



SUSTAINABILITY REPORT
2024



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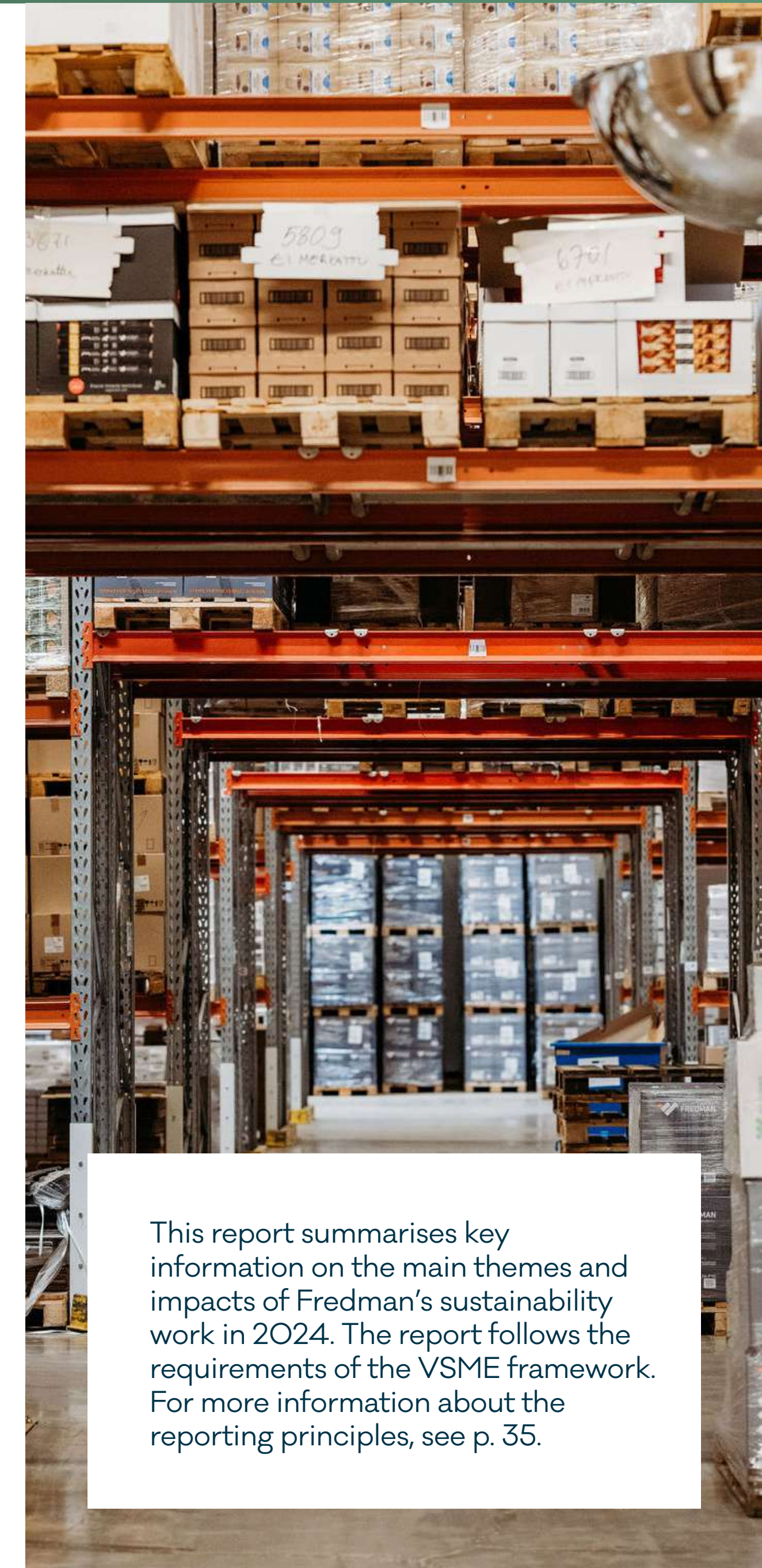
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This report summarises key information on the main themes and impacts of Fredman's sustainability work in 2024. The report follows the requirements of the VSME framework. For more information about the reporting principles, see p. 35.

CEO'S GREETINGS

SUSTAINABLE DEVELOPMENT AS A STRATEGIC CHOICE

In many ways, 2024 was a significant year for Fredman. We made the strategic choice to focus on our product business and divest from our service business. We also gained a new majority shareholder from Finland, marking the end of our era as a family-owned business.

Low consumer confidence and preference towards low-cost products continued to be strong trends in 2024. This was reflected in both the restaurant and grocery retail sectors. Despite this, Fredman Group made progress in its strategy of profitable growth and reported a turnover of €30.6 million (€27.7 million).

Although the business environment remains uncertain, we expect consumer behaviour to pick up towards the end of the year. We strongly believe that the Finnish origin and sustainability of products still matters in the daily choices of consumers.

We are determined to expand and reform our product range to ensure that our products are recyclable and made from renewable raw materials. Currently, 80% of our products are recyclable and 56% are made from renewable raw materials.

One of the highlights of our climate work last year was when we joined the group of pioneers who are committed to limiting global warming to 1.5°C. We will promote our work on fighting climate change in line with science-based targets.

We have been reporting on our sustainability work since 2021 – this year, for the first time in line with the European VSME recommendations. This both facilitates the work of our clients reporting under the ESRS standards, but also prepares us for the requirements of the CSRD as we look to grow in the coming years.

Per-Henrik Hagberg
CEO, Fredman Group Oy



"OUR GOAL IS TO GROW TO BECOME THE LEADING MANUFACTURER OF SUSTAINABLE KITCHEN PRODUCTS IN THE NORDIC COUNTRIES, BOTH IN RETAIL TRADE AND FOR PROFESSIONAL KITCHENS."

FREDMAN – FINNISH KITCHEN FAMILY ON THE FOOD SIDE

Fredman Group Oy is a Finnish company founded in 1997. Fredman and its subsidiaries manufacture, sell and market kitchen products to consumers and kitchen professionals. Our product range also includes a variety of food packaging for the foodservice sector. In addition to brand products, we manufacture private label products for Finnish and international customers.

our products are manufactured by our contract partners in Finland, Germany, Sweden and other countries.

Fredman’s vision is to be the leading manufacturer of sustainable kitchen products in the Nordic countries, both in the grocery retail and professional kitchen sectors. Fredman’s growth strategy is built around strong customer value, excellent employee experience, an efficient supply chain and sustainability as a competitive advantage and business opportunity.

The parent company consists of Fredman Operations Oy and Fredman Professional Kitchen Oy, as well as Fredman Perfect Kitchen Oy until the end of 2024.

We process ready-made raw materials, and the majority of our finished products are manufactured in our factory in Rauma. Some of

Our main markets are B2B, wholesale and retail sales. In addition to the Finnish market, exports play an important role. Our main export countries are the Baltic countries, Germany, the UK and the US.

FREDMAN IN BRIEF

Legal form: limited liability company	BALANCE SHEET 11.1 million euros
TURNOVER 30.6 million euros	NACE code/sector: 17290 Manufacture of other articles of paper and paperboard
Majority-owned by Finnish investment company Korona Invest, minority-owned by Fredman Capital Oy, Anchor Holding Oy, Hagberg Capital Oy.	NUMBER OF EMPLOYEES 69

SITE	ADDRESS	POSTCODE	CITY/TOWN	COUNTRY	COORDINATES (GEOGRAPHICAL LOCATION)
Head office	Itsehallintokuja 6	02601	Espoo	Finland	60.20970906557445, 24.826332196955082
Factory	Eurajoentie 10	27230	Lappi	Finland	61.185653542226326, 22.058649920352003



OUR SUSTAINABILITY WORK

SUSTAINABILITY HIGHLIGHTS IN 2024

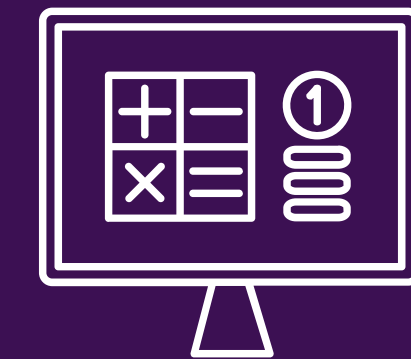


We renewed our sustainability programme for 2025–2030

Our overall carbon footprint decreased by

14%

compared to 2022



We developed a customised product-specific emissions calculator



We committed to the SBT initiative and set science-based climate targets

All factory employees completed the safety card certification



Zero accidents during the year



We updated our Supplier Code of Conduct

MATERIALITY ASSESSMENT

We carried out a double materiality assessment for the first time in 2024. In the assessment, we looked at Fredman’s impacts on people, the environment and society, and the risks and opportunities of sustainability topics to Fredman’s business.

With the assistance of sustainability experts, we carried out a pre-assessment in line with the CSRD and designed a materiality matrix to serve as the basis for Fredman Group’s sustainability work. In addition to the Chief Communications and Sustainability Officer and the Sustainability and Quality Manager, Fredman’s Management Team was also involved in the work.

We also carried out an extensive stakeholder survey to investigate the views of our employees and stakeholders on Fredman’s sustainability.

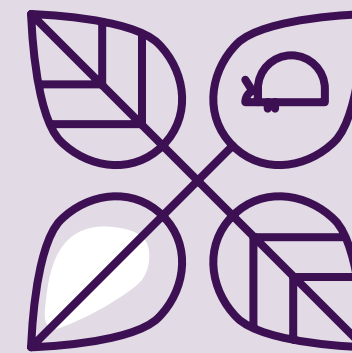
The materiality assessment is carried out every three years, unless there are significant changes in the business environment or operations that require more frequent assessment of material impacts, risks and opportunities.

WE HAVE IDENTIFIED THE FOLLOWING ESRS TOPICS TO BE RELEVANT FOR US:



E1

CLIMATE CHANGE



E5

RESOURCE USE AND CIRCULAR ECONOMY



S1

OWN WORKFORCE



S4

CONSUMERS AND END-USERS



G1

BUSINESS CONDUCT

STAKEHOLDER COOPERATION

For Fredman, our most important stakeholders are those with whom we regularly interact and who have the greatest impact on the profitability and continuity of our business.

Our key stakeholders are our customers, suppliers of raw materials, employees and owners. We also interact regularly with a wide range of partners, including suppliers, logistics partners and service providers, as well as with the surrounding society, including the media, authorities, financiers and the industry association Finnish Packaging Association (SPY).

We mostly interact with our key stakeholders through one-on-one negotiations and meetings, as well as through written communication. We communicate with our key stakeholders on a daily or weekly basis and with other stakeholders regularly. We also participate in various events and info sessions hosted by our partners and conduct surveys among our personnel and other stakeholders.

Suppliers of raw materials for our main products are our strategic partners with whom we maintain active dialogue. The majority of our total of around 70 suppliers of raw materials are well-established companies. We discuss and coordinate quality, environmental and safety issues with our suppliers in regular meetings.

Our key stakeholders also include the end users of our products, such as kitchen professionals and consumers. We cooperate closely with local educational institutions and the media. Banks and financiers are also key stakeholders for us.

In developing our sustainability work, we take into consideration both legislation and the expectations of our stakeholders. In January 2024, we conducted a stakeholder survey and received 41 responses. Themes identified as very important in the survey were the circular economy and resource efficiency, sustainable sourcing and transparency of governance and management. The survey's open-ended responses called for comprehensive digital product information and collaboration on material development.

In 2024, Fredman conducted T-Media's Trust & Reputation survey for the second time. Our reputation improved across the board from the previous survey in 2021. Our overall reputation rating was 3.96, which is very close to an excellent score. We received excellent ratings in sustainability, open and transparent conduct, financial performance and competent leadership.

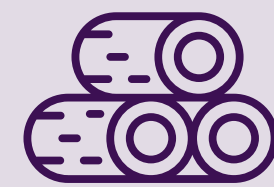
We also did well in the Factum survey for decision-makers in retail trade, which measures customer expectations in relation to the competence and competitiveness of suppliers. We were ranked first in our peer group and second among all suppliers.

WE SHARE SEVERAL SUSTAINABLE DEVELOPMENT THEMES WITH OUR STAKEHOLDERS THAT WE ARE ABLE TO PROMOTE TOGETHER. THESE INCLUDE AVOIDING FOOD WASTE, REDUCING SINGLE-USE PLASTIC PACKAGING AND PACKAGING WASTE AND IMPROVING RECYCLING RATE.



HOW WE CREATE VALUE

OUR RESOURCES



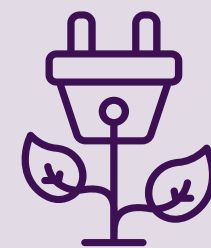
RAW MATERIALS

- Raw materials used in own production 4,000 kilotonnes
- Over 90% of materials sourced from Europe, with over 40% from Finland
- Production in Rauma



FINANCIALS

- Turnover 30.6 million euros
- Exports account for about one quarter



NATURAL RESOURCES

- Heating energy 656 MWh from in-house wood-chip plant
- 100% renewably sourced electricity
- Own solar power accounts for 19% of electricity used
- Water consumption 748 m³



PERSONNEL

- Around 70 professional employees
 - Women 42%, men 58%
- Age distribution
- 18-35 year olds 14%
 - 36-45 years old 23%
 - 46-55 years old 43%
 - over 56 years old 20%

“WE BUILD SUSTAINABLE GROWTH, AND SUSTAINABILITY IS AN EVERYDAY PART OF OUR WORK”

PERSONNEL

- Our values: together, responsibly and boldly
- Culture of continuous improvement
- Common Code of Conduct for both personnel and suppliers
- We promote the achievement of Sustainable Development Goals



OUR IMPACTS

TO CUSTOMERS

- Kitchen supplies and food packaging
- Fredman brand, own brands and private label, around 450 products in total

TO EMPLOYEES

- €5.1 million in wages and remunerations
- Occupational healthcare more comprehensive than average, good employee benefits

TO SOCIETY

- We pay all our taxes to Finland
- Local sponsorships and cooperation with educational institutions
- Handling packaging waste as the responsible producer

TO THE ENVIRONMENT

- Waste recycling rate 82.4%
- Total value chain emissions 21,548.57 tCO₂e

SUSTAINABILITY LEADERSHIP AND MANAGEMENT

Our sustainability work and its leadership are guided by the updated Sustainability Programme, which sets concrete targets for environmental and social sustainability and governance for years 2025–2030. The Sustainability Programme is public and can be found on our website.

Fredman’s Management Team is responsible for our commitment to sustainability, with the Chief Communications and Sustainability Officer representing sustainability work. Starting in 2025, progress towards the sustainability targets will be monitored quarterly by the Management Team.

The Chief Communications and Sustainability Officer and the Sustainability and Quality Manager are responsible for the strategic planning and development of sustainability and for identifying key areas for development.

A task group of representatives from different functions of the organisation monitors progress towards the targets and is responsible for practical measures and for implementing the plans, where necessary. Sustainable and responsible conduct is part of the work everyone at Fredman.

Where appropriate, we use sustainability experts and other partners to help us develop our sustainability work and communication.


Fredman’s CEO and Board of Directors have approved the principles and key projects and targets related to sustainable development.

TABLE 1: OVERVIEW OF PRACTICES, POLICIES AND FUTURE INITIATIVES FOR TRANSITIONING TOWARDS A MORE SUSTAINABLE ECONOMY

	Does the organisation have existing sustainability practices/policies/future initiatives that address any of the following sustainability issues? (Yes / No)	Are they publicly available? (Yes / No)	Do they include targets? (Yes / No)
Climate change	Yes	Yes	Yes
Pollution	No	No	No
Water and marine resources	No	No	No
Biodiversity and ecosystems	Yes	Yes	Yes
Circular economy	Yes	Yes	Yes
Own workforce	Yes	Yes	Yes
Workers in the value chain	Yes	Yes	Yes
Affected communities	No	No	No
Consumers and end-users	Yes	Yes	Yes
Business conduct	Yes	Yes	Yes

TABLE 2: OUR SUSTAINABILITY WORK IN A NUTSHELL

Climate change	<ul style="list-style-type: none"> • We reduce greenhouse gas emissions throughout our value chain in line with science-based targets.
Biodiversity and ecosystems	<ul style="list-style-type: none"> • Our goal is that 100% of fibre-based raw materials used in Fredman’s own production are sourced from certified forests (FSC® or PEFC).
Circular economy	<ul style="list-style-type: none"> • Our goal is that 90% of our turnover is derived from recyclable products and 70% from products made from renewable raw materials. • All our product packaging is recyclable.
Own workforce	<ul style="list-style-type: none"> • Our goal is that 90% of our employees can recommend Fredman as an employer. • We will improve opportunities for our employees’ professional development, also in terms of increasing intellectual capital. • Zero accidents at work resulting in lost time.
Workers in the value chain	<ul style="list-style-type: none"> • Our Supplier Code of Conduct takes into account workers in our value chain.
Consumers and end-users	<ul style="list-style-type: none"> • Zero accusations of greenwashing. We market our products truthfully.
Business conduct	<ul style="list-style-type: none"> • We look after profitable business and sustainable growth. • Code of Conduct



ENVIRONMENTAL METRICS

WE RESPECT NATURAL RESOURCES AND USE THEM WISELY

We use a variety of raw materials in our manufacturing processes, the sourcing of which accounts for a significant part of our carbon footprint. Our first choice is always a sustainably sourced, renewable raw material that we use to manufacture products that are suitable for recycling. It is particularly important for us to apply the principles of the circular economy and use resources efficiently, as many of our products are single-use or have a short life.

We take into account the recyclability and resource efficiency of raw materials and end products in our product development when designing new products and improving the sustainability of our product range.

In the manufacture of filter bags, we use the left-overs from bags cut into shapes. This process reduces the use of virgin wood fibre material. We are also exploring similar possibilities for using production side streams as raw materials for our other products, such as aluminium foil.

Together with our partners, we are looking for ways to improve the recyclability of our products and reduce the use of virgin raw materials. In cooperation with customers, we always strive to make our products as renewable and sustainable as possible. In food packaging, the overall performance of the product in terms of its ability to protect the food item and prolong its shelf life must be taken into consideration.

The recycling rate of our manufacturing varies slightly from year to year due to factors such as the amount of leftovers from cut filter bags.

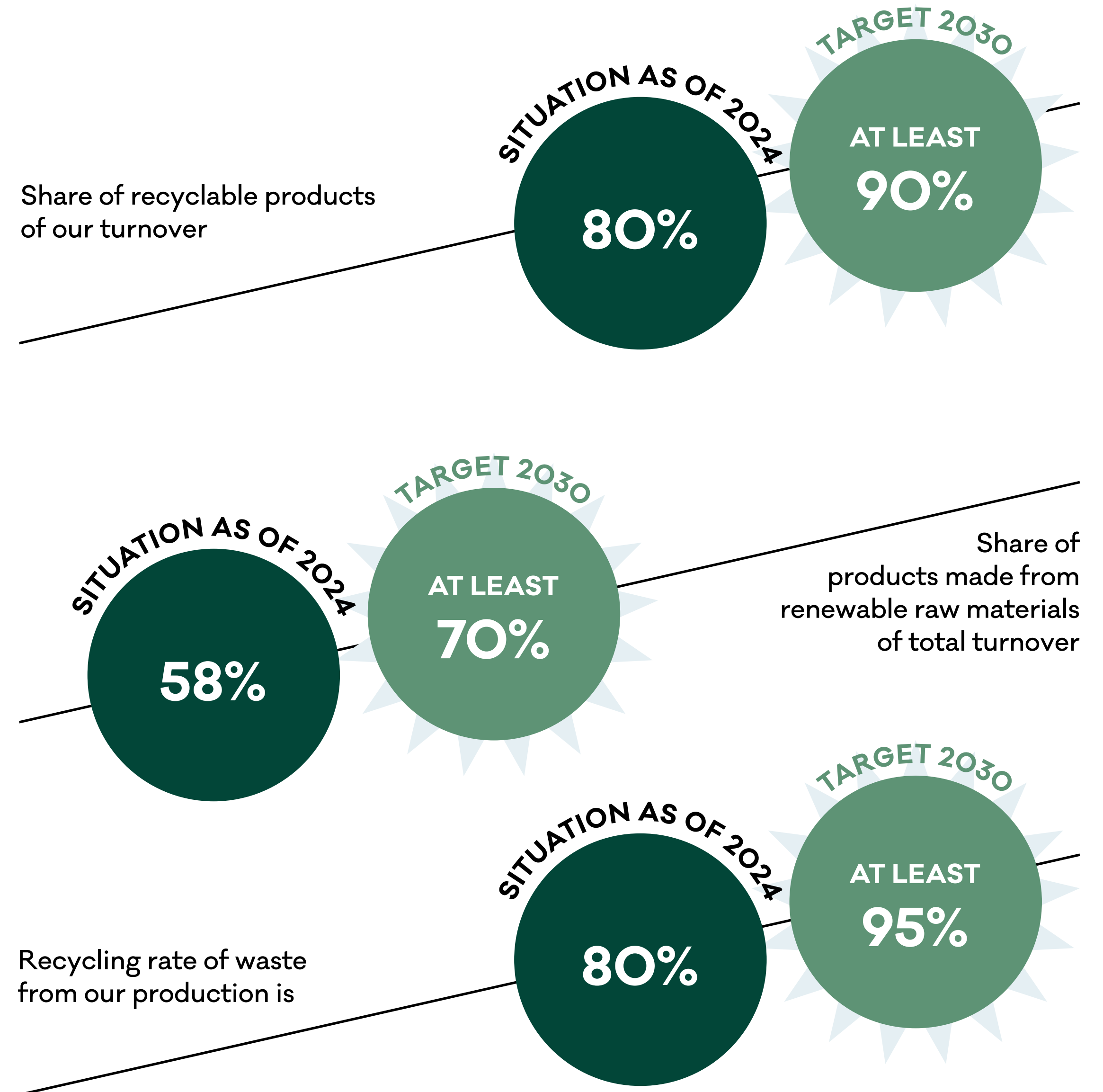


TABLE 3: BREAKDOWN OF WASTE

	Total waste, of which	Waste destined for recycling or reuse	Waste destined for final disposal
	tons	tons	tons
Non-hazardous waste			
Aluminium scrap	0.3	0.3	0
Biowaste	0.7	0.7	0
Energy	116.8	116.8	0
Cardboard	5.9	5.9	0
Clear plastic film	2.2	2.2	0
Cardboard	117.3	117.3	0
Packaging glass	0.1	0.1	0
Packaging metal	0.3	0.3	0
Packaging plastic	6	6	0
Mixed Waste	0	0.05	0
Waste electrical and electronic equipment	0.8	0.8	0
Steel scrap	15.8	15.8	0
Privacy screen material	0.1	0.1	0
Coloured plastic film	5.8	5.8	0
Paper	322.2	322.2	0
Hazardous waste	1.0	1.0	0.03
Total	595.2	595.2	0.03

WASTE UTILIZATION 2024

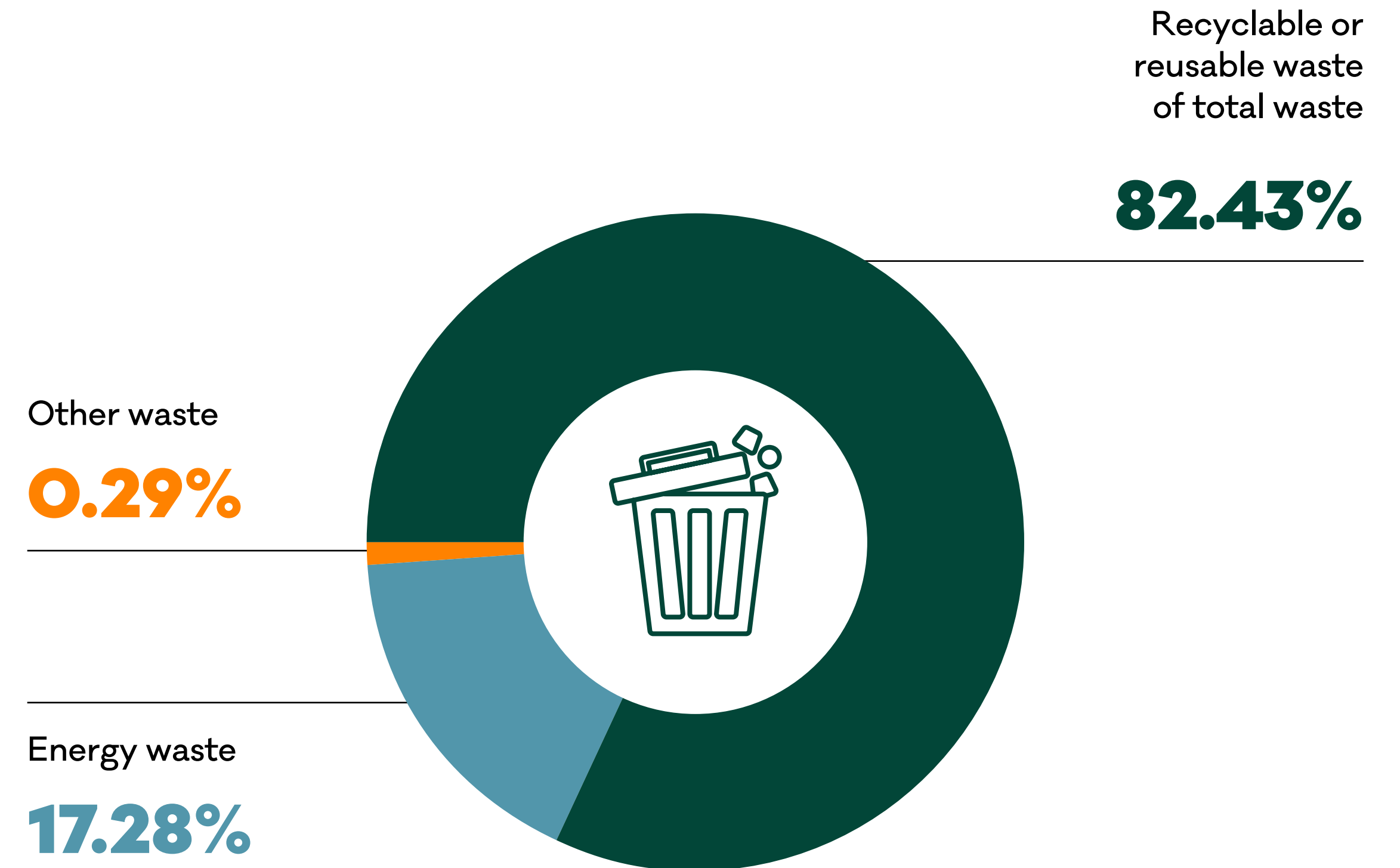


TABLE 4: MATERIAL USE

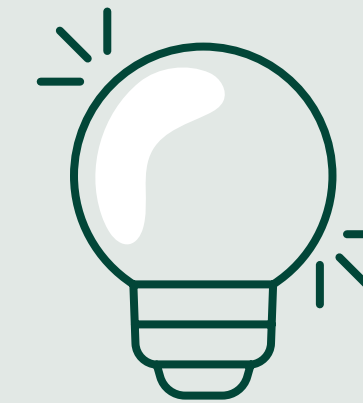
ESSENTIAL MATERIALS USED	ANNUAL MASS FLOW (TONNES)
Cardboard and corrugated board	980
Paper	2,142
Nonwoven fabric	239
Plastic	1,821
Aluminium	1,433
Total	6,615

Cardboard is used in our carton trays and product packaging, among other products. Paper is used in the manufacture of products such as baking paper and filter bags. Non-woven fabric is used to make Carita fibre cloths. Plastic is used in the manufacture of cling film and in packaging. Aluminium is used in products such as foil.

TABLE 5: WATER CONSUMPTION

WATER SUPPLY	2024 M ³	2023 M ³	2022 M ³	2021 M ³
All facilities	748	675	1,007	918
Areas with high water stress	0	0	0	0

Water is used in social facilities. The production process at Fredman’s factory does not use water.



On the short useful life of our products

- Our products are part of the core human experience of cooking and eating.
- Without many of our products, cleaning would use much more water and detergents, for example.
- Consumers report that many of our products, such as freezer containers in good condition, are reusable.
- Many of our products extend the shelf life of food items, reducing waste.
- Our products ensure food safety, which is essential for special diets and meals for the elderly, for example.

WE HELP SLOW DOWN THE CLIMATE CHANGE

In the double materiality assessment, Fredman identified climate change as a key sustainability factor for its operations. In particular, the sourcing of raw materials produces emissions, and we are committed to reducing them. We develop our climate work based on science.

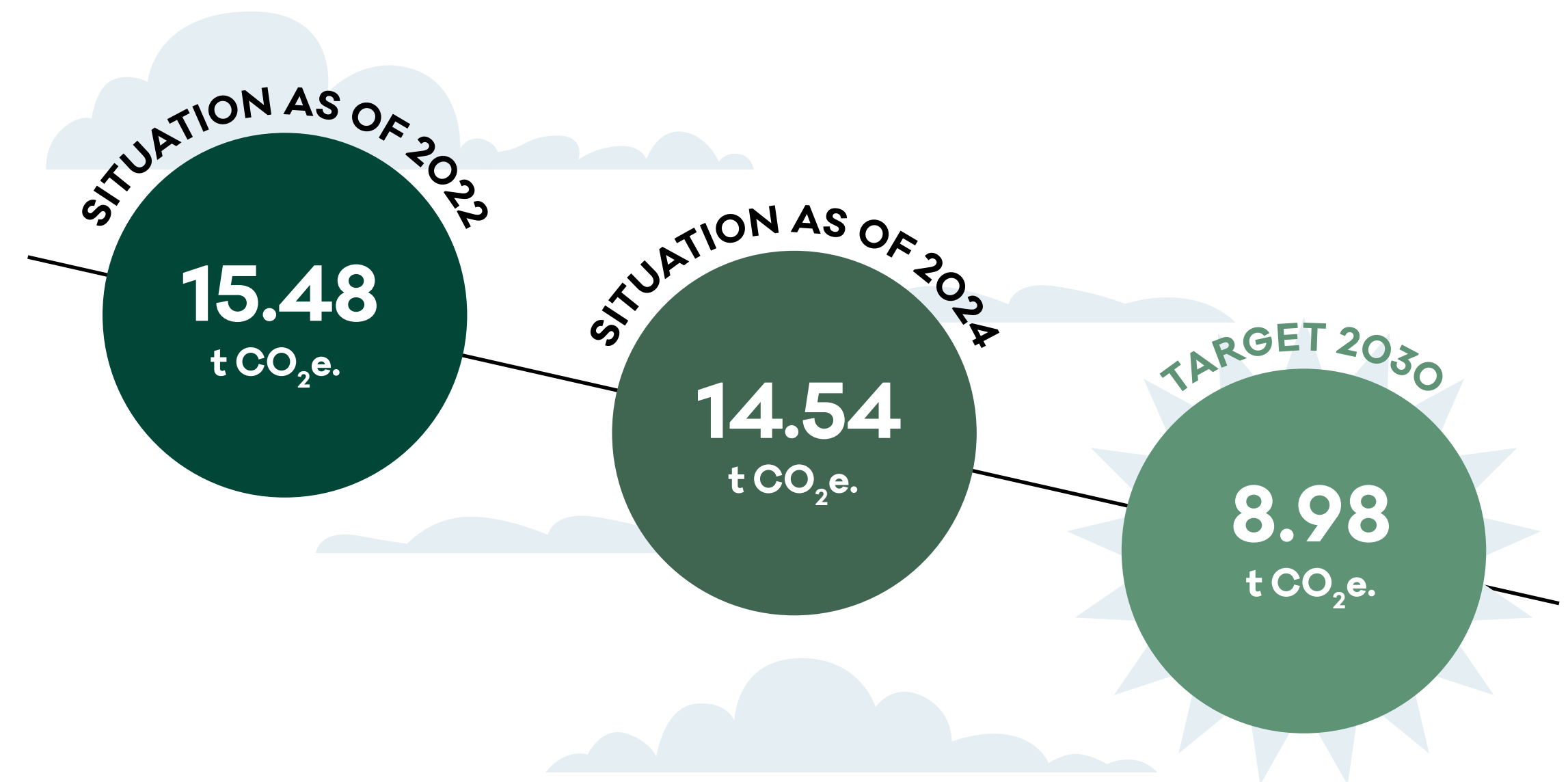
Fredman has set emission reduction targets that are in line with the Paris Agreement. The company has not been excluded from any EU benchmarks under the Paris Agreement.

In 2024, the Science Based Targets initiative approved our climate targets. In line with our science-based climate targets, Fredman is committed to:

- Reduce absolute Scope 1 and 2 CO₂ emissions from own operations in Fredman companies by 42% by 2030 compared to the baseline year 2022.
- Measure and reduce other indirect emissions in the value chain (Scope 3).

Potential adverse impacts of climate change risks on the financial performance or business operations of the organisation: no clear or high-risk adverse impacts have been identified. Fredman will further assess its ESG risks during 2025.

TOTAL SCOPE 1 AND 2 EMISSIONS



Starting in 2025, we will calculate Scope 1 & 2 emissions annually. For the entire value chain, emissions are calculated every two years.

OUR CLIMATE IMPACTS

Scope 1, 2 and 3

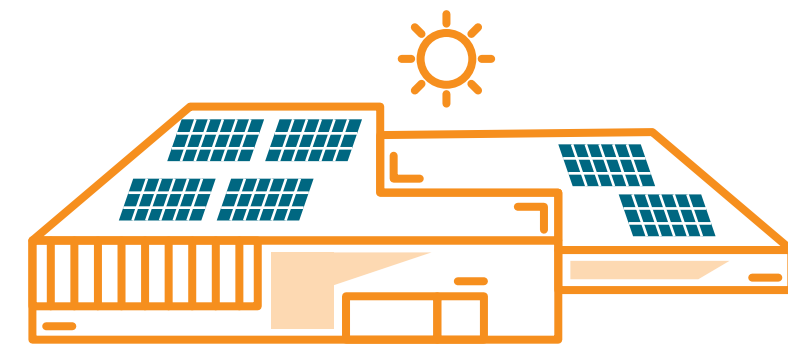
TOTAL
21,548.57
tCO₂e

FREDMAN

SOURCING LOGISTICS >

DISTRIBUTION LOGISTICS > USE & RECYCLING

RAW MATERIALS >



RAUMA



ESPOO

B2B

WHOLESALE

CENTRAL FIRMS

HORECA



SCOPE 1

DIRECT EMISSIONS FROM OWN ACTIVITIES

12.69 tCO₂e

SCOPE 2

EMISSIONS FROM PURCHASED ENERGY

1.85 tCO₂e

TOTAL 14.54 tCO₂e

SCOPE 3

INDIRECT EMISSIONS PRE-PRODUCTION...

SCOPE 3

... AND POST-PRODUCTION

21,534.03 tCO₂e

Reducing emissions

Energy efficiency measures play a key role in reducing emissions from Fredman’s own operations.

The majority of the company’s emissions are Scope 3 emissions, as the main source of emissions is the sourcing of raw materials.

As a whole, our supply chain is constantly reducing greenhouse gas emissions. No numerical target has been set. Planned reduction measures include identifying raw materials with lower emissions and the use of recycled raw materials from side streams in our products wherever possible.

Development of emissions

Scope 1 & 2 emissions in 2024

In 2024, Scope 1 and 2 emissions amounted to 14.54 tCO₂e, which corresponds to 0.07% of Fredman’s total emissions. Scope 1 and 2 emissions decreased by 6% compared to the 2022 baseline (15.48 tCO₂e). The most significant single factor was the move of Fredman’s Espoo office to more energy-efficient facilities.

Scope 3 emissions in 2024

Scope 3 emissions amounted to 21,534.03 tCO₂e. At Fredman, 99.93% of our emissions come from indirect sources in the value chain – particularly from purchased products and services, transportation and the disposal of sold products. The largest emissions came from the sourcing of raw materials, with aluminium the single largest source of emissions.

TABLE 6: DEVELOPMENT OF EMISSIONS

GHG EMISSIONS	2024 tCO ₂ e	2022 tCO ₂ e
Scope 1	12.69	9.08
Scope 2	1.85	6.4
Scope 3	21,534.03	25,003.51
Total	21,548.57	25,018.99

EMISSIONS INTENSITY, tCO₂e / MILLION EUROS OF TURNOVER



Emissions per tonne sold

Emissions per tonne sold amounted to 4.92 tCO₂e in 2024, from 5.57 tCO₂e in 2022.

The figures for 2022 are missing 88 products for which no weight data was available. In terms of units sold, however, these account for a very small proportion of the year’s sales and are therefore unlikely to have a decisive impact on the result of the emissions calculation. In 2022, sales volume was higher in terms of kilograms compared to 2024, whereas the number of units sold was higher 2024.

When proportioned to the number of units sold, emissions in 2024 were thus also lower than in 2022.

FREDMAN’S OVERALL CARBON FOOTPRINT DECREASED BY 14% COMPARED TO THE 2022 BASELINE (25,018.99 tCO₂e).

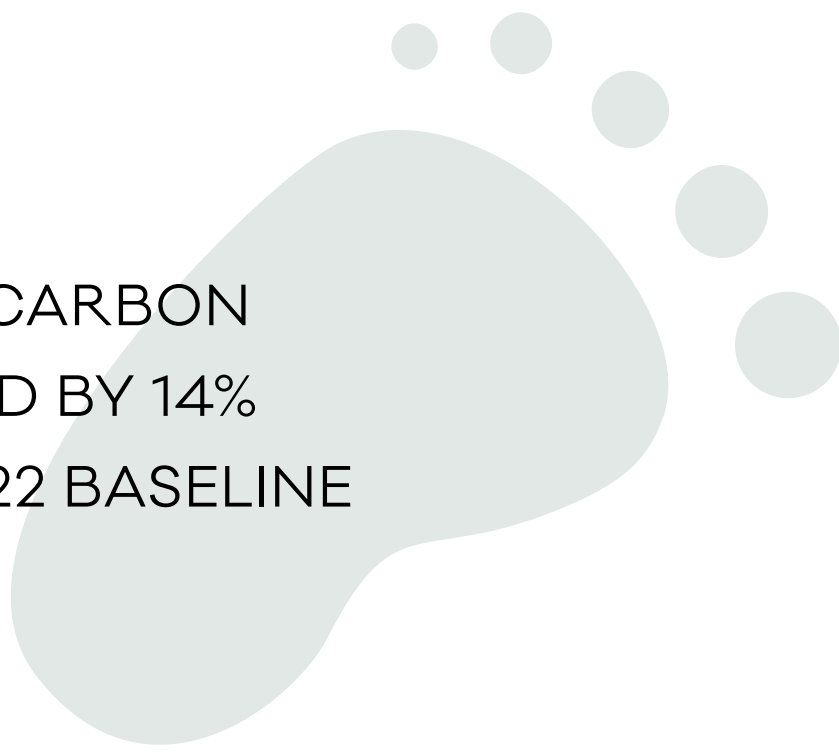
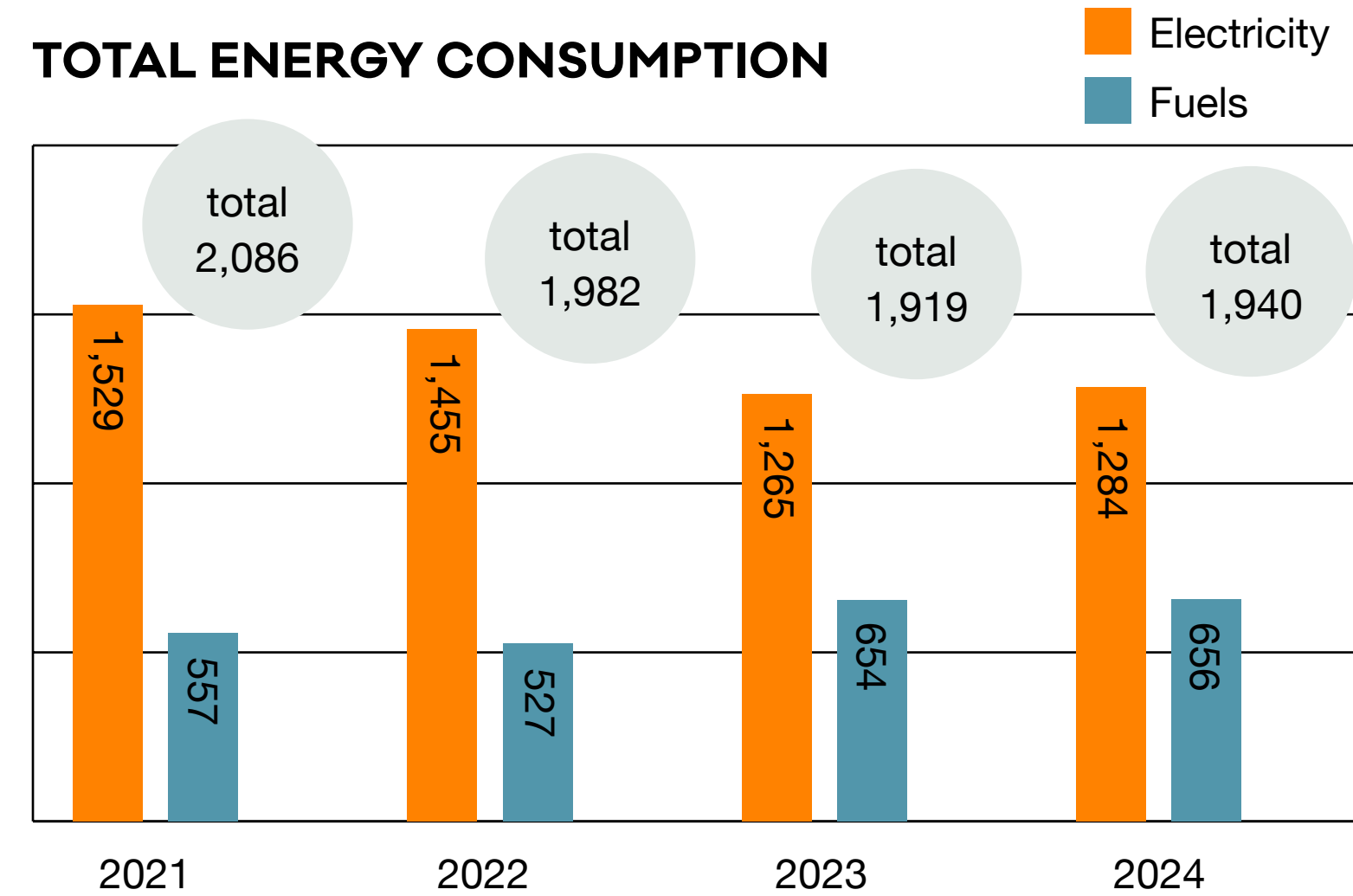


TABLE 7: ENERGY CONSUMPTION

MWH	RENEWABLE ENERGY CONSUMPTION 2024	NON-RENEWABLE ENERGY CONSUMPTION 2024
Electricity (as indicated by utility bills)	1,284	0
Fuels	614	42
Total	1,989	42



Electricity used by the factory's production machines is renewably sourced. Non-renewable energy is used in the backup heating system. The heating system uses wood chips, with oil as a backup system that is sometimes needed during outages in the wood chip heating plant.

Emission calculation principles

Emissions calculations are based on the fifteen categories of Scope 3 greenhouse gas emissions as defined by the GHG Protocol Corporate.

The calculation does not account for emission categories in which Fredman has no activities:

- Upstream leased assets
- Processing of sold products
- Use of sold products
- Downstream leased assets
- Franchises
- Investments

The accuracy of the calculation is moderate for the following categories:

- Purchased goods and services and Investments, coefficients from the Defra and Ecoinvent or Exiobase databases.
- Fuel production and transmission losses, coefficients based on national averages.
- Transportation (upstream), not all transports could be accounted for.
- Business travel, flights and cruises, destinations known but not the specific itineraries.
- Employee commuting, volume per employee and, in some cases, emission factors per vehicle are known. In some cases, exact data for vehicles was missing.

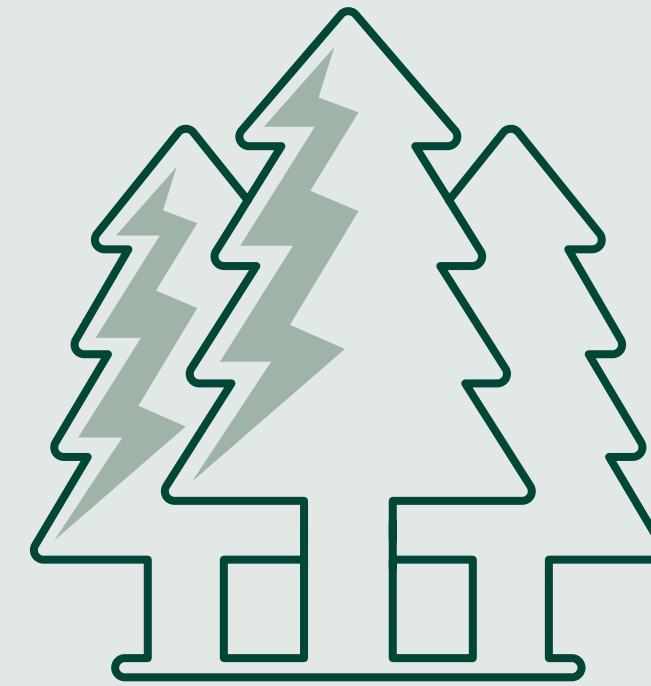
The accuracy of the calculation is low for the following categories:

- For business travel, hotel nights, as the calculation is based on the cost of overnight stays. Emission factors according to the input-output model, from the Exiobase database.

Fredman is currently not obligated to report the breakdown of its pollutant emissions to air, water and soil to the authorities.



WE LOOK AFTER BIODIVERSITY



Fredman does not own, manage or lease sites in or near biodiversity-sensitive areas, in other words areas subject to special national or international nature conservation regulations.

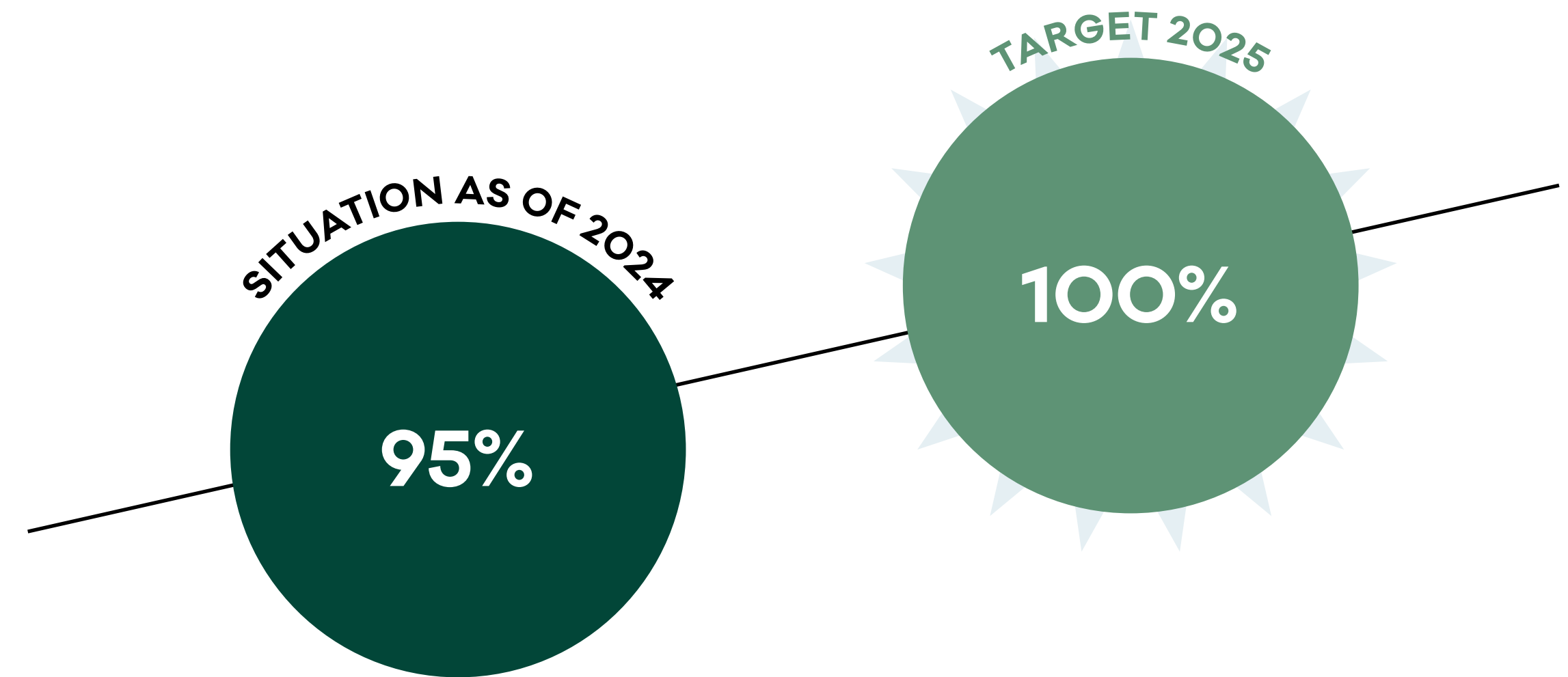
Our decisions in sourcing raw materials play an important role in protecting biodiversity: wood fibre products are a key part of our portfolio, and the EU Deforestation Regulation classifies wood as a high-risk raw material. That is why it is a priority for us that our products do not cause or contribute to deforestation.

We have started well in advance in developing a due diligence system and have investigated the current status of our raw material suppliers in relation to the requirements of the EU

Deforestation Regulation. We also mitigate deforestation by using certified raw materials. The FSC® and PEFC certifications guarantee that the wood-based products we use come from sustainably managed forests that take into account environmental values, social rights and economic sustainability.

Well over half of wood-based raw materials used in our own production come from FSC® certified commercial forests that have passed the critical scrutiny of environmental experts. During 2025, we will gradually move to using FSC® certified raw materials for our product range of Comple trays, for example. Once our own product range is sourced entirely from certified raw materials, we will turn our focus to improving the sustainability of commissioned finished products and their raw materials.

CERTIFICATION RATE OF FIBRE-BASED RAW MATERIALS USED IN FREDMAN'S OWN PRODUCTION



ENVIRONMENTAL CERTIFICATES AND LABELS

Third-party certifications and ecolabels contribute to our environmental work and push us to continuously improve.

The ISO 14001 certification demonstrates that we have an environmental management system that we implement consistently and through which we continuously improve our environmental performance. Fredman meets the requirements of this environmental standard.

The criteria of the Nordic Swan Ecolabel focus on climate, biodiversity, the circular economy and chemicals. Products with the Swan Ecolabel meet strict environmental requirements based on lifecycle thinking. Fredman's own products certified with the Swan Ecolabel include baking papers, paper roasting bags and filter papers.

Certifications on the origin of wood materials guarantee that our wood-based products come from sustainably managed forests that take into account environmental values, social rights and economic sustainability. Well over half of wood-based raw materials used in our own production come from FSC® certified commercial forests.



**SWAN ECOLABEL 4049 0010,
GREASEPROOF PAPERS**

**SWAN ECOLABEL 4047 0007,
SINGLE-USE PRODUCTS FOR FOOD ITEMS**



**ST 2001:2020 AND
PEFC ST 2002:2020**

**ISO 14001:2015
ENVIRONMENTAL CERTIFICATION**



The mark of
responsible forestry
FSC® C006457

FSC®-C006457





SOCIAL METRICS

WE IMPROVE OUR EMPLOYEE EXPERIENCE

Healthy and satisfied employees are the foundation of our success. Fredman employs around 70 professionals in Rauma and Espoo. We want every one of our employees to be healthy, comfortable and able to influence their work in a growing company. Fredman has good employee retention, with a low turnover rate of just 2.7%.

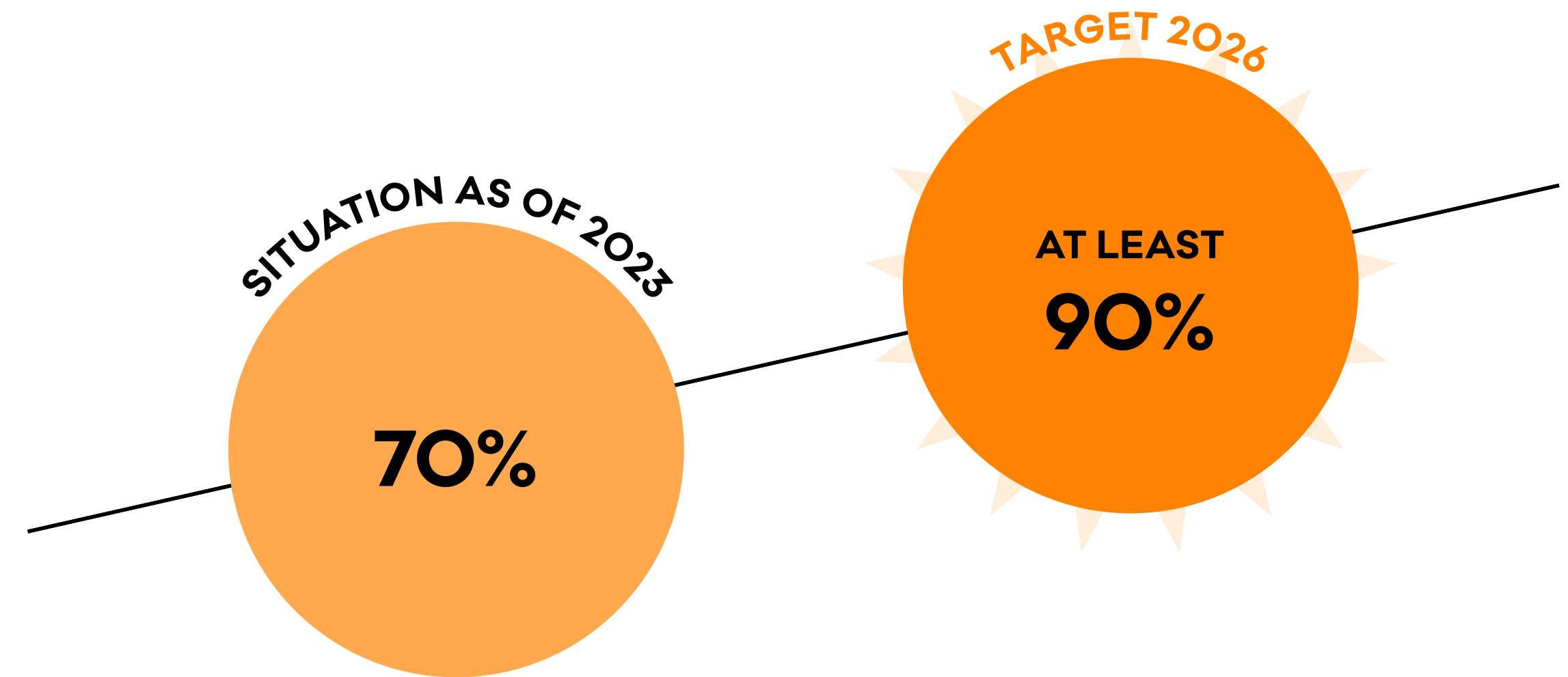
We promote employee well-being by developing our leadership and providing better opportunities for professional development. We aim to reduce the burden and monotony of production work by improving our production methods and with the help of modern technology.

We support the well-being of our personnel, both at work and outside work. We offer our personnel comprehensive and valuable employee benefits.

Our aim is to identify the competence development needs of our employees during 2025, which will serve as the basis for designing a competence development model during 2026.

We conduct annual employee satisfaction surveys on a wide range of questions on themes relevant for our employees and their work. Fredman's Management Team prepares action plans to address issues that require the greatest attention and improvement.

OF OUR EMPLOYEES RECOMMEND FREDMAN AS AN EMPLOYER

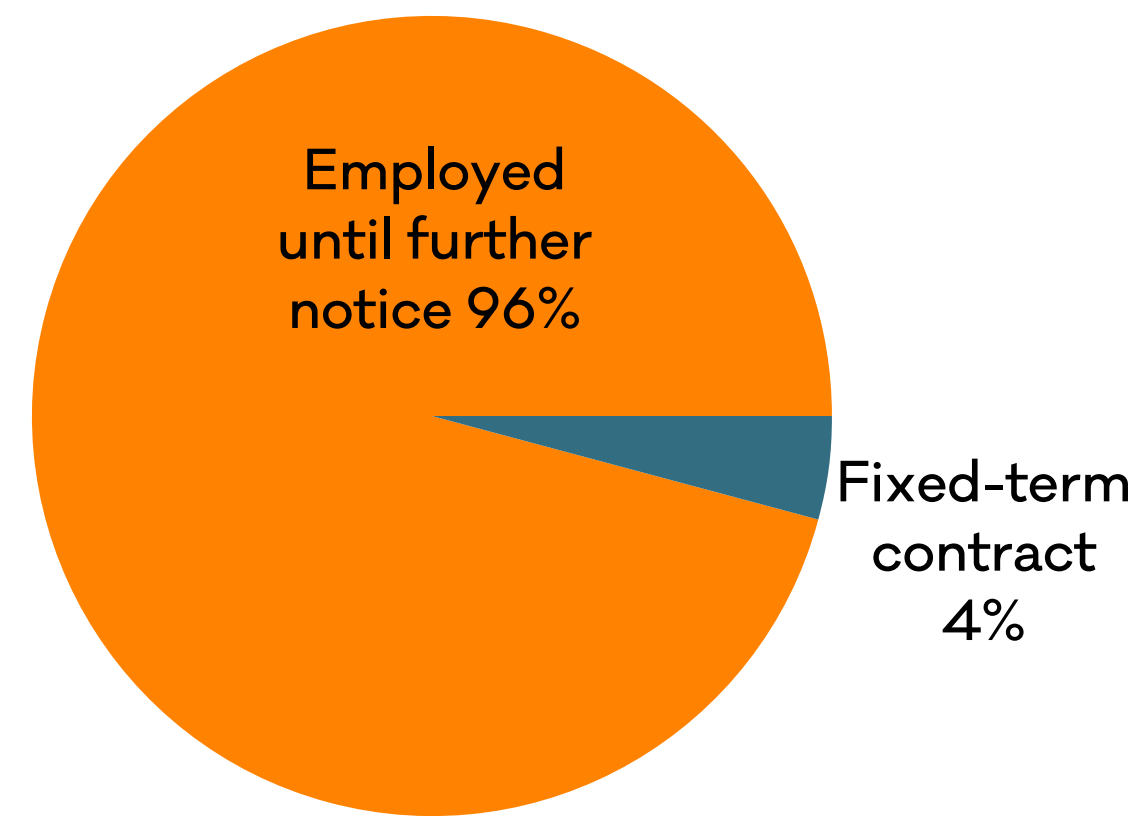


The results for 2024 will be available after the publication of this report, in May 2025.

PERSONNEL IN NUMBERS

As of the end of 2024, Fredman employed 69 people (77 in 2023). The decrease in personnel was in part due to the transfer of employees in the service business and services unit to CGI Finland Ltd during 2024.

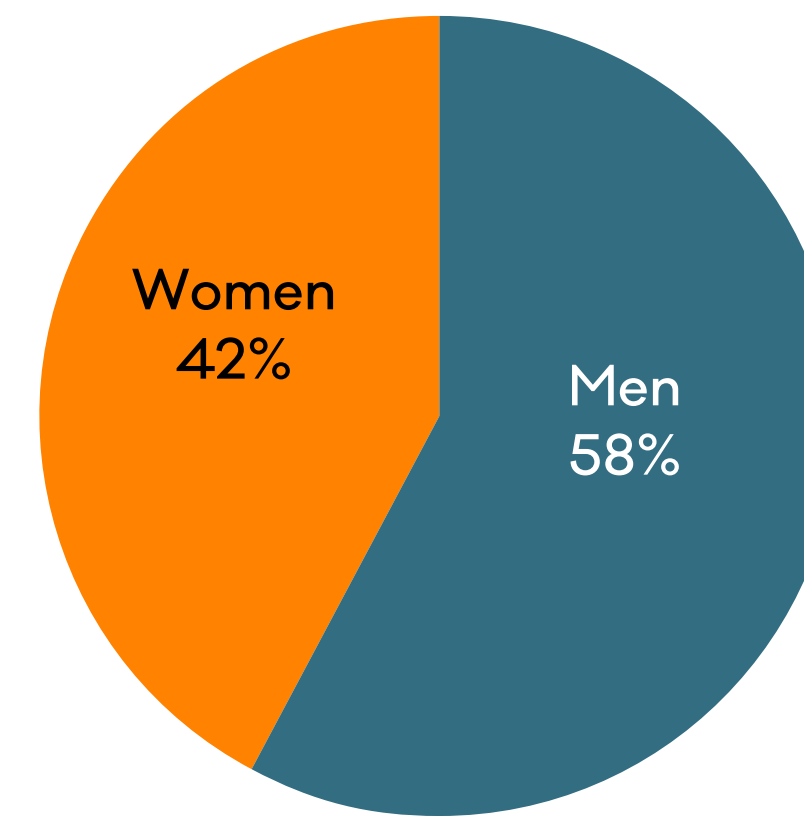
EMPLOYMENT TYPE



69 employees in total

In addition to permanent employees, we employed one temporary employee in 2024 through a recruitment agency.

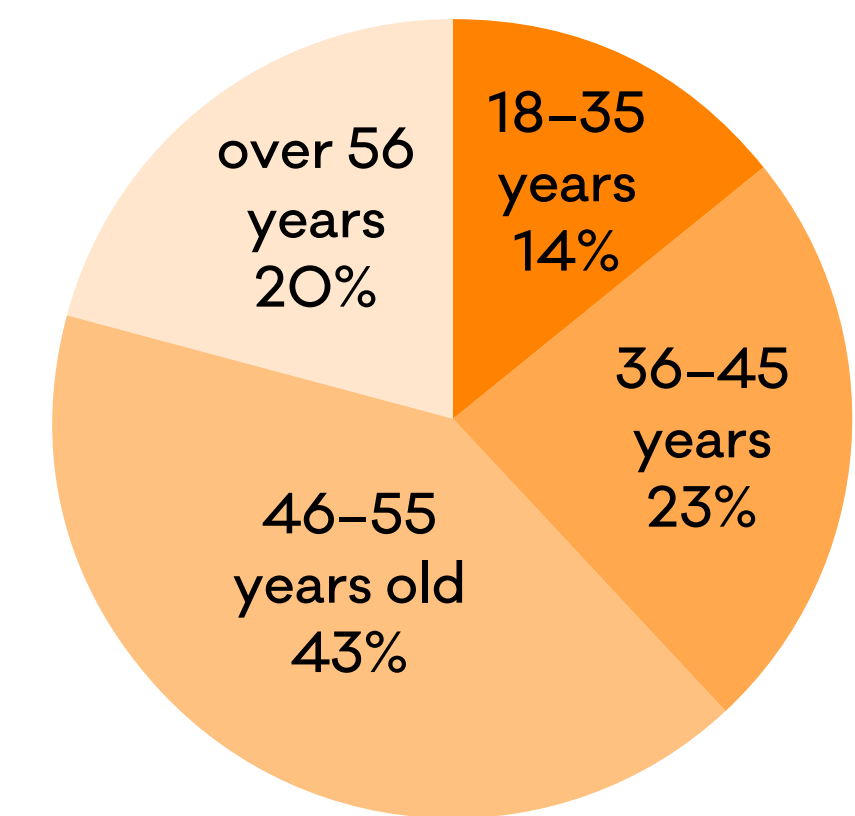
GENDER BALANCE



69 employees in total

Fredman's Management Team consists of 2 women and 5 men. Men account for all members of the Board of Directors.

AGE DISTRIBUTION



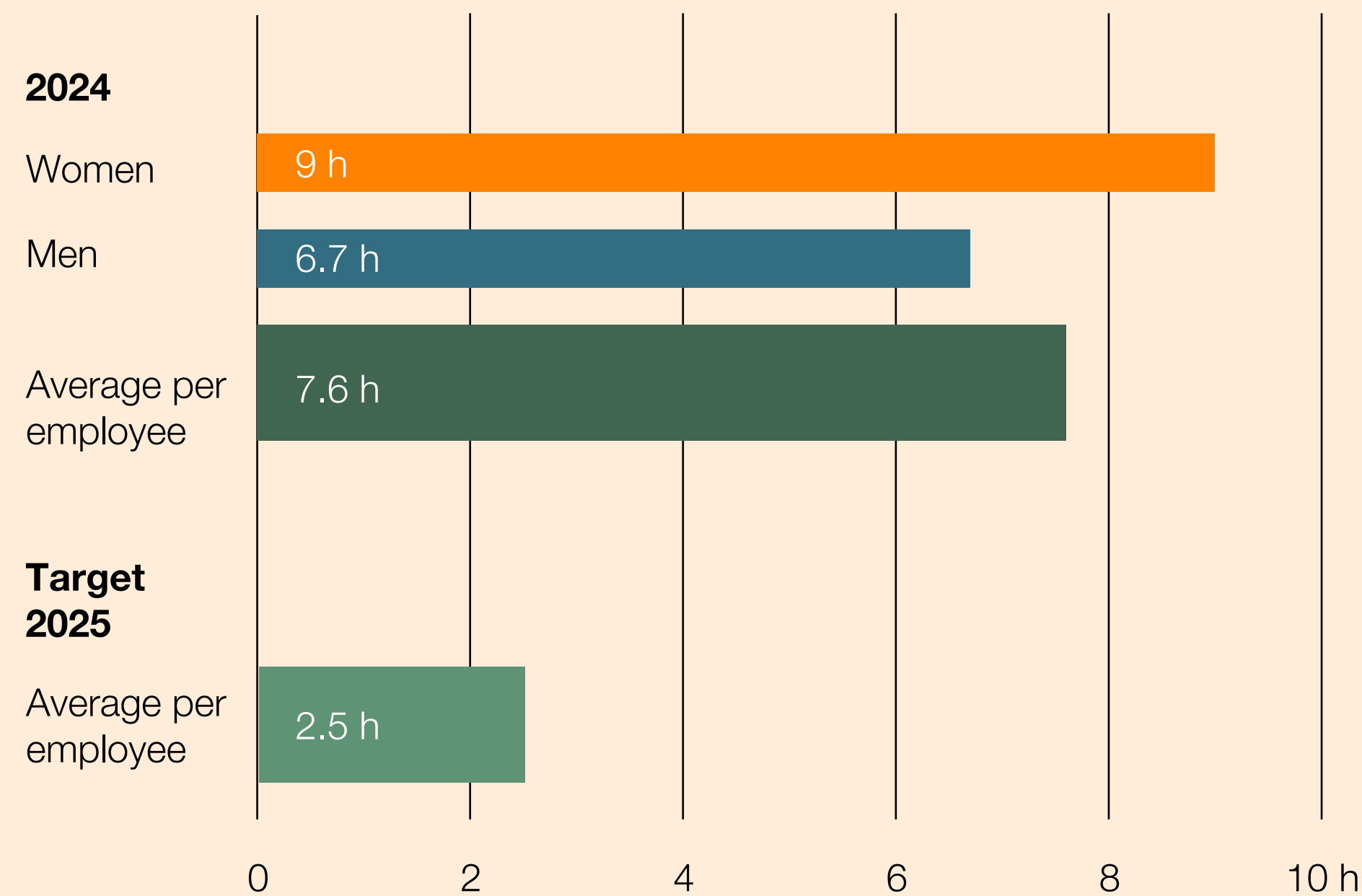
Training and remuneration

The collective agreement sets the minimum wages of our employees. 77% of our employees are fully covered by a collective agreement. For senior salaried employees, the collective agreement is followed as applicable.

At Fredman, the gender pay gap is lower than the industry average. The source of comparison data is the domestic wage distribution of the C Manufacturing sector, Eurostat 2022.

We organise general sustainability training for our personnel on topics such as certifications and the EU deforestation Regulation. We also offer our employees sustainability training through the corporate responsibility network FIBS and the Finnish Work association, among others. We also organised training on the circular economy and the recycling of different materials in co-operation with our waste management partner.

HOURS OF TRAINING



*In 2024, training hours were increased by occupational safety card training for all factory personnel and a few individual longer training sessions.



WE DEVELOP OUR SAFETY CULTURE

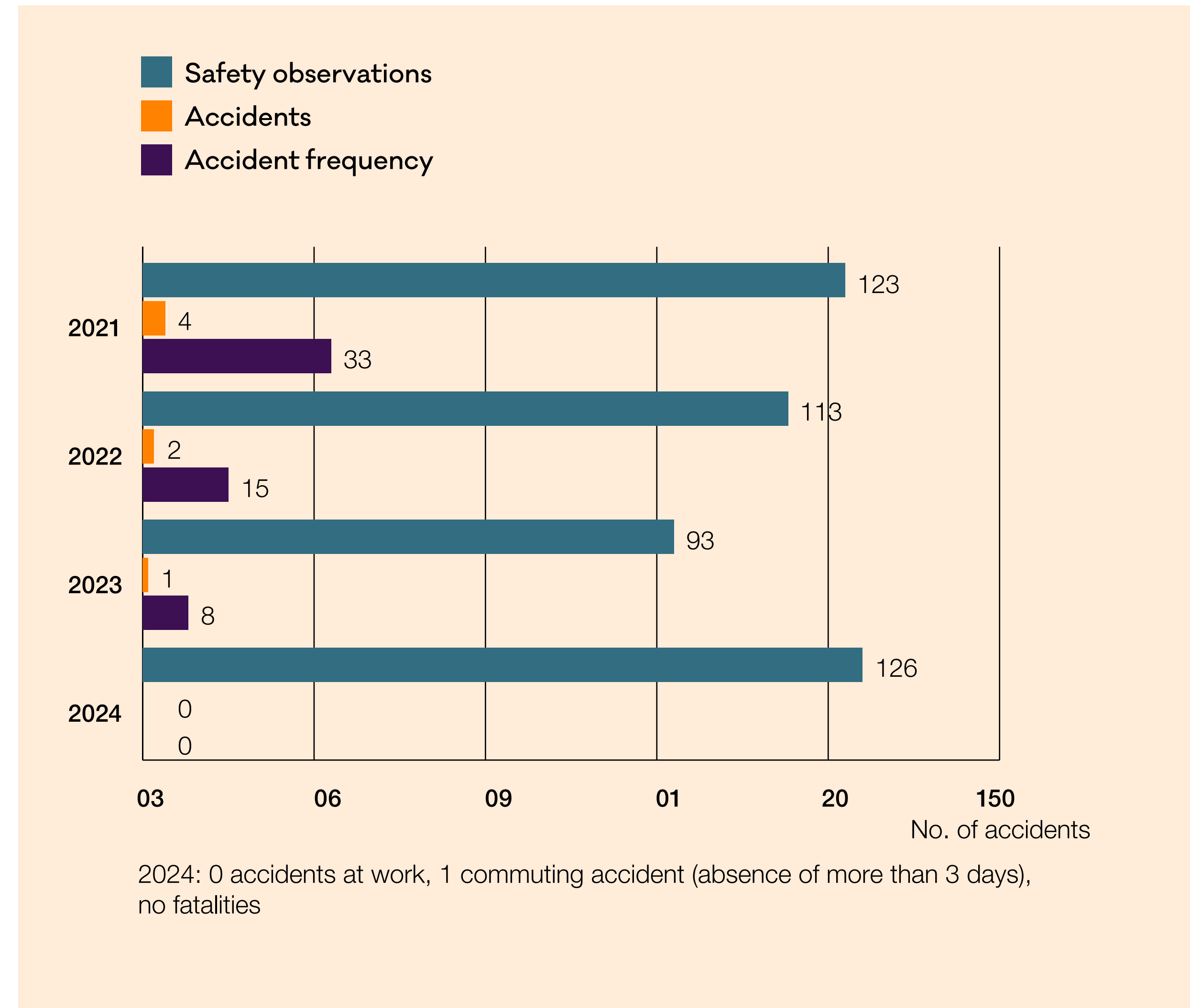
Safety of employees is a top priority in everything we do, and our goal is zero accidents annually. The employer and every Fredman employee have a responsibility to ensure the safety of our workplace and to promote a culture of accident prevention.

Safety at work is improved through training, risk assessments, reporting and by addressing reported near misses and safety observations. In 2024, the entire factory staff participated in a one-day occupational safety card certification training. Occupational safety was also discussed for the new office building in Espoo.

We encourage employees to actively make safety observations and report any concerns about activities that do not comply with our Code of Conduct. We encourage our employees and other stakeholders to discuss their concerns first and foremost with their supervisor or Fredman’s contact person.

We are committed to observing international human rights principles and Finnish law. It is especially important for us to follow our Code of Conduct, which covers issues such as the prevention of child labour, forced labour, human trafficking, discrimination and accidents at work. We are not aware of any human rights incidents involving our own workforce, other workers in the value chain, affected communities, or consumers or end-users.

We plan to develop and publish a separate human rights policy and description of our due diligence process during 2025.



WE ARE TRUTHFUL IN OUR MARKETING

Consumers and other end-users of our products are important stakeholders for Fredman. We make sure that our products are safe and suitable for use in cooking and handling food. Our marketing aims to promote sales and help customers make informed purchase decisions.

We want to raise consumer awareness of sustainable consumption with the aid of our products.

Up-to-date labelling and recycling instructions for our products are important so that end users know how to use the products safely and correctly sort and recycle them after use.

Truthful marketing is important to us, and we have strived to pay more attention to how we communicate about our sustainability.

During 2024, we reviewed our product names and categories in line with the Green Claims Directive and made certain changes, in particular with regard to the use of the word 'eco'. There have been no accusations of greenwashing against us or the way we communicate, and this continues to be our goal going forward.

During 2025, we will carry out product-specific carbon footprint calculations to be used in customer communications and marketing.





FINANCIAL METRICS

WE LOOK AFTER PROFITABILITY AND GROWTH

We develop our business in a profitable and financially sustainable way. It is important to us to act in an ethical, honest and fair manner and to be open and transparent about our activities. We have a duty to our investors, owners, employees and other stakeholders to maintain our competitiveness.

Guiding principles

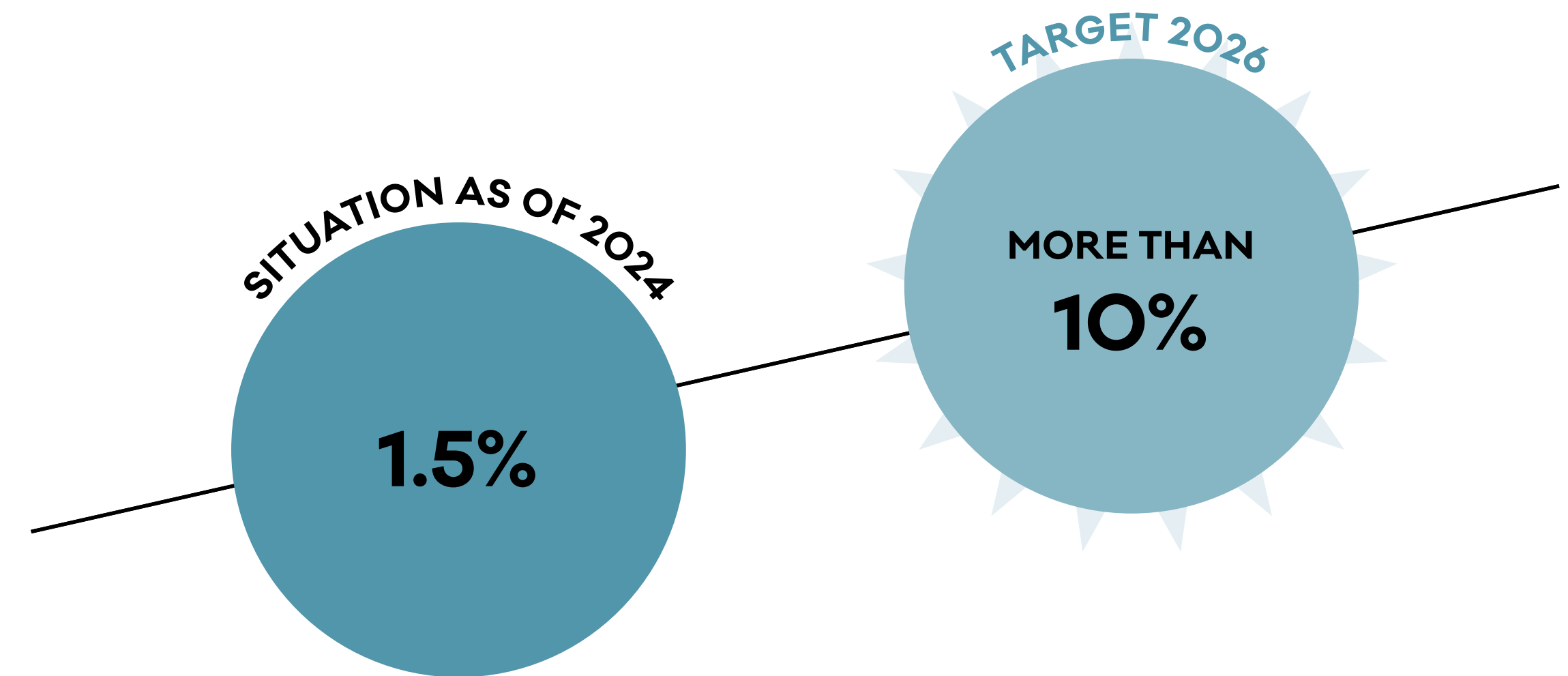
Fredman's Board of Directors is responsible for its statutory duties and for Group-level decisions on major investments and strategic projects. Fredman's CEO and CFO participate in the meetings of the Board of Directors to facilitate the flow of information and the progress of projects. The Management Team is responsible for the company's operations and their development.

Our Code of Conduct, which is based on our values, describes the kind of organisation we strive to be, what ethical business means to us and the rules and principles we are committed to observing.

We require all Fredman employees to be familiar with and committed to our Code of Conduct. Our suppliers, in turn, must comply with Fredman Group's Supplier Code of Conduct to ensure responsible operations throughout our supply chain.

Fredman has never been fined or convicted of corruption or bribery.

OPERATING PROFIT





OUTLOOK FOR 2025

Turnover is expected to grow in 2025. Growth in exports is still possible during the financial year, even as the situation may be affected by potential additional tariffs which may have an impact on exports outside the EU. Domestic turnover is expected to improve, provided that consumer purchasing power strengthens according to forecasts. Fredman is able to meet the corporate responsibility demands of large and international clients, which will continue to be a strong competitive factor in the future. During 2025, Fredman's manufacturing plant will undergo major development projects that seek to improve production efficiency and capacity and safety at work.

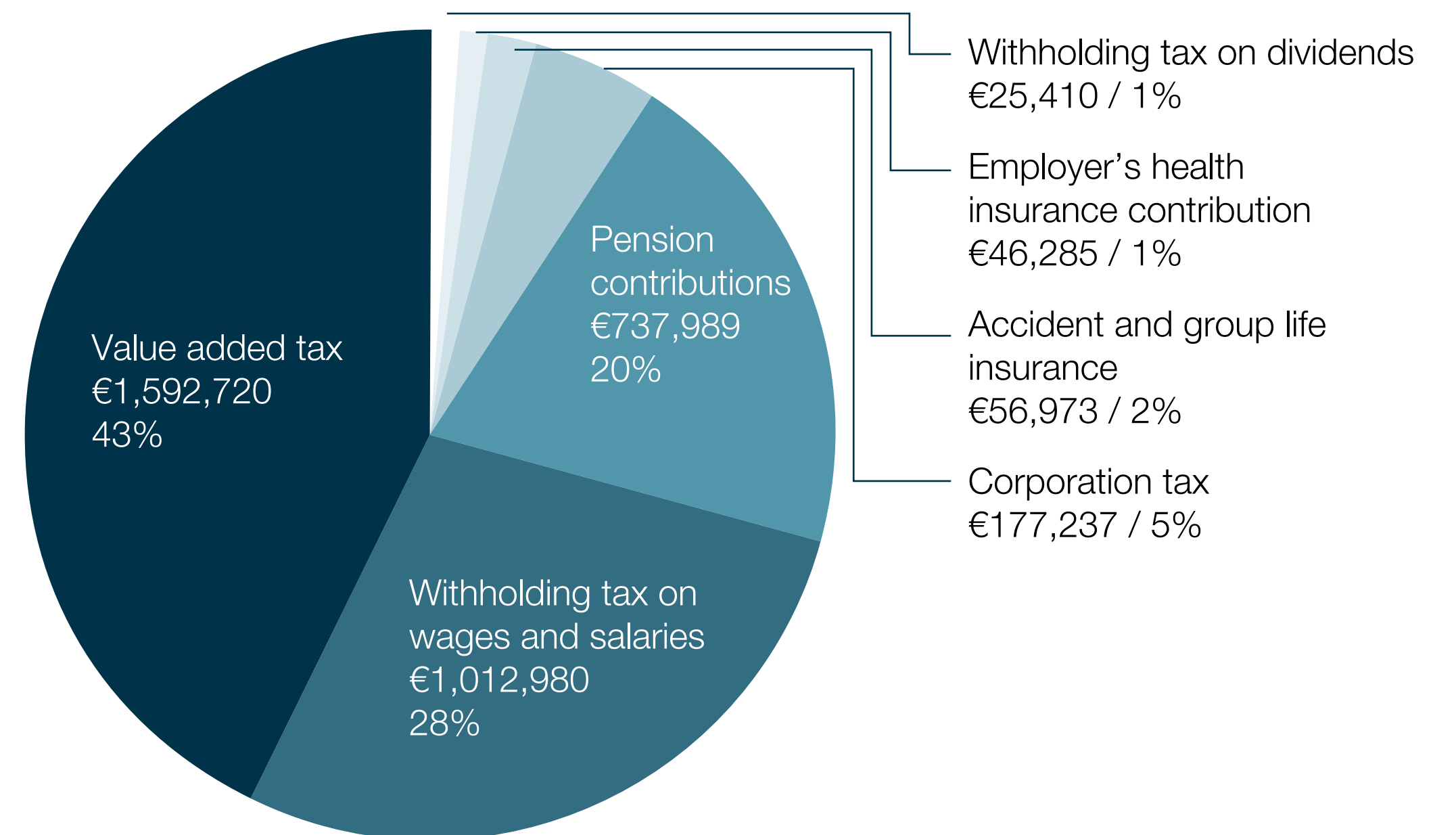
Jari Lepo, CFO

TABLE 8: TURNOVER AND PERSONNEL EXPENSES DEVELOPMENT, MILLION EUROS

FREDMAN GROUP	2024	2023	2022	2021
Turnover	30.6*	27.7	29.2	32.1
Personnel expenses	5.1	5.5	5.6	5.4

*Includes turnover of Fredman Perfect Kitchen Oy until 31 March 2024. The business was sold on 1 April 2024.

TAX HANDPRINT



We encourage everyone to address wrongdoings

Every Fredman employee has the right and the duty to report observed wrongdoings and abuse, primarily to their supervisor or human resources or anonymously through the whistleblowing channel.

The whistleblowing channel also allows our external stakeholders to report concerns about activities that do not comply with our Code of Conduct or the law.

No reports have been made through the whistleblowing channel. Our whistleblowing channel can be found on our website, and from [this link](#).

All sincerely made reports of suspected abuse, safety observations and other feedback will be investigated and appropriate action taken where necessary.

What issues are covered by our Code of Conduct?

- 1. Cooperation and respect for people**
 - Respect for human rights
 - Occupational safety and wellbeing
 - Fair terms of employment
 - Equal opportunity and prohibition of discrimination
 - Privacy and confidentiality

- 2. Sustainable business practice**
 - Respect for the environment
 - Avoidance of conflicts of interest
 - Gifts and hospitality
 - Ban on corruption and prevention of abuse
 - Fair competition
 - Product safety
 - Reputation protection

- 3. Reporting violations**



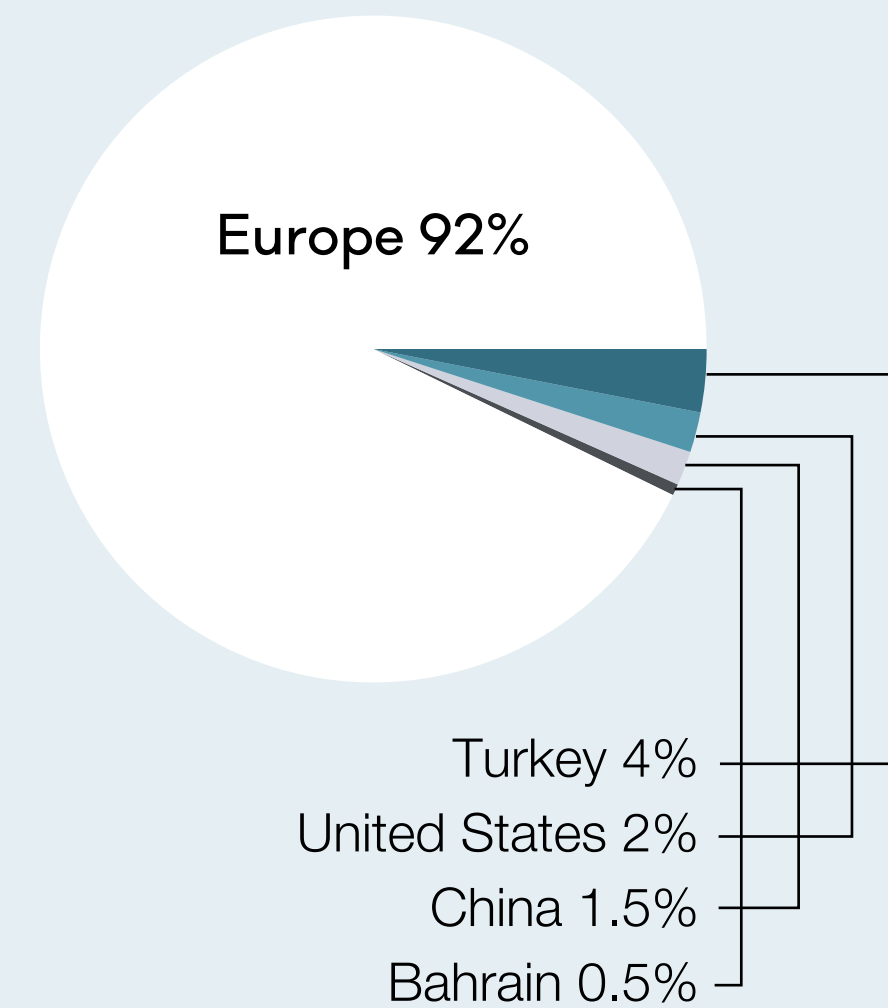
WE ENSURE SUSTAINABLE AND TRANSPARENT SOURCING

The sourcing of raw materials is an important part of our operations. We have strict requirements for our suppliers in terms of food safety, sustainability and especially human rights. We updated our Supplier Code of Conduct in 2024.

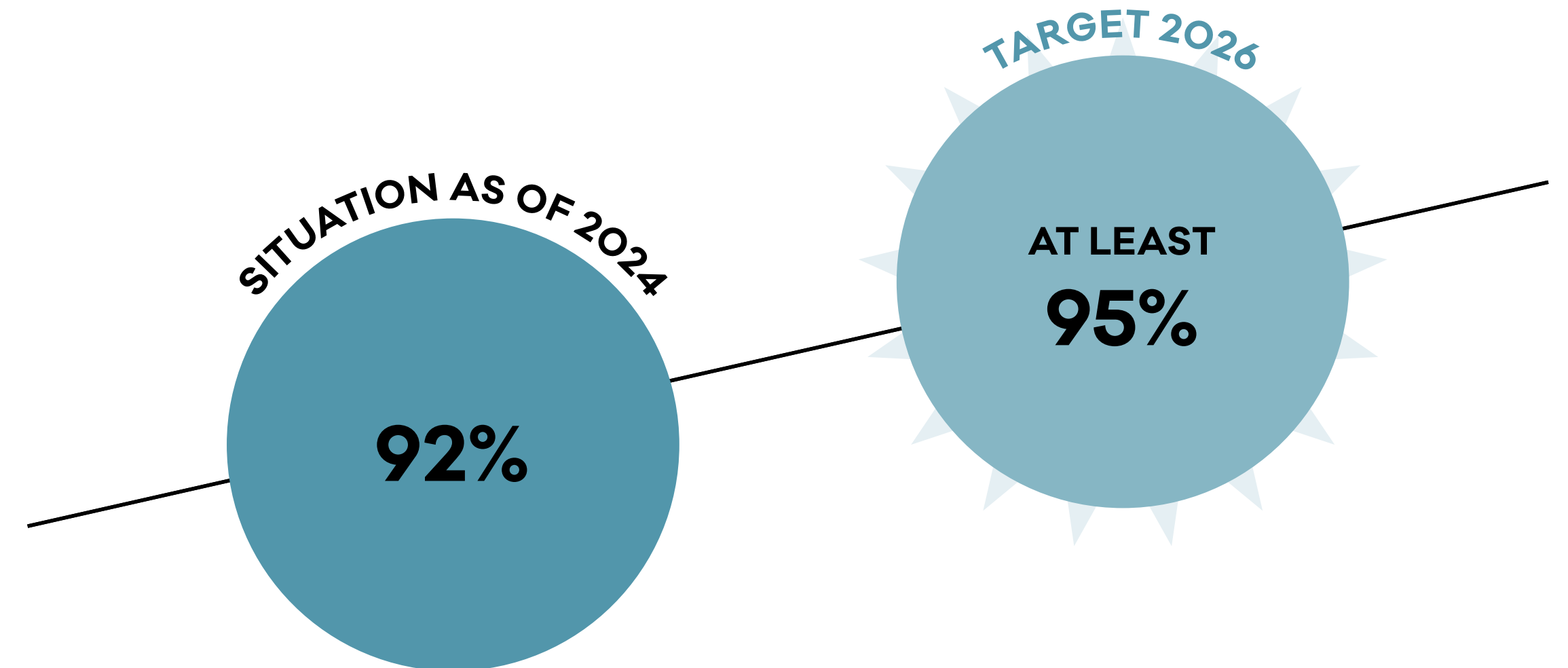
In selecting suppliers, we give preference to Finland and other Nordic countries, followed by the rest of Europe. In 2024 for availability reasons, we sourced a small proportion of raw materials from other countries, such as China (1.5%). We are actively looking for European substitutes for these sources.

Our goal is that by the end of 2025, all our suppliers will have gone through our validation process and signed our Supplier Code of Ethics.

SOURCING BY COUNTRY



SHARE OF OUR PURCHASES FROM VERIFIABLY SUSTAINABLE EUROPEAN SUPPLIERS



WE KNOW OUR SUPPLY CHAIN



SOURCING

- Raw materials for our production and forwarded finished goods.
- We source primarily from Finland, next from EU countries.



LOGISTICS

- Most of the materials arrive at our factory by trucks.
- About one-third of our domestic partners are local to the Satakunta region.
- Our freight carriers are our long-term partners and Finnish.

FREDMAN'S OWN OPERATIONS

MANUFACTURING

- Food contact materials are manufactured in accordance with legal safety and compliance.
- Only 0.07% of total emissions* from own operations.
- Quality II products are sold in our factory shop.

WAREHOUSE & DISTRIBUTION

- Products are mainly stored in the factory warehouse.
- Our products have high delivery reliability.
- Products for export are packaged directly into units suitable for marine containers. Our factory is located less than 20 km from the port of Rauma.



OPERATIONS

- Our biggest customers are wholesalers and central stores.
- The users of our products are consumers and foodservice operators.
- All of our products are traceable.



RECYCLING

- Recyclability is taken into consideration in the development of a new product.
- All our product packaging is recyclable.
- We take care of our producer responsibilities related to our packaging.

*Total emissions in 2024 amounted to 21,548.57 tCO₂e.

REPORTING PRINCIPLES

This is Fredman Group's Sustainability Report for 2024. In 2024 for the first time, we applied the European Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) as a guiding framework for our sustainability reporting. The report covers the basic and comprehensive modules of the VSME.

Board of Directors and financial statements certified by the auditing firm KPMG Oy Ab. The Sustainability Report has been approved by Fredman's Management Team and Board of Directors.

The report has been prepared at the Group level and includes the following companies:

- Fredman Group Oy,
Itsehallintokuja 6, 02610 Espoo, Finland
- Fredman Operations Oy,
Eurajoentie 10, Lappi, Finland
- Fredman Professional Kitchen Oy,
Itsehallintokuja 6, 02610 Espoo, Finland

Requests for information have been answered on the basis of their materiality. No requests for information were left unanswered owing to the sensitivity of the information or non-disclosure obligations. The financial metrics presented in the report are based on the Report of the



VSME RECOMMENDATION

BASIC MODULE - GENERAL INFORMATION				
REQUEST FOR INFORMATION		SUB-POINTS	SECTION(S) OF THE REPORT	PAGE NUMBER
B1	Basis for preparation	24a, b, c and d	Reporting principles	35
		24e	Fredman – Finnish kitchen family on the food side	4
		25	Certificates	21
B2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	26, 27, 28	Sustainability leadership and management	10
ENVIRONMENTAL METRICS				
B3	Energy and greenhouse emissions	29, 30, 31	We help slow climate change	18-19
B4	Pollution of air, water and soil	32	We help slow climate change	19
B5	Biodiversity	33	We look after biodiversity	20
		34	-	
B6	Water	35	We respect natural resources and use them wisely	15
		36	-	
B7	Resource use, circular economy and waste management	37, 38	We respect natural resources and use them wisely	13-14
SOCIAL METRICS				
B8	Workforce – General characteristics	39, 40	We improve our employee experience	24-25
B9	Workforce – Health and safety	41	We develop our safety culture	27
B10	Workforce – Remuneration, collective bargaining and training	42	We improve our employee experience	26
GOVERNANCE METRICS				
B11	Convictions and fines for corruption and bribery	43	We look after profitability and growth	30

VSME RECOMMENDATION

COMPREHENSIVE MODULE – GENERAL INFORMATION				
REQUEST FOR INFORMATION		SUB-POINTS	SECTION(S) OF THE REPORT	PAGE NUMBER
C1	Strategy: Business model and sustainability-related initiatives	47a, b and d	Fredman – Finnish kitchen family on the food side	4
		47c	Stakeholder cooperation	8
C2	Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	48	Sustainability leadership and management	11
		49	-	
ENVIRONMENTAL METRICS				
	Consideration when reporting on GHG emissions under B3 (Basic Module)	50, 52, 53	We help slow climate change	18-19
C3	GHG reduction targets and climate transition	54	We help slow climate change	16, 18
		55, 56	-	
C4	Climate risks	57, 58	We help slow climate change	16
SOCIAL METRICS				
C5	Additional (general) workforce characteristics	59	We improve our employee experience	25
C6	Additional own workforce information – Human rights policies and processes	61a and b	We develop our safety culture	27
		61c	We look after profitability and growth	32
C7	Severe negative human rights incidents	62	We develop our safety culture	27
GOVERNANCE METRICS				
C8	Revenues from certain sectors and exclusion from EU reference benchmarks	63	-	
		64	We help slow climate change	16
C9	Gender diversity ratio in governance bodies	65	We improve our employee experience	25



On the food side

fredmangroup.com



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