers to adopt these targets.

A notable obstacle for evaluating and realising reductions in our supply chain has been the limited data to estimate the Scope 3 emission reduction potential. In 2025, in addition to focusing on and reporting cost savings, Fazer's procurement organisation also focused on emission reduction potential. The new way of working supports the collection of supplier-specific product carbon footprint data to support the identified emission reduction initiatives.

Improving data quality continues to be a key focus area in our Scope 3 emission reduction work. In 2025, secondary emission factors were updated to newest available versions. Collected supplier product carbon footprints and better internal visibility of transportation have improved our data quality. As a result, our reported Scope 3 emissions likely reflect a more accurate representation of the Group's actual environmental impact.

Going forward, Fazer continues to improve the accuracy of its Scope 3 emission calculations and will, for example, collect farm-level primary data in the Grain Vision farming programme.

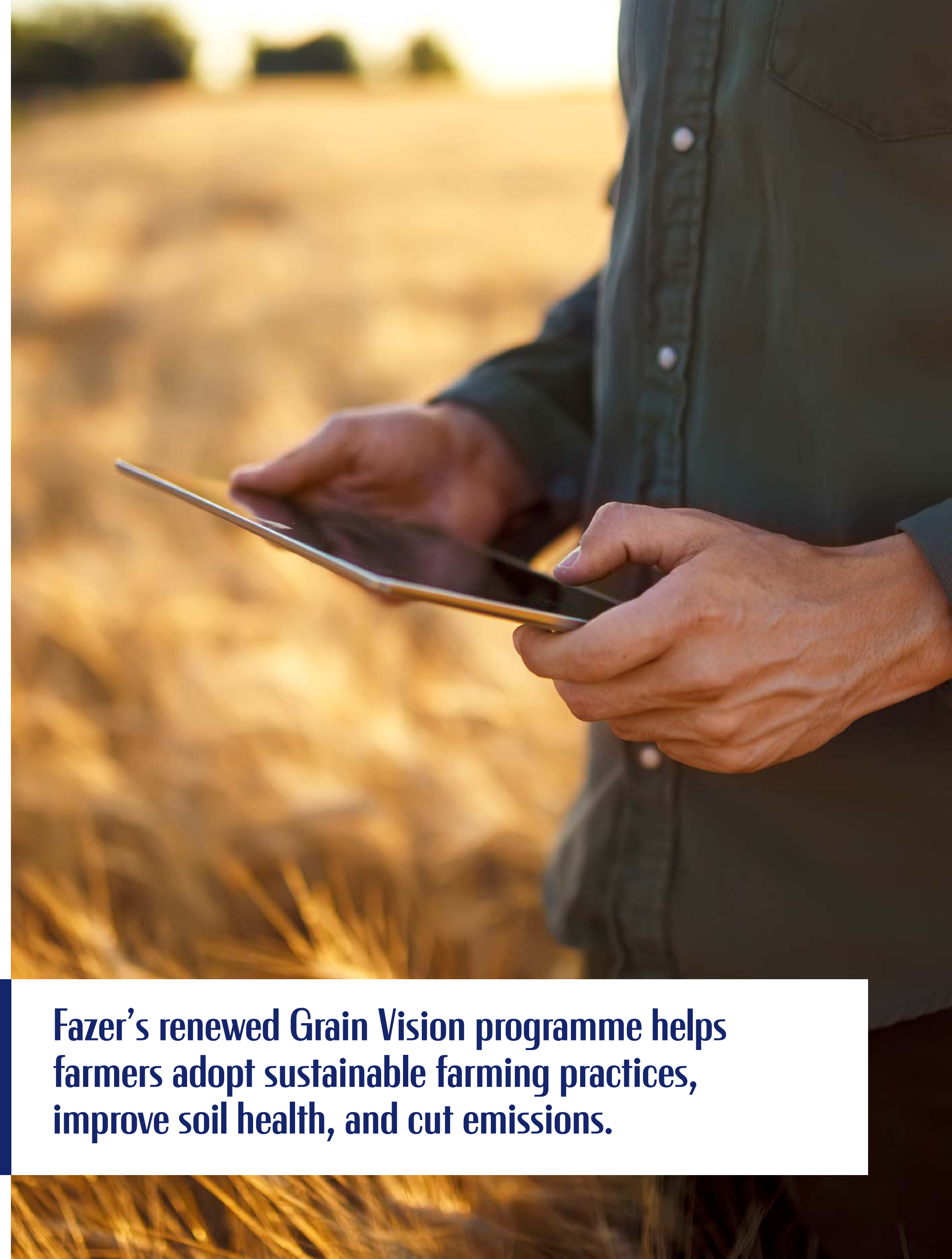
In 2025, we renewed our grain farming programme, Grain Vision, to support farmers in adopting sustainable farming and working practices. The goal of the programme is to improve soil health and productivity, support the farmers' skill development as well as reduce the emissions from farming. By implementing the farming principles of

the programme, farmers can save on costly resources, such as fuel and fertilisers.

As the emissions caused by grain farming make up a large part of our total emissions, the programme can significantly support Fazer in achieving its emission reduction targets. The programme farmers are required to use Climate Choice fertilisers, produced with the best available technology (BAT), and take part in regular audits. Fazer supports the initiative by offering a premium for grain cultivated according to these principles.

Fazer has also entered into an agreement with fertiliser producer Yara to absorb the additional cost for the Climate Choice fertilisers so that there are no additional fees for the farmers. The fertilisers have a 75 percent lower carbon footprint compared to current mineral fertilisers. In 2025, 14 Finnish farmers were included in the programme pilot, and the goal is to significantly expand the scope in the following years.

Fazer began a more granular assessment of how its product portfolio contributes to Scope 3 emissions in 2025, by piloting product-level calculations for 100 items. The pilot offered valuable insights into how product development decisions influence our emissions. Building on these findings, we could set targeted goals to reduce product portfolio emissions in selected categories over the coming year. This approach would enable us to make more informed product formulation choices and drive further reductions in Scope 3 emissions.



**Fazer's renewed Grain Vision programme helps farmers adopt sustainable farming practices, improve soil health, and cut emissions.**



### Direct greenhouse gas emissions (Scope 1)

CO <sub>2</sub> e tonnes	2025	2024	2023
Fuels combusted for generation of electricity, heat, or steam	11,075	13,568	15,770
Fuels combusted for transportation of materials, products, waste, and leased vehicles	743	796	906
Fugitive emissions of cooling agents	1,638	1,535	955
<b>Total Scope 1 emissions</b>	<b>13,456</b>	<b>15,899</b>	<b>17,631</b>
Biogenic emissions from fuel combustion	1,974	4,520	4,281

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

CO <sub>2</sub> e tonnes	2025	2024	2023
Electricity	0	0	0
Steam	12,673	13,183	13,176
District heating	38	52	1,952
<b>Total Scope 2 emissions (market-based)</b>	<b>12,712</b>	<b>13,235</b>	<b>15,128</b>
<b>Total Scope 2 emissions (location-based)</b>	<b>12,694</b>	<b>16,734</b>	<b>23,582</b>

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

CO <sub>2</sub> e tonnes	2025	2024	2023
Purchased goods and services, e.g. food raw materials and packaging	628,909	582,359	547,751
Capital goods, such as investments in production facilities and machinery	18,433	32,793	21,522
Fuel and energy related activities (not reported in Scope 1 and 2)	4,758	973	1,866
Upstream transportation and distribution	19,674	16,837	18,654
Waste generated in operations	349	343	474
Business travel	674	542	411
Employee commuting	6,392	6,591	6,756
Downstream transportation and distribution	19,707	18,386	17,046
End-of-life treatment of sold products	2,780	5,265	5,761
<b>Total Scope 3 emissions</b>	<b>701,675</b>	<b>664,089</b>	<b>620,242</b>

### Greenhouse gas emission intensity

CO <sub>2</sub> e tonne/produced tonne	2025	2024	2023
Scope 1	0.03	0.04	0.04
Scope 2	0.03	0.03	0.04
Scope 3	1.53	1.49	1.38
<b>Total emissions intensity</b>	<b>1.58</b>	<b>1.56</b>	<b>1.45</b>

### Fuel combustion and energy consumption

MWh	2025	2024	2023
Oil	2,099	3,538	6,397
Natural gas	45,683	58,173	64,948
Liquefied petroleum gas (LPG)	5,656	4,461	6,720
Diesel	889	704	1,177
Petrol	2,126	1,732	1,021
<b>Total non-renewable fuels</b>	<b>56,453</b>	<b>68,609</b>	<b>82,415</b>
Wood pellets	5,644	6,032	5,573
Biodiesel	12,168	15,893	14,913
Biogas	0	0	14,862
<b>Total renewable fuels</b>	<b>17,812</b>	<b>21,925</b>	<b>20,486</b>
Renewable electricity	102,279	214,652	207,589
Nuclear electricity	102,279	0	0
Fossil electricity	0	0	0
<b>Total purchased electricity</b>	<b>204,557</b>	<b>214,652</b>	<b>207,589</b>
Purchased steam	67,967	73,654	73,501
District heating	36,587	39,951	41,547
Compressed air	1,173	1,022	928
<b>Total generated electricity</b>	<b>855</b>	<b>815</b>	
<b>Total energy consumption</b>	<b>385,404</b>	<b>420,628</b>	<b>424,313</b>
<b>Total energy intensity (MWh/produced tonne)</b>	<b>0.84</b>	<b>0.94</b>	<b>0.94</b>



## ENVIRONMENTAL INFORMATION

### Water

# Efficient water use across our operations

**Conserving water is central to our sustainability efforts. We are dedicated to using water more efficiently in our operations and promoting its sustainable management in the supply chain.**

**” During the last few years, we have conducted a comprehensive mapping of water and wastewater management across all our factory sites.**



In our own operations, we use water in our processes and for cleaning purposes. To understand the water-related impacts in our supply chain, we analyse sourcing regions by comparing high water-use raw materials with water scarcity maps to identify areas facing water stress.

Currently, many of Fazer’s most relevant high water-use raw materials – such as dairy, sugar, and cocoa – come from low water stress or rain-fed regions. However, water is a relevant topic related to community rights in cocoa sourcing, thus we support cocoa farmers in having access to clean water and sanitation.

#### Approach and targets

Fazer’s QEHS Policy outlines our commitment to managing water consumption and

emissions to land and water across our operations. The majority of our sites are ISO 14001 certified and use systematic processes to identify, monitor, and reduce all their environmental impacts, including water.

During the last few years, 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 outputs. This survey has enabled us to identify risks and improvement areas.

While Fazer does not currently have a company-wide water consumption reduction target, regular water studies and monthly monitoring of water use at production sites

#### Water withdrawal

	2025	2024	2023
Water withdrawal (m <sup>3</sup> )	671,742	844,315	1,036,049
Water withdrawal intensity (m <sup>3</sup> /produced tonne)	1.46	1.90	2.30
Water consumption (m <sup>3</sup> )	145,700	180,336	209,433
Water discharge (m <sup>3</sup> )	526,042	662,061	793,918



**” Fazer continued to support the Baltic Sea Action Group on themes related to sustainable farming and water protection.**

allow us to further optimise water usage and minimise production losses in daily operations.

#### **Actions and progress against targets**

In 2025, Fazer’s total water withdrawal decreased by 21 percent, while wastewater volumes also decreased by 21 percent compared to 2024. This was due to changes in water-intense production volumes.

Additional water management initiatives at Fazer during 2025:

- In the Lappeenranta confectionery factory, we invested in a wastewater balancing tank and continuous quality analysis systems to equalise the quality and flow of wastewater and to provide tools for analysing variations in the wastewater load from production.
- In Vantaa, we renewed our water supply network to ensure a safe and reliable water supply for our factories.
- We visited our rice sourcing area in Portugal to discuss water management and to understand how good farming practices can impact water sources.
- We continued our collaboration with the Baltic Sea Action Group (BSAG) on water-related themes in Finland and Sweden.

**” Fazer’s most relevant high water-use raw materials – such as dairy, sugar, and cocoa – come from low water stress or rain-fed regions.**

# Confronting biodiversity challenges

**Fazer recognises climate change and biodiversity loss as two of the most pressing environmental challenges of our time. The two are interlinked and pose significant risks to the global food production and distribution.**

**” We run dedicated programmes for cocoa and grain, our most strategic raw materials, to reduce climate impact and protect biodiversity.**

Fazer sources raw materials that impact biodiversity. Many of these, such as cocoa, coffee, palm oil and other vegetable oils, soy, and wood-based packaging, can be linked to land-use change and extensive land-use. In addition, we use wild plants and products – such as liquorice root, shea, fish, seafood, and berries – which, if harvested or fished unsustainably, can lead to overexploitation. Eutrophication caused by agriculture leads to the loss of aquatic biodiversity and makes biodiversity protection an important topic for Fazer, given our strategic location in the Baltic Sea region. Due to all this, in 2025 we made an important update to emphasise nature in our sustainability strategy. Strengthening our biodiversity approach will be our focus in the future.

We engage with our suppliers on various levels to reduce negative environmental impacts, promoting sustainable and regenerative farming practices to prevent the loss of biodiversity and to conserve habitats. We support the EU’s goal to ensure that consumption in EU countries does not contribute to deforestation or forest degradation worldwide.

Alongside launching our updated Grain Vision farming programme, our key biodiversity priority for 2025 was preparing for the European Regulation on Deforestation-free Products (EUDR). This regulation primarily impacts our cocoa sourcing, with only minor effects on other areas of our supply chain.

## Approach and targets

Fazer’s QEHS Policy outlines our focus in protecting biodiversity and in supporting sustainable farming. In evaluating environmental aspects and impacts, we consider the proximity of our sites to biodiversity sensitive areas.

Our Supplier Code of Conduct sets the basic principles for suppliers to protect the environment. In addition, Fazer has specific targets and commitments to high-risk raw materials, such as:

- Using Rainforest Alliance certified or other 3rd party verified sources for cocoa, hazelnuts, and coffee.
- Reducing the use of palm oil overall and using only Roundtable on Sustainable Palm Oil (RSPO) segregated palm oil for the remainder.
- Ensuring fish and seafood use are in accordance with WWF’s fish and seafood guide.
- Sourcing certified wood-based packaging materials.
- Preferring locally produced meat and cage-free eggs.

Certifications include biodiversity aspects, such as respecting protected areas, using buffer zones, avoiding the spread of invasive species, and re-vegetation to reduce erosion.

We operate dedicated Fazer-led programmes for our most strategic raw materials cocoa and grain: Cocoa Vision and Grain Vision, which was renewed in 2025. Both programmes integrate farming practices

that reduce climate impact and protect biodiversity, such as safeguarding 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.

Through our cocoa farmer programmes in Ivory Coast, Ecuador, and Nigeria, we have donated over 40,000 seedlings to support agroforestry settings.

For more information about Fazer's renewed Grain Vision farming programme, see page 32, and for the Cocoa Vision, see page 51.

Fazer partners with universities, research institutions and other industry organisations and companies that aim to promote sustainable supply chains. These include the following:

- Towards Climate Positive Agriculture, a research project by Helsinki University under Valio Food 2.0 programme funded by Business Finland.
- Baltic Sea Action Group (BSAG), long-term partnership and research project on analysing transformation to regenerative farming practises on farm level.
- Measuring the Environmental Impacts of Farming Practices and Fertilization Project (2023–2024) with Yara and HKFoods provided valuable information for achieving the emission reduction targets of our farming programme.
- World Cocoa Foundation, a global industry association for building a more sustainable cocoa sector.

- Sustainable Coconut Partnership, a membership organisation working towards a resilient and responsible coconut sector.
- Long-term partnership with the World Wildlife Fund (WWF) on promoting biodiversity.

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

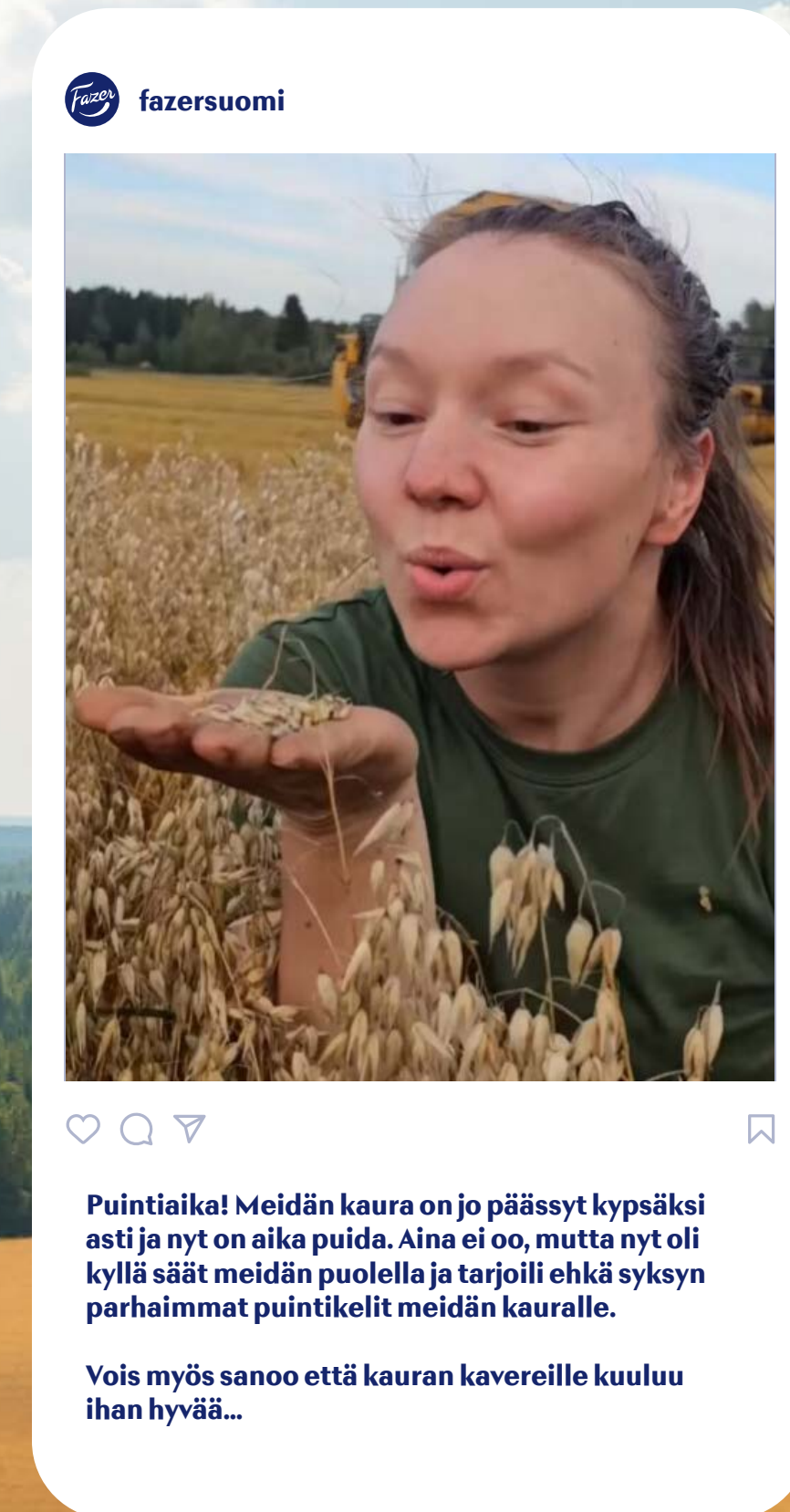
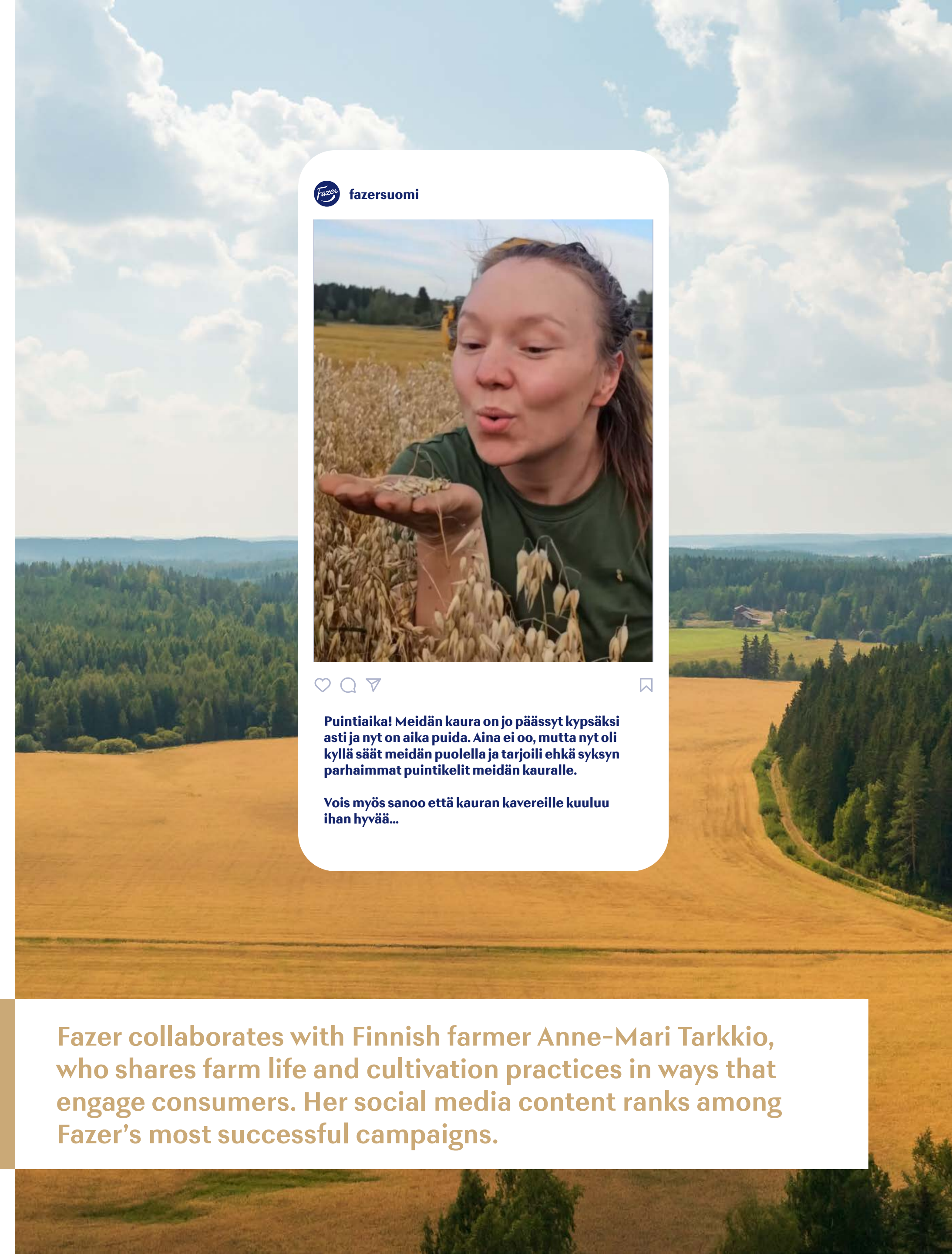
### Actions and progress against targets

In 2025, 44 percent of the cocoa used in Fazer's products was certified, while 56 percent was sourced from own farmer programmes or Cocoa Horizons programme. 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.

During the year, Fazer made considerable efforts to ensure that cocoa traceability aligns with the European Regulation on Deforestation-free Products (EUDR).

In 2025, 100 percent of hazelnuts we used were certified. In our Fazer Cafés and Gateau bakery shops, 99 percent of coffee served was certified.

Fazer has actively sought alternatives to palm oil as an ingredient in its offering due to the environmental, health, and social impacts associated with its production and use. We have reduced the use of palm oil in our products by 86 percent since 2019. Our



Fazer collaborates with Finnish farmer Anne-Mari Tarkkio, who shares farm life and cultivation practices in ways that engage consumers. Her social media content ranks among Fazer's most successful campaigns.



aim is that all remaining palm oil still used at Fazer is certified by the Roundtable on Sustainable Palm Oil (RSPO) with segregated traceability level, the percentage being 99 in 2025.

We are committed to using only sustainably produced fish and shellfish in our operations. 94 percent of the fish Fazer used in 2025 was green-listed in the WWF Fish Guide or either MSC or ASC certified, meaning that only healthy populations are fished and environmental impacts of aquaculture are minimised.

90 percent of meat used in Finland and Sweden was of local origin, and 100 percent of eggs purchased were produced cage-free.

Fazer continues to be a member of the Sustainable Coconut Partnership, an industry initiative aimed at promoting a responsible and resilient coconut sector.

We use small amounts of soy as a raw material in the form of lecithin in chocolate and biscuit products. Our soy approach, which was revisited in 2024, focuses on the physical origin of the soy we use, ensuring it is from Europe or North America, where the risk of deforestation is lower, or is certified with segregated certification by the Round Table on Responsible Soy Association or ProTerra. Furthermore, we will continue using soy credits to offset the indirect soy use linked to animal feed in our animal-based raw materials and ingredients.

Our outlook for sustainable sourcing in 2026 and beyond centres on strengthening our work on biodiversity and ecosystems, supported by practices that ensure compliance with the EUDR and other regulations. We will focus on investigating frameworks and tools that further support the development of our biodiversity roadmap.

CASE

## Taste the Future

**Fazer is reimagining food for a world facing climate change and resource scarcity.**

Fazer is actively developing cocoa alternatives and innovating new ingredients through its Taste the Future concept. Recognising the impact of climate change on the future of cocoa farming, the aim of these innovations is to ensure long-term resilience and the continued enjoyment of indulgent treats.

In 2025, we launched a new Fazer Taste the Future Raspberry Dream, which is a delicious example of such innovation – a crispy treat with layers of raspberry and vanilla fillings, wrapped in a grain-based coating and without cocoa. This launch

marks a milestone as the first full-scale production at Fazer’s chocolate factory, building on earlier handmade grain-based prototypes and reinforcing Fazer’s commitment to a sustainable future. This is a sneak peek of what could become a typical flavour in the future, where we have used Nordic grains to create a delicious, indulgent treat.

Rolled out to full-scale industrial production in 2025, we produced over 180,000 bars. Raspberry Dream is a vegan, cocoa-free wafer bar made with malted rye from Lahti, Finland. Like all Taste the Future products, the wafer bar will be refined with consumer feedback collected

through QR codes, keeping taste and sustainability central.

In 2025, Fazer became the first FMCG company to introduce Solein®-based Taste the Future snacks and oat drinks in the United States – an important milestone in Fazer’s mission to create delicious, nutritious foods with a lower environmental footprint. Solein is a unique protein produced by Solar Foods through a groundbreaking fermentation process using little more than air and electricity.

Not just a range of products, Taste the Future is a testament to Fazer’s commitment to leading change in the food industry, empowering consumers to join the journey towards a more sustainable future.





## ENVIRONMENTAL INFORMATION

### Resource use and circular economy

# Minimising food loss and optimising resource use

**Every year, a third of the food produced globally is wasted. Minimising food waste is vital in mitigating climate change and other negative environmental impacts.**

**” We source only certified or recycled fibre-based packaging materials.**



One of the key aims of our sustainability programme at Fazer is to reduce avoidable food loss, and this commitment also drives our innovation. We find new uses for food waste and develop products that support the circular economy. Reducing food loss is closely connected to packaging solutions that safeguard products during transit and help maintain their freshness and appeal for consumers.

#### Approach and targets

Our commitment to promoting circular economy and reducing waste is outlined in our Sustainability Policy. Also, our QEHS Policy lays out our target for reducing avoidable food loss and for promoting sustainable packaging solutions. Fazer’s Material Efficiency Commitment further illustrates our dedication to resource efficiency. Guiding our efforts, this framework ensures that we minimise environmental impacts and continuously optimise our operations.

#### Food loss

Food loss reduction remains a firm focus area for all businesses and sites, and we are committed to our target of halving food loss at Fazer by 2030 from the 2020 baseline. Food loss reduction is a Group-wide initiative,

supported by monthly follow-up at site, business unit, and business area levels. Food loss reduction is also included in the Group’s performance-based bonus scheme.

#### Packaging

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 according to our Packaging Vision 2030. Our ambition is to reduce the use of packaging materials while ensuring high quality, increase the recyclability of packaging, and promote the use of innovative, recyclable, reusable, and renewable packaging materials.

By developing new solutions and choosing the right materials, we minimise food waste and reduce the environmental impact of packaging, without compromising on the high quality of our products. Fazer has ambitious and measurable targets for its packaging, for instance ensuring that 100 percent of our packaging is recyclable by 2030, as well as reducing various packaging materials in absolute tonnes and per tonne of sold products.



## Actions and progress against targets

### Food loss

In 2025, Fazer achieved a 12 percent reduction in avoidable food loss compared to the previous year and a 24 percent decrease from our 2020 baseline. This improvement stems from a daily focus on food loss and specific projects that focus on operational efficiency across Fazer businesses.

In 2025, each business area focused on food loss reduction.

Key initiatives included:

- **Fazer Confectionery:** Introducing new products and concepts, such as the Fazer Choco Moka, and an initiative to reduce food loss in Gateau bakery shops, optimising the reprocessing of excess or non-conforming products, as well as finding new uses for side streams in the food industry.
- **Fazer Bakery:** Updated Hävikkitalkoot concept Hävikkitalkoot for selling products baked the previous day at a discounted price in Fazer Shop-in-Shop business, focusing on operational improvements such as a more efficient production schedule.
- **Fazer Lifestyle Foods:** Enhancing production efficiency in plant-based drinks.

We continue exploring the increased use of side streams, such as oat hulls and wheat bran. Dough waste remains a significant contributor to food loss and is linked to high production volumes. Fazer Confectionery has

## CASE

# Fazer Shop-in-Shop bakeries and Gateau bakery shops' zero waste concept dramatically reduces food loss

## Innovative practices and consumer engagement reduce food loss in our artisan bakeries.

In 2025, Fazer Shop-in-Shop bakeries renewed their Hävikkitalkoot concept, offering previous-day products at 40 percent off throughout the day. This boosted surplus baked goods sales without affecting regular sales, while also broadening the consumer base in our Shop-in-Shops. Most importantly, as a result of the new concept, food loss was reduced by up to 70 percent in the participating bakeries.

In 2025, the Hävikkitalkoot zero waste concept was piloted also in the Finnish and Swedish Gateau bakery shops, selling baked goods at a 40 percent discount. Feedback from both consumers and staff helped refine the approach during the pilot phase. At Gateau bakery shops, artisan bakery products left unsold from the previous day are now prominently displayed and available from shop opening, giving them an extra day to be sold.





been reusing raw materials as efficiently as possible for decades, and those efforts persist today.

The Fazer Upcycled programme by Fazer Group's research and innovation unit, Fazer Lab, has been pivotal in providing a framework for food loss innovations. The three-year programme, launched in 2023, aims to find and develop value-added solutions to utilise food production side streams and, as a result, improve material efficiency and decrease food loss. These solutions may involve new prototypes for future sustainable consumer products, ingredients, or non-food applications. In 2025, we continued exploring opportunities on valorising wheat bran and confectionery side streams.

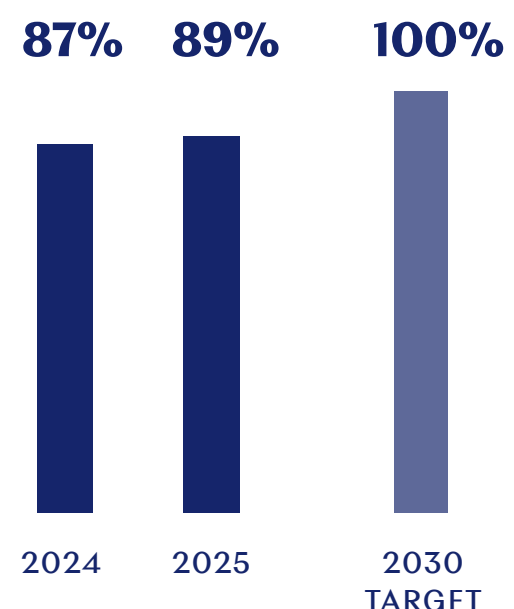
Additionally, Fazer continues to implement new sales strategies for items approaching their expiration dates, or those that do not meet our stringent quality standards. These steps are crucial for achieving our sustainability goals and fostering a more environmentally responsible supply chain.

### Packaging

As part of our commitment to sustainable sourcing, we have taken steps to reduce the environmental footprint of our packaging.

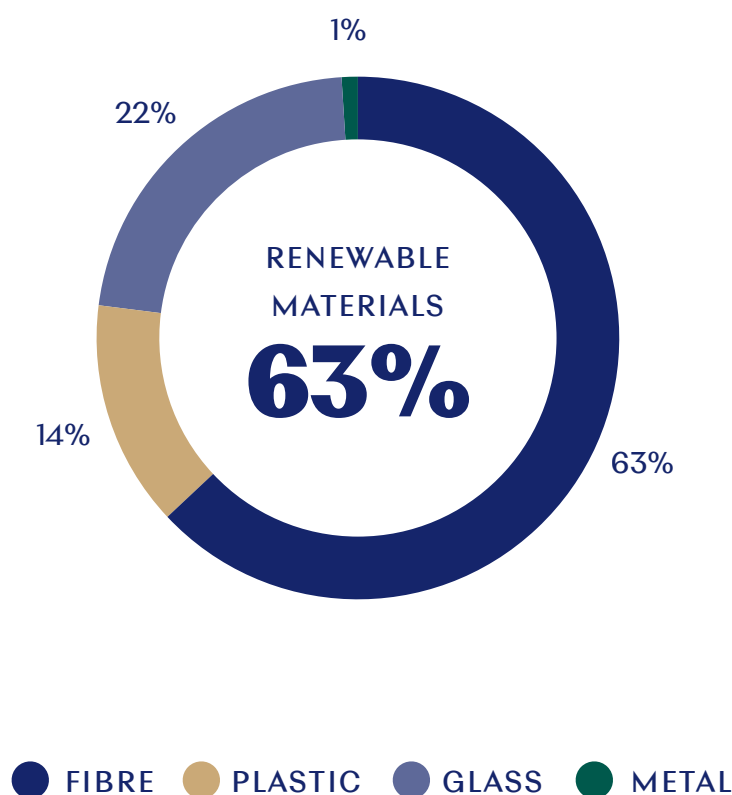
We have reached one of our packaging-related targets to source certified or recycled fibre-based packaging materials by 2026. This commitment includes fibre-based packaging materials like paper, cardboard, and corrugated board used in our products. Even though not all of our products will feature the

### PACKAGING MATERIALS DESIGNED FOR RECYCLING\*



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

### PACKAGING MATERIALS USED



### Food loss and waste fractions

Tonnes	2025	2024	2023
Used directly as animal feed	994	1,975	3,452
Side streams to energy production	26,674	32,220	37,129
Side streams directed to animal feed production	56,322	59,446	44,068
Other use, e.g. composted biowaste	928	1,974	3,127
Landfill*	332	252	295
<b>Total side streams in production</b>	<b>84,919</b>	<b>95,616</b>	<b>87,776</b>
Recycled waste	2,747	4,129	5,195
Incinerated waste with energy recovery	2,121	2,444	1,778
<b>Total non-hazardous waste</b>	<b>5,200</b>	<b>6,824</b>	<b>7,268</b>
Incinerated, with energy recovery	28	16	19
Incinerated, without energy recovery	6	7	1
Hazardous waste to landfill and other use	20	41	32
<b>Total hazardous waste</b>	<b>55</b>	<b>65</b>	<b>52</b>
<b>Total side streams and waste from Fazer's operations</b>	<b>90,173</b>	<b>102,505</b>	<b>95,096</b>
<b>Avoidable food loss / production volumes (kg / produced tonne)**</b>	<b>86</b>	<b>98</b>	<b>107</b>
<b>Food donations***</b>	<b>663</b>	<b>222</b>	<b>552</b>

\* 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

## Raw materials

	2025	2024	2023
Used raw materials (tonne)	490,740	519,399	502,811
Raw materials intensity (tonnes/produced tonne)	1.07	1.17	1.12

logos of certification schemes, we guarantee compliance by sourcing all materials exclusively from certified suppliers.

Fazer's Packaging Vision 2030 defines our goals. In 2025, our achievements since the baseline 2018 include:

- Reduction of plastics 14% (13%)
- Reduction of fibre-based packaging materials 0.4% (0.2%)
- Reduction of metal 5.4% (5.3%)

In 2025, Fazer used a total of 4.4 kg (5.0 kg) packaging materials per tonne of sold products. During the reporting year, Fazer undertook several initiatives to reduce the amount of packaging materials:

- Improved and simplified structure of the Karl Fazer chocolate tablet display, saving 9,300 kg corrugated board annually.
- Optimised packaging line, enabling the production of Karl Fazer Thins chocolate tablets use recyclable plastic, 3,400 kg less fibre-based materials, and 900 kg less metal.

- Optimised the design of the Fazer Aito Choco Oat Drink Display, allowing dual functionality in both logistics and in-store promotion and reducing material usage, This innovation was recognised with the ScanStar and WorldStar prizes.

On track towards our goal of having 100% recyclable packaging by 2030, 89% (87%) of our packaging materials were recyclable in 2025. For example, the packaging of 15 candy bags, including Ässä and Tutti Frutti, has been transitioned from multi-material to mono-material plastics, enhancing recyclability.

Fazer has also increased the recycled content in its packaging materials, and the Wiener Nougat and marmalade trays are now made with 100% recycled plastic, saving 15,500 kg of virgin plastic.

Fazer also continued enhancing its IT systems to comply with the EU's Extended Producer Responsibility (EPR) reporting requirements, which require producers to manage the recycling of all packaging materials released to the EU market. We



**In 2025, Fazer partnered with Teerenpeli Brewery & Distillery to explore innovative ways to use bread waste in brewing.**



**” Fazer has commercialised visually imperfect but edible products, with Fazer Mystery Mix Choco being a popular example of this consumer-loved concept.**

expanded the capabilities of the tool, which now encompass the Plant-Based Drinks and Fruit businesses in Finland.

**Waste**

In 2025, we achieved tangible results in waste reduction. During the year, we levelled up the waste management and recycling by investing in new waste collection equipment, training and employing new waste handling practices. For example, at Fazer’s headquarters in Vantaa, the separate waste collection containers for plastics and cardboard were employed to office spaces, Meeting Centre, Fazer Experience Visitor Centre and the break rooms of the confectionery factory. At bakeries, we raised our waste hierarchy level by recycling the cooking oil into vegetable-based recycled oil for the forest industry.

**” Fazer Upcycled programme creates solutions using production side streams to reduce food loss.**



# Social information

We strive to make a positive impact on people by enhancing the well-being of our employees and consumers and ensuring responsible operations in our supply chain.

## Own workforce

We foster a workplace where every individual feels safe, included and empowered to grow.

## Lost Time Accident Frequency (LTAF) in 2025



# 2.7

## Total Recordable Incident Frequency (TRIF) in 2025

# 11.9

Long-term target: Zero accidents (LTAF and TRIF)

## Value chain workers

We are committed to upholding human rights and ensuring fair working conditions in our supply chains.

## Supplier Code of Conduct signature rate in 2025

# 90%

Target: 100% by 2030

## Share of cocoa sourced through our own farmer programmes in 2025



# 31%

Our target is to enable direct actions enhancing well-being in cocoa communities



## SOCIAL INFORMATION

### Own workforce

# Fostering a safe and inclusive workplace

**We are dedicated to fostering a workplace where every individual feels safe, included, and empowered to grow. One of Fazer's values, Northern Liberty, reflects our commitment to authenticity and freedom of choice.**

**” In 2025, Fazer launched a two-year Business Graduate Programme to attract and train recent graduates to become future leaders at Fazer.**

A diverse and inclusive workplace is one of the key success factors for Fazer. By fostering diversity, equity, and a commitment to well-being, we are nurturing a culture where passion and purpose come together to create positive change. When people feel safe to be their true selves, they can reach their highest potential, bringing together varied viewpoints and creating a breeding ground for true innovation.

We strive to minimise any potential risks to our employees' health and safety, and work safety and occupational health are vital components of our People and Well-being agenda.

At the end of 2025, Fazer employed 5,630 people in 8 countries. The largest number of our employees, 3,925, worked in Finland, followed by Sweden with 1,193 employees, and Latvia with 375 employees.

Approximately 4,600 individuals contributed to our operations in transportation, maintenance, office administration, and technical support roles, though they were not directly employed by Fazer. Given the challenges of finding skilled employees, we occasionally rely on agency personnel, particularly in production and retail operations, where turnover tends to be high.

#### **Approach and targets**

##### **Diversity and inclusion**

People and Well-being is one of Fazer's sustainability focus areas and our Well-being Framework promotes a balanced approach to individual well-being. The Fazer Code

of Conduct sets the basic conditions for respect for human rights and a respectful and harassment-free environment. Our Sustainability Policy further outlines the People and Well-being focus area as one of the priorities for our sustainability work.

We target a continuous, year-on-year improvement in Fazer's employee engagement scores and the Diversity, Equity, and Inclusion (DEI) driver in our annual People survey.

##### **Safety**

Guided by the view that all accidents are preventable, Fazer's Safety Vision is to become the safest food company in Northern Europe. We aim for zero workplace accidents and prioritise the prevention of occupational illnesses and health challenges. Safety metrics are integrated into incentive plans, highlighting their importance across the organisation.

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. We manage OHS through the One Fazer Safety Programme to drive a systematic, disciplined, and consistent safety culture across the company. Furthermore, we have implemented the ISO 45001 management system across our Confectionery business and Fazer Mills in Finland, as well as in all our bakery sites in Sweden, covering 52 percent of our production site personnel.



Fazer's safety agenda is driven by preventive safety actions embedded across all levels of our organisation. We set clear expectations for safe behaviour, emphasise risk identification, and regularly engage employees through safety dialogues, safety walks, and facility inspections. Safety observation reporting helps us detect and address unsafe conditions before incidents occur.

Regular team safety discussions and communication activities provide forums for engagement and openly raising and resolving

safety concerns, while standardised guidelines ensure consistency across all countries. Employee representatives actively support health and safety work through committees, investigations, campaigns, and trainings. Fazer's leadership plays a key role by modelling safe behaviour and engaging teams in safety practices, reinforcing a culture where safety is a shared responsibility.

### Training and competence development

Fazer supports the professional growth of its employees through regular processes that

identify both organisational and individual needs. Personal development discussions, held once or twice a year depending on the job role, help our employees identify and plan their own growth opportunities. On a broader level, we review development and future competence needs through annual talent reviews and succession planning, ensuring our planning is aligned with the company strategy.

The professional growth opportunities are structured around the 70-20-10 model, our core learning and development methodology. The 70-20-10 learning model highlights that

most learning happens through everyday work and collaboration. About 70 percent of learning comes from on-the-job experiences and solving real challenges, 20 percent from interactions with others, such as feedback, coaching, and mentoring, and 10 percent from formal training or courses. Our goal is to ensure effective learning and engagement through dialogue and collaboration.

### Actions and progress against targets

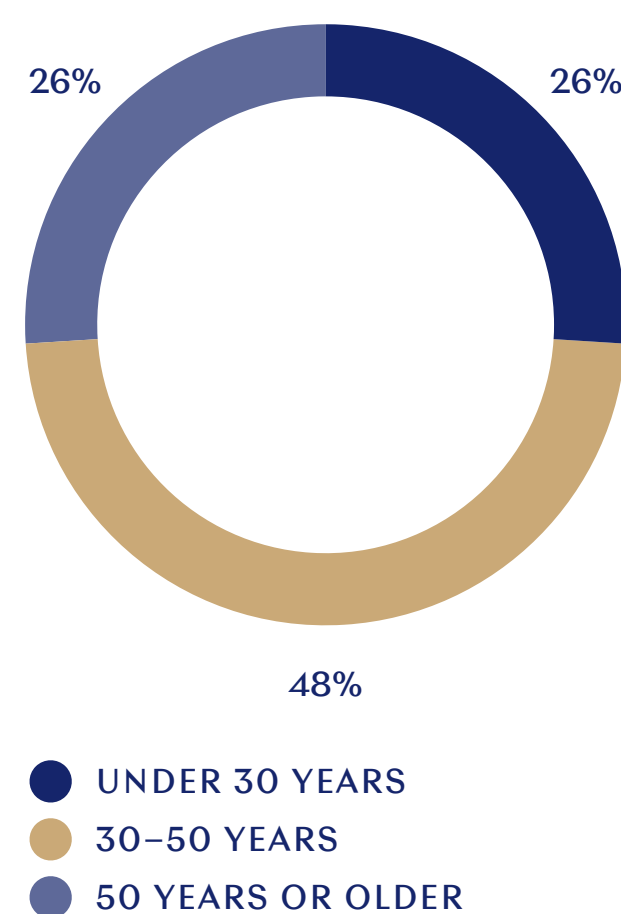
#### Diversity and inclusion

As part of our commitment to promoting employee well-being, diversity, and inclusion, Fazer engaged in several DEI initiatives during the year.

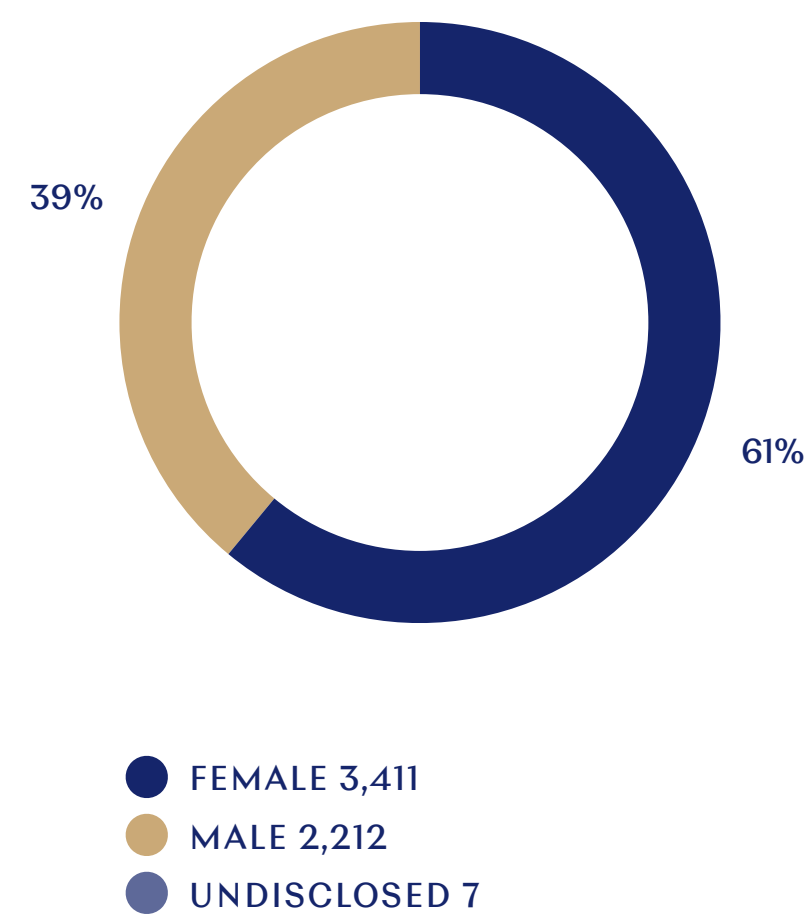
Fazer's first DEI Day in 2025, themed Sparked by our difference, showcased our commitment to diversity, equity, and inclusion. The live-streamed event highlighted how diverse backgrounds strengthen engagement, team spirit, well-being, and strategic success. We plan to continue observing DEI Day annually, recognising that varied perspectives drive growth for both individuals and the organisation.

Diversity is central to Fazer's recruitment practices. We strive to create teams with varied gender, age, nationality, education, and abilities. Our guidelines emphasise that diversity should be considered throughout all recruitment processes and decisions, ensuring that every hiring choice actively supports a diverse team composition, reduces bias, and identifies candidates who best align with the competence profile.

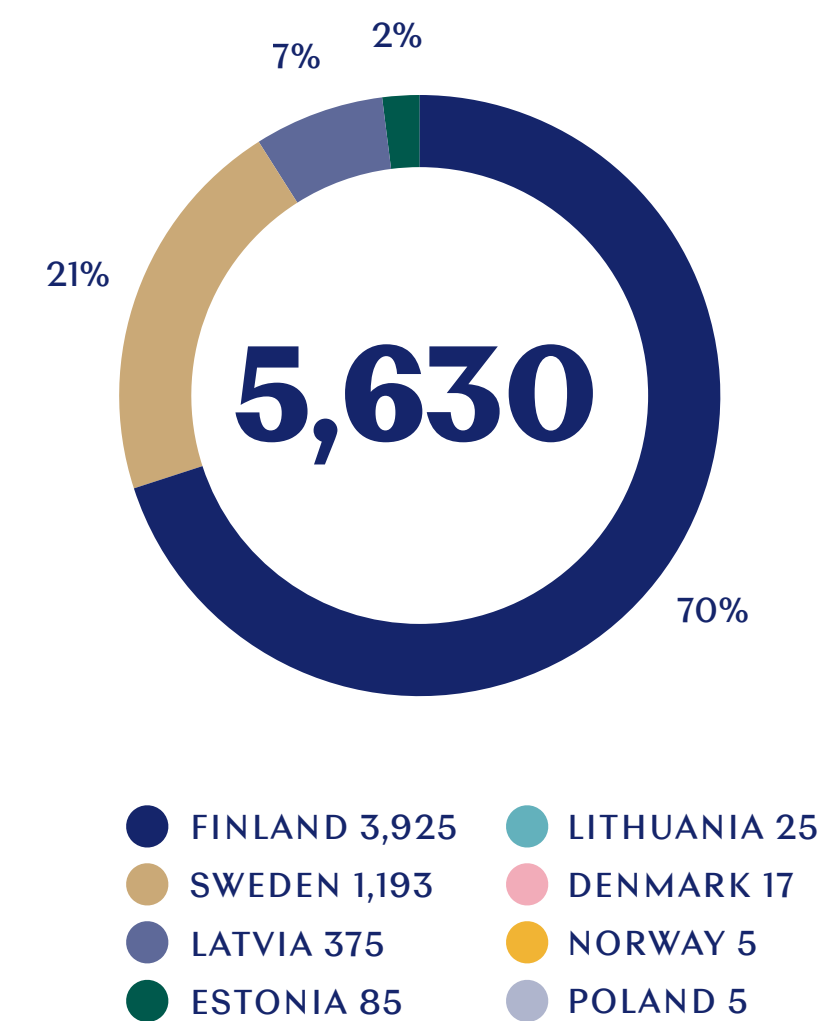
EMPLOYEES BY AGE



EMPLOYEES BY GENDER



EMPLOYEES BY COUNTRY\*



\*PERSONNEL FIGURES PRESENTED AS HEADCOUNTS



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To advance diversity in recruitment, our 2025 initiatives focused on building a DEI roadmap, collecting data on international talents, auditing candidate experiences, enhancing inclusivity in job advertisements, and coaching hiring managers on DEI and bias.

During the year, we additionally conducted a DEI current state assessment drawing on existing data and insights from interviews with key internal stakeholders. Following the assessment, a workshop was organised with Fazer Leadership Team to define DEI priorities and focus areas, with strong engagement from top management. We also train our employees on DEI matters to underscore the significance of the topic at Fazer. At the end of 2025, 79 percent of all Fazer employees had completed a specific DEI training.

### Safety

In 2025, Fazer continued to build on the foundation established by the Cardinal Safety Rules implemented in the previous year, taking a decisive step to further embed safety into our culture.

During the reporting year, Fazer's Lost Time Accident Frequency (LTAF) totalled 2.7 (4.0) while our Total Recordable Incident Frequency (TRIF) came to 11.9. The good performance was driven by consistently reinforcing proactive safety dialogues and safety walks, strengthening the safety culture built in recent years.

Until 2025, our primary safety metric was LTAF, which has steadily declined thanks to systematic safety improvements. However,

## CASE

# Fazer celebrated its first DEI Day

**At the DEI Day event, employees from diverse backgrounds shared personal stories, highlighting how inclusion fosters well-being and inspires innovation.**

Celebrating diversity, equity and inclusion at the heart of the company's culture, the inaugural Fazer DEI Day in May 2025 showcased the rich tapestry of nationalities and cultures within the company.

In addition to featuring a discussion with a diverse panel, leaders reinforced Fazer's commitment to cultivating a workplace where everyone can flourish. An external speaker further highlighted the tangible business benefits of embracing DEI, underscoring its value in today's competitive landscape.

As a food experience company, Fazer is committed to understanding the diverse backgrounds of its consumers and reflecting this richness within its teams. By championing inclusion and valuing different perspectives, the company enhances creativity and supports innovation-driven growth, laying a sustainable foundation for its future.



As part of our DEI Day, we organised a photo competition inviting employees to share something about themselves – because each of us is special and we are a team sparked by our differences. This photo became the winning entry, telling a heartwarming story of one of our employees who even found their spouse here at Fazer. Photo: Tapio Bergström



” We aim for zero accidents. Our safety culture is highly advanced, and we invest significantly in its continuous development.

LTAf does not capture minor incidents, which still pose risks to our employees and represent around 75 percent of all cases. To address this, we introduced TRIF as a key safety indicator in 2025.

Broadening our focus helps us spot risks early, act proactively, and promote a safer workplace for everyone.

As part of our preventive safety actions, we implemented a structured process to identify and address potential Significant Incident or Fatality (SIF) cases – serious near-misses or incidents that could have led to severe injury or fatality.

In 2025, Fazer launched a Group-wide Health & Safety risk management procedure to standardise how workplace risks are identified, assessed, and mitigated. Data-driven, proactive risk management is enabled by our centralised digital risk tracking tool. This approach enhances transparency, collaboration, and consistency in safety practices across the organisation.

### Training and competence development

In 2025, Fazer employees participated on average in 5.7 hours of training. 89 percent of all white-collar employees attended a yearly development discussion with their managers.

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 working 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 working in conditions where electrical safety is concerned.

On the whole, in 2025, competence development programmes focused on the topics of leadership development and Leadership Cornerstones, change leadership, Artificial Intelligence (AI), environment, health and safety, as well as artisanal baking. New training topics in 2025 included subjects such as process industry competence development as one Fazer, technical skills for production employees in Fazer Bakery Finland, as well as leadership communication and developing collaboration across teams.

During the year, we introduced Fazer Leadership Cornerstones to support strategy execution and to advance and enable a results-focused culture. The Leadership Cornerstones form a shared framework and a compass for our leaders and managers to steer how we lead – enabling performance, engagement, and culture. The Leadership Cornerstones are now integrated into all our leadership training programmes. We are also incorporating them into other key people processes across the organisation.

To strengthen our capabilities in change management, we launched the ChangeMakers coach training programme in 2025. These coaches will become experts in our change management tools and act as partners to leaders, providing guidance, frameworks,



and communication strategies to help lead change and understand its impact across Fazer.

In 2025, Fazer also launched a two-year Business Graduate Programme to attract and develop high-potential recent graduates, equipping them with the skills and experience needed to become future leaders within Fazer. The programme focuses on marketing, finance, and sales, which are key commercial and strategic success areas for Fazer. It features three eight-month rotations, with at least one international placement, giving participants broad, cross-functional experience across Fazer's operations.

In 2025, 55 percent of white-collar vacancies at Fazer were filled internally. Job rotation – whether permanent or temporary – remains central to employee development, offering diverse opportunities and broadening perspectives across our organisation.

### Terms of employment and compensation

Over 81 percent of Fazer'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.

Under the European Works Council (EWC) agreement, Fazer holds annual meetings with employees. The EWC facilitates active discussions between management and employees from all of Fazer's operating countries on shared topics that affect the employment conditions of the workers.

As part of our strategic goal of advancing and enabling a results-focused culture, we aim to create a positive employee experience supported by modern people practices. This includes evolving our rewarding practices towards performance, fairness, and transparency.

Fazer has continued to make significant strides in further improving fair and transparent compensation systems. Information related to compensation and benefits is shared transparently to employees via Fazer's intranet and locally in production sites.

During 2025, Fazer began implementing a technical solution for pay equity analysis and management. The solution will support us in analysing and resolving possible unexplainable pay disparities while also facilitating the ongoing process of setting fair compensation e.g. during recruitments. To allow best possible analysis on pay equity, we also continued to improve our data quality.

We also made improvements in our recruitment practices by prohibiting questions about candidates' current or past compensation. Starting in early 2026, most job advertisements across Fazer countries will also include a section on compensation, supporting our ongoing commitment to pay fairness and transparency.

Fazer's focus on performance is reflected in our compensation system. Total compensation of a Fazer employee reflects individual and/or company and business performance through for example incentive



**55%**

**of white-collar vacancies at Fazer were filled internally. Job rotation remains central to employee development and competitiveness.**





plan pay-outs, career progression and merit increase. We also offer rewards to recognise outstanding achievements on a more ad hoc basis.

As part of the Fazer Recognition Reward, around 40 employees across Fazer countries have received cash rewards, while over 1,500 employees have been given non-cash rewards, such as movie tickets and gift cards. Fazer also annually rewards employees who act exceptionally in line with Fazer's values and behaviours through Rooster Award and the Best Employee Award (Baltic countries).

Fair and transparent compensation will continue as an important focus area in 2026, and Fazer plans to, for example, give access to numeral data on average compensation levels in similar roles, respecting data privacy rules.

### Management by age, %

	Under 30	30–50	Over 50
Board of Directors	0%	25%	75%
Fazer Leadership Team	0%	0%	100%

### Management by gender, %

	Female	Male
Board of Directors	38%	63%
Fazer Leadership Team	33%	67%

### Group employees by gender, %

	Female	Male
Management	46%	54%
Senior salaried	58%	42%
Salaried	60%	40%
Blue-collar	62%	38%

### Group employees by age group, %

	Under 30	30–50	Over 50
Management	0%	60%	40%
Senior salaried	4%	69%	27%
Salaried	12%	57%	31%
Blue-collar	34%	43%	23%

### Frequency of occupational accidents

Number of accidents per one million working hours	2025	2024	2023
Fazer Bakery	1.7	4.7	3.2
Fazer Confectionery	4.4	2.6	7.8
Fazer Lifestyle Foods	0	4.0	6.4
Others	6.4	4.4	4.9
<b>Total in Group</b>	<b>2.7</b>	<b>4.0</b>	<b>5.1</b>

### 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*	3,411	2,212	2,516	1,403	578	614	211	164	75	10	18	7	13	14
Employment types														
Permanent	3,022	2,022	2,200	1,274	530	567	192	150	70	10	18	7	12	14
Temporary	205	117	133	56	48	47	19	14	4	0	0	0	1	0
On-call	184	73	183	73	0	0	0	0	1	0	0	0	0	0
Full-time	2,254	1,927	1,638	1,201	308	532	210	163	67	10	18	7	13	14
Part-time	1,157	285	878	202	270	82	1	1	8	0	0	0	0	0

\* Does not include persons of undisclosed gender



## SOCIAL INFORMATION

### Workers in the value chain

# Fostering a fair and sustainable supply chain

**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 organised an advanced training for our procurement team on human rights and environmental due diligence, and launched a tool to assess 18 sustainability impacts.**

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.

#### **Approach and targets**

##### **Supplier relationships and risk management**

Sustainability is embedded in our supplier relationships and risk management processes. In 2025, 90 percent (89 percent) of our suppliers by spend have signed Fazer’s Supplier Code of Conduct (SCoC). Our aim is to have 100 percent of suppliers sign the SCoC by 2030.

The process of approving new suppliers begins with a self-assessment questionnaire. Selected suppliers undergo audits covering quality, food safety, occupational safety, and working conditions. If a raw material presents known sustainability risks, a targeted sustainability review is included as part of the evaluation.

We also hold annual meetings with our most strategic suppliers, where among others sustainability is a key agenda item. This ensures ongoing dialogue and collaboration on current sustainability topics and supports continuous improvement in our supply chain.

Fazer also uses the Supplier Ethical Data Exchange (SEDEX) network for supplier

assessments, supporting a targeted and risk-based monitoring strategy.

#### **Human rights in the supply chain**

Fazer follows a human rights policy, committing to respect and uphold human rights while adhering to the UN Guiding Principles on Business and Human Rights (UNGPs). Our Supplier Code of Conduct (SCoC) sets the basic standards for our supply chains, emphasising labour rights, fair treatment without discrimination, the prohibition of child and forced labour, respect for freedom of association, and guidelines for working hours and pay.

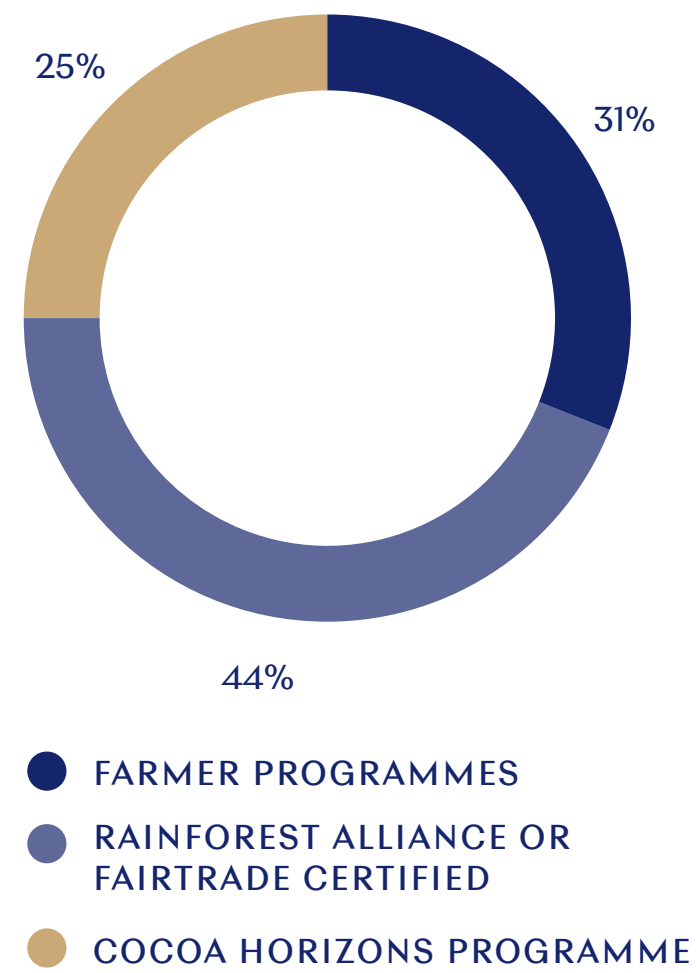
We are committed to continuous improvement and are a member of the Nordic Business Network for Human Rights and the UN Global Compact European Peer Learning Group on Business and Human Rights.

We have specific certification standards and supply chain programmes in place for raw materials that are critical or considered high-risk, such as cocoa.

#### **Cocoa**

Fazer’s Cocoa Vision represents our long-term commitment to enhancing conditions within cocoa production and ensuring that all cocoa used in our products is sourced from responsibly managed suppliers. All our cocoa products come from either Fazer’s own farmer programmes in Nigeria, Ivory Coast, and

### RESPONSIBLE COCOA, DISTRIBUTION



Ecuador, the Cocoa Horizons sustainability programme, or have Rainforest Alliance certification.

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

The programme focuses on four main priorities: prevention of child labour, improving farmers' livelihoods, preventing deforestation, and reducing carbon emissions.

Their objectives are to secure profitable farming, improve the well-being of cocoa communities, and respect the planet and its natural resources. To achieve these goals, 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.

As an essential component of Fazer's cocoa farmer programme, a third-party auditor conducts yearly verifications according to a rigorous methodology, structured within a three-year cycle. The initial year provides the most thorough assessment, while the extent of evaluations in subsequent years is determined by findings from previous periods. Verification encompasses various components of the supply chain, including suppliers, cooperatives or buying agents, and farmers.

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

#### Actions and progress against targets

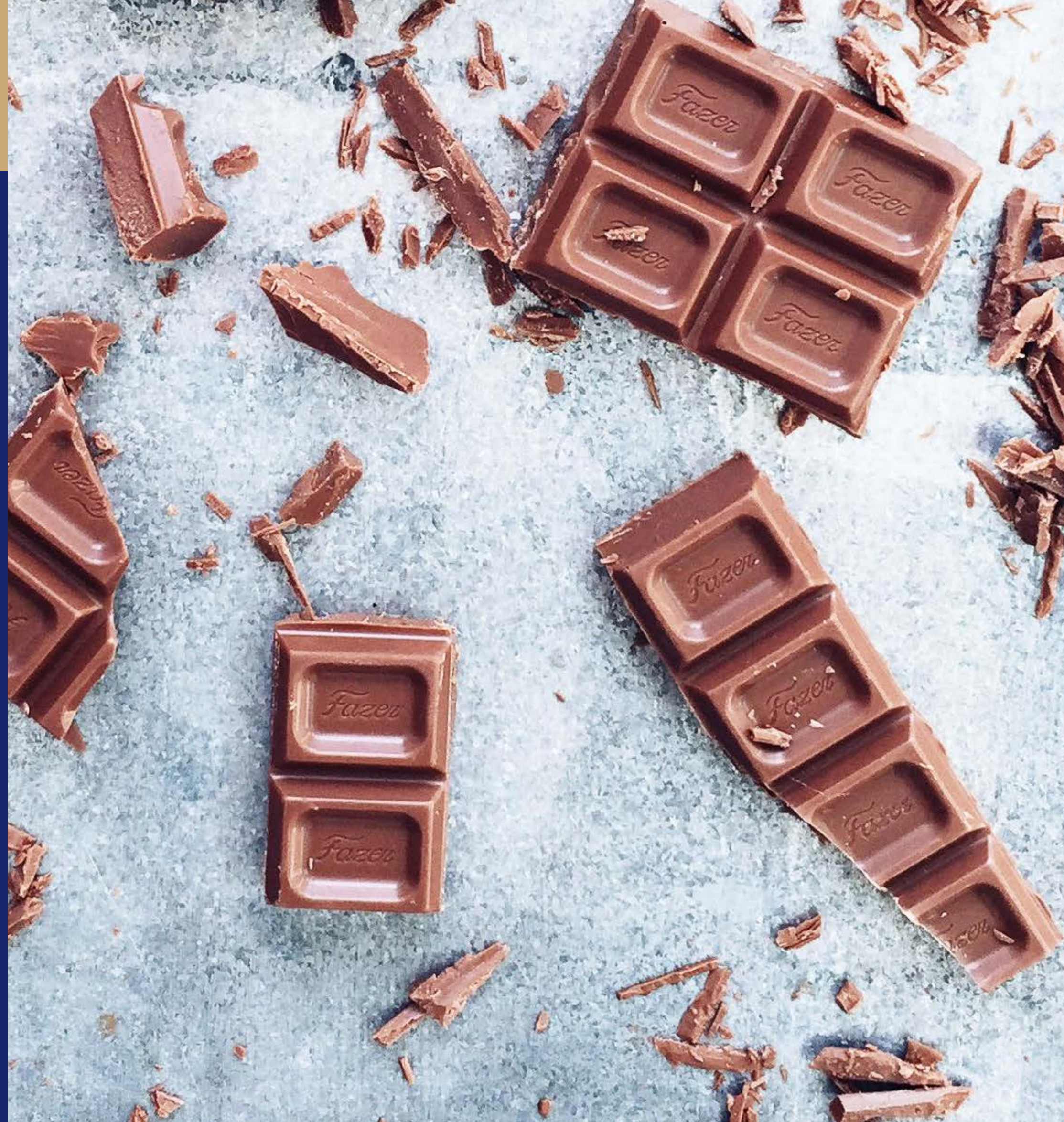
##### Supplier relationships and risk management

During the year, sustainability was a fixed topic in the agenda of our Supplier Relationship Management (SRM) meetings that we held with 76 of our strategic suppliers. We conducted 18 supplier quality and food safety audits and additionally five



**3,500**

farmers participate in Fazer's cocoa farmer programmes in Nigeria, Ivory Coast and Ecuador.



## 99 Fazer explores alternatives to cocoa and is piloting cell-cultured cocoa.

sustainability-themed revisions and meetings, which focused on the topics identified in our impact analysis.

### Human rights in the supply chain

In 2025, we trained our procurement team on human rights and environmental due diligence and introduced a tool to help category managers identify key issues in each sourcing category, taking 18 social, environmental, and community impacts into account.

We are committed to responsible business practices by proactively preparing for the Corporate Sustainability Due Diligence Directive (CSDDD). We strengthened alignment with voluntary standards like the OECD Due Diligence Guidance and the UN Guiding Principles on Business and Human Rights.

### Cocoa

A new three-year cycle in the verification process for Fazer's cocoa farmer programme began in late 2024 and continued throughout 2025. Third-party auditors visited suppliers, cooperatives, and farms in all three of our cocoa sourcing countries. Results were highly positive in Ecuador, with no corrective actions needed. In Nigeria, one critical issue regarding the farmer registry required a corrective action plan. In Ivory Coast, several findings concerning training and procedures were noted, highlighting broader local challenges. Corrective actions were monitored throughout the year, and the verification was finalised in

December when we received the attestation letter. A new, more focused verification round began at the end of 2025.

In early 2025, a Fazer delegation visited Cross Rivers state in Nigeria, one of our largest cocoa sourcing regions. The team met with cocoa communities, supply chain partners, and farmers to discuss their experiences in the Fazer's Cocoa Vision programme, focusing on issues like child labour and deforestation. The delegation also explored social projects subsidised by Fazer, such as clean water initiatives and school support.

Fazer also issued a Joint Declaration with the United Nations Industrial Development Organization (UNIDO) to collaborate on a two-year project Partnerships for Sustainable, Inclusive and Circular Supply Chains to support cocoa farmers in Ecuador in strengthening their skills to improve traceability and sustainable business practices.



## SOCIAL INFORMATION

### Consumers and end-users

# Sustainable choices without compromising taste

**Fazer develops sustainable food experiences, empowering consumers to make informed choices supporting their well-being, while delivering joy and high-quality experiences as well as promoting environmental responsibility.**

**” All our production sites have food safety management certifications recognised by the Global Food Safety Initiative.**

As an industry leader, Fazer is dedicated to facilitating the transformation of the food sector for the better, innovating solutions that support a more sustainable food system while prioritising consumer needs and taste preferences.

We aim to provide individuals with dietary choices that contribute to their well-being while developing products with lower emissions. We take every precaution to secure food safety and quality, and pay attention to the health and nutritional aspects of our products. We are a pioneer in food innovations through our R&D organisation, Fazer Lab, and long-term research and development programmes with our partners.

#### Approach and targets

##### Health and nutrition

Sustainable Products and Innovations is one of Fazer’s four Sustainability Ambitions.

In 2025, we redefined this focus area to further emphasise providing product choices enhancing well-being. We aim to achieve this by:

- providing choices enhancing well-being in every product category
- paying attention to aspects such as portion control, increasing the share of whole grains, reducing salt and sugar content, and offering other health benefits such as vitamins, fibres, and improved fat quality
- expanding the number of products with added health benefits.

Fazer has a long history of developing products with health and nutritional benefits. We are now working to systematise this approach by setting specific targets for each business unit and area.

To support the new product development work in our business areas, nutrition topics have already been integrated into Fazer’s long-term R&D agenda. Besides nutrition, our long-term R&D technological development agenda includes focus on innovations in grain technologies, optimal sweetness, upcycling solutions, new approaches to cocoa and chocolate, as well as future-proof proteins and fats.

#### Product safety and quality

Our commitment to quality and food safety is defined in our QEHS (quality, food safety, environment, and occupational health and safety) Policy, providing a framework for effective management across all Fazer businesses.

We work to ensure the first-rate safety and quality of our products, and all our production sites have food safety management certifications (FSSC 22000, BRCGS, IFS) recognised by the Global Food Safety Initiative (GFSI). In addition, we uphold high quality standards and have numerous control measures in place to protect food safety. Through the Fazer Group-wide Food Safety Development team, we facilitate experience sharing and

benchmarking to support a unified food safety culture across our sites.

### Actions and progress against targets

#### Health and nutrition

We began creating roadmaps for business-specific target setting regarding health and nutrition in 2025. Fazer Bakery Finland introduced a target to increase the share of whole grain breads in its selection to 65% by 2030 (57% in 2025). Fazer is actively promoting increasing the consumption of whole grains, and we have started to label the whole grain contents in packed breads in Finland.

We also have several Heart symbol or Keyhole symbol labelled products in our portfolio indicating they are better choices in bakery and cereal product categories. Confectionery products are available in many package sizes providing treats for different occasions. In our plant-based categories, we enrich products with essential nutrients to support a balanced plant-based diet.

#### Product safety and quality

In 2025, we updated our QEHS Policy and communicated it to our employees. We do our utmost to ensure the high quality and safety of our products by carefully controlling every step of production. Despite that, there was one product recall regarding food safety.

The number of recalls clearly decreased from previous year.

#### Responsible marketing

In 2025, we updated our marketing policy to align with the current operating environment and regulatory recommendations. Our advertising and marketing activities continue to focus primarily on adult audiences.

During the year, there was one instance of non-compliance concerning marketing communications, related to misleading labelling.

We will continue to increase awareness of these topics within the company through guidance and training sessions.

”

Alongside indulgence products available in different package sizes, Fazer offers a diverse and nutritionally balanced selection ranging from whole grain bakery products to nutrient-enriched plant-based choices.





# Appendix

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## Sustainability reporting principles and data

Fazer closely monitors developments in EU legislation and has initiated preparations to meet the upcoming requirements of the Corporate Sustainability Reporting Directive (CSRD). In 2025, Fazer reports in accordance with the Global Reporting Initiative (GRI), while incorporating elements of the European Sustainability Reporting Standards (ESRS) into the reporting structure.

Our preparations for CSRD readiness started in 2023, when we undertook a comprehensive double materiality assessment (DMA). This assessment was subsequently updated in 2024. This report for 2025 is based on the main findings of the DMA, and we will update the assessment and material topics more thoroughly as CSRD regulation and the revised ESRS standards are finalised.

The reporting period corresponds to the calendar year and to Fazer's financial year of 1 January–31 December 2025. The scope of the report encompasses all sites and production units, unless otherwise indicated.

### Data collection

All financial data has been collected through Fazer's financial reporting systems, and all financial figures presented in this report are based on Fazer's consolidated and audited Financial Statements. Personnel data covers all Fazer's operating countries and its personnel. The data is collected by Fazer's Human Resources (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 Full-Time Equivalent (FTEs) instead. The number of non-Fazer personnel is obtained from Fazer-operated security systems by calculating the number of access rights granted.

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 of Fazer's production units in Finland, Sweden, and Latvia. 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, 2025) 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 fossil-free electricity through 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), as well as some volume-based supplier-specific product carbon footprints. The transportation and distribution data covers the inbound raw material transportation paid by Fazer, inter-Fazer transportation, the outbound transportation of finished goods from Fazer's production units to customers paid by Fazer, as well as an estimation of transportation from stores to the place of consumption based on production volumes. The logistics emissions – transport, storage and distribution – are calculated with a mix of Exiobase

spend-based factors and conversion factors published by DEFRA and Statistics Finland.

The remaining Scope 3 categories (categories 3, 5, 6 and 7) are reported with a mix of different emission factors. The upstream emissions from fuel and energy-related activities are calculated with a mix of national Well-to-Tank emission factors. 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. The emissions from employee commuting 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**

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 60](#).



# Fazer Group's sustainability policies and principles

Policy	Key contents	Process for monitoring	Scope	Accountability	Third-party standards	Availability
<b>Fazer Code of Conduct (CoC)</b>	Cornerstone guideline for ethical behaviour, including human rights, anti-bribery and corruption, consumer safety, compliance with laws and regulations, environmental responsibility	Whistleblowing channel, investigations, Board reporting, Annual Report	All Fazer Group employees, Fazer Board of Directors	EVP, Legal Board of Directors	UN Guiding Principles on Businesses and Human Rights (UNGPs) and ILO conventions	Public
<b>Supplier Code of Conduct (SCoC)</b>	Most importantly human and labour rights, environment, occupational health and safety, business ethics	Supplier engagement, audits and reviews, SEDEX	Direct and indirect suppliers and contract manufacturers	CPO Fazer Leadership Team	The UN Universal Declaration of Human Rights, Relevant ILO conventions, Ten principles of the Global Compact framework	Public
<b>Sustainability policy</b>	Fazer's sustainability priorities, principles and commitments, and governance	Annual sustainability reporting; management reviews, KPI tracking, external assurance for GHG emissions and food loss	All Fazer Group employees	EVP, Communications and Sustainability Fazer Leadership Team	Most importantly the UN Guiding Principles on Business and Human Rights (UNGPs)	Public
<b>Human Rights Policy</b>	The principle guidelines for human rights, the related impacts and processes	Grievance channels, investigations, management reporting, supplier engagement	All Fazer Group operations and countries of operations, suppliers	EVP, Communications and Sustainability Fazer Leadership Team	Most importantly the UN Universal Declaration of Human Rights, ILO Fundamental Principles and Rights at Work, UN Guiding Principles (UNGPs)	Public
<b>QEHS Policy</b>	Fazer's strategy and governance on occupational health and safety, quality and food safety, environment	Internal audits, management system reviews, external certifications, KPI tracking and management reviews	All Fazer Group employees	EVP, Communications and Sustainability Fazer Leadership Team	ISO 9001, ISO 14001, ISO 45001, ISO 22000, FSSC 22000, HACCP, BRC, IFS (site-dependent relevance)	Public
<b>Marketing Policy</b>	Principles for marketing communications and its governance	Internal approval processes, adherence to ICC guidelines	All Fazer Group employees	Group Marketing Director Fazer Leadership Team	The ICC Advertising and Marketing Communications Code, Local self-regulatory codes	Public
<b>Animal Welfare Policy</b>	Minimum requirements of animal welfare that our suppliers are expected to adhere to in their own operations and in their supply chain	Through the Fazer SCoC and Group Sustainability Requirements for Raw Materials, Ingredients and Products	All Fazer's suppliers	CPO Fazer Leadership Team	Five Freedoms of animal welfare by OIE World Organisation for Animal Health	Public



# Stakeholder engagement

Key stakeholders	Engagement occurrence and organisation	Purpose of engagement	Stakeholder interests and views	Consideration of stakeholder views in strategy and business model	Governance oversight of stakeholder views
Consumers	Cafés, Shop-in-Shop bakeries, bakery shops, consumer service, online channels, surveys, websites, social media, packaging. Managed by Marketing, Consumer Insights and Communications teams.	Understand the needs for health, sustainability and convenience, inform about products and services, strengthen brand trust	Seek product safety, sustainable and healthy products, convenience and transparency	Resulted in new product development, sustainable packaging and increased sustainability disclosure	Insights reported quarterly to top management, shareholders and the Board
Customers	Meetings, cooperation events, questionnaires, newsletters, customer feedback surveys. Managed by Key Account teams.	Ensure food safety, quality and sustainability, strengthen relationships	Prioritise sustainable raw materials, emission reduction, quality assurance	Led to enhanced sourcing standards, more sustainability certifications, greater transparency in supply chain communications	Annual stakeholder review shared with the Board, material issues escalated to business management
Employees	Individual performance management process, engagement surveys, whistleblowing, manager communication, personnel events, intranet, HR meetings. Managed by HR and Operations.	Maintain well-being, safety and inclusion, enhance skills and engagement	Seek safe workplaces, career growth, diversity, inclusion	Prompted DEI initiatives, extra training, updated safety protocols	Annual Employee Engagement Survey results reviewed by management and discussed in teams, annual summary to the Board
Shareholders and financial institutions	Annual General Meeting, Annual Report, reports, meetings, shareholder website. Managed by Communications.	Communicate result and performance, governance, sustainability, business development	Value long-term returns, ESG performance, risk management	Integrated ESG into financial planning, set sustainability-linked targets	ESG progress reviewed twice a year by the Board, key concerns addressed directly
Suppliers and service providers	Supplier management process, meetings, agreements, audits, monitoring visits. Managed by Procurement.	Ensure quality, ethics, low environmental impact, human rights protection	Value fair contracts, sustainability alignment, partnership	Strengthened supplier ESG requirements, launched joint projects, implemented training	Supplier compliance updates to management quarterly, major risks escalated to business management
Society (authorities, governments, media, NGOs, communities)	Meetings, partnerships, collaboration, questionnaires, events. Managed by Public Affairs and Communications.	Promote transparency, compliance, community value	Expect ethical behaviour, sustainability leadership, community investment	Transparent sustainability disclosure	Reported on need-basis to top management
Universities, research institutes and start-ups	Research consortiums, collaborations. Managed by Product development and long-term R&D.	Advance sustainable food system, drive foodtech innovation	Focus on socially and environmentally impactful innovation	Influenced R&D focus on sustainable ingredients, new production technologies	R&D progress reported twice a year to top management, shareholders and the Board



# Standards, certifications and audits

	Employees 31 Dec 2025	QEHS Standards				Food safety standards				Sustainability		
		ISO 9001	ISO 14001	ISO 50001	AOECS Gluten free	ISO 45001	FSSC 22000	IFS	BRC	RSPO	SMETA 2-pillar	SMETA 4-pillar
<b>Fazer Confectionery</b>												
Vantaa	628	X	X			X	X			X		X
Lappeenranta	423	X	X			X	X			X		X
Hako (Lahti Crisps)	39	X	X			X	X					
<b>Fazer Bakery Finland</b>												
Vantaa	454		X				X			X		
Lahti	330		X				X					
Lappeenranta	92		X				X		X			
Gluten-free bakery, Lahti	55				X		X			X		
<b>Fazer Bakery Sweden</b>												
Eskilstuna	176		X			X	X					
Lidköping	145		X			X	X	X				
Umeå	158		X			X	X	X				
<b>Fazer Bakery Baltics</b>												
Ogre	374			X			X					
<b>Fazer Lifestyle Foods</b>												
Mills Finland Lahti	101		X		X	X	X					
Mills Sweden Lidköping	80		X					X				
Koria	*								X		X	
Tingsryd	127		X						X			X
Xylitol Lahti	33											

\* operations discontinued July 2025



# 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, p. <u>67</u>	●	Fazerintie 6 P.O. Box 4 FI-00941 HELSINKI FINLAND
2-2	Entities included in the organisation's sustainability reporting	Annual Report: Appendix, p. <u>56</u>	●	
2-3	Reporting period, frequency and contact point	GRI index	●	Reporting period: 1 January–31 December 2025 Report publication date: 9 March 2026 Contact point: Joséphine Mickwitz, josephine.mickwitz@fazer.com
2-4	Restatements of information		●	No restatements of information were made during the reporting period.
2-5	External assurance		●	Limited assurance on 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 Report: Fazer in 2025, p. <u>4–5</u> , <u>10–12</u> ; General information, p. <u>25</u> ; Appendix, p. <u>59</u>	●	
2-7	Employees	Annual Report: Social information, p. <u>45–46</u> , <u>50</u> ; Appendix, p. <u>56</u>	●	
2-8	Workers who are not employees	Annual Report: Social information, p. <u>45</u> ; Appendix, p. <u>56</u>	●	There has been a 12% increase 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, p. <u>67–71</u> ; Financial Review: Board of Directors' Report, p. <u>87</u>	●	
2-10	Nomination and selection of the highest governance body	Corporate Governance Report, p. <u>68</u>	●	
2-11	Chair of the highest governance body	Corporate Governance Report, p. <u>74</u>	●	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, p. <u>68</u> ; Financial Review: Board of Directors' Report, p. <u>87</u>	●	
2-13	Delegation of responsibility for managing impacts	Financial Review: Board of Directors' Report, p. <u>87</u> ; Annual Report: General information, p. <u>23</u> , <u>26</u>	●	



GRI Standards disclosure		Location	Reported fully partially	Comments
2-14	Role of the highest governance body in sustainability reporting	Financial Review: Board of Directors' Report, p. <a href="#">87</a>	●	
2-15	Conflicts of interest	Corporate Governance Report, p. <a href="#">67–71</a> , <a href="#">74–76</a>	●	
2-16	Communication of critical concerns	Corporate Governance Report, p. <a href="#">69–70</a> ; Financial Review: Board of Directors' Report, p. <a href="#">92</a>	●	
2-17	Collective knowledge of the highest governance body	Financial Statements: Board of Directors' Report, p. <a href="#">86</a>	●	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report, p. <a href="#">68</a>	●	
2-19	Remuneration policies	Corporate Governance Report, p. <a href="#">71–72</a>	●	
2-20	Process to determine remuneration	Corporate Governance Report, p. <a href="#">67</a> , <a href="#">71–72</a>	●	
2-21	Annual total compensation ratio	Corporate Governance Report, p. <a href="#">71–72</a>	◐	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	Financial Review: Board of Directors' Report, p. <a href="#">86</a> ; Annual Report: CEO's review, p. <a href="#">6–7</a> ; General information, p. <a href="#">21–22</a>	●	
2-23	Policy commitments	Financial Review: Board of Directors' Report, p. <a href="#">86</a> ; Annual Report: General information, p. <a href="#">26</a> ; Appendix, p. <a href="#">58</a>	●	Fazer's policies can be found <a href="#">online</a> .
2-24	Embedding policy commitments	Financial Review: Board of Directors' Report, p. <a href="#">86</a> ; Annual Report: General information, p. <a href="#">23</a> , <a href="#">26</a> ; Social information, p. <a href="#">51</a> ; Appendix, p. <a href="#">58</a>	●	
2-25	Processes to remediate negative impacts	Financial Review: Board of Directors' Report, p. <a href="#">91</a> ; Annual Report: Environmental information, p. <a href="#">36–38</a> , <a href="#">39–43</a> ; Social information, p. <a href="#">45–48</a> , <a href="#">52–53</a>	●	
2-26	Mechanisms for seeking advice and raising concerns	Financial Review: Board of Directors' Report, p. <a href="#">92</a>	●	
2-27	Compliance with laws and regulations	GRI index	●	There have been no significant instances of non-compliance to laws and regulations during 2025.
2-28	Membership associations	Annual Report: General information, p. <a href="#">27</a>	●	
<b>Stakeholder engagement</b>				
2-29	Approach to stakeholder engagement	Annual Report: General information, p. <a href="#">26</a> ; Appendix, p. <a href="#">59</a>	●	Key stakeholders have been identified during the double materiality assessment.
2-30	Collective bargaining agreements	Annual Report: Social information, p. <a href="#">49</a>	●	



GRI Standards disclosure		Location	Reported fully ● partially ◐	Comments
<b>GRI 3: Material Topics (2021)</b>				
3-1	Process to determine material topics	Annual Report: General information, p. <u>26</u>	●	More information can be found <a href="#">online</a> .
3-2	List of material topics		●	More information can be found <a href="#">online</a> .
3-3	Management of material topics	Annual Report: Environmental information, p. <u>29–32</u> , <u>34–35</u> , <u>36–38</u> , <u>39–43</u> ; Social information, p. <u>45–50</u> , <u>51–53</u> , <u>54–55</u> ; Appendix, p. <u>58</u>	●	More information can be found <a href="#">online</a> .
<b>ECONOMIC STANDARDS</b>				
<b>GRI 201: Economic performance (2016)</b>				
201-1	Direct economic value generated and distributed	Financial Review: Group key figures, p. <u>98</u> , Consolidated Financial Statements, p. <u>100</u> ; Annual Report: Fazer in 2025, p. <u>5</u> ; Strategy, p. <u>10</u> ; General information, p. <u>25</u>	●	
<b>GRI 203: Indirect economic impacts (2016)</b>				
203-2	Significant indirect economic impacts	Financial Review: Board of Directors' Report, p. <u>81</u> ; Annual Report: CEO's review, p. <u>6–7</u> ; General information, p. <u>25</u>	●	
<b>ENVIRONMENTAL STANDARDS</b>				
<b>GRI 301: Materials (2016)</b>				
301-1	Materials used by weight or volume	Annual Report: Environmental information, p. <u>41</u>	●	The data refers to packaging materials.
<b>GRI 302: Energy (2016)</b>				
302-1	Energy consumption within the organisation	Annual Report: Environmental information, p. <u>33</u>	●	
302-3	Energy intensity	Annual Report: Environmental information, p. <u>33</u>	●	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 Report: Environmental information, p. <u>34–35</u>	●	
303-2	Management of water discharge-related impacts	Annual Report: Environmental information, p. <u>34–35</u>	●	
303-3	Water withdrawal	Annual Report: Environmental information, p. <u>34</u>	●	Water withdrawal not broken down by source, but in most instances, water is drawn from the municipal supply.
303-4	Water discharge	Annual Report: Environmental information, p. <u>34</u>	●	Water discharge not broken down by source, but in most instances, water discharge from production goes to municipal sewage and is handled there.



GRI Standards disclosure		Location	Reported fully ● partially ◐	Comments
303-5	Water consumption	Annual Report: Environmental information, p. <a href="#">34</a>	●	
<b>GRI 304: Biodiversity (2016)</b>				
304-2	Significant impacts of activities, products, and services on biodiversity	Annual Report: Environmental information, p. <a href="#">36–37</a>	◐	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 Report: Environmental information, p. <a href="#">31, 33</a> ; Appendix, p. <a href="#">56</a>	●	Gases included as Fazer uses CO <sub>2</sub> equivalents in GHG emission calculations.
305-2	Energy indirect (Scope 2) GHG emissions	Annual Report: Environmental information, p. <a href="#">31, 33</a> ; Appendix, p. <a href="#">56</a>	●	See comment above.
305-3	Other indirect (Scope 3) GHG emissions	Annual Report: Environmental information, p. <a href="#">31, 33</a> ; Appendix, p. <a href="#">56</a>	●	See comment above.
305-4	GHG emissions intensity	Annual Report: Environmental information, p. <a href="#">31, 33</a> ; Appendix, p. <a href="#">56</a>	●	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 Report: Environmental information, p. <a href="#">39–41, 43</a>	●	
306-2	Management of significant waste-related impacts	Annual Report: Environmental information, p. <a href="#">39–41, 43</a>	●	
306-3	Waste generated	Annual Report: Environmental information, p. <a href="#">41, 43</a> ; Appendix, p. <a href="#">57</a>	●	
306-4	Waste diverted from disposal	Annual Report: Environmental information, p. <a href="#">41</a> ; Appendix, p. <a href="#">57</a>	●	
306-5	Waste directed to disposal	Annual Report: Environmental information, p. <a href="#">41</a> ; Appendix, p. <a href="#">57</a>	●	
<b>GRI 308: Supplier Environmental Assessments</b>				
308-1	New suppliers that were screened using environmental criteria	Annual Report: Social information, p. <a href="#">51</a>	◐	
<b>SOCIAL STANDARDS</b>				
<b>GRI 403: Occupational health and safety (2018)</b>				
403-1	Occupational health and safety management system	Annual Report: Social information, p. <a href="#">45</a>	◐	Workers who are not employees but whose work and/or workplace is controlled by the organisation are not included in the reported information.



GRI Standards disclosure		Location	Reported fully partially ●	Comments
403-2	Hazard identification, risk assessment, and incident investigation	Annual Report: Social information, p. <a href="#">47-48</a>	◐	See comment above.
403-4	Worker participation, consultation, and communication on occupational health and safety	Annual Report: Social information, p. <a href="#">46</a>	◐	See comment above.
403-5	Worker training on occupational health and safety	Annual Report: Social information, p. <a href="#">48</a>	●	See comment above.
403-6	Promotion of worker health	Annual Report: Social information, p. <a href="#">45-46</a>	◐	See comment above.
403-9	Work-related injuries	Annual Report: Social information, p. <a href="#">47-48</a> , <a href="#">50</a>	◐	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 Report: Social information, p. <a href="#">48-49</a>	◐	Employee category and gender not reported.
<b>GRI 405: Diversity and equal opportunity (2016)</b>				
405-1	Diversity of governance bodies and employees	Annual Report: Social information, p. <a href="#">46-47</a> , <a href="#">50</a>	◐	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, p. <a href="#">89</a>	◐	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, p. <a href="#">89</a> ; Annual Report: Social information, p. <a href="#">55</a>	◐	
<b>GRI 417: Marketing and labelling (2016)</b>				
417-3	Incidents of non-compliance concerning marketing communications	Annual Report: Social information, p. <a href="#">55</a>	●	



# Corporate Governance

FAZER  
IN 2025

STRATEGY

OUR  
BUSINESSES

SUSTAINABILITY  
AT FAZER

CORPORATE  
GOVERNANCE

FINANCIAL  
REVIEW

FAZER  
GROUP

ANNUAL  
REPORT  
2025



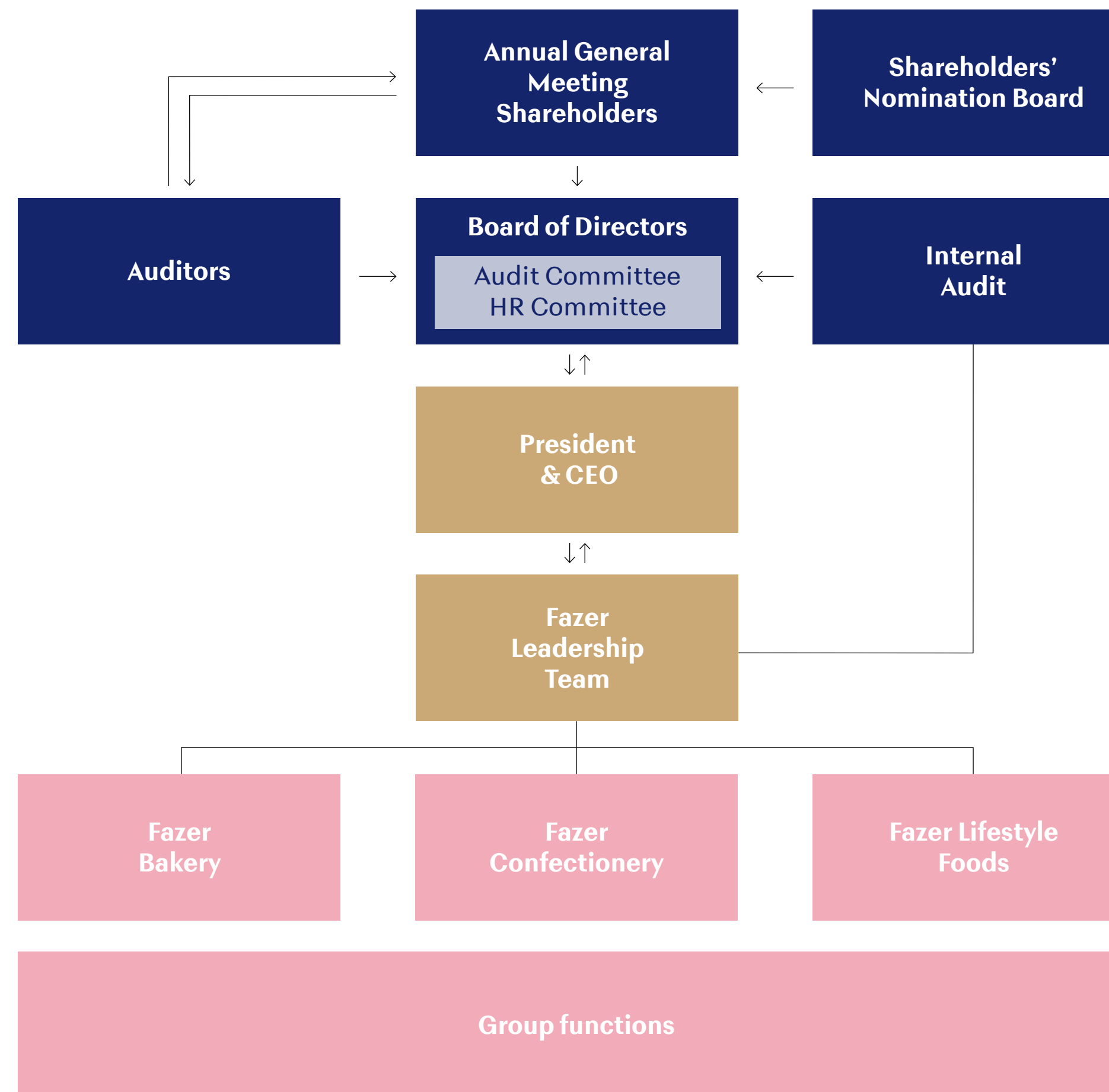
# Corporate governance statement 2025

Corporate Governance at Oy Karl Fazer Ab and its subsidiaries (Fazer Group, Fazer, Group, or Company) follows the guidelines and provisions of its Articles of Association, the Finnish legislation and the corporate governance principles, which are based on the Finnish Companies Act. Fazer also applies the Global Reporting Initiative's Sustainability Reporting Guidelines and, to some extent, the Finnish Corporate Governance Code in force adopted by the Securities Market Association. The aim is to support good corporate governance in the Group, maintaining and promoting high-quality decision-making and administration. This statement is published as a separate statement on Fazer's website, as well as in the Annual Report.

## FAZER'S GOVERNING BODIES

At Fazer, the General Meeting is the highest governing body of Fazer Group in which the shareholders participate in the supervision, decision-making and control of the Company. The Board of Directors is responsible for the administration and the proper organisation of the operations of the Company. The President and CEO, assisted by the Fazer Leadership Team, oversees the day-to-day operative management of Fazer and its businesses.

## Governance model





## ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting is held once a year, and before the end of June in Helsinki or Vantaa. The Annual General Meeting addresses issues it is responsible for, according to current legislation and Fazer's Articles of Association. Such issues include

- Adoption of the consolidated and parent company's financial statements;
- Use of the profit shown on the balance sheet;
- Discharging the Board of Directors and the President and CEO from liability;
- Election of the members of the Board of Directors and Auditors and the decision on their remuneration.

According to the Articles of Association, notice of the General Meeting is sent by regular mail at least 14 days before the meeting. Extraordinary General Meetings are held, when the Board of Directors considers it necessary.

### Annual general meeting of shareholders in 2025

In 2025, the Annual General Meeting (AGM) of Shareholders was held on 20 March 2025. The AGM adopted the 2024 Financial Statements and resolved to distribute a dividend of EUR 4.00 per share. The AGM discharged the Board of Directors and President and CEO from liability for the financial year 2024, made resolutions concerning the Board members and their number and remuneration, elected the firm of

Authorised Public Accountants and authorised the Board to decide on the repurchase of the company's own shares.

## SHAREHOLDERS' NOMINATION BOARD

The Shareholders' nomination board is responsible for preparing proposals regarding the composition of the Board of Directors and the compensation of Board members.

## BOARD OF DIRECTORS

The Board of Directors has general jurisdiction in all issues that are not required of other institutions under the Finnish Companies Act and the Articles of Association. According to Fazer's Articles of Association, the Board of Directors consists of no less than five and no more than ten members who are elected annually at the Annual General Meeting of Shareholders.

Under the terms of the Finnish Companies Act, the Board of Directors is responsible for ensuring that the Group's administration and operations are managed appropriately. The Board of Directors has a general obligation to pursue the best interests of the Company and all of its shareholders, to which it is accountable.

The Board of Directors is responsible for:

- approving the Group's strategy, financial and ESG targets

- ensuring that accounting and financial as well as non-financial controls are managed appropriately
- approving annual business plans
- deciding on strategic acquisitions, divestments and strategic investments
- monitoring the financial performance and position of the Group
- overseeing measurement and monitoring of ESG progress against targets
- appointing and when necessary dismissing the Chief Executive Officer (President and CEO) and deciding on the remuneration of the Group's senior management
- approving Fazer's corporate policies in key management areas, such as corporate governance, sustainability, risk management, financial control, treasury, internal control, corporate communications, human resources, environment and code of conduct
- conducting an annual evaluation of its operations and working methods, and
- deciding on other matters falling under the Board's responsibility by law.

The Board of Directors holds at least eight meetings per year. The Financial Statements are approved in April at the latest. The Group's strategy is revised and approved once a year. The business plans for the year and bonus programmes for senior management are approved at the beginning of the year. Additional meetings can be convened, if necessary, by the Chairman of the Board, the President and CEO or a member of the Board.



### Board diversity principles

Fazer recognises the importance of diversity at all levels of the Company and is committed to increasing diversity across all its operations. The Board of Directors has adopted the following principles and targets concerning the diversity of the Board of Directors. When designing the composition of the Board of Directors, its composition is assessed from the viewpoint of the Company's current and future business needs while considering the diversity of the Board. Fazer's Board of Directors shall have sufficient and complementary experience and expertise in the key industries and markets relevant to Fazer's business. In addition, personal qualities and integrity are relevant. Consideration shall also be given to the requirements set by Fazer's operations, geographical presence, its development stage and future ambitions. At the end of 2025, Fazer had three female (approximately 38% of total) and five male (approximately 63% of total) Board members, and a total of five different nationalities on the Board.

### Board of Directors in 2025

As of 20 March 2025, the Board comprised the following eight members: Mr Casper von Koskull (Chairman), Mr Harry Brouwer, Ms Elisabeth Dreijer von Sydow, Mr Ketil Eriksen, Mr Jan Fazer, Ms Katharina Stenholm, Ms Laura Tarkka and Mr Hubert Weber. Until 20 March 2025, the Board comprised the following eight members: Casper von Koskull

(Chairman), Harry Brouwer, Elisabeth Dreijer von Sydow, Ketil Eriksen, Jan Fazer, Mr Johan Linder, Mr Juhani Mäkinen, Laura Tarkka and Katharina Stenholm. All Board members were determined to be independent except Jan Fazer who is dependent of company and significant shareholders.

During 2025, Fazer's Board of Directors held 11 meetings with an attendance rate of 98%.

The Board addressed a broad array of topics during the meetings. The focus was on Fazer's strategy, Fazer's plans to invest in a new chocolate factory, and business strategies. The Board also closely monitored the company's financial performance. Additionally, external developments, including geopolitical, regulatory and technological developments and issues related to commodities as well as market developments were discussed and followed in the Board meetings.

### Chairman of the Board of Directors

The Board of Directors appoints a chairman from amongst its members. The Chairman of the Board of Directors is responsible for managing the activities of the Board, convening the Board and preparing Board meetings in cooperation with the President and CEO. The Chairman works closely and actively with the President and CEO and is well informed on significant issues affecting the Group and its stakeholders. The Chairman and the President and CEO are responsible

for ensuring that the members of the Board are informed about matters concerning the Group and that notices of meetings, agendas and all relevant documents are delivered to the members of the Board of Directors well in advance of meetings.

### Committees of the Board of Directors

The Board of Directors nominates committees and appoints committee members. Committees are responsible for preparing issues for decision at the Board of Directors' meetings. Fazer's Board of Directors appoints annually an Audit Committee and an HR Committee.

### Audit Committee

The task of the Audit Committee is to assist the Board of Directors in its responsibilities for the appropriate organisation of controls over the Group's accounts and finances. The Audit Committee

- monitors the Group's financial situation, the financial statement reporting processes, the efficiency of internal control, internal auditing, and risk management systems
- oversees external ESG reporting and compliance with relevant ESG reporting frameworks
- monitors ESG processes and controls to ensure accuracy, comparability and consistency of ESG disclosures



- monitors the statutory audit of financial statements and consolidated financial statements
- evaluates the independence of the statutory audit firm, and
- prepares the proposal for resolution on the election of the auditor.

In 2025, the Audit Committee comprised of Jan Fazer (Chairman), Ketil Eriksen, Katharina Stenholm and Laura Tarkka. The Committee held five meetings during the financial period, with an attendance rate of 100%.

#### HR Committee

The task of the HR (Human Resources) Committee is to assist the Board of Directors in its responsibilities related to employment and remuneration of the President and CEO and the Group's senior management, monitoring the total compensation of the management and incentive programmes of the personnel and to evaluate the management's work including reviewing the employee engagement survey results.

In 2025, the HR Committee comprised of Casper von Koskull (Chairman), Elisabeth Dreijer von Sydow and Harry Brouwer. The Committee met four times during the financial period, with an attendance rate of 100%, and prepared issues for the Board related to, for

example, Fazer's people strategy, leadership and capability development, and incentive programmes.

#### PRESIDENT AND CEO

The Board of Directors appoints a President for the Group, who is also its Chief Executive Officer. The President and CEO oversees the day-to-day management of the company and its administration in accordance with the company's Articles of Association, the Finnish Companies Act, and the instructions of the Board of Directors, and is assisted in this work by the Leadership Team. The President and CEO's service terms and conditions are specified in writing in the service contract.

The President and CEO of the company is Christoph Vitzthum.

#### FAZER LEADERSHIP TEAM (FLT)

The Fazer Leadership Team consists of the President and CEO (Chairman), the Managing Directors (MD) of the Business Areas, and the Heads of key Group functions. The duties of the Fazer Leadership Team are to assist the President and CEO in his/her tasks and to draft propositions to the Board. The Fazer Leadership Team also coordinates operations across the Group and secures efficient operations on Group level among other things.

In 2025, the Fazer Leadership Team comprised Christoph Vitzthum (President and CEO, Chairman), Aaron Barsness (EVP, CMO), Jenni Gallagher (EVP, CHRO), Jukka Erlund (EVP, CFO), Sebastian Jägerhorn (EVP, Legal & Compliance), Joséphine Mickwitz (EVP, Communications & Sustainability), Lara Saulo (MD, Fazer Confectionery), Tero Tynkkynen (EVP, CCO) and Krister Zackari (MD, Fazer Lifestyle Foods).

#### Fazer Group's Extended Leadership Team

In addition to the members of Fazer Leadership Team, the Extended Fazer Leadership Team includes Marko Bergholm (MD, Fazer Bakery Finland), Anne Mere (MD, Fazer Bakery Baltics), Mattias Wivesson (CPO), Patrik Hellgren (MD, Fazer Bakery Sweden), Mats Liedholm (MD, Fazer Sweden) and Mikko Mäkelä (VP, Strategy and M&A).



## REMUNERATION

### Remuneration of the Board

The Annual General Meeting decides on the remuneration of the Board members based on the recommendation of the Shareholders' Nomination Board. The remuneration of the Board of Directors consists of a fixed fee which is paid in two instalments during the Board period and a meeting specific fee. The Board members do not receive shares or share derivatives as remuneration for their membership nor do they participate in Fazer's incentive programmes. In 2025, remuneration to the Board of Directors totalled EUR 723 thousand.

### Remuneration of the President and CEO and the Fazer Leadership Team

The Board of Directors decides on the compensation and benefits of the President and CEO. The HR Committee approves the salary and other benefits of the Fazer Leadership Team. The remuneration of the President and CEO and the members of the Fazer Leadership Team consists of a fixed monthly salary, fringe and other benefits and short- and long-term incentive plans.

### Short-term incentive (STI) plan

The Board of Directors decides annually the Short-term incentive (STI) plan structure, terms and performance criteria for the President and CEO and members of the Fazer Leadership Team. In Fazer's 2025 STI plan, the

performance criteria for the President and CEO and FLT members were based on Fazer Group's financial performance and either Group-level or relevant Business Area/Unit financial performance and either Group-level or relevant Business Area/Unit ESG performance (avoidable food loss and lost time accident frequency, LTAF) depending on the role in question.

### Long-term incentive (LTI) plan

Fazer's Long-term incentive (LTI) plan is an incentive programme aiming to drive the success of the company and to engage and motivate key employees to strive for Company's long-term success. Fazer's LTI plan structure, terms, performance criteria, earning potential and the eligible target group are defined annually, in the beginning of each performance period, by Fazer's Board of Directors.

The eligible employees will receive the reward, if the performance criteria set by the Board of Directors are achieved. Once the LTI outcome has been approved by the Group's Board of Directors, one-third of the earned LTI reward is paid during the following spring succeeding the performance period. To support retention, two-thirds of the earned LTI is banked, one-third of the full reward is paid in the second year and one-third in the third year succeeding the performance period. In Fazer's 2025 LTI plan, the performance criteria were based on Fazer Group's Net Sales and EBITA.

### Period of notice and retirement

The President and CEO's period of notice is six (6) months for the individual and twelve (12) months for the Company unless otherwise decided. If the President and CEO's executive contract is terminated, any payable remuneration is determined in compliance with local legislation, Company policies, contractual obligations and the terms and conditions of the applicable short- and long-term incentive and benefit plans. In the event that the Company terminates the President and CEO agreement, any severance payment will generally not exceed the value of twelve (12) months fixed base salary and financial benefits (excluding bonus). The President and CEO has the possibility to retire at 62 years of age. The President and CEO is entitled to a supplementary pension that exceeds the statutory scheme. Some of the members of the Fazer Leadership Team have a collective pension arrangement, which gives them the right to retire at the age of 62.

### President and CEO and Fazer Leadership Team

EUR thousand	2025	2024
Paid salary	2,688	2,638
Short-term benefits	912	1,007
Long-term benefits	929	552
<b>Total salary</b>	<b>4,529</b>	<b>4,196</b>
Fringe benefits	95	109
<b>Total</b>	<b>4,624</b>	<b>4,305</b>



## EXTERNAL CONTROL

### External Audit

The Group has one auditor, which shall be an audit firm. The auditor is elected by the Annual General Meeting to audit the accounts for the ongoing financial year. Its duties cease at the close of the subsequent Annual General Meeting. The auditor, in addition to fulfilling general competency requirements, must comply with certain legal independence requirements guaranteeing the execution of an independent and reliable audit. The auditor is responsible for auditing the Group's accounts, financial statements and administration. The details of these duties are contained in the relevant legislation and regulations governing good auditing practice. The auditors participate in the meeting of the Board of Directors devoted to the consideration of the Group's Financial Statements and to meetings of the Audit Committee.

The 2025 Annual General Meeting elected PricewaterhouseCoopers Oy as the company's auditor, with Martin Grandell, Authorised Public Accountant, acting as the principal auditor.

### INTERNAL CONTROL AND RISK MANAGEMENT

The purpose of internal control and risk management is to ensure that the Company's operations are effective, that financial and other information is reliable, and that the Company complies with the relevant regulations and operating principles. The Board of Directors,

assisted by the Audit Committee, is responsible for monitoring and assessing the effectiveness of the Company's internal control and risk management systems. Internal audit assists the Board of Directors with its monitoring responsibility by ensuring that the Group's control measures have been planned and set up effectively.

Internal control covers all the policies, processes, procedures and organisational structures within Fazer that help the management, and ultimately the Board, ensure that Fazer achieves its objectives, that the business conduct is ethical and in compliance with all applicable laws and regulations, that the Company's assets, including its brand, are safeguarded, and that its financial reporting is correct. Internal control is not a separate process or set of activities but is embedded in Fazer's operations. The system of internal control operates at all levels of Fazer. Fazer maintains and develops its internal control system with the ultimate aim of improving its business performance and, at the same time, complying with laws and regulations in the countries where it operates.

### Internal Audit

The role of Fazer's internal audit is to enhance and protect corporate value by providing independent, objective assurance and to contribute to the continuous improvement of risk management and internal controls. Internal Audit reports to the Audit

Committee. Internal Audit conducts audit assignments according to the annual audit plan that is approved by the Audit Committee. The results of these assignments are regularly reported to Group Management, auditors and the Audit Committee.

### Risk management

Risk management is an important part of the management system of Fazer Group. The Board of Directors approves the risk management policy and monitors its compliance. Risk management is a continuous and systematic process, and its task is to support the implementation of the Group's strategy and business targets, secure the identification of risks affecting the company's business, assess, monitor and anticipate threats and opportunities affecting business, and ensure the continuity of operations.

The management of the Business Areas, Business Units and Group functions is responsible for the identification and evaluation of strategic, operational and sustainability risks of their respective areas and for mitigating these risks as part of their operative activities. Financial risks are managed by Group Treasury.

The Group's Chief Financial Officer (CFO) is responsible for the management development and reporting of risk management to the Board and the Audit Committee.



The CFO also supports the Business Areas, Business Units and Group functions in risk management.

Fazer defines risk as external or internal uncertainty that may affect the Group in the execution of its strategy, achievement of its goals or continuity of its

businesses. Risks may be caused by events within Fazer, or by external conditions or events. For the identification and monitoring of risks, these are divided into four categories: strategic risks, operational risks, hazard risks and financial risks. ESG risks are integrated in all four categories.

Fazer Group's key risks for 2025 are described in the Board of Directors' Report in conjunction with the Consolidated Financial Statements.

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# Board of Directors



## CASPER VON KOSKULL

**b. 1960**

M. Sc. (Economics)

Chairman since 2022

Independent of company and significant shareholders

### Primary working experience

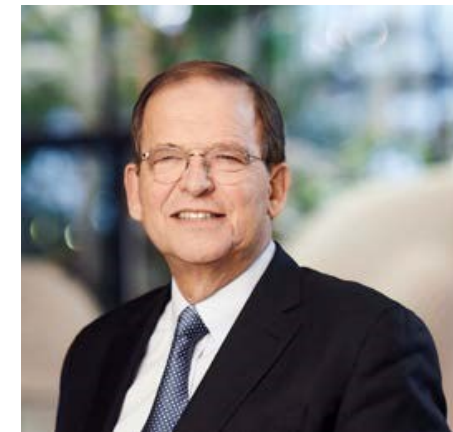
CEO of Nordea Bank AB 2015-2019. Long career in international banking including Partner at Goldman Sachs.

### Other positions of trust

Chairman of European Business Leaders Convention (EBLC). Board Member of Citigroup Inc, Stena AB and A. Ahlström Oy.

### Principal competencies

Business Leadership, Finance, Governance, Global Business, Sustainability & ESG, Operative Management.



## HARRY BROUWER

**b. 1958**

Master of Business

Administration

Member since 2023

Independent of company and significant shareholders

### Primary working experience

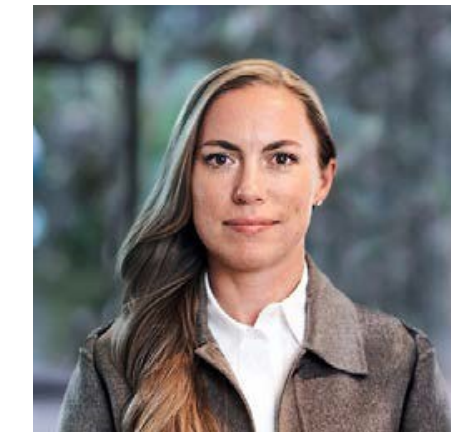
CEO of Unilever Food Solutions 2014-2021. Executive Vice President & Chairman of Unilever DACH 2009-2015. Chairman of Unilever Benelux 2005-2009.

### Other positions of trust

Vice Chairman of Supervisory Board of University Medical Centre Groningen since 2021. Advisory Board Cornelis Vrolijk Seafood BV since 2021. Founder/CEO of The Accelerator Company. Non-Executive Director of B&M 2014-2018.

### Principal competencies

Business Leadership, Global Business, Industry, Innovation, Sustainability & ESG.



## ELISABETH DREIJER VON SYDOW

**b. 1985**

M. Sc. (Business

Administration and

Intellectual Capital

Management)

Member since 2021

Independent of company and significant shareholders

### Primary working experience

Private equity investment professional at Adelis Equity 2013-2023. Investment banking at Handelsbanken Capital Markets 2010-2013. Private equity Associate at Collier Capital in 2010.

### Other positions of trust

Board member of United Bankers Oyj.

### Principal competencies

Business Leadership, Finance, Governance.



**KETIL ERIKSEN**

**b. 1963**

B. Sc. (Economics)

Member since 2009

Independent of company and significant shareholders

**Primary working experience**

Senior Advisor & Private Investor since 2009. CEO Vin & Sprit AB / The Absolut Company 2004-2009.

**Other positions of trust**

–

**Principal competencies**

Business Leadership, Global Business, Industry, Finance, Governance, Operative Management.



**JAN FAZER**

**b. 1975**

Member since 2012

Dependent of company and significant shareholders

**Primary working experience**

Several positions in Fazer Group related to business and strategy development as well as financing.

**Other positions of trust**

Board member of Oy Cacava Ab.

**Principal competencies**

Finance.



**KATHARINA STENHOLM**

**b. 1967**

Dr. Tech. Biotech and Applied Biochemistry

Member since 2024

Independent of company and significant shareholders

**Primary working experience**

Chief Sustainability Officer of dsm-firmenich 2023-. Chief Sustainability Officer of Pepsico Europe 2022-2023. SVP Chief Cycles & Procurement Officer of Danone 2017-2021. CEO of SABMiller Procurement GmbH 2014-2016, CEO of Polttimo Group 2005-2010. Non-executive board memberships.

**Other positions of trust**

Council member, World Business Council for Sustainable Development 2023-. Member of the WBCSD Food & Agriculture Board 2019-2021, 2023-.

**Principal competencies**

Business Leadership, Global Business, Governance, Industry, Innovation, Operative Management, Sustainability & ESG.



## LAURA TARKKA

**b.1970**

M. Sc. (Engineering)

Member since 2021

Independent of company  
and significant  
shareholders

### Primary working experience

COO Scandic Hotels Finland, Germany and Poland 2023-. MD of Gigantti Oy 2020-2023. CEO Kämp Collection Hotels Oy 2014-2020. CFO & Deputy CEO Diacor Terveyspalvelut Oy 2013-2014.

### Other positions of trust

Board member of Caruna Oy, Caruna Espoo Oy and MaRa Ry.

### Principal competencies

Business Leadership, Operative Management.



## HUBERT WEBER

**b.1962**

Master of Business

Administration

Member since 2025

Independent of company  
and significant shareholders

### Primary working experience

Executive Vice President and President, Mondelez Europe 2013-2019, President, Coffee, Global and Europe, Kraft Foods 2010-2013, Vice President and General Manager, Kraft Foods, DACH Area (2009-2010), Iberia (2007-2009) and Tassimo Global (2003-2007).

### Other positions of trust

Board member of Migros since 2020, President of Audit Committee of Migros Group since 2024. Board member of MSM AG since 2023. President of the Board of Food&Drink Europe Federation 2013-2021, continued membership after presidency 2021-ongoing. Board member of JDE JacobsDouweEgberts 2015-2018.

### Principal competencies

Business Leadership, Global Business, FMCG, Innovation, Transformation.



# Fazer Leadership Team



**CHRISTOPH VITZTHUM**

**b. 1969**

President and CEO,  
Fazer Group

Master of Economic  
Sciences



**AARON BARSNESS**

**b. 1973**

Chief Marketing Officer and  
Executive Vice President,  
Fazer Group

Bachelor of Arts, Biology  
and Environmental Studies



**JUKKA ERLUND**

**b. 1974**

Chief Financial Officer and  
Executive Vice President,  
Fazer Group

Master of Economic  
Sciences, eMBA



**JENNI GALLAGHER**

**b. 1972**

Chief HR Officer and  
Executive Vice President,  
Fazer Group

Bachelor of Arts (Business  
& Human Resources  
Management)



**SEBASTIAN JÄGERHORN**

**b. 1969**

Legal and Executive Vice  
President, Fazer Group

Master of Laws, Master of  
Economic Sciences



**JOSÉPHINE MICKWITZ**

**b. 1968**

Communications & Sustainability and Executive Vice President, Fazer Group

Master of Economic Sciences



**LARA SAULO**

**b. 1972**

Managing Director, Fazer Confectionery and Executive Vice President, Fazer Group

Master of Economic Sciences



**TERO TYNKKYNEN**

**b. 1969**

Chief Commercial Officer and Executive Vice President, Fazer Group

Graduate in Economics and Business Administration



**KRISTER ZACKARI**

**b. 1963**

Managing Director, Fazer Lifestyle Foods and Executive Vice President, Fazer Group

Bachelor of Economic Sciences



# Financial Review



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# Report by the Board of Directors

## Fazer Group

Fazer is in the business of creating memorable food experiences and moments of joy, building on its over 130-year heritage and fearless creativity to craft the sustainable food solutions of the future.

Fazer is an international, family-owned FMCG company, operating in nine countries globally and exporting its iconic, high-quality products to over 40 countries worldwide.

In-depth consumer understanding is the foundation of Fazer's strategy and becomes even more important when the company actively pursues its growth journey, aiming to grow both in its home markets, Finland and Sweden, as well as internationally. Fazer's strategy serves as a compass, guiding the company towards its vision, Towards Perfect Days.

In line with its mission, Food with a purpose, Fazer strives to create inspiring products that bring people both nourishment and health as well as joy and well-being, while simultaneously doing good for the planet. Unwavering attention to safety and quality guide the creation of food experiences, building on the dedication and expertise of the people at Fazer. Fazer wants people to think of Fazer when remembering the magical moments in life, because

that's how the company delivers on its brand promise, Northern Magic. Made Real.

## Business model

Fazer operates in the confectionery, bakery and plant-based foods' markets through three business areas: Fazer Confectionery, Fazer Bakery and Fazer Lifestyle Foods. Fazer is also a significant player in the Nordic grain milling market and serves consumers directly through its network of cafés and bakery shops as well as Shop-in-Shop bakeries in Finland, Sweden and the Baltics.

### Changes to the business model in 2025

The centralisation of the Baltic bakery operations and the transfer of production from Kaunas, Lithuania, to Ogre, Latvia was completed at the beginning of the year. The project was initiated in 2024 to support the efficiency and competitiveness of Fazer's bakery operations in the Baltics. Consequently, Fazer now has bakeries in seven locations: Fazer Bakery Finland has bakeries in Vantaa, Lahti and Lappeenranta; Fazer Bakery Sweden in Umeå, Eskilstuna and Lidköping, and Fazer Bakery Baltics in Ogre in Latvia.

In July, Fazer made the strategic decision to invest in a new chocolate factory in Lahti, Finland. The new modern chocolate factory will strengthen its foundation for future growth, enabling both domestic expansion and increased international reach. The decision was supported by the

withdrawal of the Finnish government's proposal to significantly increase VAT on confectionery. Part of Fazer's chocolate production will be transferred to Lahti in 2028, when the factory is scheduled for completion. Chocolate production will also continue in the current facilities in Vantaa.

The transformation programme of Fazer Lifestyle Foods continued in 2025. The transfer of the gurt production from the facility in Korja to Finnish Food Factory in Kouvola, Finland was completed in the summer.

## The year 2025

### RESILIENCE IN AN INCREASINGLY DEMANDING ENVIRONMENT

In 2025, Fazer made solid progress toward its targets and continued to advance positively across its businesses, despite the continued challenging market environment. Through disciplined margin management, increased marketing efforts and successful cost reduction measures, Fazer delivered net sales totalling EUR 1,188.6 million (1,183.1), and an all-time high comparable operating result of EUR 77.8 million, up from the record high EUR 75.9 million in the previous year. Following a demanding first half of the year, Fazer Confectionery's performance improved towards the end of the year, resulting in all-time high net sales in 2025. Fazer's bakery business was impacted by intensified competition in all three markets,



and consequently net sales decreased slightly. Fazer Lifestyle Foods' net sales decreased significantly compared to the previous year.

## FINANCIAL PERFORMANCE

### Net sales by business area

MEUR	2025	2024
Fazer Confectionery	580.6	543.1
Fazer Bakery	446.9	452.4
Fazer Lifestyle Foods	190.5	218.5
Other	5.1	5.1
Group eliminations	-34.6	-36.0
<b>Total</b>	<b>1,188.6</b>	<b>1,183.1</b>

The Group's net sales for the period totalled EUR 1,188.6 million (1,183.1) and excluding currency effects, net sales remained at previous year level. Fazer Confectionery's net sales totalled EUR 580.6 million (543.1), Fazer Bakery's EUR 446.9 million (452.4), and Fazer Lifestyle Foods' EUR 190.5 million (218.5). Net sales in Finland totalled EUR 740.5 million (740.3) and net sales in Sweden increased by 4% to EUR 285.1 million (274.9). Net sales in other countries totalled EUR 163.0 million (167.9), representing a decrease of 3% year-on-year.

The Group's comparable EBITDA decreased by 3%, mainly due to a significant increase in cocoa cost, and totalled EUR 137.8 million (141.4) or 11.6% (12.0%) of net sales. EBITDA totalled EUR 133.5 million (133.1). Comparable operating result increased by 3% and totalled EUR 77.8 million (75.9) or 6.5% (6.4%) of net sales. The operating result totalled EUR -1.0 million (46.0).

Items affecting comparability in EBITDA for the period totalled EUR -4.4 million (-8.3). Operating result includes items affecting comparability of EUR -78.8 million (-29.9), mainly relating to EUR -69.5 million goodwill impairment of Fazer Lifestyle Foods and EUR 4.0 million write-down of production related machinery and equipment in xylitol factory.

## FINANCIAL ITEMS AND RESULT

Net financial items for the period amounted to EUR -2.9 million (-0.6), the decrease mainly arising from foreign exchange rate items. The result before taxes decreased to EUR -3.9 million (45.4) and the result for the period totalled EUR -19.1 million (34.7). Earnings per share totalled -2.79 euro (5.07) and comparable earnings per share 8.46 euro (8.59).

## CASH FLOW, CAPITAL EXPENDITURE AND FINANCIAL POSITION

The Group's cash flows from operating activities for the period totalled 127.5 million (110.0). The increase is mainly arising from improved working capital. The Group's capital expenditure for the period amounted to EUR 74.6 (54.9) million. The increase is mainly arising from the construction of the new chocolate factory in Lahti, Finland. The negative working capital at the end of 2025 is mainly a result of the fair value of derivatives, which is negative at the year-end. As of 31 December 2025, the Group's cash and cash equivalents amounted to EUR 78.2 (78.9) million. Net debt totalled EUR 13.8 (22.4) million and gearing ratio was 2.2% (3.2%). The consolidated balance sheet total

amounted to EUR 986.5 million (1,065.6). The Group's equity ratio was 63.2% (64.9%).

## Investment in new chocolate factory

In July 2025, Fazer announced a EUR 400 million investment in a new chocolate factory in Lahti, Finland with completion targeted for 2028. The project is funded through a EUR 280 million green syndicated term loan, a EUR 120 million green long-term lease for the facility, and a EUR 19.5 million in investment aid from Business Finland's clean transition programme.

## FAZER CONFECTIONERY

High cocoa prices continued to challenge the confectionery markets during the majority of the year. The competitive landscape remained intense, with a high level of campaigning, an increasing number of new confectionery concepts and entrants intensifying competition within the sector. In Finland, the chocolate market was soft but picked up towards the end of the year thanks to campaigning. However, Fazer's market share in the category decreased slightly. Fazer performed well in the chocolate market in Sweden and gained market share. The Finnish candy market, as well as Fazer's market share in the category, remained flat. In Sweden on the other hand, the candy market delivered strong volume growth driven mainly by pick & mix. Fazer gained market shares in candy bags thanks to successful novelty launches. In the biscuits market, private label cookies and in-between meals were the growing segments.



Fazer Confectionery posted all-time high net sales, EUR 580.6 million (543.1), a growth of 7% compared to the previous year. Excluding currency effects, net sales increased by 6% with strong growth both in Sweden and internationally. Growth in the Chocolate & Snacking business was mainly driven by price increases, while volumes decreased. Candy performed strongly in Sweden and Denmark where, among others, Tutti Frutti Remix bag was in high demand. Fazer jellies, with seasonal jelly novelties as spearheads, were highly appreciated by consumers. Fazer Retail, consisting of Fazer Cafés and Gateau bakery shops, grew significantly in Finland but fell short of expectations in Sweden.

### **FAZER BAKERY**

The Finnish bakery market was broadly flat in 2025, with growth concentrated in Shop-in-Shops and bake-off while savoury categories were stable to slightly positive and fresh packed bread declined. The most material external disruption was the series of spring labour strikes, where Fazer was disproportionally targeted. Competitive intensity increased as the year progressed. Smaller regional bakeries gained market shares and larger incumbents pressed advantages in core segments notably in dark bread. The end of the year saw a pronounced escalation in retailer price competition and promotional depth, which amplified demand volatility. The Swedish bakery market continued to decline both in terms of volume and value and consumer preferences continued to shift towards smaller product sizes. The Baltic bakery market remained stable in value, whereas it decreased in volume. However, competition intensified, with aggressive pricing, promotions, and

increasing private label focus. Fazer Bakery Baltics maintained a stable market position during the second part of the year, but in total the share decreased year-on-year. This reflects intensified price competition, combined with internal production transfer impacts, particularly affecting rye loaf and sweet product availability.

Fazer Bakery's net sales for the period decreased 1% compared to the previous year and totalled EUR 446.9 million (452.4). Excluding currency effects, net sales decreased by 2%.

Fazer Bakery Finland's performance was solid during the year, despite the slightly negative impact from labour strikes earlier in the year. Shop-in-Shops performed particularly well throughout the year, driven mainly by strong seasonal and renewed surplus concept. Demand for rice pies was good, partially offsetting the subdued demand for fresh bread. In Fazer Bakery Sweden, dark portion and country style breads demonstrated continued growth and toasts returned to growth towards the end of the year, whereas demand for loafs continued to decline. Fazer Bakery Baltics continued to be challenged by the intensified competition, as well as operational issues with production transfer processes from Lithuania to Latvia. In addition to solving these issues, Fazer Bakery Baltics initiated several programmes to renew the product portfolio and enhance efficiency to mitigate the negative impacts of the production transfer.

### **FAZER LIFESTYLE FOODS**

In 2025, Fazer Lifestyle Foods' operating environment remained challenging, characterised by intensified competition and subdued demand in key categories. In Finland, the plant-based drinks market grew marginally, and Fazer strengthened its position in the category. In the cereals market, competition intensified due to increased capacity and new entrants. The Cereals' B2B market saw intensified pressure on pricing, while in B2C, value declines were observed, although some sub-categories like muesli and granolas showed resilience. Notably, the smoothie category defied the downward trend, registering growth in both Finland and Sweden.

Fazer Lifestyle Foods' net sales decreased 13% compared to the previous year and totalled EUR 190.5 million (218.5). Excluding currency effects, net sales decreased by 14% during 2025. In Plant-Based Drinks, Fazer Aito Oat Drink Barista saw a significant demand upswing, thanks to successful new launches and campaigns. The launch of the Fazer Aito protein drinks during the year was also successful. However, the demand was not enough to support net sales development in the category, which saw a significant decline due to a strong decrease in B2B sales. During the review period, the launch of Fazer Aito Oat Drinks started in Germany. Meanwhile, the Cereals business experienced a decline year-on-year due to lower B2B volumes. Fruit net sales increased slightly during 2025.

### **OTHER OPERATIONS**

The work related to the ramp-up of Fazer's xylitol factory continues. Piloting alternative raw materials in the



beginning of 2026 is the next critical milestone in Xylitol’s route to profitability. Due to delays in the availability of the new raw material, temporary employee layoffs continue. Write-downs totalling EUR 4.0 million were made to factory machinery and equipment.

**PERSONNEL**

**Personnel by business area, FTE end of period**

	2025	2024
Fazer Confectionery	1,741	1,664
Fazer Bakeries	2,281	2,331
Fazer Lifestyle Foods	371	444
Other	300	325
<b>Total</b>	<b>4,693</b>	<b>4,764</b>

At the end of December 2025, Fazer Group had 4,693 (4,764) employees in terms of full-time equivalents (FTEs). Of the Group’s personnel, 68% worked in Finland, 21% in Sweden and 10% in the Baltics, the Group’s three largest markets. During the period January - December 2025, the Group had on average 4,761 FTEs (4,885).

In the beginning of the year, the transfer of the production from the bakery in Kaunas in Lithuania and the consequent consolidation of the Baltic bakery operations to the facility in Ogre in Latvia was completed, supporting the efficiency and competitiveness of Fazer’s Baltic operations.

In the summer, the business transfer of Fazer’s gurt production from Fazer’s Korja factory to Finnish Food Factory was completed. Through the business transfer, 32 permanent employees moved from Korja to Finnish Food Factory as existing employees.

In 2025, the work related to Fazer’s xylitol factory continued. Piloting alternative raw materials remains the next critical milestone in Xylitol’s route to profitability. Due to delays in the availability of the new raw material, temporary employee layoffs continued.

Due to the weak general economic outlook and changes in consumer behaviour, Fazer conducted change negotiations with consequent re-arrangements in different parts of the organisation during the year.

Fazer’s ambition is to further strengthen its employer brand to attract top talent in all key markets and across all key segments. In 2025, Fazer reached a milestone in the Universum survey conducted in Finland, securing a place among the top three ideal employers among business professionals – its best result since 2018. Additionally, Fazer made significant progress in the natural sciences category, climbing from 28th position to 7th.

In the Baltics, Fazer’s employer branding efforts continued successfully, resulting in the company being recognised as the Top Employer in the Vidzeme region, further strengthening Fazer’s reputation as an employer of choice in the Baltics.

Employee well-being as well as diversity and inclusion are central building blocks of Fazer’s work to strengthen its employer brand. Diversity is also central to Fazer’s recruitment practices.

In addition to other projects that support Fazer’s goal of building a results-driven culture, fairness and transparency in compensation are important parts of modern people practices. Throughout the year, Fazer made notable progress in enhancing fair and transparent pay systems, and this focus will remain a priority during 2026.

In 2025, competence development programmes focused on topics such as leadership development, change leadership, Artificial Intelligence (AI), environment, health and safety, as well as artisanal baking.

Within leadership development, Fazer introduced Fazer Leadership Cornerstones as a shared framework to support strategy execution. To strengthen Fazer’s capabilities in change management, a ChangeMakers training programme was launched with the aim of sharing best practices in leading change and supporting leaders in implementing and communicating change.

On-the-job learning remains a key cornerstone for employee development at Fazer. Further, job rotation remains central, offering diverse opportunities and broadening perspectives across the organisation. In 2025, more than half of all white-collar positions were filled with internal candidates.

In 2025, Total Recordable Incident Frequency (TRIF) was introduced as a key safety indicator, with the aim on capturing also minor incidents, acting proactively and promoting a safer workplace for everyone. During the



reporting year, Fazer’s Lost Time Accident Frequency (LTAF) totalled 2.7 (4.0) while TRIF came to 11.9 (13.4).

As part of the preventive safety actions, a structured process to identify and address potential Significant Incident or Fatality (SIF) cases – serious near-misses or incidents that could have led to severe injury or fatality – was implemented. Further, Fazer launched a Group-wide Health & Safety risk management procedure to standardise how workplace risks are identified, assessed, and mitigated.

## Strategic development

### FAZER GROUP’S STRATEGY IN A NUTSHELL

Building long-term sustainable value with a strong consumer focus.

Fazer’s strategic priorities are:

- Drive profitable growth as the #1 FMCG in Finland
- Accelerate profitable growth in Sweden
- Grow internationally with clear priorities
- Accelerate growth through on-trend categories and winning concepts
- Improve productivity and expand margins to industry-leading levels
- Advance and enable a results-focused culture
- Develop food as a solution for a more sustainable business

Fazer’s growth strategy is underpinned by in-depth consumer understanding, a solid foundation of beloved brands and products, and strong market positions.

Fazer is committed to strengthening its position as a leading Nordic FMCG company by growing in its home markets, Finland and Sweden, as well as internationally. The company’s goal is to leverage its product and brand portfolio by emphasising unique selling points and offering chocolate products and plant-based drinks in the Central and Eastern European markets as well as in Asia, on top of its current Nordic markets. While harnessing the full potential of its core businesses, the company innovates concepts that drive market trends and create consumer demand in new occasions. In addition, Fazer is also actively pursuing opportunities to expand through M&A. Fazer’s approach to driving margins to industry-leading levels involves focusing on growth, improving productivity and greater operational efficiency. Fazer nurtures a results-driven culture rooted in accountability and workplace resilience. By investing in people and harmonising practices, Fazer creates a workplace that attracts and retains industry-leading talent. Fazer is committed to building a sustainable business that supports long-term success and a more sustainable food system.

### STRATEGIC ACTIVITIES IN 2025

During 2025, Fazer continued to execute on its growth strategy with a disciplined focus on the priorities set for the year.

- The most important strategic step taken during the year was the company’s historical decision to invest in a new, modern chocolate factory in Lahti, Finland. The new factory combines Fazer’s chocolate expertise with automated production lines and new technology that

provide new product capabilities to accelerate long-term growth.

- Delivering on its growth strategy, Fazer Confectionery continued to develop its candy, chocolate and snacking offering to further strengthen its position in seasons and gifting, which drove profitable growth in Fazer’s home markets Finland and Sweden, and in other Nordic markets. Simultaneously, Confectionery continued to build brand awareness for carefully selected brands in international focus markets.
- Fazer Lifestyle Foods took an important step on its international growth journey by launching the Fazer Aito Oat Drink in Germany. Germany is the largest market in Europe for plant-based products.
- To accelerate growth through on-trend categories and winning concepts, as well as advancing the company’s sustainability agenda, Fazer launched a new grain-based Taste the Future candy tablet containing no cocoa and the grain-based Raspberry Dream countline. The Taste the Future concept further encompassed snacking products with Solein®, introduced in the US in the spring, showcasing Fazer’s innovation capabilities.
- During the year, Fazer opened altogether five new Fazer Café and Gateau units within its Retail business in Finland and Sweden.



During the year, Fazer advanced several business transformation initiatives to improve efficiency, strengthen its operating model, and support scalable growth.

- Fazer finalised the transfer of its gurt production in Korja to Finnish Food Factory in Kouvola in Finland. Finnish Food Factory's modern production facility and advanced manufacturing methods enable the production of oat-based gurts of even higher quality and extended shelf life, which are crucial for increasing export opportunities.
- The work relating to finding a raw material solution for Fazer's xylitol factory continued. Piloting alternative raw materials in the beginning of 2026 is the next critical milestone on the roadmap.

Throughout 2025, Fazer advanced its supply chain excellence agenda by optimising processes and finding synergies between the businesses.

- To improve efficiency, Fazer centralised the warehouse functions of the Confectionery, Fazer Lifestyle Foods and Xylitol business to one operator in Finland.
- Fazer introduced a new rye bread line in its Lahti bakery in Finland. The new production line significantly reduces energy consumption of the Lahti bakery and the CO<sub>2</sub> emissions of the Group.

During the year, Fazer also took several steps to further improve productivity as well as streamline and automate processes to expand margins to industry-leading levels.

- Fazer made the decision to invest in a new ERP system to modernise its technology platform, increase efficiency and productivity through end-to-end process automation and provide robust support for the new chocolate factory.
- Throughout the year, Fazer continued to advance data- and AI-driven solutions in business and support processes to increase automation and reliability.

During 2025, Fazer advanced key initiatives in organisational development, people management and culture.

- Fazer conducted restructuring arrangements in different parts of the organisation with the aim of ensuring agility and efficiency in face of the challenges in the operating environment.
- The company continued to further develop and build a highly accountable results-focused culture through several initiatives, such as investing in critical skills needed to deliver on Fazer's growth strategy, these including further developing change leadership capabilities, and growing future leaders.

## Non-Financial Information

Fazer's reporting of non-financial information describes the company's approach to the management of environmental, social and employee matters, as well as matters related to respect for human rights, anti-corruption and bribery. This voluntary disclosure has been compiled for the purposes of transparency based on the requirements of the Finnish Accounting Act regarding Non-Financial Information. More detailed information about Fazer's sustainability work and key performance indicators is provided in Fazer's Annual Review.

### SUSTAINABILITY – INTEGRAL PART OF FAZER'S BUSINESS

Fazer develops food as a solution for a more sustainable business. Sustainability is at the very heart of Fazer's business – it's integrated in the company's strategy and influences everything from management, operations and supply chain, new product innovations and R&D, as well as marketing and branding. To advance sustainable practices, Fazer also cooperates and engages with a variety of stakeholders from educational and research institutions to farmers and NGOs.

### SUSTAINABILITY GOVERNANCE AND MANAGEMENT

Fazer's sustainability governance practices are based on the ten international principles of the UN Global Compact. The company follows the UN Guiding Principles on Business and Human Rights and is committed to supporting the implementation of the United Nations' Sustainable Development Goals (SDGs). Fazer's operations and sustainability work are governed by the company's



values, the Group's Code of Conduct, Sustainability Policy, Human Rights Policy and Quality, Environment, Occupational Health and Safety (QEHS) Policy. In its sourcing, Fazer applies its Supplier Code of Conduct (SCoC) and expects compliance from its raw material and service providers.

The highest authority in sustainability matters at Fazer lies with its Board of Directors (Board) and the Fazer Leadership Team. The Board reviews and approves the company's strategy and sustainability ambitions, the Group-level risk assessment, which includes the identified sustainability and climate risks, as well as Fazer's material sustainability topics and reporting. The Board receives regular 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 Board's regular meeting agenda, they are also discussed at least biannually as a separate item. The Chairman of the Board is the Board's Environment, Social and Governance (ESG) sponsor for a more effective linkage to Fazer's ESG Steering Group. The sponsor is accountable for ensuring that the work is governed effectively and delivers the objectives that meet identified needs.

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. As a subset to the Leadership Team, the ESG Steering Group, chaired by the CEO, with Business Area heads, Bakery Business Unit heads and Group EVP,

Communications and Sustainability as members, discusses strategic sustainability topics, as well as sustainability related risks and opportunities, due-diligence and mitigation plans and prepares them for decision-making in Fazer Leadership Team. The tactical sustainability work is managed and implemented by the Group's sustainability team, as well as the sustainability and QEHS experts in the Business Areas and other relevant business or project teams. Environmental development and KPIs are reviewed quarterly with the Business Area responsible, the sustainability team members and the EVP, Communications and Sustainability. Safety and food loss development is monitored monthly at Business Unit level. On site level, sustainability matters are integrated in the operational management systems. For example, the Occupational Health and Safety (OHS) management systems of Fazer's sites are, as minimum, based on the local legislative requirements, and most of them also hold the ISO 14001 and ISO 45001 certificates. Fazer works to ensure the first-rate safety and quality of products, and all the production sites have food safety management certifications (FSSC 22000, BRCGS, IFS) recognised by the Global Food Safety Initiative (GFSI). In addition, Fazer upholds high quality standards and have numerous control measures in place to protect food safety.

### **SUSTAINABILITY RISKS AND THEIR MANAGEMENT**

Fazer evaluates and analyses its sustainability risks as part of the Group-wide Enterprise Risk Management (ERM) process. In 2024, Fazer revalidated the double materiality assessment initially conducted in 2023. The materiality assessment not only supports Fazer in determining the

scope of the company's future sustainability reporting in compliance with the Corporate Sustainability Reporting Directive (CSRD) but also provides indispensable insights for shaping sustainability ambitions and company strategy.

The assessment allowed Fazer to prioritise key impacts, risks, and opportunities effectively. The results of the assessment can be found in the sustainability section of the Annual Review. All these internal assessments serve as input to the Group-level evaluation.

Some of Fazer's main strategic and operational risks are inherently linked to sustainability, both in its own operations and particularly in the supply chain. The main identified sustainability-related risks concern the availability and price of raw materials and energy, damage to brand and reputation, talent management and workforce availability, changing consumer behaviour, Fazer's sustainability performance and its potential effect on access to capital, as well as changes in legislation and taxation. These risks are further described in the Risks and uncertainties section. Fazer also elaborates on the climate-related risks and their mitigation, as well as the opportunities presented by climate action in a separate section below.

Fazer pays specific attention to the supply chains of high-risk raw materials, such as cocoa, palm oil and soy. The basic requirements to all suppliers are included in Fazer's Supplier Code of Conduct (SCoC), and the company has higher sustainability standards for chosen raw materials, such as cocoa, grain, palm oil, soy, eggs, and hazelnuts.



## CLIMATE-RELATED RISKS AND OPPORTUNITIES

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 a business opportunity, which is also visible in the Group's strategy. By closely monitoring and anticipating the developments in consumer needs, the company develops its business to better respond to consumer demand for more sustainable and plant-based products.

In addition to the clear business opportunities that arise from combatting climate change, Fazer has equally identified climate-related operational and strategic risks. The most significant climate-related risks concern the availability of raw materials. While there are several other aspects that affect the availability of raw materials, the physical risks posed by climate change is one of them, as it poses veritable risks for the entire global food production and distribution system.

On an operational level, Fazer has identified acute physical climate-related risks as potentially affecting the availability and price of raw materials. Extreme weather conditions, such as heavy rain and drought might result in bad harvests and challenges in the logistics network, thus temporarily disrupting the material supply. These risks are particularly material for critical raw materials for Fazer, such as cocoa, as well as other raw materials such as grains, vegetable oils, sugar, nuts, and dairy. Fazer mitigates these risks, for example, by ensuring alternative sourcing channels and sufficient stock levels of critical ingredients.

On a strategic level, Fazer sees chronic physical climate-related risks as potentially affecting its future raw material supply more permanently, especially concerning raw materials available only in specific geographical areas. Rising mean temperatures and the resulting weather conditions, such as droughts and volatility in weather patterns, as well as various harvest threatening diseases, pose a severe risk to the farming conditions of Fazer's raw materials in certain areas, particularly the tropics. These risks are mitigated with a portfolio of actions ranging from responsible farming and sourcing programmes to diversification of sourcing areas and new recipe development. Fazer also engages in long-term research projects and collaborates with its partners to develop future innovations and technologies for more secure food supply and production. A concrete example of this is Fazer's participation in a research project that explores cellular agriculture as a farming method for cocoa, as its traditional growing areas are threatened by climate change.

## ENVIRONMENTAL RESPONSIBILITY

Fazer aims to mitigate nature loss and climate change and reduce emissions, optimise the use of resources through circularity, reduce food loss and overall waste generation. These are the focus areas of one of Fazer's sustainability ambitions: Climate, Nature & Circularity. The largest environmental impacts of Fazer's business stem from the value chain, notably from raw material production. In 2025, Fazer reviewed this sustainability ambition and expanded it by introducing Nature as a dedicated focus area, underscoring the company's commitment to mitigating nature loss.

Fazer has set ambitious greenhouse gas (GHG) emissions reduction targets that are validated by Science Based Targets initiative (SBTi) and aligned with the Paris Agreement goal of limiting global warming to 1.5 C. Fazer aims to reduce its absolute Scope 1 and 2 GHG emissions by 42% by 2030 from the 2020 baseline year and in the same timeframe, also reduce its absolute Scope 3 GHG emissions by 42%. Fazer has also committed to engaging 53% of its suppliers by spend, covering the purchased raw materials, logistics, and upstream transportation and distribution, to commit to setting their own science-based targets by 2025.

Despite the challenging operating environment in 2025, Fazer continued its emissions reduction initiatives with clear roadmaps and well-planned activities.

In 2025, Fazer continued good progress towards its science-based target for its own operations (Scope 1 and 2). These emissions decreased by 10% compared to 2024 and 41% compared to the baseline year 2020. The decrease is mainly attributable to a new electric bread line in Lahti bakery in Finland, increasing the share of biomass in steam production at the Lahti site, as well as increasing the share of fossil-free fuel to 100% in oat drink production. Fazer's value chain emissions (Scope 3) increased 7% from the previous year and 6% from the baseline year 2020. This was mainly due to the changes in emission factors for certain raw materials, such as grains, where Fazer moved from value-based to volume-based emission factors in 2025. The calculation of the emissions from the value chain is largely based on global emission factors and therefore the



calculations contain a considerable degree of uncertainties. Fazer is working together with its suppliers to have more supplier specific emission factors in the future.

Reducing food loss is a high priority for Fazer, and the company aims to reduce avoidable food loss by 50% by 2030 compared to a 2020 baseline. In 2025, Fazer achieved a 12% reduction in avoidable food loss compared to previous year and a 24% decrease compared to the baseline year 2020.

### **SUSTAINABLE PRODUCTS, INNOVATIONS, AND FOOD SAFETY**

Fazer Group's sustainability ambition for Sustainable Products and Innovations emphasises reducing emissions across the Groups' product portfolio, supporting the efforts to improve emission reductions on the product level. This work is supported by expanding the range of plant-based foods, prioritising raw materials with low carbon footprints. In 2025, Fazer piloted product-level carbon footprint calculations to define key areas to reduce carbon emissions on product level.

The Group's approach to health and nutrition empowers individuals to make dietary choices that enhance their well-being. Fazer commits to reduce, recycle, and innovate sustainable packaging, continuously improving the offering for people and the environment. As an industry leader, Fazer is committed to partnering with customers and consumers in the pursuit of innovative solutions to combat climate change. Throughout the year, Fazer advanced the process of enhancing its sustainable product portfolio. This

involved investing in research and development (R&D), developing new products, conducting tests, introducing them to the market, and ultimately promoting them to gain consumer attention and preference.

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. In 2025, the Fazer Upcycled programme continued focusing on grain side streams, such as the utilisation of wheat bran. It also placed an emphasis on side streams from confectionery production and found potential partners to utilise Fazer's side streams in their production.

Fazer's research and development focuses on innovations on nutrition and plant-based food. For example, Fazer has participated in the CERAFIM project 2022-2025, investigating cell-cultured cocoa and alternative cocoa raw materials. In this project, Fazer has received funding from Business Finland. As part of a larger consortium with partners and collaborators from Finland and the US, Fazer participated in National Science Foundation's (NSF) project relating to Future Food Bioeconomy, with focus on designing new hybrid food ingredients and products combining plant and cellular agriculture ingredients.

Within the larger framework, Fazer's own research focuses on pioneering ingredients and products: cocoa alternatives, healthier and more sustainable solutions as sugar replacement and the potential of fermentation-based technologies. The project has received funding from Business Finland.

Fazer works to ensure the first-rate safety and quality of its products, and all sites have certified food safety management systems (such as FSSC 22000), including internal and external audits to monitor food safety compliance. The company has high quality standards for raw materials, stringent allergen guidelines and systematic quality assurance processes for finished products. Fazer engages in continuous actions to mitigate food fraud risks and to improve food defence through access control systems. In 2025, there was one (1) product recall regarding food safety, which was made due to safety precaution related to allergens.

### **SUSTAINABLE SOURCING**

Sustainable Sourcing is one of Fazer's main sustainability focus areas with an aim of having a fair and sustainable supply chain. Fazer's sustainable sourcing approach includes both environmental and social aspects, and the company specifically focuses on the supply chains of its most important or high-risk raw materials, such as cocoa, palm oil and soy. In 2025, Fazer took systematic and forward-looking measures to ensure strong readiness for the entry into force of the EUDR.



Regarding one of Fazer's key raw materials, cocoa, the company further solidified its sustainable sourcing practices by introducing the Fazer Cocoa Standard during 2022. The standard sets concrete requirements for cocoa included in Fazer's farmer programmes and has been developed together with the independent auditor SCS Global Services.

Under Fazer's Cocoa Vision programme, the 2024–2025 harvest year constituted the first year of the current verification cycle. During the period, onsite assessments were conducted across key stages of the supply chain in Ecuador, Nigeria and Ivory Coast, including farms, licensed buying agents and supplier facilities. The overall outcomes were broadly in line with previous cycles. In Nigeria, the verification results were generally positive, with one critical observation concerning the maintenance of the farmer registry. In Ecuador, no critical findings were identified. In Ivory Coast, several non-conformities emerged, particularly in relation to farmer registry accuracy, child-labour monitoring practices and chemical management. All corrective actions and improvement plans were completed and approved in December 2025, and Fazer subsequently received the attestation confirming the finalisation of the verification.

In 2025, 100% of the cocoa in Fazer's products fulfilled defined sustainability criteria. 56% (47%) was procured through Fazer's own farmer programmes or the Cocoa Horizons programme, while the remaining 44% (53%) was supplied through Rainforest Alliance or Fairtrade certification schemes.

In 2025, Fazer renewed its grain farming programme – originally launched in 2013 – to further promote sustainable farming practices. The updated programme outlines concrete measures to reduce the environmental impact of grain production, lower emissions, and support biodiversity. As part of this effort, Fazer initiated collaboration with the fertiliser manufacturer Yara to encourage the use of Climate Choice fertilisers. Farmers participating in the programme commit to six farming principles designed to reduce environmental impacts, decrease emissions, and enhance biodiversity. They also commit to using Climate Choice fertilisers and participating in regular audits. Contract farmers who meet the programme requirements receive a price premium for grain grown in accordance with the defined principles. The renewed Grain Vison programme was piloted in Finland in 2025, with the objective of significantly expanding its scope from 2026 onwards.

In 2025, Fazer continued to advance its raw material commitments. Fazer has actively sought alternatives to palm oil as an ingredient in its offering. Fazer has reduced the use of palm oil in its products by 86% since 2019. Regarding palm oil in its products, Fazer almost reached its target 100% of segregated palm oil (99%) with small traces of remaining mass balance palm oil totalling 1%. Segregated traceability ensures the physical compliance with the Roundtable for Sustainable Palm Oil (RSPO) standard.

Fazer maintains different levels of supplier engagement regarding sustainability, ranging from contractual elements

to certification and training programmes, as well as risk and sustainability assessments and audits. All suppliers, including subcontractors, are expected to adhere to the Supplier code of conduct (SCoC). Of Fazer's total external spend, 90% (89%) had signed the SCoC by the end of 2025. During the year, Fazer continued the project to calculate its forest, land, and agriculture-related (FLAG) emissions, mandated by SBTi for food companies, to set new targets. Fazer successfully engaged targeted 53% of its suppliers by spend to commit to SBTi targets in 2024 and setting a new engagement target will be evaluated during the FLAG target setting in 2026.

#### **PERSONNEL, EMPLOYMENT, AND SOCIAL MATTERS**

A fourth important sustainability ambition for Fazer is People & Well-being. Fazer aims to be a force for good in people's lives, striving to create a safe and inspiring working environment where all its employees can learn and thrive. The company's people agenda encompasses the themes of health and safety, engagement and well-being, as well as diversity and inclusion. At the end of 2025, Fazer's workforce comprised of 4,693 (4,764) full-time equivalent (FTE) employees. In addition to its own employees, Fazer indirectly impacts the employees of its suppliers and partners.

The safety of its personnel is a priority for Fazer, and the company is actively working towards the target of zero accidents. In 2025, Fazer's LTAF (Lost Time Accident Frequency) was at 2.7 (4.0), improving from previous year. The company continues its systematic work for improving the safety of its working environment and the ways of



working, and the engagement of all its employees over the long-term. A total of 14,811 safety observations were made, which is 6% more than previous year. There were no fatalities in 2025.

## **RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND PREVENTING BRIBERY**

### **Respect for human rights**

Respecting individuals' human rights and preventing any violations is of utmost importance to Fazer. In 2022, Fazer conducted human rights risk and impact assessments to identify and understand the potential adverse impacts throughout Fazer's value chain. The assessment confirmed that global raw material supply chains, including Fazer's own, involve high risks relating to child labour, modern slavery, occupational health and safety, and living wages. Fazer has used the findings to guide its actions to expand supply chain programmes and strengthen its work to prevent human rights violations. The findings also equip the company to better track its performance in preventing and mitigating effects in the future. Fazer is committed to continuous improvement and is 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 2025, Fazer strengthened its human rights and environmental due diligence by training the procurement organisation, introducing a tool to identify category-specific risks, and engaging with expert stakeholders. These actions improved visibility of potential impacts across the value chain and supported more robust due diligence practices.

Cocoa is Fazer's key raw material, and the company does its best to ensure the availability and responsible production as well as the livelihood of the cocoa farmers. All Fazer's cocoa originates from sustainably managed sources that are third-party verified.

Fazer defines a sustainably managed cocoa source as a cocoa supply chain that is part of a programme that sets specific environmental and social criteria for cocoa production and is verified by an independent third party. Environmental and social criteria are designed to prioritize the well-being of people and the planet, for example, by requiring good agricultural practices, paying better price for cocoa compared to conventional cocoa and investing in the long-term health of the cocoa trees and the communities where they are grown. Fazer Cocoa Standard describes Fazer's concrete requirements for sustainably managed cocoa.

Fazer Cocoa Standard criterion has been created together with an independent auditor SCS Global Services and benchmarked with recognised standards such as Rainforest Alliance and Cocoa Horizons and aligned with industry best practices. Also, customer demands, risk assessment and research papers have been input factors for the standard. Criterion are evaluated on regular bases at least every three years to ensure that the Cocoa Standard is at par with development in cocoa industry.

The Fazer Cocoa Standard consists of 28 requirements or criteria which are organised under five chapters: Governance, Social, Environmental, Quality and

Traceability. For every criterion there are one or more indicators to describe more precisely the requirement for compliance to standard. 22 of the indicators are critical and findings against these require immediate corrective action from supplier. Additionally, suppliers that score lower than 80% in basic indicators will need to submit a continuous improvement plan. Fazer fosters long-term collaboration and expects high level of commitment from its suppliers.

To proactively prevent child labour, Fazer's farmer programmes have Child Labour Monitoring and Remediation Systems (CLMRS) in place. The relevant suppliers implement the systems and provide Fazer with regular reports, allowing the company to closely keep track of incidents or risks related to child labour.

### **Anti-corruption and preventing bribery**

Fazer does not accept bribery or corruption in any form, in its own operations or in those of its suppliers or partners. Fazer continuously educates personnel to ensure compliance with its anti-bribery programme and relevant legislation in its operating countries. The company's Code of Conduct training is an important means of educating its employees on ethical business practices.

As of the end of 2025, the status of the Code of Conduct e-learning among Fazer's white-collar employees was at 93% (96%). Out of its blue-collar employees 87% (86%) had viewed the Code of Conduct video. Overall, 89% (89%) of the employees had received training in Fazer's Code of Conduct as of the end of the year.



Employees and external parties can report observed or suspected cases of serious misconduct through a whistleblowing channel. In 2025 there were two reports potentially qualifying as whistle-blowing cases. One case concerned a potential breach of anti-bribery rules and regulations. An investigation was conducted; however, no breaches of laws or company policies were identified. Accordingly, the case has been closed. Another case involved a potential violation of laws and regulations regarding health and safety. Corrections were made based on the report and the case was subsequently closed. The Board of Directors receives annually a report of the whistleblowing cases.

## Research and development

During the year, Fazer's research and Development strategy was updated and the R&D programme sharpened, focusing on selected topics and technological platforms, as well as Fazer's nutrition agenda. In 2025, the work included among others the development of upcycled and cocoa alternatives, funded by Business Finland. Selected internal projects within grain technologies, optimal sweetness, alternative proteins and fats, and the nutrition agenda were actively progressed. The nutrition agenda includes nutritional aspects of whole grain foods, dietary fibre, plant proteins and dietary shift towards more plant-based foods.

Through Fazer Upcycled R&D programme, the company develops value-added uses for food production side streams to reduce food loss, including exploring non-food applications and cellular agriculture feedstocks. Solutions may include novel food concepts, new ingredients, or even

sustainable non-food applications. The programme aims to find new ways to reduce food loss.

Fazer is actively exploring alternatives to traditional cocoa with fermentation-based chocolate using Nordic grains like rye and oats, and cell-cultured cocoa. As part of a larger consortium with partners and collaborators from Finland and the US, Fazer participated in the National Science Foundation's (NSF) project on Future Food Bioeconomy, with focus on designing new hybrid food ingredients and products combining plant and cellular agriculture ingredients. In 2025, the US consortium partners visited Finland and Fazer. The research activities within the programme have been successful, and Fazer is gradually moving towards commercialisation.

Taste the Future is Fazer's concept for testing and launching products with cocoa alternatives, among others. In 2025, a Taste the Future pilot with Solein protein was introduced in the US. During the year, Fazer's Taste the Future alternative cocoa production, based on a local grain ingredient, was scaled up, and the first commercial product was successfully launched.

Fazer Group's research and development costs amounted to EUR 10.7 million (10.8).

## Risks and uncertainties

Fazer evaluates and analyses the Group's strategic, operational, and financial risks at least quarterly within the framework of its risk management policy and takes action

to mitigate these risks. The risk management process is described in the 2025 Corporate Governance report.

### PRICE AND AVAILABILITY OF RAW MATERIALS AND COMMODITIES

Fazer Group's strategy is built on profitable growth. Fazer purchases large quantities of raw materials, and the availability and fair pricing of certain key raw materials, such as cocoa and grains, is crucial to Fazer's business success. Geopolitical uncertainty and other supply chain disruptions can lead to sudden and significant availability issues and to increases in the cost of raw and packaging materials, commodities, or logistics. This could impact Fazer's profitability if Fazer is not able to pass on such increases to product prices without delay.

In order to understand the market development of key raw materials, Fazer continuously improves cooperation with selected existing suppliers and seeks competitive alternative suppliers to mitigate risk. Procurement at Fazer Group strives to proactively mitigate risks associated with pricing, quality, capacity, availability, and other requirements and to understand geographical dependencies. Cocoa is one of Fazer's key raw materials. During the past years extreme weather conditions in combination with disease outbreaks has impacted cocoa yields, significantly resulting in acute cocoa price and availability issues. In 2025, the availability challenges eased, and cocoa prices stabilised somewhat. That said, the price fluctuations have continued, and Fazer Confectionery has taken several measures to reduce the risk, including hedging cocoa price risk, changing product prices,



exploring alternative geographies for cocoa supplies, and making product portfolio, recipe and ingredient changes. Mitigating activities and closely monitoring the development remain top priorities of management. Fazer hedges against cocoa and other commodity price fluctuations according to approved hedging policies.

### **REPUTATION AND BRAND**

Promoting and protecting Fazer's reputation and brand image is essential to business success. Fazer's success depends on the ability to maintain and enhance its brands and to develop the portfolio with new product offerings that meet consumer expectations and customer requirements. Failure to effectively address the continuing focus on consumer well-being, including changing consumer acceptance of certain ingredients, nutritional expectations of the products, and the sustainability of the ingredients, the supply chain and packaging could adversely affect Fazer's brands.

Furthermore, Fazer's ability to maintain and improve its brand image depends on its ability to anticipate change and to adapt to a rapidly changing marketing and media environment, including increasing reliance on established and emerging social media and online platforms. In 2025, Fazer's reputation remained strong, and it was elected the third most reputed company brand in Finland.

### **ENERGY**

The food processing industry is energy intensive, and the majority of the thermal energy is provided by natural gas.

The single largest use of electrical energy is for refrigeration purposes.

In 2025, energy markets remained stable. However, on-going geopolitical conflicts continued to overshadow the energy markets. During the year, Fazer continued to implement its energy strategy, and made several investment decisions with the purpose to broaden the use of energy sources, increase energy efficiency and reduce emissions.

### **WORKFORCE AND TALENT MANAGEMENT**

The implementation of Fazer's strategy and strategic transformation requires new kinds of skills and competences. To secure competitiveness and profitable growth, as well as to improve operational efficiency, it is essential to attract and retain personnel with the right skills and competences. Fazer has done well in employer surveys in Finland and has succeeded in attracting talented people. In other countries, where Fazer is less well-known, strong focus is put on employer branding and other means to make the company better known as an employer.

Fazer is continuously identifying people with high potential and key competencies for future needs. Through systematic development and improvement of compensation schemes, learning programmes, and career development programmes, Fazer aims to ensure the continuity of skilled personnel also in the future.

### **CONSUMER DEMAND, PRODUCTS, AND INNOVATIONS**

Factors that could lead to a decrease in demand for Fazer's products include changing consumer preferences, Fazer's failure to develop and expand its brand portfolio while creating demand in growing categories outside Finland, innovation cycles longer than those of competition, and high price perception. Fazer continuously monitors consumer preferences and trends in close cooperation with its retail customers. The company also looks for opportunities to invest and to expand in growth categories with a continuous focus on portfolio, novelties and innovations and on meeting consumer expectations.

During the past year, competition from private labels and branded products has further intensified in all Fazer's markets, and several international players have entered the markets.

### **SUSTAINABILITY**

Sustainability is embedded in Fazer Group's and its Business Areas' strategies. The company has ambitious sustainability targets within areas such as emission reduction, food loss, sustainable packaging, and sustainable sourcing. A failure to meet these targets could lead to reputational damages and limited access to cost-efficient capital. In order to mitigate risk, Fazer has clearly defined and frequently monitored roadmaps to ensure that set targets are met. Should any deviations from defined roadmaps occur, corrective actions would be taken without delay.



## CHANGES IN REGULATION AND TAXATION

The food industry is highly regulated and subject to government oversight. Various laws and regulations govern, among others, food production, packaging, waste management, and health and safety practices. Government authorities regularly change laws and regulations as well as their interpretations of existing laws and regulations. The establishment of taxes targeting the consumption of specific products or ingredients could adversely affect Fazer's business. Climate change concerns might result in new legal and regulatory requirements to reduce or mitigate the effects of climate change. These changes could increase Fazer's operating costs related to energy or packaging through taxes or regulations. In its extensive sustainability work, Fazer is continuously improving the energy efficiency of its operations and aims to reduce emissions throughout its supply chain.

The high amount of unclear and changing EU regulation relating to, among others, environmental and sustainability issues, increases Fazer's administrative burden and takes focus away from the important high impact sustainability work.

## CHANGES IN THE COMPETITIVE LANDSCAPE

The food industry is highly competitive. Fazer's principal competitors are food companies operating in multiple geographic areas, and numerous local and multinational companies. Failure to effectively respond to challenges from competitors could adversely affect Fazer's business. Major competitor consolidation could change the market dynamics and potentially also Fazer's market position. The

risk is managed on the Group and Business Area level through continuous monitoring of the competition. Fazer aims to respond to competition through its superior portfolio of branded products, constantly improving its operational efficiency, active management of customer relationships and through the continuous development of its product portfolio to further differentiate from the competitors and to be competitive. To understand and meet consumer needs and expectations, Fazer invests significantly in active consumer insight work and develops its product portfolio accordingly.

## CHOCOLATE FACTORY INVESTMENT

Fazer's strategic objective is to strengthen its position as Finland's leading fast-moving consumer goods company. Growth will be accelerated by means of consumer-oriented innovations, on-trend categories and R&D. As part of the strategy implementation, Fazer decided to invest approximately EUR 400 million in a new world-class chocolate factory, which meets future consumer expectations, improves efficiency, enhances working conditions, and improves energy efficiency. The new factory will partly replace the existing chocolate factory in Vantaa, Finland. The construction of the factory started in the second half of 2025 and is expected to be finalised in 2028. Due to the size and complexity of the project, Fazer has established comprehensive risk management measures to mitigate project related risks. A significant postponement of the construction or the adoption of new technologies resulting in a late ramp-up of the new factory could have a negative financial impact on Fazer and negatively affect Fazer's competitiveness in the future.

## CYBER RISKS

The current geopolitical environment and the dependency of operations on ICT infrastructure significantly increase ICT and cyber-related risks. ICT related challenges could quickly lead to production or delivery disruptions, inefficiencies, loss of sensitive information or data breaches, which again would harm Fazer's operations, reputation and customer relations. Fazer recognises that changes and new requirements from various EU-based directives, such as the NIS2 Directive, are continuously evolving. These directives impose new obligations on companies, necessitating ongoing adjustments to cybersecurity strategies and practices.

Risks related to information security are mitigated by actions lead by Fazer Group ICT in cooperation with the Information Security Forum consisting of business representatives. The key focus areas include business continuity and disaster recovery planning, with comprehensive plans in place to quickly recover and maintain operations in the event of disruptions. Regular vulnerability scans are conducted to identify and address any potential vulnerabilities in the systems. Regular employee awareness training also plays an important role in mitigating risks. From the beginning of 2026, Fazer will further improve its cyber security preparedness by implementing new tools and partnerships. Additionally, annual evaluations of the information security of business-critical vendors are conducted as part of third-party risk management efforts.



## HAZARD RISKS

Major operational breaks such as fire, dust explosion or machinery breakdown in the production could negatively impact Fazer's business operations and ability to supply products. These risks are mitigated by continuous improvement of processes, conducting risk surveys, ongoing business continuity planning and transfer of risk through insurance.

## FINANCIAL RISKS

The Group is exposed to various financial risks, such as foreign exchange risks, commodity price risks, interest rate risks, liquidity, financing and refinancing risks, and counterparty risks. The objectives and principles within which the financial risks are managed in Fazer as well as the principles that govern the commodity specific risk management are defined in respective policies approved by the Board of Directors. More information on financial risk management can be found in the notes to the financial statements.

## SHORT-TERM RISKS AND UNCERTAINTIES

The risk related to the availability, price and the price fluctuation of Fazer's key raw material, cocoa, remain high although it has eased somewhat. Availability is currently good, and prices have decreased. Fazer Confectionery has taken several actions to mitigate the risk, including hedging cocoa price risk, changing product prices, exploring alternative geographies for cocoa supplies and making product portfolio, recipe and ingredient changes. Mitigating activities and monitoring the development closely remain top priorities of management. Fazer hedges

against cocoa and other commodity price fluctuations according to approved hedging policies.

The plant-based drinks market has continued challenging throughout the year, amid intense competition that has impacted Fazer's B2B Plant-Based Drinks business, in particular. Fazer has taken several successful steps to address the issue, resulting in several new B2B contracts. Should the company however fail to acquire further new B2B customers at the pace needed, it could have an impact on Fazer's growth and profitability. Fazer is focusing strongly on building demand, through new customers and product categories as well as marketing efforts.

The ramp up of Fazer's xylitol factory has been more challenging than anticipated. Piloting alternative raw materials is the next critical milestone in Xylitol's route to profitability. There have been delays in the availability of wood-based raw material to pilot, and further delays could have a negative impact on Fazer's performance.

During the past year, all Fazer's markets have been volatile and competition from private labels and branded products has been intense. Several international players have entered the confectionery markets, and in the Finnish bakery market, Fazer's biggest bakery market, smaller bakeries have expanded their presence. At the same time, high input prices have clearly impacted consumer price sensitivity and preferences. To mitigate these impacts, Fazer is continuously monitoring the situation, adapting its offering and pricing as well as marketing and campaigning in close dialogue with its customers.

Fazer's operations, products and services rely largely on data networks, software and digital solutions. Any failures and cybersecurity breaches in such networks or ICT infrastructure may adversely affect Fazer's business and financial position and lead to reputational damage.

The geopolitical tensions could lead to energy shortages and delays in the transportation of critical raw and packaging materials in the Baltic Sea area, in particular. This could affect Fazer's production schedules negatively and significantly impact the company's operational efficiency, production capacity, and overall business continuity. Mitigation activities include, among others, scenario planning, increasing inventory levels and identifying alternative suppliers.

## Governance

### DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Oy Karl Fazer Ab's Annual General Meeting was held on 20 March 2025 in Vantaa, Finland. The Annual General Meeting approved a distribution of dividend of 4.00 euro per share. The dividend was paid in one instalment on 27 March 2025.

The Board of Directors was authorised to resolve the purchase of a maximum of 300,000 of the Company's preference shares and ordinary shares, however so that the total maximum amount of purchased shares is 300,000. The purchase of shares can be directed, i.e. it can be done in another ratio than the shareholders' ownership. The



purchased shares shall be cancelled. The authorisation is valid until the next Annual General Meeting.

The number of members of the Board was confirmed to eight. The current Board members Casper von Koskull (Chairman), Harry Brouwer, Elisabeth Dreijer von Sydow, Ketil Eriksen, Jan Fazer, Katharina Stenholm and Laura Tarkka were re-elected to the Board of Directors and Hubert Weber was elected as a new member of the Board of Directors.

The Annual General Meeting elected PricewaterhouseCoopers Oy as the company's auditor with Martin Grandell, Authorised Public Accountant, as the principal auditor.

#### **FAZER LEADERSHIP TEAM**

There have been no changes to the Fazer Leadership Team during the reporting period. On 31 December 2025, the Fazer Leadership Team consisted of Christoph Vitzthum (President and CEO), Aaron Barsness (CMO), Jukka Erlund (CFO), Jenni Gallagher (CHRO), Sebastian Jägerhorn (Legal & Compliance), Joséphine Mickwitz (Communications & Sustainability), Lara Saulo (MD, Fazer Confectionery), Tero Tynkkynen (CCO) and Krister Zackari (MD, Fazer Lifestyle Foods).

#### **SHARES AND SHARE CAPITAL**

At the end of 2025, Oy Karl Fazer Ab's share capital totalled EUR 136,790,500 and the number of preference shares was 4,474,325 (4,474,325) and ordinary shares was 2,365,200 (2,365,200).

Each preference share carries one vote per share and each ordinary share carries ten votes per share. In connection with the annual distribution of profit, preference shares have a preferential right to dividend over ordinary shares, and the dividend on preference shares is at least 6 per cent of the nominal value of the share.

#### **CHANGES IN GROUP LEGAL STRUCTURE**

In 2025 a new subsidiary Fazer China Trading Ltd was established in China. A more detailed description of the Group legal structure can be found in note 7.1 Subsidiaries.

#### **RELATED PARTY TRANSACTIONS**

Related party transactions have been disclosed in more detail in note 7.2 to the consolidated financial statements and in the parent company's note 3.10.

### **Proposal for distribution of profit**

Oy Karl Fazer Ab's distributable equity on 31 December 2025 was 972,493,233.64 euro of which 50,766,678.71 euro represent profit for the financial year. The Board of Directors proposes to the Annual General Meeting that a dividend of 4.50 euro per share, in total EUR 30.8 million, and that it be paid in one instalment.

No significant changes have taken place in respect of the company's financial position after the balance sheet date. In the opinion of the Board of Directors, the proposed distribution of profits will not compromise the company's solvency.

### **Events after the reporting period**

There have been no significant events after the end of the reporting period.

### **Guidance for 2026**

Fazer estimates that its net sales in 2026 will increase and that its comparable EBITDA will improve. Fazer's guidance assumes that Fazer's operating environment will gradually improve.

### **Market outlook 2026**

Overall consumer demand is expected to be supported by improving purchasing power underpinned by salary increases, moderate inflation and stable labour market outlook. Despite this, value-driven purchasing is expected to continue to influence category dynamics, and private label competition is expected to remain strong. Geopolitical uncertainty remains high, which could potentially impact both input costs and consumer confidence.

The confectionery market is expected to recover after a challenging year, mostly driven by volume growth. The cocoa price pressure and volatility are expected to ease from year 2025.

The bakery market outlook is cautiously optimistic, with stable to moderate growth in all three markets, amid continued competitive pressure, particularly from private



label offerings. In Sweden, a reduction in food VAT could further support volume growth.

Despite market volatility and intense competition, Fazer Lifestyle Foods' market conditions are expected to improve somewhat.

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# Group key figures

MEUR	2025	2024	2023	2022	2021	MEUR	2025	2024	2023	2022	2021
<b>Income statement and profitability</b>						<b>Financial position</b>					
Net sales	1,188.6	1,183.1	1,170.1	1,122.2	991.9	Capital employed	652.0	734.1	731.7	892.5	713.4
EBITDA, comparable	137.8	141.4	137.1	101.4	112.4	Working capital	-2.3	50.7	13.8	43.4	4.4
EBITDA, comparable %	11.6 %	12.0 %	11.7 %	9.0 %	11.3 %	Total equity	623.4	690.9	674.8	790.7	873.2
EBITDA	133.5	133.1	123.6	109.5	97.1	Total balance sheet	986.5	1,065.6	1,045.1	1,209.9	1,278.2
EBITDA %	11.2 %	11.2 %	10.6 %	9.8 %	9.8 %	Net debt	13.8	22.4	41.9	78.3	-95.2
Operating result, comparable	77.8	75.9	66.8	34.4	53.0	Gearing	2.2 %	3.2 %	6.2 %	9.9 %	-10.9 %
Operating result, comparable %	6.5 %	6.4 %	5.7 %	3.1 %	5.3 %	Equity ratio	63.2 %	64.9 %	64.6 %	65.4 %	68.3 %
Operating result	-1.0	46.0	-81.6	42.6	36.0	Net debt / EBITDA	0.1	0.2	0.5	-0.1	-1.6
Operating result %	-0.1 %	3.9 %	-7.0 %	3.8 %	3.6 %						
Result for the period	-19.1	34.7	-86.5	16.2	32.0						
Continuing operations	-19.1	34.7	-86.5	34.2	24.5	<b>MEUR</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Discontinued operations	-	-	-	-18.0	7.6	<b>Other key figures</b>					
Result for the period attributable						Capital expenditure, MEUR	74.6	54.9	45.8	59.9	82.1
To owners of the parent	-19.1	34.7	-87.2	21.3	29.9	Cash flows from operating activities, MEUR	127.5	110.0	142.8	72.7	77.5
To non-controlling interests	-	-	0.7	-5.1	2.1	Comparable EPS, EUR	8.46	8.59	7.27	2.21	6.46
						Earnings per share, total	-2.79	5.07	-12.94	3.17	4.46
Return on equity, comparable %	8.8 %	8.6 %	6.8 %	1.2 %	5.0 %	Continuing operations	-2.79	5.07	-12.94	5.02	3.60
Return on equity %	-2.9 %	5.1 %	-11.8 %	1.9 %	3.5 %	Discontinued operations	-	-	-	-1.85	0.86
Return on capital employed, comparable %	10.3 %	9.7 %	7.8 %	3.5 %	5.1 %	Dividend / share *	4.50	4.00	3.00	3.00	13.60
Return on capital employed %	-0.1 %	5.9 %	-9.5 %	4.0 %	3.0 %	Personnel, average FTE	4,761	4,885	4,870	4,990	4,891
						Personnel, FTE end of December	4,693	4,764	4,743	4,875	4,711

\* 2025 proposal by the Board of Directors to the annual general meeting.

Numbers for years 2022-2021 are presenting continuing operations. The Russian operations sold in 2022 are not included in continuing operations for 2022 - 2021.



# Calculation of key figures

Operating result	=	Net sales + other operating income - expenses - depreciations, amortisations and impairments	Working capital	=	Inventories + trade and other receivables - trade and other payables - provisions +/- assets and obligations in relation to pension schemes
EBITDA	=	Operating result + depreciations, amortisations and impairments	Net debt	=	Interest-bearing debt - cash and cash equivalents
Items affecting comparability (IAC)	=	Income and expenses affecting comparability between periods due to their unusual nature, size and / or incidence. IAC consists of e.g. results from restructuring activities or legal proceedings, capital gains and losses on disposals, impairment charges, changes in fair values of open electricity derivatives, SaaS project related development costs, certain acquisition and business exit related costs.	Gearing (%)	=	$\frac{\text{Net debt}}{\text{Equity}}$
Return on equity (ROE) (%)	=	$\frac{\text{Result for the period}}{\text{Equity (on average)}}$	Equity ratio (%)	=	$\frac{\text{Equity}}{\text{Equity + liabilities - advances received}}$
Return on capital employed (ROCE) (%)	=	$\frac{\text{Operating result}}{\text{Capital employed (on average)}}$	Net debt to EBITDA	=	$\frac{\text{Net debt}}{\text{EBITDA}}$
Capital employed	=	Working capital + intangible assets + property, plant and equipment + right of use assets + strategic investments	Earnings per share	=	$\frac{\text{Result for the period attributable to owners of the parent}}{\text{Weighted average number of shares outstanding}}$
			Capital expenditure	=	Investments in intangible and tangible assets



# Consolidated statement of income

MEUR	Note	2025	2024
<b>Net sales</b>	2.1	<b>1,188.6</b>	<b>1,183.1</b>
Other operating income	2.2	9.2	9.2
Materials and services	2.3	-489.2	-480.9
Employee benefits expenses	2.4	-296.3	-299.2
Other operating expenses	2.5	-278.8	-279.3
Depreciation, amortization and impairment	2.6	-134.4	-87.0
<b>Operating result</b>		<b>-1.0</b>	<b>46.0</b>
Financial income	5.3	6.9	4.4
Financial expenses	5.3	-9.8	-5.0
<b>Result before income tax</b>		<b>-3.9</b>	<b>45.4</b>
Income tax	2.7	-15.2	-10.7
<b>Result for the period</b>		<b>-19.1</b>	<b>34.7</b>
Attributable to the owners of the parent company		-19.1	34.7
Earnings per share attributable to owners of the parent (basic and diluted)	2.8	-2.79	5.07

# Consolidated statement of comprehensive income

MEUR	Note	2025	2024
<b>Result for the year</b>		<b>-19.1</b>	<b>34.7</b>
<b>Other comprehensive income</b>			
Items that may be classified to profit or loss			
Cash flow hedges	5.2	-42.2	28.5
Translation differences		12.5	-8.3
Income taxes		8.4	-5.7
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	4.5	0.0	-0.4
Movement of fair value reserve	5.2, 5.5	0.2	-12.2
Income taxes		-0.0	0.1
<b>Other comprehensive income, net of tax</b>		<b>-21.0</b>	<b>2.0</b>
<b>Comprehensive result for the period</b>		<b>-40.1</b>	<b>36.6</b>
Other comprehensive income attributable to the owners of the parent company		-40.1	36.6



# Consolidated statement of financial position

MEUR	Note	31 Dec 2025	31 Dec 2024	MEUR	Note	31 Dec 2025	31 Dec 2024
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>Non-current assets</b>				<b>Equity</b>			
Goodwill	3.1	144.3	209.2	Share capital	5.2	136.8	136.8
Other intangible assets	3.1	56.6	58.0	Other reserves	5.2	-1.0	32.5
Property, plant and equipment	3.2	385.3	343.4	Translation differences	5.2	-23.9	-36.4
Right-of-use assets	3.3	53.3	58.1	Reserve for invested unrestricted equity	5.2	140.8	140.8
Non-current financial assets	5.5	17.5	17.6	Retained earnings	5.2	370.7	417.1
Pension assets		0.2	0.2	<b>Total equity</b>		<b>623.4</b>	<b>690.9</b>
Deferred tax assets	2.7	0.5	0.6	<b>Non-current liabilities</b>			
<b>Total non-current assets</b>		<b>657.7</b>	<b>687.3</b>	Interest-bearing liabilities	5.4	74.9	68.2
<b>Current assets</b>				Deferred tax liabilities	2.7	18.1	24.6
Inventories	4.1	117.3	101.9	Pension obligations	4.5	2.2	2.2
Trade and other receivables	4.2	130.1	195.3	Provisions	4.4	2.2	2.6
Income tax receivables		3.2	2.3	Other non-current liabilities		1.5	1.3
Cash and cash equivalents	5.6	78.2	78.9	<b>Total non-current liabilities</b>		<b>98.9</b>	<b>98.9</b>
<b>Total current assets</b>		<b>328.9</b>	<b>378.4</b>	<b>Current liabilities</b>			
<b>TOTAL ASSETS</b>		<b>986.5</b>	<b>1,065.6</b>	Interest-bearing liabilities	5.4	17.2	33.1
				Trade and other payables	4.3	237.4	237.3
				Income tax liabilities		6.8	2.6
				Provisions	4.4	2.8	2.8
				<b>Total current liabilities</b>		<b>264.2</b>	<b>275.9</b>
				<b>Total liabilities</b>		<b>363.2</b>	<b>374.8</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>		<b>986.5</b>	<b>1,065.6</b>



# Consolidated statement of cash flows

MEUR	Note	2025	2024	MEUR	Note	2025	2024
<b>Cash flows from operating activities</b>				<b>Cash flows from investing activities</b>			
Result for the period		-19.1	34.7	Purchases of tangible and intangible assets	3.1, 3.2	-74.6	-54.9
Adjustments				Proceeds from sale of tangible and intangible assets		8.2	2.2
Depreciations, amortisations and impairments	2.6	134.4	87.0	Investments in non-current financial assets	5.5	-	-0.1
Income taxes	2.7	15.2	10.7	Proceeds from sale of non-current financial assets	5.5	0.4	-
Financial income and expenses	5.3	2.9	0.6	<b>Net cash from investing activities</b>		<b>-66.0</b>	<b>-52.9</b>
Non-cash or non-operating adjustments		-5.3	4.5				
Total adjustments		147.3	102.9	<b>Cash flows from financing activities</b>			
Working capital				Change in non-current debt	5.4	-5.7	-5.7
Decrease (+) / increase (-) in inventories		-14.0	6.5	Change in current debt	5.4	-15.0	0.0
Decrease (+) / increase (-) in trade and other receivables		20.5	-5.5	Repayment of leasing debt	5.4	-14.2	-13.7
Decrease (-) / increase (+) in trade and other payables		3.5	-12.3	Dividends paid		-27.4	-20.5
Change in working capital		10.0	-11.4	<b>Net cash from financing activities</b>		<b>-62.2</b>	<b>-39.9</b>
Interest received		3.1	2.8	<b>Net increase (+) decrease (-) in cash and cash equivalents</b>			
Interest paid		-4.4	-4.2			<b>-0.7</b>	<b>17.1</b>
Other financial income and expenses		0.8	-2.0	Cash and cash equivalents 1 January		78.9	61.7
Income taxes paid		-10.1	-12.9	<b>Cash and cash equivalents 31 December</b>	5.6	<b>78.2</b>	<b>78.9</b>
<b>Net cash from operating activities</b>		<b>127.5</b>	<b>110.0</b>				



# Consolidated statement of changes in equity

MEUR	Note	Attributable to owners of the parent company					Total equity
		Share capital	Other reserves	Reserve for invested unrestricted equity	Translation differences	Retained earnings	
<b>Balance at 1 January 2024</b>		136.8	22.0	140.8	-28.1	403.3	674.8
Result for the period						34.7	34.7
<b>Other comprehensive income</b>							
Change in hedge reserve *	5.2		22.8				22.8
Change in fair value reserve *	5.2, 5.5		-12.2				-12.2
Actuarial gains and losses on defined benefit plan *	4.5					-0.3	-0.3
Translation differences					-8.3		-8.3
<b>Comprehensive result for the period</b>		-	10.5	-	-8.3	34.4	36.6
<b>Transactions with owners in their capacity as owners</b>							
Dividends provided for or paid						-20.5	-20.5
<b>Balance at 31 December 2024</b>		136.8	32.5	140.8	-36.4	417.1	690.9
Result for the period						-19.1	-19.1
<b>Other comprehensive income</b>							
Change in hedge reserve *	5.2		-33.7				-33.7
Change in fair value reserve *	5.2, 5.5		0.2				0.2
Translation differences					12.5		12.5
<b>Comprehensive result for the period</b>		-	-33.6	-	12.5	-19.1	-40.1
<b>Transactions with owners in their capacity as owners</b>							
Dividends provided for or paid						-27.4	-27.4
<b>Balance at 31 December 2025</b>		136.8	-1.0	140.8	-23.9	370.7	623.4

\* Net of income taxes.



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# Notes to the consolidated financial statements



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# 1. General accounting policies

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## 1.1 Corporate information

Oy Karl Fazer Ab (“the company”) is a family-owned Finnish limited liability company and the parent entity of the Fazer Group (“Fazer” or “the Group”). The company is domiciled in Helsinki, Finland, and its registered address is P.O. Box 4, FI-00941 Helsinki.

Fazer is a leading Nordic consumer goods company, focusing on confectionery, bakery products and plant-based foods. Fazer operates in eight countries and exports to approximately 40 countries. The Group’s operations are organised into the following business areas: Fazer Confectionery, Fazer Bakeries and Fazer Lifestyle Foods.

The Board of Directors of Oy Karl Fazer Ab approved these financial statements on 13 February 2026. The Annual General Meeting will decide on their adoption in accordance with the Finnish Limited Liability Companies Act.

## 1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS Accounting Standards”), applying the going concern basis. Standards and interpretations (IAS, IFRS, SIC and IFRIC) effective at 31 December 2025 have been applied. For the purposes of the Finnish Accounting Act and related regulations, IFRS refers to the standards and

interpretations adopted for use within the EU in accordance with Regulation (EC) No 1606/2002.

The financial statements are prepared under the historical cost convention, except for financial assets and liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The valuation of assets and liabilities relating to pension arrangements are disclosed in note 4.5 Post-employment benefits.

Amounts in the consolidated financial statements are presented in millions of euros, except for note 7.2 Related party transactions. Figures are rounded and therefore totals may not precisely equal the arithmetic sum of the presented items. Key ratios are calculated using unrounded figures.

The Group does not present segment information and does not apply IFRS 8 Operating Segments, as it has no equity or debt instruments admitted to public trading.

## 1.3 Principles of consolidation

The consolidated financial statements include Oy Karl Fazer Ab and its subsidiaries, being entities over which the Group has control. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with an entity and can affect those returns through its power over the entity.

Subsidiaries are consolidated from the date control is obtained and are deconsolidated when control ceases. All Group companies apply uniform accounting policies consistent with those used in these consolidated financial statements.

Business combinations are accounted for using the acquisition method. Intra-group transactions, balances and unrealised gains and losses are eliminated on consolidation.

### FOREIGN CURRENCY TRANSLATION

The euro is the presentation currency of the Group and the functional and presentation currency of the parent company. Group companies present their financial statements in the functional currency of their primary operating environment. The income statements of foreign subsidiaries are translated into euros at average rates for the period and their balance sheets at closing rates. Resulting translation differences are recognised in equity and in other comprehensive income. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from translating post-acquisition equity movements are also recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation. These balances are translated at the closing rate, with translation differences recognised in other comprehensive income.



On disposal of a foreign subsidiary, the cumulative translation differences attributable to that subsidiary are reclassified from equity to the statement of income as part of the gain or loss on disposal.

Foreign currency transactions are translated into the functional currency of Group entities at the exchange rates at the transaction date. Assets and liabilities denominated in foreign currencies are translated at closing rates.

## 1.4 Critical judgements and estimation uncertainty

Preparing the consolidated financial statements in accordance with IFRS requires management to exercise judgement and make estimates and assumptions that affect the measurement and recognition of items in the financial statements. Although such estimates and judgements are based on management's experience and best knowledge of current conditions and expectations at the reporting date, actual results may differ from these estimates.

The most significant items requiring management judgement and estimation are described in the following notes:

- 3.1 Goodwill
- 3.2 Property, plant and equipment
- 3.3 Leases
- 4.4 Provisions

## 1.5 New and amended IFRS Accounting Standards and changes in accounting policies

### STANDARDS APPLIED DURING THE FINANCIAL YEAR

From 1 January 2025, the Group adopted the following amendments, which did not have a material impact on the consolidated financial statements:

- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability.

### STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group will adopt the following standards and interpretations issued by the IASB in 2026 or later

#### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The standard introduces revised presentation requirements for primary financial statements. It introduces new disclosures on management-defined performance measures and enhances the quality of financial reporting by increasing the level of disclosure.

The new accounting standard is effective for periods beginning on or after 1 January 2027. IFRS 18 will not affect the Group's recognition and measurement principles but will change the format and clarity of disclosures.

### Other amendments

Other amendments not expected to have a material impact on the consolidated financial statements.

- Amendments to IFRS 7 and IFRS 9 – Financial Instruments: Classification and Measurement

### CHANGE IN ACCOUNTING POLICY

As of 1 January 2025, the Group has applied the own-use exemption allowed by IFRS 9 Financial instruments in the presentation of electricity supply contracts. The Group's electricity contracts provide for physical delivery of electricity for the Group's own use. Therefore, they are accounted for as executory contracts, not derivatives measured at fair value through profit or loss. Comparative information for 2024 have not been restated.

## 1.6 Impact of the chocolate factory investment

In July 2025, Fazer announced an approximately EUR 400 million investment in a new chocolate factory in Lahti. Construction is in progress, and the factory is expected to be completed in 2028.

The project is funded through a EUR 280 million syndicated term loan and, for the factory building, a EUR 120 million long-term property lease arrangement. In addition, Business Finland granted investment aid of EUR 19.5 million for the project under its clean transition support programme for industrial investments.



During the construction phase, the portion of the lease funded factory building increases also assets under construction and interest-bearing liabilities in the consolidated financial statements. Due to the nature of the financing arrangement, this portion of the project does not affect the cash flows from investing activities during the construction period. Upon completion, repayments under the property lease financing will commence and will be presented as repayment of non-current interest-bearing liabilities and paid interests in the consolidated statement of cash flows.

Further information is provided in notes 3.2 Property, plant and equipment, 5.4 Financial liabilities and 6.1 Financial risk management under Interest rate risk and liquidity and refinancing risk.

## 1.7 Climate-related matters

Sustainability is a fundamental component of Fazer's mission, values, culture and strategy. The Group aims to mitigate climate change and improve resource efficiency through circular-economy principles. Fazer has defined sustainability targets integrated into daily operations, structured around four focus areas: Climate and circularity, Sustainable products and innovations, Sustainable sourcing and People and well-being.

The most significant climate impacts arising from Fazer's production facilities relate to energy consumption, organic waste and transportation. Key objectives include transitioning to fossil-free energy sources, improving

energy efficiency, reducing production waste, and enhancing the efficient use of raw materials and water. Climate-related considerations influence certain areas of the financial statements; for example, carbon emissions and energy efficiency form part of the assessment of capital expenditure relating to non-current assets in notes 3.2 Property, plant and equipment and 3.3 Leases.

In June 2025, Fazer published its Green Finance Framework to support the financing of investments linked to its sustainability targets. Further information is available at [www.fazergroup.com](http://www.fazergroup.com). The Group also has access to a sustainability-linked EUR 220 million revolving credit facility, which remained undrawn at year-end. The EUR 400 million financing of the Lahti factory is aligned with the Green Finance Framework. Additional details are disclosed in note 6.1 Financial risk management under Liquidity and refinancing risk.



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IN 2025

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# 2. Business performance

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## 2.1 Net sales

### ACCOUNTING POLICIES

The Group's net sales comprise consideration from the sale of goods, net of indirect taxes and discounts granted. Revenue from the sale of goods is recognised when control of the goods transfers to the customer. Control is deemed to transfer at the point in time when the customer is able to direct the use of the goods and obtain substantially all of the remaining benefits from them. In most cases, this occurs upon delivery of the goods to the customer. Sales of products stored in foreign consignment warehouses are recognised when the goods are delivered from the consignment warehouse to the end customer. All performance obligations relating to the sale of goods are satisfied – and revenue recognised – at a single point in time.

Payment terms are typical for the business, and the contracts do not contain significant financing components as payment periods are generally less than 60 days.

Fazer does not have contract assets arising from contracts with customers.

Fazer Group has three business areas: Fazer Confectionery, Fazer Bakery and Fazer Lifestyle Foods.

### ESTIMATES AND MANAGEMENT JUDGEMENT

Fazer's customer contracts may include elements of variable consideration, such as discounts and bonuses. The transaction price is determined based on the contract terms, adjusted for estimated volume-based discounts. Estimates are derived from historical experience and income recognised is constrained to the amount to which the Group expects to be entitled. Obligations related to expected discounts are recognised in the period in which the corresponding sales occur and are presented as contract liabilities within accrued expenses.

### FAZER CONFECTIONERY

Fazer is the leading confectionery manufacturer in Finland and the Group holds a strong market position in Sweden and the Baltic countries, along with a presence in global travel retail. Fazer's confectionery production is located in Finland and products are sold in more than 40 countries. The key competitors within the confectionery segment are large international companies. The Confectionery business area also includes the Fazer Café cafés in Finland and the Gateau bakery shops in Finland and Sweden.

### FAZER BAKERY

Fazer Bakeries manufactures delicious breads and pastries, available as pre-packed products, frozen products, and items baked from scratch in the Group's shop-in-shop bakeries. The Group's bakeries are located in Finland, Sweden and Latvia, and their products are sold in more than 20 countries. The Group also operates a network of shop-in-shop bakeries in Finland, Sweden and Estonia. Competition is predominantly local, and Fazer Bakeries' strongest market position is anchored in well-known local brands such as Fazer and Oululainen in Finland, Skogaholm in Sweden, and Druva and Gardesis in the Baltic countries.

### FAZER LIFESTYLE FOODS

Fazer Lifestyle Foods focuses on plant-based drinks, smoothies and breakfast foods including porridges, cereals and mueslis. Key brands include Fazer Aito, Fazer Alku, Frebaco and Froosh. The business area has a strong market presence in Finland and Sweden, with growing operations across the Nordic region. Production is located in Finland and Sweden. The business area has a broad product portfolio and operates within a fragmented competitive environment. The plant-based sector, in particular, includes several sizeable competitors, and rapid product innovation has attracted new entrants to the market.

Other comprise net sales from the Fazer Experience Visitor Centre and the Group's Xylitol production facility.



### Net sales by business area

MEUR	2025	2024
Fazer Confectionery	580.6	543.1
Fazer Bakery	446.9	452.4
Fazer Lifestyle Foods	190.5	218.5
Other	5.1	5.1
Group eliminations	-34.6	-36.0
<b>Total</b>	<b>1,188.6</b>	<b>1,183.1</b>

### Net sales by country

MEUR	2025	2024
Finland	740.5	740.3
Sweden	285.1	274.9
The Baltics	67.5	68.6
Europe	75.3	82.1
Other countries	20.1	17.3
<b>Total</b>	<b>1,188.6</b>	<b>1,183.1</b>

Fazer Group has two major customers, each of which individually accounts for more than 10% of the Group's net sales. The net sales from these customers are included within all business areas.

Information relating to contract liabilities is provided in note 4.3 Trade and other payables.

## 2.2 Other operating income

### ACCOUNTING POLICIES

Other operating income comprises gains on disposal of intangible and tangible assets, government and other grants, insurance and litigation-related compensation, rental income, royalties and other income that does not arise from the Group's principal revenue-generating activities.

MEUR	2025	2024
Gain on sale of non-current assets	3.2	1.3
Rents	0.5	0.5
Subsidies received	0.4	0.4
Other	5.1	7.1
<b>Total</b>	<b>9.2</b>	<b>9.2</b>

## 2.3 Materials and services

### ACCOUNTING POLICIES

Purchases comprise the cost of raw materials and packaging used in production, together with related transportation services. External services consist mainly of hired labour and warehousing services. Materials and services also include the impact of raw material hedging activities. Foreign exchange gains and losses arising on trade payables are recognised within materials and services.

MEUR	2025	2024
Purchases during the period	-491.9	-461.9
Change in inventory (+ increase / - decrease)	13.0	-8.9
External services	-10.2	-10.0
<b>Total</b>	<b>-489.2</b>	<b>-480.9</b>

## 2.4 Employee benefit expenses

### ACCOUNTING POLICIES

Employee benefits comprise the compensation provided by the Group in various forms in exchange for services rendered by employees or upon termination of employment. They are recognised in the reporting period in which the related service is provided.

MEUR	2025	2024
Wages and salaries	-234.0	-240.8
Pensions		
Defined contribution plans	-36.8	-36.6
Defined benefit plans	-0.0	0.0
Other employee benefit expenses	-1.7	-1.1
Social security costs	-23.8	-20.7
<b>Total</b>	<b>-296.3</b>	<b>-299.2</b>

Defined benefit plans are described in more detail in note 4.5 Post-employment benefits. Remuneration of the Board of Directors and the Fazer Leadership Team, as well as related party transactions, are disclosed in note 7.2 Related party transactions.

### Personnel (FTE) by business area, end of period

	2025	2024
Fazer Confectionery	1,741	1,664
Fazer Bakeries	2,281	2,331
Fazer Lifestyle Foods	371	444
Other	300	325
<b>Total</b>	<b>4,693</b>	<b>4,764</b>

## 2.5 Other operating expenses

### ACCOUNTING POLICIES

Other operating expenses include costs that are not directly attributable to the goods sold by the Group. They also include losses arising from the disposal of tangible and intangible assets.

MEUR	2025	2024
Rents for premises	-30.6	-28.3
Energy	-32.6	-42.7
Production maintenance	-52.0	-55.5
ICT	-15.5	-13.8
Freight and other transport	-59.2	-58.2
Marketing	-39.1	-32.9
Administration	-49.6	-46.1
Loss on sale of non-current assets	-0.2	-1.7
<b>Total</b>	<b>-278.8</b>	<b>-279.3</b>

Administration includes consultancy and other purchased services, voluntary employee benefits, and other administrative costs. Rents for premises include variable lease expenses as well as expenses arising from short-term and until further notice leases. Rental expenses included within other operating expenses amounted to 31.0 (30.1) million euro, the majority of which is included in rents for premises. Further information on leases is provided in note 3.3 Leases.

### Auditors' fees

MEUR	2025	2024
Audit fees	-0.8	-0.7
Tax advisory	-0.1	-0.1
Other services	-0.1	-0.2
<b>Total</b>	<b>-1.0</b>	<b>-1.0</b>

PricewaterhouseCoopers has served as Fazer Group's auditor for financial years 2025 and 2024.

## 2.6 Depreciation, amortisation and impairment

MEUR	2025	2024
Depreciation and amortisation		
Intangible assets	-5.0	-8.5
Property, plant and equipment	-41.7	-43.2
Right-of-use assets	-13.4	-13.8
Total	-60.0	-65.6
Impairments		
Goodwill	-69.5	-
Intangible assets	-	-1.2
Property plant and equipment	-4.1	-20.3
Right-of-use assets	-0.8	-
Total	-74.4	-21.5
<b>Total</b>	<b>-134.4</b>	<b>-87.0</b>

Additional information on impairments, the depreciation methods and the estimated useful lives of intangible and tangible assets are described in notes 3.1 Goodwill and intangible assets and 3.2 Property, plant and equipment.

## 2.7 Income taxes

### INCOME TAX IN THE INCOME STATEMENT

#### ACCOUNTING POLICIES

The income taxes in the statement of income comprises current tax payable by Group entities based on taxable result for the financial year in accordance with local regulation, tax adjustments for previous periods and change in deferred income taxes. The tax effects of items recognised in other comprehensive income or directly in equity are recorded correspondingly in other comprehensive income or directly in equity.

MEUR	2025	2024
Current tax on profits for the year	-13.3	-12.9
Current taxes for prior periods	-0.1	-0.6
Decrease (-) / increase (+) of deferred tax assets	-2.9	2.2
Decrease (+) / increase (-) of deferred tax liabilities	1.2	0.6
<b>Total</b>	<b>-15.2</b>	<b>-10.7</b>

Taxes recognised in other comprehensive income primarily relate to cash flow hedges and are detailed in note 5.2 Equity. In addition, other comprehensive income includes the tax effects of actuarial gains and losses on defined benefit pension plans.

#### Income tax reconciliation

MEUR	2025	2024
<b>Profit before tax</b>	<b>-3.9</b>	<b>45.4</b>
Parent company's tax rate	20.0 %	20.0 %
Tax using the parent company's tax rate	0.8	-9.1
Effect of different tax rates in foreign subsidiaries	-0.5	-0.1
Non-deductible expenses	-0.1	-0.3
Income not subject to tax	0.0	0.4
Goodwill impairment	-13.9	-
Utilisation of previously unrecognised tax losses carried forward	-	0.1
Unrecognised taxes on losses carried forward	-1.6	-1.6
Other adjustments of deferred taxes	-0.2	-0.0
Tax for previous financial periods	-0.1	-0.6
Other items	0.5	0.4
<b>Taxes in income statement</b>	<b>-15.2</b>	<b>-10.7</b>
<b>Effective tax rate</b>	<b>-</b>	<b>23.7 %</b>

#### OECD PILLAR II REGULATIONS

Fazer is subject to the minimum tax rules under the OECD Pillar II framework. In Finland, legislation implementing Pillar II, in line with the EU Directive, came into effect on 1 January 2024. In accordance with IAS 12, the Group applies the exemption not to recognise deferred tax assets or liabilities arising from Pillar II and instead records any top-up tax as current tax in the period in which it arises.

Pillar II legislation is effective in most countries where the Group operates. The effective tax rates in these jurisdictions are generally above 15%. Where a subsidiary's effective tax rate is below this threshold, transitional 'safe harbour' exemptions have been applied. Accordingly, the Group has not recognised any top-up tax relating to Pillar II in the financial years 2025 and 2024.



## DEFERRED TAX ASSETS AND LIABILITIES

### ACCOUNTING POLICIES

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases, as well as for unused tax losses and credits, using the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised predominantly in the income statement. However, if it relates to a transaction recognised either in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in those sections.

Deferred tax liabilities are recognised in full, while deferred tax assets are recognised to the extent that it is probable they will be utilised against future taxable profits. The recoverability of deferred tax assets is reassessed at the end of each reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority on either the same entity or different entities where there is an intention to settle the balances on a net basis.

### ESTIMATES AND MANAGEMENT JUDGEMENT

Management assesses the probability that future taxable profits will be available against which deferred tax assets can be utilised. This assessment requires judgement, including estimates of future taxable income and the timing of utilisation of losses carried forward. Deferred tax assets are recognised only to the extent that it is probable they will be recovered within the period covered by the business plan. Recognised deferred tax assets are reassessed at the end of the reporting period.



MEUR	1 Jan 2024	Recognised in				Exchange rate differences	31 Dec 2024	Recognised in				31 Dec 2025
		Recognised in income statement	other comprehensive income	Reclassification	Exchange rate differences			Recognised in income statement	other comprehensive income	Reclassification	Exchange rate differences	
<b>Deferred tax assets</b>												
Intangible assets	6.7	-0.1	-	-	-	6.6	-0.1	-	-	-	6.6	
Tangible assets	6.8	1.2	-	-0.4	-0.1	7.5	-1.2	-	-	-0.0	6.3	
Lease liability	10.9	0.8	-	-	-	11.7	-0.9	-	-	0.2	11.0	
Hedge reserve	-	-	-	-	-	-	-	2.1	-	-	2.1	
Inventory	0.1	-0.0	-	-	-	0.0	0.0	-	-	-	0.0	
Employee benefits	0.9	-0.2	0.0	-	-0.0	0.7	-0.1	-0.0	-	0.0	0.7	
Provisions	0.4	0.4	-	0.3	-0.0	1.0	-0.1	-	-	0.0	1.0	
Tax losses	1.3	-0.0	-	-	-0.0	1.3	-0.5	-	-	0.0	0.8	
Accruals and other	0.4	0.1	-	0.1	-	0.6	-0.1	-	-	0.0	0.5	
<b>Total</b>	<b>27.5</b>	<b>2.2</b>	<b>0.0</b>	<b>-</b>	<b>-0.2</b>	<b>29.5</b>	<b>-2.9</b>	<b>2.1</b>	<b>-</b>	<b>0.3</b>	<b>29.0</b>	
Effect of netting	-27.0					-28.9					-28.5	
<b>Total</b>	<b>0.5</b>					<b>0.6</b>					<b>0.5</b>	
<b>Deferred tax liabilities</b>												
Intangible assets	15.1	-0.5	-	-	-0.3	14.3	0.6	-	-	0.4	15.3	
Tangible assets	19.8	-1.4	-	0.3	-0.1	18.6	-0.9	-	-	0.0	17.7	
Right-of-Use asset	10.8	0.8	-	-	-	11.6	-1.2	-	-	0.2	10.6	
Hedge reserve	0.7	-	5.7	-	-	6.4	-	-6.3	-	-	0.1	
Inventory	2.1	0.4	-	-	-0.0	2.4	0.4	-	-	0.0	2.9	
Employee benefits	0.1	0.1	-0.1	-	-0.0	0.1	-0.1	-	-	0.0	0.0	
Provisions	0.0	-	-	-0.0	-	-	-	-	-	-	-	
Accruals nad other	-	0.1	-	0.0	-	0.1	-0.1	-	-	-	0.0	
<b>Total</b>	<b>48.6</b>	<b>-0.6</b>	<b>5.6</b>	<b>0.3</b>	<b>-0.4</b>	<b>53.5</b>	<b>-1.2</b>	<b>-6.3</b>	<b>-</b>	<b>0.6</b>	<b>46.6</b>	
Effect of netting	-27.0					-28.9					-28.5	
<b>Total</b>	<b>21.6</b>					<b>24.6</b>					<b>18.1</b>	



## LOSSES CARRIED FORWARD

MEUR	Losses carried forward		Recognised deferred tax asset		Unrecognised deferred tax asset	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Expiry after five years	0.7	0.7	-	-	0.1	0.1
No expiry	53.8	46.0	0.8	1.3	10.3	8.2
<b>Total</b>	<b>54.5</b>	<b>46.7</b>	<b>0.8</b>	<b>1.3</b>	<b>10.4</b>	<b>8.3</b>

The majority of unrecognised deferred tax assets relating to tax losses carried forward arise from the Group's operations in Sweden. Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be available to utilise the tax losses.

Deferred tax liabilities have not been recognised on undistributed earnings of foreign subsidiaries, as their distribution is not expected in the foreseeable future.

## 2.8 Earnings per share

### ACCOUNTING POLICIES

Basic earnings per share is calculated by dividing the result for the period attributable to the parent company's shareholders by the weighted average number of shares outstanding during the period.

	2025	2024
Result for the period attributable to equity holders of the parent, MEUR	-19.1	34.7
<b>Number of shares</b>		
Weighted average number of shares outstanding	6,839,525	6,839,525
<b>Earnings per share from result for the period attributable to equity holders of the parent, EUR</b>		
Basic and diluted	-2.79	5.07

Fazer has two classes of shares: ordinary shares and preference shares, both of which have the same earnings per share. Further information on the share classes is provided in note 5.2 Equity.

The Group does not have any current share option programs or other diluting financial instruments, so the diluted earnings per share is the same as basic.



# 3.

## Intangible and tangible assets

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## 3.1 Goodwill and intangible assets

### ACCOUNTING POLICIES

#### Goodwill

Goodwill arising from business combinations is measured as the excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed. Goodwill reflects the value of expected synergies, business expertise and the acquired market position.

Goodwill is tested for impairment at least annually and whenever there is an indication of impairment.

Goodwill is carried at cost less any accumulated impairment losses.

#### Trademarks with indefinite useful lives

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment.

These include trademarks assessed as strategic at the time of the acquisition and for which there are no intentions to discontinue use.

#### Research and development

Research and development costs are expensed as incurred. Development costs can be capitalised as intangible assets when it is probable that the project will generate future economic benefits for the Group.

#### Other intangible assets

Other intangible assets include trademarks, customer relationships, intellectual property rights and other capitalised costs, such as patents, copyrights, licences and software. These assets are measured at cost and amortised on a straight-line basis over their estimated useful lives.

Cloud-based software is recognised as an intangible asset when it meets the definition and recognition criteria. Implementation costs, such as configuration and customisation, are expensed as incurred when they do not give rise to an intangible asset. Where such services cannot be separated from the right to use the software, the costs are recognised as prepayments and expensed over the contract term.

#### Estimated useful lifetime (years):

- Customer relationships 5–10
- Trademarks 5
- Other intangible assets 3–10

#### Impairment testing

For impairment testing, assets are allocated to cash-generating units (CGUs). The recoverable amount of a CGU is determined based on its value in use, calculated using forecast discounted net cash flows. The carrying amount of each CGU is compared with its recoverable amount, and an impairment loss is recognised if the carrying amount exceeds the recoverable amount.

Intangible assets with indefinite useful lives are impaired when their recoverable amount is lower than their carrying amount.

Impairment losses recognised for goodwill are not reversed. Impairment losses recognised for other intangible assets may be reversed if the recoverable amount increases after the impairment has been recognised.

Discounted cash flow calculations use a pre-tax discount rate based on the weighted average cost of capital (WACC), reflecting the overall cost of equity and debt and the risks associated with the assets.



MEUR	Goodwill	Customer relationships	Trademarks and other immaterial rights	Other capitalised expenditure	Advance payments and work in progress	Total
<b>Cost 1 Jan 2024</b>	<b>302.4</b>	<b>19.5</b>	<b>66.6</b>	<b>55.9</b>	<b>2.8</b>	<b>447.1</b>
Additions	-	-	-	0.1	2.9	3.0
Disposals	-	-	-0.3	-0.3	-	-0.6
Reclassifications	-	-	-	0.0	-0.4	-0.4
Exchange rate differences	-1.0	-0.6	-1.2	-0.0	-0.0	-2.8
<b>Cost 31 Dec 2024</b>	<b>301.4</b>	<b>18.9</b>	<b>65.1</b>	<b>55.6</b>	<b>5.2</b>	<b>446.2</b>
Additions	-	-	-	0.3	1.5	1.8
Disposals	-	-	-0.1	-0.1	-	-0.2
Exchange rate differences	0.5	1.1	2.1	0.1	0.0	3.8
<b>Cost 31 Dec 2025</b>	<b>301.9</b>	<b>20.0</b>	<b>67.0</b>	<b>55.9</b>	<b>6.7</b>	<b>451.6</b>
<b>Acc. amortisations and impairments 1 Jan 2024</b>	<b>-89.9</b>	<b>-11.1</b>	<b>-13.5</b>	<b>-53.5</b>	-	<b>-168.0</b>
Amortisations	-	-4.9	-2.2	-1.5	-	-8.5
Impairments and reversal of impairments	-	-	-	-	-1.2	-1.2
Amortisations on disposals and reclassifications	-	-	0.3	0.3	-	0.6
Exchange rate differences	-2.2	0.4	0.1	0.0	-	-1.7
<b>Acc. amortisations and impairments 31 Dec 2024</b>	<b>-92.1</b>	<b>-15.6</b>	<b>-15.3</b>	<b>-54.6</b>	<b>-1.2</b>	<b>-178.9</b>
Amortisations	-	-2.0	-2.2	-0.8	-	-5.0
Impairments and reversal of impairments	-69.5	-	-	-	-	-69.5
Amortisations on disposals and reclassifications	-	-	0.1	0.1	-	0.2
Exchange rate differences	4.0	-1.0	-0.4	-0.1	-	2.6
<b>Acc. amortisations and impairments 31 Dec 2025</b>	<b>-157.6</b>	<b>-18.6</b>	<b>-17.8</b>	<b>-55.4</b>	<b>-1.2</b>	<b>-250.6</b>
<b>Carrying amount</b>						
<b>31 December 2025</b>	<b>144.3</b>	<b>1.4</b>	<b>49.2</b>	<b>0.5</b>	<b>5.5</b>	<b>201.0</b>
31 December 2024	209.2	3.3	49.7	1.0	4.0	267.3

#### ESTIMATES AND MANAGEMENT JUDGEMENT

The valuation of other intangible assets and their estimated useful lives involves management judgement and assumptions about future

developments. At the end of each reporting period, the residual value and useful life of an asset are reviewed and adjusted if necessary to reflect changes in

expected economic benefits. Management judgement is also applied when assessing whether there are any indications of impairment.



## IMPAIRMENT TESTING

### ESTIMATES AND MANAGEMENT JUDGEMENT

The preparation of estimates related to the carrying amount of the Group's goodwill and trademarks with indefinite useful lives requires significant management judgement.

The five-year cash flow forecasts used for impairment testing involve a range of assumptions and management estimates. These forecasts are based on historical performance, long-term plans and expected market trends. Key assumptions include market development, business growth and profitability, future investment needs, and the discount rate.

The discount rate applied to the cash flow forecasts is the Group's pre-tax weighted average cost of capital (WACC), which includes a company-specific risk premium. The WACC is derived from components such as the risk-free interest rate, market risk premium, industry-specific beta, cost of debt, target capital structure, and country-specific risks.

Changes in these assumptions could materially affect the estimated future cash flows.

### Cash-generating units

MEUR	31 December 2025		31 December 2024	
	Goodwill	Trademarks	Goodwill	Trademarks
Fazer Confectionery	81.1	18.5	81.1	18.5
Fazer Bakery	9.8	-	9.4	-
Fazer Lifestyle Foods	53.4	16.8	118.7	15.9
<b>Total</b>	<b>144.3</b>	<b>35.3</b>	<b>209.2</b>	<b>34.4</b>

In the annual impairment test, conducted in the third quarter, goodwill and intangible assets with indefinite useful lives are allocated to Fazer's cash-generating units (CGUs): Fazer Confectionery, Fazer Bakery, and Fazer Lifestyle Foods. The recoverable amount of each CGU is compared with its carrying amount to identify any indications of impairment.

The recoverable amount of a CGU is determined based on value-in-use calculations. Cash flow forecasts are derived from the Group's strategy and long-term plans, reflecting historical business performance and management's expectations for future development. These forecasts take into account available market research on growth, demand, and pricing trends. In addition, sales and profit estimates are aligned with the CGUs' long-term plans

### Pre-tax discount rate

%	2025	2024
Fazer Confectionery	9.0	8.7
Fazer Bakery	9.2	8.8
Fazer Lifestyle Foods	8.4	8.0

The growth assumption applied beyond the explicit forecast period is based on management's conservative estimate of long-term growth, incorporating factors such as inflation and expected long-term market growth.

### Terminal growth assumption

%	2025	2024
Fazer Confectionery	1.7	1.7
Fazer Bakery	1.7	1.7
Fazer Lifestyle Foods	2.0	2.0

In the annual impairment test, no indications of impairment were identified in the goodwill or trademarks of Fazer Confectionery and Fazer Bakery. However, challenges in sales and profitability for Fazer Lifestyle Foods, focusing on plant-based drinks, smoothies and breakfast foods, continued. As a result, an impairment loss of EUR 69.5 million was recognised for goodwill. The impairment is presented within depreciation and



amortisation and impairment charges in the consolidated statement of income.

### **Sensitivity analysis**

As part of the impairment testing, a sensitivity analysis is conducted on key assumptions to assess their impact on the recoverable amounts of each cash-generating unit. The analysis involves testing the effect of reasonably possible changes in the assumptions used in the valuation. For Fazer Confectionery and Fazer Bakery, such plausible variations in key assumptions do not lead to the carrying amount of any cash-generating unit exceeding its recoverable amount, indicating that the units are not impaired under these scenarios.

## 3.2 Property, plant and equipment

### ACCOUNTING POLICIES

Property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes all directly attributable expenses incurred to acquire or construct the asset. Where an item of property, plant or equipment comprises components with different useful lives, each component is accounted for separately. Assets acquired in a business combination are recognised at fair value at the acquisition date.

Significant costs of major improvements to properties are capitalised and depreciated over the remaining useful life of the asset. Repair and maintenance costs are expensed in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, such as a new production facility or production line, are capitalised as part of the cost of that asset.

#### Estimated useful lifetime (years):

- Buildings and structures 10–50
- Machinery and equipment 3–25
- Other tangible assets 3–10

Assets are depreciated on a straight-line basis over the estimated useful lives. Depreciation begins when the asset is ready for use, i.e., when it is in the location and condition necessary for it to operate as intended by management. Land is not depreciated.

Investment grants received are recognised as a reduction of the acquisition cost of the asset.

Gains and losses on the disposal of property, plant and equipment are recognised in profit or loss and presented within other income or expenses.

#### Impairment of assets

The carrying amount of property, plant and equipment is reviewed at least annually, or more frequently if there are indications of impairment. An impairment loss is recognised in depreciation and impairment when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

If the recoverable amount of an asset increases, a previously recognised impairment loss can be reversed, but only up to the amount that would have been recorded had no impairment loss been recognised previously.

### ESTIMATES AND MANAGEMENT JUDGEMENTS

The measurement of property, plant and equipment and the assessment of their estimated useful lives are based on forward-looking estimates and require management judgement. The residual value and remaining useful life of an asset are reviewed at the end of the reporting period and adjusted if necessary to reflect changes in the expected economic benefits. Similarly, assessing whether there are indicators of potential impairment requires management judgement.

Impairments of tangible assets totalled EUR 4.1 million, primarily relating to the Lahti xylitol plant. In year 2024 impairments totalled EUR 20.3 million, mainly relating to the restructuring of oat-based food products and the planning of the chocolate factory investment.

Borrowing costs totalling EUR 0.3 (-) million have been capitalised regarding work in progress.



MEUR	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Work in progress	Total
<b>Cost 1 Jan 2024</b>	<b>21.3</b>	<b>299.1</b>	<b>765.9</b>	<b>17.0</b>	<b>42.3</b>	<b>1,145.7</b>
Additions	-	7.9	16.1	0.8	27.1	52.0
Disposals	-	-0.0	-28.7	-0.6	-	-29.3
Reclassifications	16.1	1.1	7.1	0.0	-7.7	16.6
Exchange rate differences	-0.1	-1.2	-4.1	-0.1	-0.2	-5.6
<b>Cost 31 Dec 2024</b>	<b>37.3</b>	<b>306.9</b>	<b>756.3</b>	<b>17.3</b>	<b>61.5</b>	<b>1,179.3</b>
Additions	7.3	1.0	6.2	0.8	73.2	88.6
Disposals	-0.5	-7.8	-32.7	-0.4	-	-41.4
Reclassifications	-	5.8	33.7	0.0	-24.1	15.5
Exchange rate differences	0.1	2.2	7.7	0.1	0.5	10.6
<b>Cost 31 Dec 2025</b>	<b>44.2</b>	<b>308.2</b>	<b>771.3</b>	<b>17.8</b>	<b>111.1</b>	<b>1,252.6</b>
<b>Acc. depreciations and impairments 1 Jan 2024</b>	<b>-</b>	<b>-182.9</b>	<b>-594.9</b>	<b>-10.5</b>	<b>-</b>	<b>-788.2</b>
Reclassifications	-14.4	-	-	-	-	-14.4
Depreciations	-	-10.5	-30.8	-1.9	-	-43.2
Impairments and reversal of impairments	-1.6	-1.5	-6.7	-0.0	-10.4	-20.3
Depreciations on disposals and reclassifications	-	0.0	26.2	0.5	-	26.7
Exchange rate differences	0.0	0.5	2.9	0.0	-	3.5
<b>Acc. depreciations and impairments 31 Dec 2024</b>	<b>-16.0</b>	<b>-194.4</b>	<b>-603.3</b>	<b>-11.9</b>	<b>-10.4</b>	<b>-835.9</b>
Depreciations	-	-10.5	-29.3	-1.8	-	-41.7
Impairments and reversal of impairments	-	-	-4.0	-0.0	-0.0	-4.1
Depreciations on disposals and reclassifications	-	2.6	18.1	0.4	-	21.2
Exchange rate differences	-0.1	-1.1	-5.6	-0.1	-0.0	-6.8
<b>Acc. depreciations and impairments 31 Dec 2025</b>	<b>-16.1</b>	<b>-203.3</b>	<b>-624.1</b>	<b>-13.4</b>	<b>-10.4</b>	<b>-867.3</b>
<b>Carrying amount</b>						
<b>31 December 2025</b>	<b>28.2</b>	<b>104.9</b>	<b>147.2</b>	<b>4.4</b>	<b>100.6</b>	<b>385.3</b>
31 December 2024	21.4	112.5	153.1	5.4	51.1	343.4

Additions to tangible assets totalled EUR 88.6 (52.0) million. The largest ongoing investment in 2025 is the construction of a new chocolate factory in Lahti (EUR 37.5 million in 2025).

The largest investment in 2024, EUR 14.1 million, related to the consolidation of the Baltic bakeries into a single production unit, Ogreen Latvia.

## 3.3 Leases

### ACCOUNTING POLICIES

At contract inception, the Group assesses whether a contract is, or contains, a lease. A contract is considered to be a lease if it conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration. When the underlying asset is made available for use a right-of-use asset and a corresponding lease liability are recognised in the statement of financial position.

The Group applies the recognition exemptions permitted by IFRS 16 for leases of low-value assets and for short-term leases (lease term of less than 12 months). Payments associated with such leases are recognised as an expense on a straight-line basis over the lease term. In addition, non-lease components, such as service components included in lease contracts, are separated and recognised as an expense in income statement as incurred. Payments relating to leases that are initially with an indefinite term but include a termination option exercisable with a notice period of six months or less are recognised as an expense on a straight-line basis over the lease term.

#### Lease liability

At the commencement date, the lease liability is measured at the present value of future lease payments. Lease payments include fixed payments, payments that depend on an index or rate, amounts expected to be payable under residual value

guarantees, and the exercise price of purchase options that the Group is reasonably certain to exercise. Subsequently, lease liabilities are measured at amortised cost using the effective interest method. Lease payments are discounted using the interest rate implicit in the lease, where readily determinable, or otherwise the Group's incremental borrowing rate.

In subsequent periods, the lease liability is remeasured if there is a change in the lease term resulting from the exercise or non-exercise of extension or termination options, a change in the assessment of whether a purchase option will be exercised, or changes in future lease payments arising from changes in an index or rate. Any remeasurement of the lease liability is recognised as an adjustment to the carrying amount of the related right-of-use asset. If the reduction in the lease liability exceeds the carrying amount of the right-of-use asset, the excess is recognised immediately in profit or loss. Lease liabilities are reduced by lease payments over time, and interest expense is allocated over the lease term. Lease liabilities are presented within interest-bearing liabilities, split between current and non-current portions, and are included in the Group's net debt.

#### Right-of-use assets

Right-of-use assets are initially measured at cost, which corresponds to the initial measurement of the

lease liability. The cost of the right-of-use asset also includes lease payments made at or before the commencement date, less any lease incentives received, initial direct costs incurred by the Group, and an estimate of costs to be incurred in dismantling and removing the underlying asset or restoring the site on which it is located.

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses and are adjusted for any remeasurement of the related lease liability. Right-of-use assets are depreciated over the shorter of the asset's estimated useful life and the lease term.

#### Variable lease payments

Some lease contracts include payment terms that are based on sales at the leased premises or other variable factors. In some cases, the entire lease payment is variable and determined based on sales.

Variable lease payments are recognised as an expense in the income statement in the period in which the events or conditions that give rise to those payments occur. For example, lease payments that are based on net sales are recognised as an expense in the period in which the related net sales is generated.

## ESTIMATES AND MANAGEMENT JUDGEMENT

Lease agreements for properties often include specific terms related to early termination and/or extension of the lease term. Likewise, leases for production equipment frequently contain terms relating to purchase options and/or extensions of the lease period. At the commencement date of each lease, management assesses whether the Group is likely to obtain economic benefits from exercising, or refraining from exercising, any such options. If it is probable that an option will be exercised, it is taken into account when determining the lease liability to be recognised in the statement of financial position. Each lease is evaluated individually, considering the relevant economic factors and circumstances. Management reassesses this evaluation whenever there are changes in the economic conditions or other circumstances affecting the lease.

### Lease liability

MEUR	31 Dec 2025	31 Dec 2024
Non-current lease liability	42.0	45.3
Current lease liability	11.4	12.4
<b>Total</b>	<b>53.4</b>	<b>57.7</b>

## Right-of-use assets

MEUR	Land and water	Buildings and structures	Machinery and equipment	Total
<b>Cost 1 Jan 2024</b>	<b>0.7</b>	<b>95.1</b>	<b>47.8</b>	<b>143.6</b>
Additions	0.0	13.7	4.3	18.0
Disposals	-	-0.2	-2.1	-2.4
Exchange rate differences	-	-1.0	-0.3	-1.3
<b>Cost 31 Dec 2024</b>	<b>0.7</b>	<b>107.6</b>	<b>49.7</b>	<b>158.0</b>
Additions	0.0	4.6	5.0	9.6
Disposals	-0.0	-4.1	-6.7	-10.8
Reclassifications	-	-0.0	-0.6	-0.6
Exchange rate differences	-	2.1	0.5	2.6
<b>Cost 31 Dec 2025</b>	<b>0.7</b>	<b>110.1</b>	<b>47.9</b>	<b>158.7</b>
<b>Acc. depreciations and impairments 1 Jan 2024</b>	<b>-0.1</b>	<b>-66.7</b>	<b>-21.9</b>	<b>-88.7</b>
Depreciations	-0.0	-8.4	-5.4	-13.8
Depreciations on disposals and reclassifications	-	0.2	1.7	1.9
Exchange rate differences	-	0.6	0.2	0.7
<b>Acc. depreciations and impairments 31 Dec 2024</b>	<b>-0.1</b>	<b>-74.2</b>	<b>-25.5</b>	<b>-99.8</b>
Depreciations	-0.0	-7.8	-5.5	-13.4
Impairments and reversal of impairments	-	-	-0.8	-0.8
Depreciations on disposals and reclassifications	0.0	4.1	6.1	10.2
Exchange rate differences	-	-1.3	-0.3	-1.6
<b>Acc. depreciations and impairments 31 Dec 2025</b>	<b>-0.1</b>	<b>-79.2</b>	<b>-26.1</b>	<b>-105.4</b>
<b>Carrying amount</b>				
<b>31 December 2025</b>	<b>0.5</b>	<b>30.9</b>	<b>21.8</b>	<b>53.3</b>
31 December 2024	0.6	33.4	24.2	58.1

### Lease expenses recognised in the income statement

MEUR	2025	2024
Included in operating result		
Depreciations on right-of-use asset	13.4	13.8
Included in other operating expenses		
Lease payments in relation to short-term, low value and until further notice lease contracts	3.2	3.3
Variable lease payments not included in lease liabilities	27.8	26.8
Included in financial expenses		
Interests	1.8	1.6
<b>Total</b>	<b>46.1</b>	<b>45.5</b>

The Group leases primarily properties, as well as various types of machinery and equipment, for operational purposes. Lease terms are negotiated on a contract-by-contract basis. Property leases relate mainly to cafés and retail outlets, with typical lease terms of 3–5 years. The Group also leases a range of machinery and equipment, the most significant of which are power plants, production machinery, and vehicles. Lease terms for power plants are generally 20 years, for production machinery 5–10 years, and for vehicles 3–4 years.

For leases where rental payments are linked wholly or partially to net sales a one percent increase in net sales would increase the annual variable lease payments by approximately EUR 0.3 million.

At the end of the reporting period, leases to which the Group is committed but which had not yet commenced totalled EUR 0.8 (0.2) million.

Lease liabilities for leases not recognised on the statement of financial position are disclosed in note 7.3 Collaterals and commitments. Movements in lease liabilities during the period are presented in note 5.4, Financial liabilities.



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# 4. Working capital

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## 4.1 Inventories

### ACCOUNTING POLICIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price of the product less the costs to complete and sell it.

Cost is determined using either the first-in-first-out (FIFO) principle or the weighted average cost principle.

The cost of materials and supplies includes direct purchase costs including freight charges. The cost of work in progress and finished goods includes direct raw materials, direct labour, other direct production costs and a share of production overheads. To the extent that inventory items are the underlying items of hedge accounting relationships, the fair value changes of the hedging instruments are allocated to the inventory value at the end of each reporting period.

Spare parts that do not meet the definition of property, plant and equipment are included in materials and supplies and are measured at cost.

An impairment charge is recognised for obsolete and slow-moving inventories.

### ESTIMATES AND MANAGEMENT JUDGEMENT

The valuation of inventories requires management judgement particularly in assessing obsolescence, inventory turnover and the calculation of net realisable value. Impairments arising from obsolete and excess inventories are based on management's best estimate at the reporting date.

Net realisable value is determined by estimating future selling prices and the related production and selling costs. Selling prices are based on contracted or comparable market prices, while cost estimates are based on historical cost data.

MEUR	31 Dec 2025	31 Dec 2024
Materials and supplies	56.6	52.8
Work in progress	10.1	8.8
Finished products	50.7	40.3
<b>Total</b>	<b>117.3</b>	<b>101.9</b>

During the financial year, inventories were scrapped or written down to a value corresponding to EUR 6.9 (9.3) million, which are included within Materials and services. At the end of the reporting period, inventories include EUR 1.1 (3.7) million hedge-accounting adjustments, which decreases the value of inventories. Further information on hedge accounting is provided in note 6.2 Derivative instruments.

## 4.2 Trade and other receivables

### ACCOUNTING POLICIES

Trade and other receivables are measured at amortised cost, except for derivatives, which are measured at fair value. Trade receivables do not include a significant financing component, as payment terms are typically under 60 days. Foreign exchange differences are recognised in other operating income and expenses.

Expected credit losses are recognised using the simplified approach. Trade receivables are measured at an amount equal to the lifetime expected credit losses for the receivables. To determine this, receivables are grouped by ageing, and historical credit loss experience is also used to support the estimates.

Provisions for expected credit losses and any actual credit losses are recorded in other operating expenses. Recoveries of amounts previously written off are also recognised in other operating expenses.

MEUR	31 Dec 2025	31 Dec 2024
Trade receivables	111.2	131.7
Other receivables	6.5	5.6
Derivative instruments	2.9	50.3
Advance payments	0.2	0.1
Accruals	9.4	7.6
<b>Total</b>	<b>130.1</b>	<b>195.3</b>

Given their short-term nature, the carrying amounts of trade and other receivables are assumed to approximate their fair value. Further information on derivatives is provided in note 6.2 Derivative instruments.

## TRADE RECEIVABLES

### ESTIMATES AND MANAGEMENT JUDGEMENT

Management considers the credit risk in trade receivables to be low. A provision for expected credit losses has been recognised to cover doubtful receivables to the extent that management considers reasonable.

The management of credit risk for trade receivables is the responsibility of the business operations and is governed by the Group's Customer Credit Policy. The Group primarily serves large resellers, for which the risk of default and credit losses is considered low. Under the policy, export sales are generally covered by credit insurance to mitigate credit risk. Despite economic uncertainties, the Group's actual credit losses have remained low, with the three-year average of realised credit losses relative to net sales at approximately 0.02%.

## Trade receivables

MEUR	Gross 31 Dec 2025	Credit loss provision 31 Dec 2025	Gross 31 Dec 2024	Credit loss provision 31 Dec 2024
Undue	103.4	-	123.1	-
Past due up to 90 days	7.5	-	7.5	-0.0
91-180 days past due	0.1	-0.0	0.9	-0.3
Past due over 180 days	0.6	-0.3	0.9	-0.4
<b>Total</b>	<b>111.6</b>	<b>-0.3</b>	<b>132.4</b>	<b>-0.7</b>

## Reconciliation of provision for bad debts

MEUR	2025	2024
Credit loss provision, 1 January	0.7	0.8
Movement of credit loss provision	-0.4	0.3
Receivables written off during the year as uncollectible	-0.0	-0.4
<b>Credit loss provision, 31 December</b>	<b>0.3</b>	<b>0.7</b>

## 4.3 Trade and other payables

### ACCOUNTING POLICIES

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. The typical payment term for trade payables is less than 60 days. Trade payables and other liabilities are classified as current when they fall due within 12 months of the reporting date. Foreign exchange differences are recognised in other operating income and expenses.

Trade payables include liabilities under the Group's Supply chain financing arrangement, which is described in more detail in note 6.1 Financial risk management, under the section Liquidity and refinancing. Accrued liabilities include sales discounts and bonuses, further explained in note 2.1 Net sales.

MEUR	31 Dec 2025	31 Dec 2024
Trade payables	122.7	111.4
Other current liabilities	16.5	17.1
Derivatives	12.6	19.3
Advance payments	0.1	1.0
Accrued expenses	85.5	88.6
<b>Total</b>	<b>237.4</b>	<b>237.3</b>

The Group's main accrued liabilities relate to employee costs, such as holiday pay, performance bonuses, salaries,

pensions, and other personnel expenses, totalling EUR 57.0 (59.0) million. A further EUR 17.5 (16.2) million relates to obligations under customer contracts, including volume discounts and bonuses. No other material items requiring separate disclosure are included.

## 4.4 Provisions

### ACCOUNTING POLICIES

Provisions are recognised when the Group has a present legal or constructive obligation arising from a past event, it is probable that resources will be required to settle the obligation, and the amount can be reliably estimated. Where part of the obligation is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset when receipt is virtually certain.

### ESTIMATES AND MANAGEMENT JUDGEMENT

Provisions inherently involve uncertainty over both the amount and timing of the outflow. Actual costs may differ from the estimates on which the provision was based. For restructuring provisions, management judgement primarily relates to estimating employee termination benefits. When assessing provisions for the restoration of leased properties, management uses historical experience from similar past costs to prepare new estimates or update existing ones.

MEUR	Restructuring	Restoration of leased premises	Other	Total
<b>1 Jan 2025</b>	<b>3.1</b>	<b>2.1</b>	<b>0.2</b>	<b>5.4</b>
Increase of provisions	0.8	0.0	0.5	1.4
Released during the period	-1.7	-0.0	-0.2	-1.9
Exchange rate differences	0.0	0.1	0.0	0.1
<b>31 Dec 2025</b>	<b>2.3</b>	<b>2.2</b>	<b>0.5</b>	<b>5.0</b>
Current	2.4	-	0.4	2.8
Non-current	-	2.2	-	2.2

MEUR	Restructuring	Restoration of leased premises	Other	Total
<b>1 Jan 2024</b>	<b>0.7</b>	<b>1.8</b>	<b>0.2</b>	<b>2.7</b>
Increase of provisions	2.6	0.3	0.2	3.1
Released during the period	-0.1	-	-0.2	-0.3
Exchange rate differences	-0.0	-0.1	-0.0	-0.1
<b>31 Dec 2024</b>	<b>3.1</b>	<b>2.1</b>	<b>0.2</b>	<b>5.4</b>
Current	2.7	-	0.2	2.8
Non-current	0.5	2.1	-	2.6

The Group's provisions mainly relate to business restructuring and the restoration of leased properties. Restructuring provisions concern plans approved and implemented by management and primarily include employee termination costs, as well as expenses related to adapting and reorganising operations. Restoration provisions arise from obligations under lease agreements to return leased premises to their original condition at the end of the lease term.



## 4.5 Post-employment benefits

### ACCOUNTING POLICIES

The Group operates various post-employment pension arrangements, based on local conditions and practices. Plans are classified as either defined contribution or defined benefit.

#### Defined Contribution Plans

Under defined contribution plans, the Group makes fixed contributions to separate entities. Contributions are recognised as an expense in the period to which they relate. Most of the Group companies' pension arrangements are classified as defined contribution plans, and the Group has no further payment obligations in respect of these plans.

#### Defined Benefit Plans

Under defined benefit plans, the Group is responsible for paying agreed benefits to employees and for ensuring that plan assets are sufficient. Costs are based on terms of the plan and actuarial calculations. Expenses are recognised in the income statement as employee costs, with net interest recognised in finance costs over employees' service periods. Past service costs arising from plan amendments or curtailments are expensed immediately. The present value of the obligation is reduced by the fair value of plan assets at the reporting date.

Actuaries perform an annual valuation of each defined benefit plan using the projected unit credit method. The present value of the obligation is calculated by discounting expected future cash flows at the yield of high-quality corporate bonds, denominated in the same currency as the benefits and with maturities that closely match the timing of the obligations.

Remeasurements, including actuarial gains and losses, are recognised in other comprehensive income in the period they arise.

### ESTIMATES AND MANAGEMENT JUDGEMENT

The measurement of defined benefit pension obligations relies on key actuarial assumptions, including the discount rate, expected salary increases, inflation, and employee turnover. Management reviews and approves the country-specific assumptions proposed by the actuaries. Changes in these assumptions could have a significant impact on the pension liability and on future pension costs.

Fazer operates defined benefit pension plans in Sweden and Finland.

#### Sweden

The Swedish defined benefit plan is the ITP 2 plan, which is an unfunded defined benefit arrangement. Under the ITP 2 plan, the pension benefit is calculated as a percentage of salary. The benefit is reduced proportionally if the expected years of service, regardless of employer, are less than 30 years.

In addition, Fazer has one closed plan, secured through a PRI Pensionsgaranti credit insurance.

The current ITP 2 pension plans are insured through Alecta. According to the Swedish Financial Reporting Board (UFR 3), this is a multi-employer defined benefit plan. Sufficient information on the allocation of obligations and plan assets by employer is not available; therefore, the plan has been accounted for as a defined contribution plan.

### Finland

In Finland, Fazer has a supplementary pension plan closed to new entrants. Benefits are based on years of service and salary before retirement. Employees do not contribute, as Fazer bears the full cost of the benefits.

### Movement in present value of obligations and in fair value of plan assets

MEUR	2025			2024		
	Present value of obligation	Fair value of plan assets	Net benefit liability/ (asset)	Present value of obligation	Fair value of plan assets	Net benefit liability/ (asset)
<b>Carrying value, 1 January</b>	<b>3.3</b>	<b>-1.0</b>	<b>2.2</b>	<b>3.3</b>	<b>-1.2</b>	<b>2.2</b>
Current service cost	0.0	-	0.0	-0.0	-	-0.0
Interest expense (+) / income (-)	0.1	-0.0	0.1	0.1	-0.0	0.1
<b>Total recognized in the income statement</b>	<b>0.1</b>	<b>-0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.0</b>	<b>0.1</b>
Actuarial gain and loss on obligations arising from changes in financial assumptions	-0.2	0.1	-0.1	0.3	0.0	0.3
Actuarial gain and loss on obligations arising from experience adjustments	0.1	-0.0	0.1	0.0	-0.0	0.0
<b>Total remeasurement gains (-) and losses (+) included in OCI</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>0.4</b>
Contributions by employers	-0.3	-0.1	-0.4	-0.4	-0.1	-0.5
Paid benefits	-	0.1	0.1	-	0.2	0.2
Settlements	-0.0	0.0	-	-0.1	0.1	-
Exchange rate difference	0.1	-0.0	0.1	-0.1	0.0	-0.1
<b>Carrying value, 31 December</b>	<b>3.1</b>	<b>-1.0</b>	<b>2.2</b>	<b>3.3</b>	<b>-1.0</b>	<b>2.2</b>

The estimated contributions to defined benefit plans in Sweden and Finland for the year 2026 are expected to total EUR 0.2 million.



## RISKS

Defined benefit plans typically expose the Group to the following actuarial risks:

### Interest rate risk:

Changes in corporate or government bond yields can affect the discount rate used to measure the obligations, impacting the net defined benefit liability. The bond maturities are aligned with the duration of the obligations.

### Salary risk:

Benefits are based on employees' salaries during their final years before retirement. Higher-than-expected salary increases can lead to a higher defined benefit obligation.

### Weighted average assumptions used to calculate defined benefit obligations

	2025	2024
Discount rate	3.56%	3.04%
Future pension increase	1.34%	1.44%
Salary increase	1.00%	1.00%
Inflation	1.76%	1.82%
Duration (years)	10.6	10.8

## PLAN ASSETS

Information on the allocation of plan assets by asset class is not available.

## SENSITIVITY ANALYSIS

The sensitivity analysis is based on the likely change in assumptions at the end of the reporting period and may not reflect actual changes. Each key assumption is adjusted individually, with all other assumptions held constant. It is not possible to adjust all assumptions simultaneously with a linear extrapolation of the results.

MEUR	31 December 2025 Defined benefit obligation		31 December 2024 Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% change)	-0.2	0.2	-0.2	0.2
Inflation (0.5% change)	0.2	-0.1	0.2	-0.2
Mortality (1 year change)	0.1	-0.1	0.1	-0.1



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# 5. Capital structure and financing

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## 5.1 Capital management

The Group's objective is to manage its capital structure in a way that supports profitable growth of its operations while ensuring sufficient liquidity and capitalisation. The Group aims to maintain a capital structure that enables the creation of shareholder value and targets an equity ratio in excess of 50 per cent.

The Group adjusts its capital structure in response to changes in economic conditions and in line with the requirements of its strategy. Measures available for managing equity include the dividend policy, distributions of capital to shareholders and the issuance of new shares. The management of interest-bearing debt is centralised within the parent company to the extent possible, excluding lease liabilities.

The development of the capital structure is monitored using the net gearing ratio and the ratio of interest-bearing net debt to EBITDA. The latter also serves as a financial covenant in the Group's financing arrangements. The Group is not subject to any externally imposed capital requirements other than the covenant conditions included in certain bank financing agreements.

MEUR	31 Dec 2025	31 Dec 2024
Equity	623.4	690.9
Interest-bearing debt	92.0	101.3
Cash and cash equivalents	78.2	78.9
Net debt	13.8	22.4
<b>Capital, total</b>	<b>637.2</b>	<b>713.3</b>
Equity ratio	63.2 %	64.9 %
Gearing ratio	2.2 %	3.2 %
Net debt / EBITDA	0.1	0.2

## 5.2 Equity

### ACCOUNTING POLICIES

In a share issue, the portion of the subscription price corresponding to the nominal value of the shares is recognised in share capital, with the excess recognised in the reserve for invested unrestricted equity.

Transaction costs directly attributable to the issue or acquisition of own shares are recognised, net of tax, as a deduction from equity. If the Group acquires its own shares, the consideration paid is recognised as a deduction from equity. Dividends proposed by the Board of Directors are not recognised as a liability or as a deduction from equity until they have been approved by a General Shareholders Meeting. Dividends unpaid at the end of the reporting period are presented as a liability in the statement of financial position.

### SHARES

Oy Karl Fazer Ab's share capital is divided into preference shares and ordinary shares. Each preference share carries one vote per share and each ordinary share carries ten votes per share. In connection with the annual distribution of profit, preference shares have a preferential right to dividend over ordinary shares, and the dividend on preference shares is at least 6 per cent of the nominal value of the share. If the general meeting decides on a lower dividend, the unpaid difference does not give rise to a liability and will not be paid at a later date. The nominal value of both share classes is 20 euros. Under the Articles of Association, the maximum number of



preference shares is 14,620,320 and the maximum number of ordinary shares is 9,460,800.

	Number of shares			Share capital, MEUR
	Preference shares	Ordinary shares	Total	
1 January 2024	4,474,325	2,365,200	6,839,525	136.8
<b>31 December 2024</b>	<b>4,474,325</b>	<b>2,365,200</b>	<b>6,839,525</b>	<b>136.8</b>
<b>31 December 2025</b>	<b>4,474,325</b>	<b>2,365,200</b>	<b>6,839,525</b>	<b>136.8</b>
Number of votes	4,474,325	23,652,000	28,126,325	

The Board of Directors has an authorisation, granted by the Annual General Meeting held on 20 March 2025 and valid until the next Annual General Meeting, to acquire up to 300,000 preference shares and 300,000 ordinary shares, subject to an aggregate limit of 300,000 shares.

#### DIVIDENDS

After the end of the reporting period, the Board of Directors of the Fazer Group resolved to propose to the Annual General Meeting that a dividend of EUR 4.50 (4.00) per share be distributed for the financial year 2025, representing a total distribution of EUR 30.8 (27.4) million.

#### RESERVE FOR INVESTED UNRESTRICTED EQUITY

The reserve for invested unrestricted equity comprises the portion of the subscription price received in share issues that exceeds the nominal value of the shares.

MEUR	Hedge reserve	Fair value reserve	Total
1 January 2024, gross	3.5	19.1	22.6
Tax impact	-0.6	-	-0.6
<b>1 January 2024, net</b>	<b>2.9</b>	<b>19.1</b>	<b>22.0</b>
Transferred to inventories	-28.9	-	-28.9
Change in fair value	57.4	-12.2	45.2
Income taxes related to changes	-5.7	-	-5.7
<b>Balance at 31 December 2024</b>	<b>25.7</b>	<b>6.8</b>	<b>32.5</b>
Transferred to inventories	-11.4	-	-11.4
Change in fair value	-30.7	0.2	-30.6
Income taxes related to changes	8.4	-	8.4
<b>Balance at 31 December 2025</b>	<b>-8.1</b>	<b>7.0</b>	<b>-1.0</b>

#### TRANSLATION DIFFERENCES

Translation differences comprise foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries into euros.

#### RESERVES

##### Hedge reserve

The hedge reserve includes the effective portion of gains or losses on cash flow hedge instruments relating to hedged transactions that have not yet occurred. Further information on hedge accounting in note 6.2 Derivative instruments.

##### Fair value reserve

The reserve comprises the changes in the fair value of financial assets classified as strategic investments, where returns are not solely dependent on changes in value. Further information on strategic investments in note 5.5 Financial assets.

## 5.3 Financial income and expenses

MEUR	2025	2024
<b>Interest income and expenses</b>		
Interest expenses		
From financial liabilities at amortised cost	-0.5	-1.0
From financial liabilities at fair value	-1.8	-1.0
From leasing liabilities	-1.8	-1.6
Net-interest from defined benefit plans	-0.1	-0.1
Other items	-0.2	-0.6
Interest income		
From financial assets at fair value	1.7	0.9
Other items	1.5	1.9
<b>Total interest income and expense</b>	<b>-1.2</b>	<b>-1.4</b>
<b>Foreign exchange rate gains and losses</b>		
Currency derivatives	-4.4	1.6
Other	3.7	-0.1
<b>Total</b>	<b>-0.7</b>	<b>1.5</b>
<b>Other items</b>		
Other financial income	0.1	-
Other financial expenses		
Fees and expenses related to financing transactions	-1.0	-0.6
Other financing expense	-0.1	-0.1
<b>Total</b>	<b>-1.1</b>	<b>-0.7</b>
<b>Financial income and expenses, total</b>	<b>-2.9</b>	<b>-0.6</b>

### ACCOUNTING POLICIES

#### Interest income and expenses

The Group's interest expenses arise mainly from foreign exchange derivatives, commercial papers, lease liabilities, loans from financial institutions, and bank accounts. Interest income is mainly derived from foreign exchange derivatives and bank deposits.

#### Foreign exchange gains and losses

Foreign exchange gains and losses primarily arise from foreign exchange derivatives, foreign exchange transactions, and bank accounts.

#### Other items

Other items mainly comprise costs related to financing arrangements, liquidity management activities, and fees associated with guarantees.

Amounts recognised in the statement of profit or loss in respect of financial instruments measured at fair value through profit or loss during the financial years 2025 and 2024 mainly relate to derivative instruments.

Foreign exchange rates and the related accounting policies are also described in notes 4.2 Trade and other receivables, 4.3 Trade and other payables, and 6.2 Derivative instruments.

## 5.4 Financial liabilities

### ACCOUNTING POLICIES

The Group's financial liabilities are classified as either measured at amortised cost or measured at fair value through profit or loss. Financial liabilities measured at amortised cost include loans from financial institutions, lease liabilities, and issued commercial papers. Financial liabilities measured at fair value through profit or loss mainly consist of derivative instruments. Further information is provided in note 3.3 Leases and 6.2 Derivative instruments.

Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs. Subsequently, liabilities measured at amortised cost are measured using the effective interest method. Liabilities measured at fair value through profit or loss are remeasured at fair value at the end of each reporting period, with changes recognised in the income statement. The accounting policies applied to derivative instruments are described in note 6.2.

Arrangement fees related to committed credit facilities are recognised as prepaid expenses and expensed within finance costs over the term of the facility.

### INTEREST-BEARING LIABILITIES

The Group's non-current and current interest-bearing liabilities comprise the following items.

MEUR	31 Dec 2025	31 Dec 2024
<b>Non-current interest-bearing liabilities</b>		
Loans from financial institutions	32.9	22.9
Leasing liabilities	42.0	45.3
<b>Total</b>	<b>74.9</b>	<b>68.2</b>
<b>Current interest-bearing liabilities</b>		
Loans from financial institutions	5.7	5.7
Leasing liabilities	11.4	12.4
Commercial papers	-	15.0
<b>Total</b>	<b>17.2</b>	<b>33.1</b>
<b>Interest-bearing liabilities, total</b>	<b>92.0</b>	<b>101.3</b>

Fazer plans to invest around EUR 400 million in a new chocolate factory in Lahti between 2025 and 2028. To finance the investment, the Group has arranged a EUR 280 million long-term syndicated loan, with EUR 140 million maturing in five years and EUR 140 million in seven years. In addition, the Group has signed a property lease of up to EUR 120 million to fund the factory building. For accounting purposes, the lease is treated as borrowings measured at amortised cost and is included within loans from financial institutions. The term is 15 years. In 2025, no funds had been drawn from the syndicated loan, while EUR 15.8 million has been recognised as a liability in respect of the property lease. The Group also has an

existing EUR 40 million loan with equal instalments of principal from the EIB.

In 2025, Fazer launched its Green Financing Framework to support the Group's sustainability strategy and objectives. Further information on sustainable financing and the Green Financing Framework is available on the Fazer Group website: [www.fazergroup.com](http://www.fazergroup.com).

### Movement in interest-bearing liabilities

MEUR	2025	2024
<b>Interest-bearing liabilities 1 January</b>	<b>101.3</b>	<b>103.6</b>
With a cashflow impact		
Repayment of non-current debt	-5.7	-5.7
Movement of commercial papers	-15.0	0.0
Repayment of lease liabilities	-14.2	-13.7
No cashflow impact		
Increase of debt from financial institutions	15.8	-
New lease liabilities	9.6	18.0
Exchange rate differences	0.3	-0.9
<b>Interest-bearing liabilities 31 December</b>	<b>92.0</b>	<b>101.3</b>

Loan agreements include a covenant requiring the Group to maintain a certain ratio of net interest-bearing debt to EBITDA, which management monitors regularly. The Group met all covenant requirements in 2025 and 2024, and management expects this to continue.



## MATURITY OF FINANCIAL LIABILITIES

The table presents the contractual, undiscounted cash flows of the Group's financial liabilities, including interest. Derivatives settled on a gross basis are shown at their notional amounts.

MEUR	31 December 2025						31 December 2024					
	Carrying amount	6 months or less	6-12 months	1-3 years	3-5 years	More than 5 years	Carrying amount	6 months or less	6-12 months	1-3 years	3-5 years	More than 5 years
Financial institutions	38.6	5.8	-	11.5	5.7	15.8	28.9	5.8	-	11.6	11.5	-
Commercial papers	-	-	-	-	-	-	15.0	15.0	-	-	-	-
Leasing liabilities	53.4	6.7	6.7	19.4	11.4	16.3	57.7	7.0	7.0	20.5	11.6	19.5
Accounts payable	122.7	122.7	-	-	-	-	111.4	111.4	-	-	-	-
Gross-settled derivatives												
F/X derivatives (to be paid)	97.3	63.5	33.8	-	-	-	35.1	23.0	12.0	-	-	-
F/X derivatives (to be received)	-96.3	-62.8	-33.4	-	-	-	-35.0	-23.0	-12.0	-	-	-
Commodity derivatives (to be paid)	-	-	-	-	-	-	2.4	1.0	1.0	0.4	-	-
Net-settled derivatives												
Commodity derivatives	11.6	8.4	3.2	-	-	-	16.8	16.8	-	-	-	-
<b>Total</b>	<b>227.4</b>	<b>144.2</b>	<b>10.2</b>	<b>31.0</b>	<b>17.2</b>	<b>32.1</b>	<b>232.3</b>	<b>157.0</b>	<b>8.1</b>	<b>32.4</b>	<b>23.1</b>	<b>19.5</b>

## 5.5 Financial assets

### ACCOUNTING POLICIES

#### Financial assets

The Group classifies its financial assets into three categories: fair value through profit or loss, fair value through other comprehensive income, and amortised cost. Classification is determined based on the Group's business model for managing financial assets and the contractual cash flow characteristics of the instruments. Financial assets are classified on initial recognition according to their intended purpose. A financial asset is derecognised when the Group loses its contractual right to the cash flows, or when it has substantially transferred the risks and rewards of ownership outside the Group.

#### Fair value through profit or loss

Financial assets measured at fair value through profit or loss comprise shares and holdings in unlisted companies and derivative instruments. These assets are measured at fair value on initial recognition and subsequently, with changes in fair value recognised in the income statement under other operating income expenses. Investments in unlisted companies and entities are initially recognised at fair value, equivalent to cost, and subsequently monitored on an ongoing basis. The methods and assumptions used to determine the fair value of derivatives are described in note 6.2 Derivative instruments.

#### Fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income comprise equity investments in companies in which the Group has a strategic interest. These investments are measured at fair value on initial recognition and subsequently. As these investments are irrevocably designated in this category, all subsequent changes in fair value are recognised in other comprehensive income and presented, net of tax, within the fair value reserve in equity. The fair value of these shares is determined using quoted market prices at the end of the reporting period.

### NON-CURRENT FINANCIAL ASSETS

MEUR	31 Dec 2025	31 Dec 2024
Strategic investments	14.7	14.5
Shares and holdings	2.8	3.1
<b>Total</b>	<b>17.5</b>	<b>17.6</b>

Strategic investments comprise the Group's shareholding in Solar Foods Oyj, which is measured at fair value through other comprehensive income. Upon disposal of these equity instruments, the cumulative fair value gains or losses recognised in other comprehensive income are transferred to retained earnings. Management

has assessed the Group's ownership interest and concluded that the Group does not exercise significant influence over Solar Foods Oyj.

The fair value of Solar Foods Oyj shares is determined based on the closing price on the Nasdaq First North Growth Market Finland at the end of the reporting period. The Group did not trade in strategic investments during year 2025; however, investments of EUR 0.1 million were made in year 2024. Fair value changes recognised in other comprehensive income in respect of strategic investments year 2025 amounted to EUR 0.2 (-12.2) million.

Shares and holdings comprise the Group's holdings in unlisted entities, such as real estate companies and other undertakings, and are measured at fair value through profit or loss. Where a reliable market price is not available, cost is considered to represent the best available estimate of fair value.

The Group did not acquire any shares and holdings during 2025; however, disposals amounted to EUR 0.4 million, resulting in a gain of EUR 0.1 million. No acquisitions or disposals of shares and holdings were made in 2024.

At the end of the reporting period years 2025 and 2024, the Group did not hold any financial assets classified as

current other than derivative instruments, trade receivables, and cash and cash equivalents.

Further information on derivative instruments is provided in note 6.2, trade receivables in note 4.2, and cash and cash equivalents in note 5.6. Information on the fair value hierarchy of financial assets is disclosed in note 5.7.

## 5.6 Cash and cash equivalents

### ACCOUNTING POLICIES

Cash and cash equivalents comprise cash on hand, short-term deposits with banks, and other highly liquid investments with an original maturity of three months or less. These instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are classified as short-term interest-bearing debt.

MEUR	31 Dec 2025	31 Dec 2024
Cash and bank	58.2	78.9
Short-term deposits	20.0	-
<b>Total</b>	<b>78.2</b>	<b>78.9</b>

## 5.7 Financial assets and liabilities by category

### ACCOUNTING POLICIES

Financial assets and liabilities measured at fair value are classified in accordance with the following fair value hierarchy:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value is determined using valuation techniques. All significant inputs affecting the fair value of the assets or liabilities are observable in the market, either directly or indirectly.
- Level 3: Fair value is determined using significant inputs that are not observable in the market.

### Level 3 fair value measurement

Shares and holdings amounted to EUR 2.8 (3.1) and consist of investments in unlisted real estate and other companies. Given the nature of these assets, it is not practical to determine their fair value using discounted cash flow or similar valuation models. Management's view is that, in the absence of a reliable market price, the amortised cost of acquisition provides the best estimate of the fair value of these investments. All changes in fair value, as well as any gains or losses on the disposal of these investments, are recognised in the statement of profit or loss within other operating income or expenses. During years 2025 and 2024 no new shares or holdings were acquired, and no material changes in fair value were recorded. The result on disposals of such investments amounted to EUR 0.1 (-) million.

### Transfers between levels

No transfers occurred between Levels 1, 2, and 3 during the periods presented.



## Financial assets and liabilities by category

MEUR	31 December 2025						31 December 2024				
	Amortised cost	Fair value through income statement	Fair value through OCI	Carrying amount	Fair value	Fair value hierarchy	Amortised cost	Fair value through income statement	Fair value through OCI	Carrying amount	Fair value
<b>Assets</b>											
Non-current financial assets											
Shares and holdings	-	2.8	-	2.8	2.8	3	-	3.1	-	3.1	3.1
Strategic holdings	-	-	14.7	14.7	14.7	1	-	-	14.5	14.5	14.5
Non-current receivables											
Trade receivables	111.2	-	-	111.2	111.2		0.1	-	-	0.1	0.1
Derivative instruments											
Hedge accounted derivatives	-	2.7	-	2.7	2.7	2	-	49.3	-	49.3	49.3
Derivatives, non-qualifying	-	0.2	-	0.2	0.2	2	-	1.0	-	1.0	1.0
Cash and cash equivalents	78.2	-	-	78.2	78.2		78.9	-	-	78.9	78.9
<b>Liabilities</b>											
Leasing liabilities	53.4	-	-	53.4	54.4		57.7	-	-	57.7	59.5
Loans from financial institutions	38.6	-	-	38.6	37.9		28.6	-	-	28.6	27.5
Commercial papers	-	-	-	-	-		15.0	-	-	15.0	15.0
Trade payables	122.7	-	-	122.7	122.7		111.4	-	-	111.4	111.4
Derivative instruments											
Hedge accounted derivatives	-	12.4	-	12.4	12.4	2	-	16.8	-	16.8	16.8
Derivatives, non-qualifying	-	0.2	-	0.2	0.2	2	-	2.5	-	2.5	2.5



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# 6. Financial risk management

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## 6.1 Financial risk management

The Group's financial risk management aims to protect profit and equity from adverse movements in financial markets and to ensure adequate and cost-efficient funding for its operations. The Group seeks to maintain a low-risk approach in all financial activities. Financial risk management is centralised within Group Treasury at the parent company. The Board of Directors approves the Group's financial and commodity risk management policies, including any exceptions. The Treasury Committee monitors compliance with these policies monthly and reports regularly to the Board. Derivative transactions are used solely to manage operational and financial risks. The Group primarily utilises interest rate swaps, foreign exchange and commodity forwards, and options to manage interest rate, currency, and commodity price risks, although other derivatives may also be used where appropriate. The Group's policies do not restrict the use of derivatives.

### FOREIGN EXCHANGE RISK

#### Transaction risk

Transaction risk arises from cash flows and balance sheet items that are affected by changes in foreign exchange rates, impacting result and cash flows. The Group's principal sales currencies are the euro and Swedish krona, while the principal purchase currencies are the euro, Swedish krona, and British pound. Under the Group's Treasury policy, at least 30% of any open foreign currency position exceeding EUR 2 million over the next 12 months

should be hedged, unless economic conditions make hedging impracticable. Forecasted commercial cash flows, contracted derivatives, and foreign currency balance sheet items relative to the functional currency together form the Group's overall currency exposure.

The maturities of the foreign exchange hedges align with those of the hedged positions. No hedge ineffectiveness arose during the period, as changes in the discounted spot value of the hedging instruments matched changes in the discounted value of the hedged items.

### Foreign exchange sensitivity analysis

MEUR	31.12.2025		31.12.2024	
	GBP	SEK	GBP	SEK
<b>Operative exposure *</b>	<b>-21.3</b>	<b>-7.9</b>	<b>21.9</b>	<b>14.0</b>
12 months forecasted cashflow	-63.6	104.4	-148.2	86.9
Foreign exchange hedges	67.3	-49.6	63.0	-42.4
<b>Open exposure</b>	<b>-17.6</b>	<b>46.9</b>	<b>-63.3</b>	<b>58.6</b>
<b>Sensitivity to market risk</b>				
10% strengthening impact on pre-tax profit	-6.7	9.2	-17.9	6.5
10% strengthening impact on OCI	4.8	-3.9	10.6	-
10% weakening impact on pre-tax profit	5.9	-7.5	14.6	-5.3
10% weakening impact on OCI	-3.8	3.2	-9.3	-

\* The operative foreign currency position consists of balances in foreign currencies compared with the reporting entity's functional currency. Counterparties can be external parties or other entities within the Group. The main components of this position are trade receivables, cash, loans, trade payables, and derivatives.

Ineffectiveness could arise if forecasted requirements change or if the credit rating of the counterparty's declines.

## Translation risk

Translation risk arises when the income statement and balance sheet items of subsidiaries reporting in currencies other than the euro are converted into euros for the consolidated financial statements. Exchange differences arising from this translation are recognised as translation differences within equity. As these investments are long-term in nature, they are generally not hedged against currency fluctuations. In 2025 the Group's only significant translation exposure is the Swedish krona, with a net investment EUR 147.4 (146.9) million. For other currencies, net investments are individually below EUR 5 million, and the impact of currency movements on equity is minor. A 10% weakening of the Swedish krona against the euro would reduce equity by EUR -13.4 (-13,4) million, while a 10% strengthening would increase equity by EUR 16.4 (16.3) million.

## COMMODITY RISK

The Group is exposed to fluctuations in commodity market prices, particularly for grains and cocoa, as well as electricity and gas. These fluctuations may impact the Group's profit, cash flows, and balance sheet.

## Sensitivity analysis of commodity derivatives

MEUR

### Total exposure

10% favourable change impact on pre-tax result  
 10% favourable change impact on OCI  
 10% unfavourable change impact on pre-tax result  
 10% unfavourable change impact on OCI

MEUR

### Total exposure

10% favourable change impact on pre-tax result  
 10% favourable change impact on OCI  
 10% unfavourable change impact on pre-tax result  
 10% unfavourable change impact on OCI

31 December 2025		
Cocoa	Wheat	Electricity
98.4	2.1	-
-	0.1	-
4.9	-	-
-	-0.1	-
-4.9	-	-

31 December 2024

Cocoa	Wheat	Electricity
102.2	1.8	11.4
-	0.1	1.1
4.3	-	-
-	-0.1	-1.1
-4.3	-	-

The table presents the open commodity derivatives at the end of the reporting period and their sensitivity to market risk.

## Cocoa price risk

The Group's Cocoa risk management policy applies to all cocoa purchases. In line with this policy, 100% of the next six months' cocoa requirements must be hedged through physical supply contracts or inventory. At least 80% of the cocoa price risk for the next six months should be hedged using physical supply contracts, inventory, or financial instruments. Up to 100% of the cocoa price risk for the following 12 months may be hedged using inventory, physical purchase contracts, and financial instruments. Declining hedging levels may be applied up to 24 months.

The Group purchases cocoa products, such as cocoa butter or cocoa mass. Physical purchase contracts include terms such as product definition, delivery schedule, multiplier components, and the cocoa bean price component. Cocoa futures are used to hedge the cocoa bean price component of physical supply contracts and never result in physical delivery of cocoa beans or products. Typically, when a cocoa future is purchased, there is no existing physical contract. Once a physical contract is executed and the cocoa bean price component is confirmed, the future is closed.

The fair value portion of the hedge is allocated to inventory, and the hedge result is recognised in the income statement in line with inventory consumption. At the end of 2025, EUR 1.1 million was allocated to inventory, decreases its carrying amount.



### Grain price risk

The Grain risk management policy applies to grain purchases in Finland. Pricing mechanisms in other markets may differ, and for regulatory reasons, the Group's hedging policy may not be applied in all countries. In accordance with the policy, 100% of the next three months' grain requirements should be hedged through physical supply contracts or inventory. Hedge results and fair value changes are recognised in the income statement as adjustments to material costs.

### Electricity and gas price risk

The electricity risk management policy covers the procurement of electricity in Finland, Sweden, and the Baltic countries. Physical supply contracts and derivative financial instruments used to manage electricity and gas price risk may cover up to 100% of the Group's requirements for the current year. Declining hedge levels may be applied until the end of the calendar year following the third year. All of the Group's electricity contracts involve physical delivery for its own use and are therefore accounted for as executed contracts, rather than as derivatives.

### INTEREST RATE RISK

The Group is exposed to changes in market interest rates, which affect interest expenses. According to the Group's Treasury policy, at least 30% of forecasted interest-bearing debt over the next 12 months should be hedged, provided total debt exceeds EUR 100 million. Lease liabilities below EUR 5 million and obligations from employee benefits are excluded from the calculation. The Group may use interest rate derivatives to manage exposure, applying hedge accounting where appropriate.

At the end of the reporting period, the Group had interest-bearing net debt of EUR 13.8 (22.4) million, including lease liabilities. During the year 2025, cash and cash equivalents decreased from previous year-end by EUR 0.6 million to EUR 78.2 million. The Group has both fixed- and floating-rate debt. Floating-rate loans are partially hedged using interest rate swaps, which qualify for hedge accounting. Further details on interest rate derivatives are provided in note 6.2 Derivatives.

### Sensitivity of net debt to interest rate changes

MEUR	31 December 2025			31 December 2024		
	Net debt	Income statement	Other comprehensive income	Net debt	Income statement	Other comprehensive income
Increase of 1% in Interest rate	13.8	0.8	5.0	22.4	0.6	-
Decrease of 1% in Interest rate	13.8	-0.8	-4.3	22.4	-0.6	-



## LIQUIDITY AND REFINANCING RISK

The Group manages liquidity risk by maintaining sufficient liquidity reserves to meet day-to-day funding needs, potential cash flow fluctuations, and strategic requirements. Excess cash is held in bank accounts and short-term deposits. Liquidity is monitored using rolling short- and long-term cash flow forecasts covering an 18-month period. The Group has a EUR 220 million multicurrency revolving credit facility maturing in July 2028. The facility is available for general corporate purposes, and its pricing is based on utilisation and certain financial ratios. At the end of the year 2025, the facility was fully undrawn.

At the end of the reporting period, the Group's liquidity reserve totalled EUR 298.2 (298,9) million, comprising the undrawn revolving credit facility and cash and cash equivalents of EUR 78.2 (78.9) million. In addition, the Group has uncommitted bilateral commercial paper arrangements with several Nordic banks. The Group complied with all loan covenant requirements during the years 2025 and 2024, and management expects this to continue.

Interest-bearing liabilities totalled EUR 92.0 (101.3) million, of which EUR 53.4 (57.7) million related to lease liabilities. In 2025, the Group entered into a syndicated loan agreement to finance the construction of the new chocolate factory. The facility comprises two tranches of EUR 140 million with maturities of five and seven years. In addition, the Group entered into a property lease arrangement of up to EUR 120 million to finance the factory building. For accounting purposes, this lease is reported as a loan from financial institutions with a 15-year term. During 2025, the syndicated loan was not drawn, and lease liabilities of EUR 15.8 million were recognised. The Group also has a long-term loan from the European Investment Bank, originally drawn in 2021 with a principal amount of EUR 40 million, which matures in 2029.

### Supply chain finance programme

The Group operates one supplier finance programme under which suppliers may sell their receivables to a financial institution using the buyer's credit rating. Amounts payable under the programme are classified as trade payables, and related cash outflows are presented within cash flows from operating activities. During year 2025, purchases amounted to EUR 844 (793) million. The outstanding balance under the supplier finance programme at 31 December 2025 was EUR 13,2 (11.5) million. The supplier finance programme has no material impact on the Group's liquidity position, and the payment terms do not differ materially from the standard terms agreed with suppliers.

## CREDIT RISK

The Group is exposed to credit risk mainly from trade receivables, derivatives, short-term investments and other receivables, and cash deposits. Under the Group's Treasury policy, financial counterparties are required to have a credit quality equivalent to good investment grade. Creditworthiness may also be assessed by parties other than rating agencies, provided they have appropriate expertise in credit assessment. Any exceptions to this policy require approval by the Board of Directors. To limit concentration risk, derivatives are entered into with several creditworthy financial institutions.

Credit risk related to trade receivables is managed in accordance with the Group's Customer credit policy. Outstanding and overdue receivables are monitored continuously. Customer credit limits and financial condition are reviewed regularly, and credit insurance is used where appropriate to reduce the risk of credit losses. The Group does not have any significant concentration of credit risk relating to individual customers. Further information on trade receivables and related credit risk is provided in note 4.2 Trade and other receivables.

## 6.2 Derivative instruments

### ACCOUNTING POLICIES

Derivatives are recognised on the balance sheet when the Group becomes a party to the contractual terms of the instrument. All derivatives are measured at fair value at the end of each reporting period. Changes in fair value are recognised either in the income statement or in other comprehensive income. Amounts recognised in other comprehensive income are subsequently reclassified to the income statement in accordance with the hedge accounting policies described below.

Although all derivatives are used for the purposes of the Group's financial risk management, not all qualify for hedge accounting. Fair value changes on derivatives related to foreign currency-denominated purchases and sales are recognised in other operating income and expenses. Fair value changes on derivatives used to hedge grain costs are recognised as an adjustment to raw material costs. Fair value changes on derivatives that do not qualify for hedge accounting and that hedge the Group's net foreign currency exposure are recognised in finance income and expenses. For electricity purchase contracts and related instruments entered into to manage electricity price risk, the Group applies the own-use exemption. As these contracts are settled by physical delivery, they are not accounted for as derivatives and are therefore not measured at fair value.

### Valuation principles

The fair value of commodity forward contracts is determined by comparing the contracted futures price with the corresponding market price at the end of the reporting period. The fair value of foreign exchange forward contracts is determined by comparing the contracted forward rate with the corresponding market forward rate at the end of the reporting period. The fair value of foreign exchange options is calculated using the Black-Scholes valuation model. The fair value of interest rate derivatives is determined by comparing the agreed swap rate with the corresponding market interest rate at the end of the reporting period.

### Hedge accounting

Hedge accounting is applied to cocoa derivatives and certain foreign exchange derivatives entered into to hedge foreign currency-denominated purchases and sales. In addition, hedge accounting is applied to certain interest rate swaps used to hedge interest rate risk on long-term borrowings. These hedging relationships are designated as cash flow hedges.

Hedge effectiveness is assessed at the inception of the hedging relationship and at the end of the reporting period. To the extent the hedge is effective, changes in fair value are recognised in the Hedge reserve within equity.

For cocoa derivatives, the effective portion of the hedging result is allocated to inventories based on the proportion of hedged raw materials included in inventory at the end of the reporting period. The hedging result is recognised in the income statement as the related inventories are consumed. Foreign exchange hedges relating to sales are recognised in the income statement when the underlying sales occur.

The Group uses interest rate swaps to hedge interest rate risk on certain borrowings. Where the hedged borrowing finances the construction of a qualifying asset, the hedging result may be capitalised as part of the cost of that asset during the construction period. In other cases, the hedging result is recognised as an adjustment to interest expense over the period in which the hedged interest costs are incurred.

The Group designates the spot component of foreign exchange forward contracts as the hedging instrument in cash flow hedges. The forward points are recognised immediately in finance income or expenses. Any ineffective portion of a cash flow hedge is recognised immediately in finance income or expenses.

## Derivatives

MEUR	31 December 2025				31 December 2024			
	Positive fair value	Negative fair value	Net fair value	Nominal amounts	Positive fair value	Negative fair value	Net fair value	Nominal amounts
<b>Hedge accounted</b>								
Currency forwards	0.2	-0.9	-0.7	107.1	1.4	-0.0	1.4	69.3
Cocoa forwards	1.9	-11.5	-9.6	98.4	47.9	-16.8	31.1	102.2
Interest rate swaps	0.7	-	0.7	140.0	-	-	-	-
<b>Non-qualifying</b>								
Currency forwards	0.0	-0.1	-0.1	15.4	0.2	-0.1	0.1	84.9
Electricity forwards	-	-	-	-	0.8	-2.4	-1.7	11.4
Wheat forwards	0.0	-0.1	-0.1	2.1	0.0	-0.0	0.0	1.8
Currency options	0.2	-0.1	0.1	20.0	-	-	-	-
<b>Total</b>	<b>2.9</b>	<b>-12.6</b>	<b>-9.7</b>	<b>383.0</b>	<b>50.3</b>	<b>-19.3</b>	<b>31.0</b>	<b>269.6</b>

The maturities of foreign exchange hedges and their corresponding hedged positions are aligned. No hedge ineffectiveness arose during the period, as changes in the discounted spot value of the hedging instruments corresponded to changes in the discounted value of the hedged items.

The timing profile of all derivatives is presented in note 5.4 Maturity of financial liabilities. Movements in the Hedge reserve are disclosed in note 5.2 Equity.

### OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The Group does not have a contractual right to offset derivative assets and liabilities; therefore, derivatives are presented on a gross basis in the balance sheet. The Group has ISDA agreements and equivalent local agreements that allow netting in specific circumstances. The table below shows the net amounts of derivatives if they were settled on a counterparty net basis. There are no outstanding obligations under the ISDA agreements.

Apart from derivatives, the Group has no other material financial assets or liabilities presented gross in the balance sheet rather than netted. The Group has not provided or received any material off-balance-sheet collateral in relation to its financial assets or liabilities.

MEUR	31 December 2025		31 December 2024	
	Derivative instruments, receivables	Derivative instruments, payables	Derivative instruments, receivables	Derivative instruments, payables
Gross amount in statement of financial position	2.9	12.6	50.3	19.3
Effect of general netting arrangement	-2.7	-2.7	-17.7	-17.7
<b>Net amount</b>	<b>0.2</b>	<b>10.0</b>	<b>32.7</b>	<b>1.7</b>

Net amounts of derivatives if settled on a counterparty net basis.



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# 7. Other notes

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## 7.1 Subsidiaries

	Country	Group ownership (%)	
		31 Dec 2025	31 Dec 2024
<b>Owned by the parent</b>			
Fazer Finland Oy	Finland	100	100
Fazer Leipomot Oy	Finland	100	100
Fazer Makeiset Oy	Finland	100	100
Fazer Ravintolat Oy	Finland	100	100
Crestjoy Oy	Finland	100	100
Startplace Oy	Finland	100	100
<b>Owned by other group companies</b>			
Fazer Sweden AB	Sweden	100	100
Fazer Bageri AB	Sweden	100	100
Trensums Food AB	Sweden	100	100
Trensums Prosessing AB	Sweden	100	100
Fazer Norway AS	Norway	100	100
Fazer Denmark ApS	Denmark	100	100
Fazer Poland Sp.z.o.o.	Poland	100	100
Kiinteistö Oy Kanneltori	Finland	100	100
Fazer Eesti OÜ	Estonia	100	100
SIA Fazer Latvija	Latvia	100	100
UAB Fazer Lietuva	Lithuania	100	100
Fazer China Trading Ltd	China	100	-
OOO Avangard	Russia	100	100
OOO Startplace Bakeries Invest	Russia	100	100

In 2025 a new subsidiary was established in China.

## 7.2 Commitments and contingencies

### ACCOUNTING POLICIES

A contingent liability is a potential obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of uncertain future events outside the Group's control. It also includes any present obligation where an outflow of resources is not probable, or the amount cannot be measured reliably. Contingent liabilities are disclosed in the notes to the financial statements.

MEUR	31 Dec 2025	31 Dec 2024
Raw material purchases	41.5	53.0
Electricity commitments	13.1	-
Leasing	2.9	3.1
<b>Total</b>	<b>57.5</b>	<b>56.2</b>

Most of the Group's raw material purchases relate to Fazer Confectionery's cocoa procurement and Fazer Lifestyle Foods' grain procurement. The Group has made real estate investments under the Finnish Value Added Tax Act, whose revisions and annual auditable amounts total EUR 10.3 (12.7) million at 31 December 2025.

### Disputes and legal proceedings

Management is not aware of any ongoing disputes or legal proceedings that could have a material effect on the Group's financial position.

## 7.3 Related party transactions

### Related parties

The Group's related parties include the Board of Directors, the President & CEO, the Fazer Leadership Team, their family members, and companies controlled by them or by the family members. Related parties also include the Fazer's subsidiaries, and where applicable, associates and joint ventures. The subsidiaries are listed in note 7.1.

Fazer has no loans to Board members, the President & CEO, or members of the Fazer Leadership Team, nor to their family members or companies controlled by them or their family members. No pledges or other commitments have been provided on their behalf, and no transactions were carried out with them in the years 2025 and 2024.

### Remuneration of the Board of Directors

The Annual General Meeting decides the Board members' remuneration based on the Shareholders' Nomination Committee's recommendations. Remuneration consists of an annual fee and a meeting specific fee.

EUR thousand	2025	2024
Board remuneration	723	756

### Remuneration of the President & CEO and the Fazer Leadership Team

Fazer Group's Board of Directors decides on the remuneration of the President & CEO, while the Chair of the Board of Directors approves the salaries and benefits of the Fazer Leadership Team. Remuneration includes fixed salary, benefits, and short- and long-term incentive schemes.

EUR thousand	2025	2024
Paid salary	2,688	2,638
Short-term benefits	912	1,007
Long-term benefits	929	552
Total salary	4,529	4,196
Fringe Benefits	95	109
<b>Total</b>	<b>4,624</b>	<b>4,305</b>

The President & CEO and members of the Fazer Leadership Team are entitled to severance pay equivalent to 6–12 months' total salary in the event of termination by the company. The President & CEO may retire at age 62 and is entitled to a supplementary pension in addition to the statutory system. Some members of the Group Executive Team participate in a collective pension arrangement, allowing retirement at age 62.

## 7.4 Events after the reporting period

There have been no significant events after the end of the reporting period.



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# Parent company financial statements, FAS

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# Income statement

EUR	Note	2025	2024
Net sales	2.1	100,770,902.10	104,252,482.74
Other operating income	2.2	3,884,376.13	2,282,006.41
Personnel costs	2.3	-12,004,430.40	-12,501,239.05
Depreciation and impairments	2.4	-6,304,849.40	-6,995,026.99
Other operating costs	2.5	-77,332,481.82	-79,038,311.62
<b>Operating result</b>		<b>9,013,516.61</b>	<b>7,999,911.49</b>
Financial income and expenses	2.6	-709,053.37	-3,681,406.55
<b>Result before appropriations and taxes</b>		<b>8,304,463.24</b>	<b>4,318,504.94</b>
Appropriations	2.7	55,019,693.99	55,793,905.86
Income taxes	2.8	-12,557,478.52	-12,472,171.60
<b>Result for the financial year</b>		<b>50,766,678.71</b>	<b>47,640,239.20</b>

# Balance sheet

EUR	Note	31 December 2025	31 December 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3.1	12,476,612.06	17,415,135.13
Tangible assets	3.2	22,267,268.96	23,706,452.49
Investments	3.3	1,128,612,942.36	1,128,719,242.02
<b>Total non-current assets</b>		<b>1,163,356,823.38</b>	<b>1,169,840,829.64</b>
<b>Current assets</b>			
Long-term receivables	3.4	95,287,954.62	48,704,834.78
Short-term receivables	3.5	78,208,790.71	129,842,561.16
Cash and cash equivalents		76,699,109.91	77,762,565.09
<b>Total current assets</b>		<b>250,195,855.24</b>	<b>256,309,961.03</b>
<b>TOTAL ASSETS</b>		<b>1,413,552,678.62</b>	<b>1,426,150,790.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	3.6		
Share capital		136,790,500.00	136,790,500.00
Hedge reserve		671,423.00	-
Reserve for invested unrestricted equity		140,813,530.44	140,813,530.44
Retained earnings		780,913,024.49	760,630,885.29
Result for the financial year		50,766,678.71	47,640,239.20
<b>Total equity</b>		<b>1,109,955,156.64</b>	<b>1,085,875,154.93</b>
<b>Appropriations</b>	3.7	<b>1,252,494.60</b>	<b>1,472,188.59</b>
<b>Liabilities</b>			
Long-term liabilities	3.8	46,273,846.44	24,327,116.57
Short-term liabilities	3.9	256,071,180.94	314,476,330.58
<b>Total liabilities</b>		<b>302,345,027.38</b>	<b>338,803,447.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,413,552,678.62</b>	<b>1,426,150,790.67</b>



# Statement of cash flows

EUR thousand	2025	2024
<b>Cash flows from operating activities</b>		
Result before appropriations and taxes	8,304	4,319
Adjustments		
Depreciations and impairments	6,305	6,995
Financial income and expenses	709	3,681
Items included in investing activities	-1,578	-
Total adjustments	5,436	10,676
Change in working capital		
Decrease (+) / (-) increase in short term receivables	-2,347	939
Decrease (-) / (+) increase in short term payables	472	1,439
Total change in working capital	-1,875	2,378
Interests received	4,641	4,639
Interests paid	-6,219	-7,206
Other financial income and expenses, net	1,118	-14
Income taxes paid	-8,248	-10,418
<b>Net cash from operating activities</b>	<b>3,157</b>	<b>4,374</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible and intangible assets	-433	-1,618
Proceeds from sale of tangible and intangible assets	2,141	-
Investments in shares of subsidiaries	-350	-
Investment in other shares and holdings	-	-149
Proceeds from sale of other shares and holdings	400	-
<b>Net cash from investing activities</b>	<b>1,758</b>	<b>-1,767</b>

EUR thousand	2025	2024
<b>Cash flows from financing activities</b>		
Increase in loan receivables	-54,594	-49,773
Decrease in loan receivables	9,111	34,578
Proceeds from debt	40,159	13,400
Repayment of debt	-17,714	-20,914
Net change of balance in group cash pool	3,736	27,936
Net change of commercial papers	-14,957	10
Group contributions paid and received, net	55,640	30,100
Dividends paid	-27,358	-20,519
<b>Net cash from financing activities</b>	<b>-5,978</b>	<b>14,819</b>
<b>Net increase (+) decrease (-) in cash and cash equivalents</b>	<b>-1,063</b>	<b>17,426</b>
Cash and cash equivalents at beginning of period	77,763	60,337
<b>Cash and cash equivalents at end of period</b>	<b>76,699</b>	<b>77,763</b>

# 1. Parent company's accounting policies

The financial statements of Oy Karl Fazer Ab (the Company) have been prepared in accordance with the Finnish Accounting Act and Decree and other regulations governing the preparation of financial statements in force in Finland. The financial statements are presented in thousands of euros, except for the income statement and the balance sheet, which are presented in euros.

## Net sales

The Company's operations consist of charges to other Group companies. These charges comprise, among other things, IT services, management service fees and royalties related to brands owned by the Company. Net sales from services is recognised when the services have been rendered. Net sales are presented net of indirect taxes, discounts granted, and foreign exchange differences related to sales.

## Other operating income

Other operating income includes gains on the disposal of non-current assets and grants received, as well as other operating income outside net sales, such as rental income.

## Pensions

The statutory pension obligations of the company's personnel and any supplementary pension arrangements are covered by pension insurance policies with insurance

companies. Pension payments are recognised as expenses in the year in which they are incurred.

## Leases

Expenses related to lease agreements are recognised as expenses as they are incurred. Future lease payments are disclosed as off-balance-sheet commitments and are presented in note 4.2.

## Research and development

Research and development expenses are recognised as an expense in the period in which they are incurred. Significant development projects that are assessed to generate substantial future economic benefits for an entire business area may, following consideration, be capitalised and amortised over a period of 3–5 years.

## Income taxes

Income taxes are calculated based on taxable income for the financial year in accordance with Finnish tax legislation, adjusted for prior-year items. Deferred tax assets and liabilities are not recognised.

## Non-current assets

Intangible and tangible assets recognised in the balance sheet are measured at acquisition cost less accumulated depreciation and amortisation according to plan.

Depreciation and amortisation commence in the month the asset is taken into use.

Depreciation and amortisation according to plan are calculated on a straight-line basis over the estimated useful lives of the assets.

- Other long-term expenditure 3–10 years
- Trademarks 10 years
- Buildings and structures 10–50 years
- Machinery and equipment 3–25 years

Investments in non-current assets comprise shares in subsidiaries and other shares and holdings. All investments are measured at acquisition cost less any impairment loss where there has been a significant and prolonged decline in value.

## Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and other short-term liquid investments with a maturity of no more than three months and with an insignificant risk of changes in value. Bank overdraft facilities in use are included in short-term interest-bearing liabilities.

## Liabilities

Liabilities are measured at acquisition cost or at the lower of acquisition cost and fair value at the balance sheet



date. Valuation adjustments and reversals are recognised in financial items.

### **Derivatives**

In accordance with the Group's Treasury Policy, derivative instruments are used to manage risks related to interest rates, foreign exchange rates and commodities, such as cocoa, electricity and wheat. The parent company enters into external derivative contracts on behalf of Group companies. Corresponding internal derivatives are entered into between Oy Karl Fazer Ab and the respective Group company for derivatives to which hedge accounting is applied, as well as in separately agreed cases.

Derivatives are measured at fair value and recognised at fair value at the end of each reporting period. Changes in fair value are recognised in financial items in the income statement or in the hedge reserve within equity. The determination of the fair value of derivatives is described in more detail in note 6.2 Derivatives to the consolidated financial statements.

Commodity and foreign exchange derivatives are measured at fair value through the income statement. Changes in fair value are recognised in financial items. The effects of commodity derivatives on the income statement are presented on a single line. Changes in fair value of foreign exchange derivatives are presented within interest income or expenses and foreign exchange gains or losses in financial items. For electricity procurement contracts and derivatives entered into to hedge electricity price risk, the Group applies the own use exemption, as

the contracts are always settled through physical delivery. Consequently, these contracts are not accounted for as derivatives and are not measured at fair value.

### **Hedge accounting**

Hedge accounting is applied to interest rate derivatives. Changes in fair value are recognised in the hedge reserve within equity and are subsequently reclassified to the income statement to adjust interest expenses over the same period in which the hedged interest expenses are realised.

### **Foreign currency transactions**

Foreign currency transactions are translated into euros using the exchange rates prevailing on the transaction date. Foreign currency denominated receivables and liabilities are translated into euros using the exchange rates at the end of the reporting period. Exchange differences are recognised in the income statement.

Foreign exchange gains and losses included in financial items arise primarily from foreign exchange derivatives, intragroup loans, and cash and cash equivalents.

### **Cash flow statement**

Cash pool receivables and liabilities, as well as other intragroup financing transactions such as loans and borrowings, are presented within cash flows from financing.

### **Change in accounting policy**

As from 1 January 2025, the Company has applied the exemption permitted under IFRS 9 Financial Instruments in the presentation of electricity supply contracts. As the Group's electricity contracts provide for physical delivery of electricity for the Group's own consumption, they are accounted for as executory contracts rather than as derivatives measured at fair value. The comparative information for 2024 has not been restated.

# 2. Notes to the income statement

## 2.1 Net sales

EUR thousand	2025	2024
Finland	75,510	80,421
Other Nordic Countries	22,477	21,160
The Baltics	2,430	2,411
Other	354	260
<b>Total</b>	<b>100,771</b>	<b>104,252</b>

## 2.2 Other operating income

EUR thousand	2025	2024
Rental income	1,888	1,904
Sale of fixed assets	1,635	-
Other	361	378
<b>Total</b>	<b>3,884</b>	<b>2,282</b>

## 2.3 Employees

EUR thousand	2025	2024
Salaries and wages	9,652	10,307
Pension expenses	1,548	1,530
Other social security costs	805	665
<b>Total</b>	<b>12,004</b>	<b>12,501</b>

The number of employees on average for the period was 56 (58).

## Remuneration of the Board of Directors and management

EUR thousand	2025	2024
Members of the Board of Directors	723	756
President & CEO and members of Fazer Leadership Team	3,103	2,985
<b>Total</b>	<b>3,825</b>	<b>3,740</b>

Further information regarding the remuneration of the Board of Directors, the President & CEO and the Fazer Leadership Team as well as related party transactions in note 7.2 Related party transactions to the consolidated financial statements.

## 2.4 Depreciation and amortisation

EUR thousand	2025	2024
Immaterial rights	4,334	4,334
Other capitalised expenditure	1,029	1,691
Buildings and structures	710	710
Machinery and equipment	110	128
Other tangible assets	122	133
<b>Total</b>	<b>6,305</b>	<b>6,995</b>

## 2.5 Other operating expenses

EUR thousand	2025	2024
Rents and other real estate related	1,200	1,163
ICT	11,614	15,431
Administrative and other	64,518	62,444
<b>Total</b>	<b>77,332</b>	<b>79,038</b>

### Fees to the auditor

EUR thousand	2025	2024
Audit fees	268	180
Other services	32	170
<b>Total</b>	<b>300</b>	<b>349</b>



## 2.6 Financial income and expenses

EUR thousand	2025	2024
<b>Dividend income</b>		
Other	0	0
<b>Interest income</b>		
Group companies	2,993	2,173
Other	3,035	2,663
<b>Total</b>	<b>6,028</b>	<b>4,836</b>
<b>Interest expenses</b>		
Group companies	-5,757	-5,507
Other	-866	-1,626
<b>Total</b>	<b>-6,623</b>	<b>-7,132</b>
<b>Write downs and reversals on investments</b>		
Subsidiaries, write downs	-	-744
<b>Commodity derivatives</b>		
Group internal, net	-265	-173
External parties, net	-502	1,630
<b>Total</b>	<b>-767</b>	<b>1,457</b>
Exchange rate gains and losses, net	-767	1,457
Other financing expenses	-1,080	-604
<b>Financial income and expenses, total</b>	<b>-709</b>	<b>-3,681</b>

## 2.7 Appropriations

EUR thousand	2025	2024
Depreciation difference (- increase / + decrease)	220	154
Group contributions, received	54,800	55,640
<b>Total</b>	<b>55,020</b>	<b>55,794</b>

## 2.8 Income taxes

EUR thousand	2025	2024
Tax on income from operations	-12,610	-12,108
Tax for previous accounting periods	-9	-364
Deferred tax	62	-
<b>Total</b>	<b>-12,557</b>	<b>-12,472</b>



# 3. Notes to the balance sheet

## 3.1 Intangible assets

EUR thousand	Immaterial rights	Other capitalised expenditures	Work in progress	Total
<b>Cost 1 Jan 2024</b>	<b>65,306</b>	<b>45,395</b>	<b>591</b>	<b>111,291</b>
Additions	-	-	1,618	1,618
<b>Cost 31 Dec 2024</b>	<b>65,306</b>	<b>45,395</b>	<b>2,209</b>	<b>112,909</b>
Reclassifications	-	-	425	425
<b>Cost 31 Dec 2025</b>	<b>65,306</b>	<b>45,395</b>	<b>2,634</b>	<b>113,334</b>
<b>Acc. amortisations and impairments 1 Jan 2024</b>	<b>-47,092</b>	<b>-42,378</b>	-	<b>-89,469</b>
Amortisations	-4,334	-1,691	-	-6,025
<b>Acc. amortisations and impairments 31 Dec 2024</b>	<b>-51,426</b>	<b>-44,068</b>	-	<b>-95,494</b>
Amortisations	-4,334	-1,029	-	-5,363
<b>Acc. amortisations and impairments 31 Dec 2025</b>	<b>-55,760</b>	<b>-45,098</b>	-	<b>-100,858</b>
<b>Carrying amount</b>				
<b>31 December 2025</b>	<b>9,546</b>	<b>297</b>	<b>2,634</b>	<b>12,477</b>
31 December 2024	13,880	1,326	2,209	17,415



## 3.2 Tangible assets

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Work in progress	Total
<b>Cost 1 Jan 2024</b>	2,636	18,455	6,777	2,241	8	30,117
Reclassifications	-	-	8	-	-8	-0
<b>Cost 31 Dec 2024</b>	2,636	18,455	6,786	2,241	-	30,117
Additions	-	-	-	-	9	9
Disposals	-198	-	-	-	-	-198
<b>Cost 31 Dec 2025</b>	2,437	18,455	6,786	2,241	9	29,927
<b>Revaluations 31 Dec 2024</b>	7,350					7,350
Disposals	-308					-308
<b>Revaluations 31 Dec 2025</b>	7,042					7,042
<b>Acc. depreciations and impairments 1 Jan 2024</b>	-	-5,065	-6,275	-1,451	-	-12,790
Depreciations	-	-710	-128	-133	-	-970
<b>Acc. depreciations and impairments 31 Dec 2024</b>	-	-5,775	-6,402	-1,584	-	-13,761
Depreciations	-	-710	-110	-122	-	-941
<b>Acc. depreciations and impairments 31 Dec 2025</b>	-	-6,485	-6,512	-1,706	-	-14,702
<b>Carrying amount</b>						
<b>31 December 2025</b>	9,479	11,970	274	536	9	22,267
31 December 2024	9,986	12,680	384	657	-	23,706



### 3.3 Investments

EUR thousand	Shares in subsidiaries	Other shares and holdings	Total
<b>Cost 1 Jan 2024</b>	<b>1,118,501</b>	<b>10,813</b>	<b>1,129,314</b>
Additions	-	149	149
Impairments	-744	-	-744
<b>Cost at Dec 2024</b>	<b>1,117,756</b>	<b>10,963</b>	<b>1,128,719</b>
Additions	350	-	350
Disposals	-	-456	-456
<b>Cost at Dec 2025</b>	<b>1,118,106</b>	<b>10,507</b>	<b>1,128,613</b>

Information on Oy Karl Fazer Ab's ownership in other Group companies as of 31 December 2025 can be found in note 7.1 Subsidiaries to the consolidated financial statements.

### 3.4 Long-term receivables

EUR thousand	31 Dec 2025	31 Dec 2024
Loan receivables from Group companies	95,288	48,705
<b>Long term receivables total</b>	<b>95,288</b>	<b>48,705</b>

### 3.5 Short-term receivables

EUR thousand	31 Dec 2025	31 Dec 2024
Trade receivables	463	14
Receivables from Group companies	70,160	75,163
Other receivables	1,347	1,491
Accruals	6,240	53,174
<b>Total</b>	<b>78,209</b>	<b>129,843</b>
<b>Receivables from Group companies</b>		
Trade receivables	84	54
Loan receivables	-	1,037
Group contribution	54,800	55,640
Other receivables	2	627
Accruals	15,274	17,806
<b>Total</b>	<b>70,160</b>	<b>75,163</b>
<b>Material items in accruals</b>		
Derivatives	2,893	50,319
Other	3,347	2,855
<b>Total</b>	<b>6,240</b>	<b>53,174</b>



### 3.6 Equity

EUR thousand	31 Dec 2025	31 Dec 2024
<b>Restricted equity</b>		
Share capital 1 Jan	136,791	136,791
<b>Share capital 31 Dec</b>	<b>136,791</b>	<b>136,791</b>
Hedge reserve 1 Jan	-	-
Change in fair value	671	-
<b>Hedge reserve 31.12.</b>	<b>671</b>	<b>-</b>
<b>Restricted equity total</b>	<b>137,462</b>	<b>136,791</b>
<b>Non-restricted equity</b>		
Reserve for invested unrestricted equity 1 Jan	140,814	140,814
<b>Reserve for invested unrestricted equity 31 Dec</b>	<b>140,814</b>	<b>140,814</b>
Retained earnings 1 Jan	808,271	781,149
Payment of dividends	-27,358	-20,519
<b>Retained earnings 31 Dec</b>	<b>780,913</b>	<b>760,631</b>
Result for the period	50,767	47,640
<b>Non-restricted equity total</b>	<b>972,493</b>	<b>949,085</b>
<b>Total equity</b>	<b>1,109,955</b>	<b>1,085,875</b>

Oy Karl Fazer Ab's share capital is divided into preference shares and ordinary shares. Each preference share carries one vote per share, and each ordinary share carries ten votes per share. In connection with the annual distribution of profit, preference shares have a preferential right to dividend over ordinary shares, and the dividend on preference shares is at least 6 per cent of the nominal value of the share. If the general meeting decides on a lower dividend, the unpaid difference does not give rise to a liability and will not be paid at a later date. The nominal value of both share classes is 20 euros. Under the Articles of Association, the maximum number of preference shares is 14,620,320 and the maximum number of ordinary shares is 9,460,800.

Number of shares (pcs)	31 Dec 2025	31 Dec 2024
Preference shares	4,474,325	4,474,325
Ordinary shares	2,365,200	2,365,200
<b>Total</b>	<b>6,839,525</b>	<b>6,839,525</b>

The Board of Directors has an authorisation, granted by the Annual General Meeting held on 20 March 2025 and valid until the next Annual General Meeting, to acquire up to 300,000 preference shares and 300,000 ordinary shares, subject to an aggregate limit of 300,000 shares.

### 3.7 Appropriations

EUR thousand	31 Dec 2025	31 Dec 2024
Accumulated depreciation difference	1,252	1,472
- unrecognised deferred tax liability	250	294

### 3.8 Long-term liabilities

EUR thousand	31 Dec 2025	31 Dec 2024
Deferred tax liability	1,408	1,470
Loans from Group companies	27,723	-
Loans from financial institutions	17,143	22,857
<b>Long-term liabilities total</b>	<b>46,274</b>	<b>24,327</b>

Deferred tax liabilities arise from the following

EUR thousand	31 Dec 2025	31 Dec 2024
Revaluations	1,408	1,470
<b>Total</b>	<b>1,408</b>	<b>1,470</b>

There are no loans with a maturity exceeding 5 years at the end of 31 December 2025.



### 3.9 Short-term liabilities

EUR thousand	31 Dec 2025	31 Dec 2024
Loans from financial institutions	5,714	5,714
Commercial papers	-	14,957
Liabilities to group companies	221,261	262,867
Trade payables	2,725	2,755
Other liabilities	835	745
Accruals	25,536	27,438
<b>Total</b>	<b>256,071</b>	<b>314,476</b>
<b>Liabilities to Group companies</b>		
Interest bearing liabilities	216,817	211,706
Trade payables	1,226	1,317
Derivatives	2,429	49,324
Accrued liabilities	790	521
<b>Total</b>	<b>221,261</b>	<b>262,867</b>
<b>Material items in accruals</b>		
Accrued tax liability	5,448	1,077
Wages, salaries and social expenses	5,112	5,008
Interests	57	102
Derivatives	12,628	19,306
Other	2,291	1,946
<b>Total</b>	<b>25,536</b>	<b>27,438</b>

### 3.10 Related party

Oy Karl Fazer Ab's related parties comprise the key management personnel (the Board of Directors, the President & CEO and the Fazer Leadership Team), entities under their control, their family members and entities controlled by them, as well as subsidiaries. The subsidiaries are listed in note 7.1 to the consolidated financial statements. Further information on related party transactions is disclosed in note 7.2.

Sales of goods and services to related parties have been conducted on arm's length principle. The Company's receivables from other Group companies are presented in notes 3.3 and 3.4, and liabilities to other Group companies in notes 3.8 and 3.9. Guarantees granted on behalf of subsidiaries are disclosed in note 4.2 and relate mainly to lease commitments for premises and to the chocolate factory currently under construction. The terms and interest rates of loans are based on general market conditions and arm's length principle.

# 4. Other notes

## 4.1 Derivatives

EUR thousand	31 Dec 2025				31 Dec 2024			
	Positive fair value	Negative fair value	Total	Nominal value	Positive fair value	Negative fair value	Total	Nominal value
Currency derivatives								
External	354	-1,060	-706	142,575	1,641	-81	1,561	154,181
Group internal	910	-178	732	107,133	15	-1,439	-1,424	69,300
Commodity derivatives								
External	1,870	-11,571	-9,701	100,422	48,702	-19,249	29,453	115,461
Group internal	11,571	-1,870	9,701	100,422	16,804	-47,924	-31,120	104,011
Interest rate derivatives								
External	671	-	671	140,000	-	-	-	-
<b>Total</b>	<b>15,376</b>	<b>-14,679</b>	<b>697</b>		<b>67,162</b>	<b>-68,692</b>	<b>-1,530</b>	

All external derivatives in the Group are made by the parent company. Corresponding internal derivatives are entered into between Oy Karl Fazer Ab and the respective Group company for derivatives to which hedge accounting is applied, as well as in separately agreed cases. More information about derivatives can be found in notes 6.1 Financial risk management and 6.2 Derivatives to the consolidated financial statements.

All derivatives are categorised in Level 2 of the fair value hierarchy. The fair value of the derivatives equals their carrying value at the end of the reporting period. Further information in note 5.7 Fair value hierarchy to the consolidated financial statements.

## 4.2 Guarantees

### ON BEHALF OF OTHER GROUP COMPANIES

EUR thousand	31 Dec 2025	31 Dec 2024
Rental guarantees	8,845	8,345
Loans	15,788	-
Other	5,310	9,132
<b>Total</b>	<b>29,943</b>	<b>17,478</b>

## 4.3 Other contingent liabilities

The company has made investments in real estate for which, in accordance with local Value Added Tax Act,

there is a responsibility to repay VAT. The repayment commitment arising from such investments on 31 December 2025 is EUR 214 (1,089) thousand. The company has electricity commitments totalling EUR 13,059.0 (-) thousand at the end of the reporting period.

## 4.4 Leasing and rental liabilities

EUR thousand	31 Dec 2025	31 Dec 2024
Due for payment the next year	1,432	1,607
Due for payment later	1,530	1,480
<b>Total</b>	<b>2,962</b>	<b>3,087</b>



# Signatures of the Board of Directors report and annual accounts

Vantaa, 13<sup>th</sup> February 2026

## AUDITOR'S NOTE

Casper von Koskull  
Chair

Harry Brouwer

Our auditors' report has been issued today.

Helsinki, 13<sup>th</sup> February 2026

Elisabeth Drejer von Sydow

Ketil Eriksen

PricewaterhouseCoopers Oy  
Authorised Public Accountants

Jan Fazer

Katharina Stenholm

Martin Grandell  
Authorised Public Accountant

Laura Tarkka

Hubert Weber

Christoph Vitzthum  
President and CEO



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