



# **SUSTAINABILITY REVIEW 2023**





# Contents

**CEO’s greetings** .....3

**Fredman at a glance** .....4

**Sustainability at Fredman** .....5

2023 sustainability highlights.....6

Managing sustainability .....7

Examples of our consumer products .....8

**We nurture domestic work** .....9

Domestic production in Rauma .....10

**Our environmental work** .....11

We have reduced our carbon footprint .....12

Waste recycling .....13

**More sustainable raw materials** .....14

We know our supply chain and partners .....15

More sustainable raw materials .....16

**Investing in employee well-being**.....18

Our long-term plans to improve well-being at the workplace .....19

Proactive safety work together .....20





# On the food side

Food is an integral part of people's lives, bringing us health and joy. Our eating and cooking habits are constantly changing as the world evolves. In times of uncertainty, more food is cooked at home, and choices around food are made more consciously. Whether enjoying a home cooked meal, take-out or a cup of coffee, Fredman is a part of the every-day life of Finns in many ways.

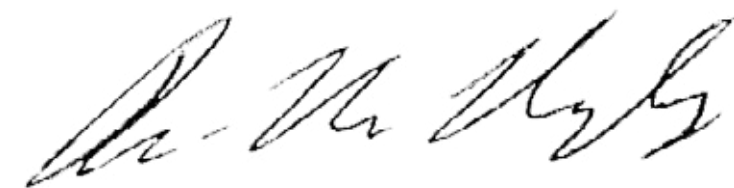
Following a challenging year, 2023 could be described as a maintenance phase for us. Our revenue of 27.7 million euros decreased slightly from the previous year, mainly due to changes in demand at the professional kitchen segment. In a challenging market, we have improved the efficiency and quality of our operations, further increased reliability of delivery, and gained a significant new export customer.

In 2024, we will move forward with our long-term growth plans with our new domestic majority shareholder, Korona Invest. [I envision Fredman as the lead kitchen product manufacturer in Nordic countries, both in consumer and professional kitchen products.](#) Key factor here is our factory in Rauma as well as our customer-oriented product development, which will be increasingly in our focus in the future.

By 2030, our goal is to make 100% of our products recyclable and use renewable raw materials. Many of our products play a key role in extending food shelf life and reducing food waste.

For us at Fredman, responsibility is part of the bigger picture, and it is reflected in everything we do. In 2023, for the first time ever, we calculated the carbon footprint for our entire operations in accordance with the GHG protocol. As much as 99.93% of our emissions are generated outside our own factory. We have taken many steps to reduce our own emissions since 2016, and the work to reduce our carbon footprint across our value chain continues. [You can learn more about our carbon footprint on page 12.](#)

In early 2024, we started working towards an updated sustainability program to better align our efforts with the sustainability issues that are relevant to us and our stakeholders. I'm looking forward to sharing more details with you during spring 2024.



**Per-Henrik Hagberg,**  
CEO, Fredman Group Oy

// BY 2030, OUR GOAL IS  
TO MAKE 100% OF OUR  
PRODUCTS RECYCLABLE  
WHILE USING ONLY  
RENEWABLE  
RAW MATERIALS. //





# Fredman at a glance

We are a Finnish company that manufactures kitchen products and food packaging solutions. Our products for home cooks and kitchen professionals are food safe and of the highest quality. Many of our products extend food shelf life, reducing waste.

The heart of our operation is our own factory in Satakunta, running with 100% green energy. We employ a total of 77 employees, most of which work in Rauma. We operate on three core values: together, bold, responsible.

## Turnover and personnel expenses development, million euros

Fredman Group	2023	2022	2021	2020
Turnover	27.7	29.2	32.1	30.1
Personnel costs	5.5	5.6	5.4	5.4

**OWNERSHIP**  
FINNISH KORONA INVEST,  
CLAS AND PETER FREDMAN,  
PER-HENRIK HAGBERG

FOUNDED  
**1997**

TURNOVER  
**27.7**  
MILLION  
EUROS

WE EMPLOY  
**77**  
EMPLOYEES

EXPORTS  
**14%**  
OF THE  
TURNOVER

HEADQUARTERS  
IN **ESPOO**, FINLAND  
OUR OWN PLANT  
IN **RAUMA**, FINLAND





# SUSTAINABILITY AT FREDMAN





# Highlights of our sustainability work in 2023

We reduced our carbon footprint:  
**25,018.99 t**  
 CO2e (2022)\*.

We made progress towards our goal:  
**53%**  
 of our products are recyclable and  
 made from renewable raw materials.

The emissions of  
 our own operations are only  
**0.07%**  
 of the total emissions.  
 Read more on p. 12.

High delivery reliability  
**98.5%**  
 [factory average]

**A year  
 without  
 accidents**  
 in the factory environment.



We created the  
**Fredman Whistle**  
 reporting channel.

We switched to a  
**FSC-certified**  
 raw material in  
 Fredman's own filter production

Revised our ethical guidelines,  
 reinforcing our values:  
**together, boldly** and  
**responsibly.**

\*Calculation based on Greenhouse Gas Protocol standards.



# Managing sustainability

Sustainability is our way of operating. It means caring for people, environment, and taking responsibility for the products we offer and the way we make them. We do not take shortcuts when it comes to sustainability.

The board of Fredman Group approves sustainability policies and, together with the executive team, oversees the implementation of sustainability practices.

Our internal sustainability working group, led by the Chief Sustainability Officer, coordinates, and develops our work. A team from various organizational functions is responsible for implementing plans and practical measures.

In 2022, we further defined our key sustainability themes: **domestic work**, **sustainable raw materials** and **staff well-being**. The following table shows our progress towards these goals.

We started updating our sustainability program in early 2024. We have outlined our stakeholders' views on our sustainability work and updated our materiality analysis, mirroring the sustainability aspects of ESRS. We are launching our new sustainability program in spring 2024.

## MAIN THEMES

**We nurture domestic work**

**Sustainable raw materials – respecting natural resources**

**Investing in our employees' well-being**

## GOALS

By 2025,  
**75%**  
of our products will be Key Flag awarded products and/or services.

By **2030**,  
all our products will be recyclable and made from renewable raw materials.

**90%**  
of our employees will recommend Fredman as an employer by 2024.

## PROGRESS IN 2023

**41%**  
of our products are Key Flag awarded products and services.

**53%**  
of our products are recyclable and made from renewable raw materials.

**70%**  
of our employees recommend Fredman as an employer.





# Examples of our consumer products



## Fredman Airfryer Paper

Fredman Airfryer paper is a greaseproof, non-bleached paper with high edges. It protects the appliance and reduces the need for cleaning after use. The paper is PFAS-free and can be recycled as biowaste after use.



## Fredman Roasting Bag

The paper roasting bags can be used for cooking, steaming and roasting. The bag is made of FSC certified, fully chlorine-free paper. Recycled as paper waste. The product has been awarded the Key Flag Symbol and the Swan Ecolabel.

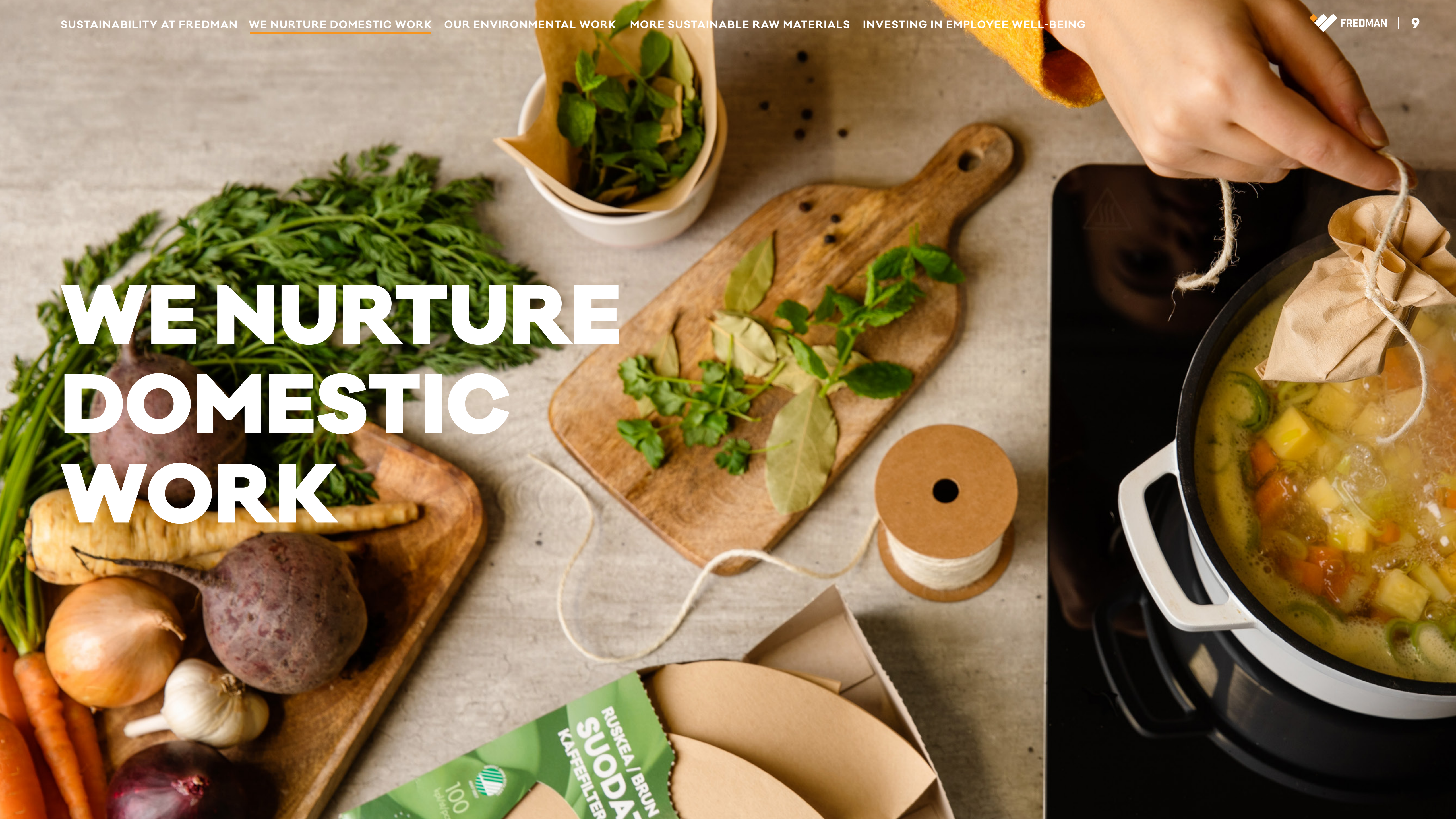


## Fredman Coffee Filter

Fredman's filters are the only filter papers manufactured in Finland. Unbleached, FSC certified paper. No fluoride or chlorine chemicals are used in the papermaking. The product has been awarded the Key Flag Symbol and the Swan Ecolabel.



# WE NURTURE DOMESTIC WORK







# Domestic production in Rauma

At the heart of Fredman's operations is our factory in Rauma, powered by renewable energy. Based on turnover, 70% of our products are manufactured in our own factory\*. We employ about 80 people in Finland. We prefer to buy domestically, and the majority of our partners are domestic, many from Satakunta.

**Products** for food preparation, baking, storage and sanitation for home cooks. The most well-known products are the classics of the home, Elmukelmu, baking paper and filter bags.

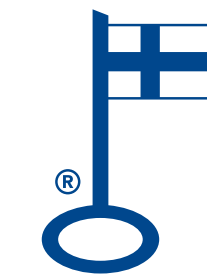
**Professional products** for food preparation, storage, transport and sanitation. Our trusted products for kitchen professionals are Elmukelmu, Carita fiber cloths, foils and Comple tins. We also make tailor-made food packaging for the food service industry.

## Product information up to date!

In 2023, we completed the process of defining product information to meet new reporting obligations. The work continues in 2024 with data transfer to systems.

## The emissions from our own operations are low, only 0.07% of total emissions.

Read more on page 12.



Many of our products, totaling 41% of our portfolio, have been awarded the Key Flag Symbol.

## Outstanding delivery reliability

We are proud of our high delivery reliability. We were able to further increase our delivery reliability in 2023.

## Plant delivery reliability (average) %

2023	2022	2021	2020
98.5	97.2	97.3	95.5

## From Rauma to the World

Our main export countries are the United States, United Kingdom, Switzerland and Sweden. Our key products include coffee filters, baking paper and sandwich wedge containers.

\*The rest of our products are manufactured with our contract partners, for example in Finland, Germany, and Sweden.



# OUR ENVIRONMENTAL WORK





# As much as 99.93% of our emissions are generated outside our own factory.

For the first time in 2023, we calculated the company-wide carbon footprint. The calculation was carried out in accordance with the GHG protocol for the calendar year 2022 and took into account extensively both the emissions generated from the manufacturing of products at our factory (scope 1 and scope 2) and the emissions from the entire value chain, e.g. the proportion of raw materials and transports (scope 3).

- Our carbon footprint is 25,018.99 t CO<sub>2</sub>e, which is equivalent to the annual emissions of approximately 2,500 average Finns.
- Remarkably, 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 majority of emissions came from raw material procurement.

## Keeping materials in circulation:

It is estimated that 75% of all aluminum produced is still reused worldwide. Metals are recycled well in Finland; Aluminum tins and foils get sorted into metal collection after use.

## The emissions of our own operations are low

Our direct emissions and those generated from purchased energy are minimal, accounting for only 0.07% of total emissions, 15.48 t CO<sub>2</sub>e. We have focused on reducing emissions, especially at our factory in Rauma.

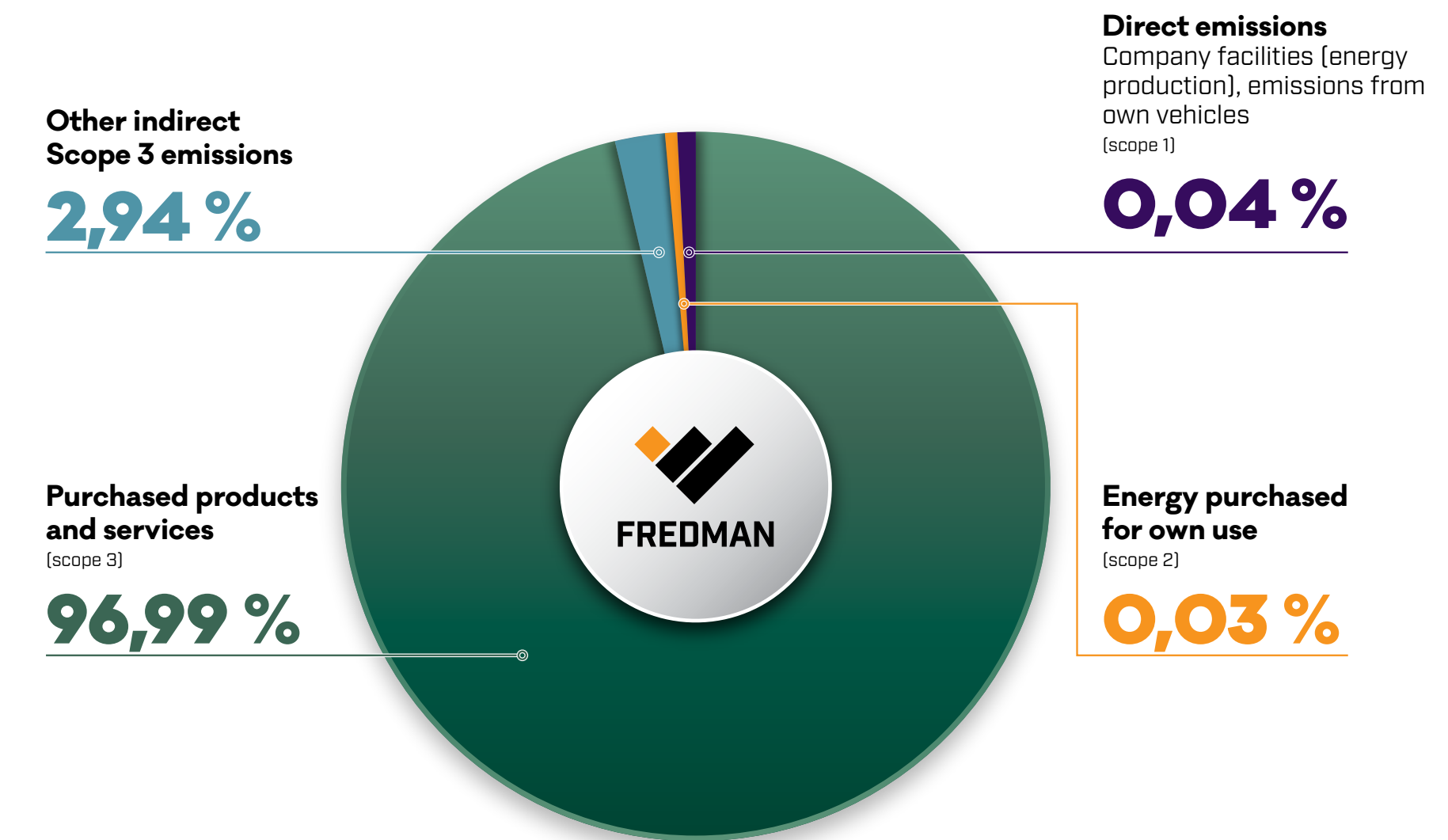
## What happens next?

We will actively continue to work towards reducing our carbon footprint throughout our value chain. Working closely with our suppliers, partners and customers plays a key role in this. The next step is to continue our work towards reduced emissions throughout the value chain with, among other things, science based plans for climate actions.



Aluminum causes most emissions as a single raw material. Aluminum offers complete protection from bacterial contamination, oxidation, moisture, and light for food items. It is challenging to find alternatives to foil products due to the superior properties of aluminum, also in high and uncontrolled temperatures.

## Emission sources





# Waste recycling is part of our culture

The majority of the waste we produce comes from cardboard and paper. Our recycling rate is at a high level: 83.4%.

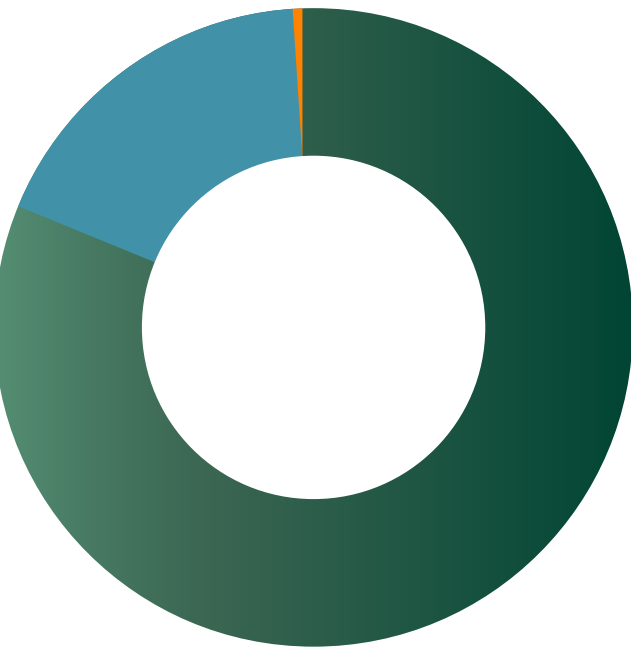
One of the key factors behind the high recycling rate is the manufacturing of coffee filters using circular approach. In the manufacture of filter bags, approximately 30% of the raw material is left as “cutting waste” due to the shape of the bag. The cutting waste is packed into tight cubes and transported back to the paper manufacturer. This way, the raw material is recycled and almost no waste is generated. Fredman coffee filters are FSC certified.

## Number of waste streams, kg

	2023	2022	2021	2020
Plastic	11,560	8,380	6,400	8,430
Energy	90,190	130,560	140,920	167,500
Cardboard and paper	458,427	391,660	417,606	422,379
Glass	0	0	10	67
Biowaste	576	58	72	173
Metal and A luminum	14,352	8,340	1,902	5,475
Hazardous waste	2,102	2,500	2,428	1,741
Mixed Waste	10	21.	40	90%

## Waste Utilization 2023

Recycling \* 83.4%  
Energy waste 16.3%  
Other \*\* 0.3%



\*Recyclable waste include cardboard, paper, plastic, metal and aluminum, glass, bio-waste, SER and some hazardous waste (including batteries).  
\*\*Other waste: mixed waste 0.002% and non-recyclable hazardous waste 0.27%. Non-recyclable hazardous waste contains paint, organic and oily solid waste.  
Image showing cutting waste from filter bags packed for processing new filter bag paper





# MORE SUSTAINABLE RAW MATERIALS - RESPECTING NATURAL RESOURCES



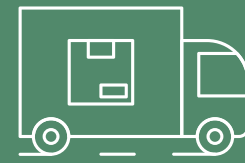


# We know our supply chain and partners



## Procurement

- 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 located nearby, in Satakunta region.
- Long-term and domestic partners as transport companies.



## Manufacturing

- 70% of our sold products are manufactured at our own factory in Rauma.
- 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

- The products are stored in our factory's own 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 of the product is considered in the development of a new product.
- All our product packaging is recyclable.
- We take care of the producer responsibility of our packaging.

\*Our direct emissions and those generated from purchased energy are minimal, accounting for only 0.07% of total emissions, 15.48 ton CO2e.



# Sustainable raw materials, respecting natural resources

## Sustainable Sourcing – We Know Our Partners

Sustainable sourcing and a transparent supply chain play a key role in our sustainability work from several perspectives. The most important aspects of sustainable sourcing are food safety, supply chain transparency, social responsibility and environmental responsibility. The majority of our emissions (2022: 96.99%) come from the sourcing of raw materials and materials, which is typical for the refining industry. Although we prefer local production, our chain spans many countries and impacts a lot of people. We ensure the quality, safety and origin of the raw materials and finished goods we source with many of our experts, as well as the compliance of our packaging. We require our suppliers and subcontractors to commit to our sustainable conduct.

## We regularly assess our suppliers and have an active partnership

Our suppliers are very well established and new suppliers come onboard very rarely. We prefer domestic procurements, followed by EU countries. In 2023, we had a only small number of purchases from risky countries, China 1.9% and Bahrain 0.4%.

In 2023, we sent three-yearly supplier assessment surveys to all our suppliers (56). The response rate was 98%, and all of the respondents met the criteria and there was no actual need for an audit. We will review quality, environmental and safety issues with our suppliers in other co-operation meetings, even if there is no actual audit.

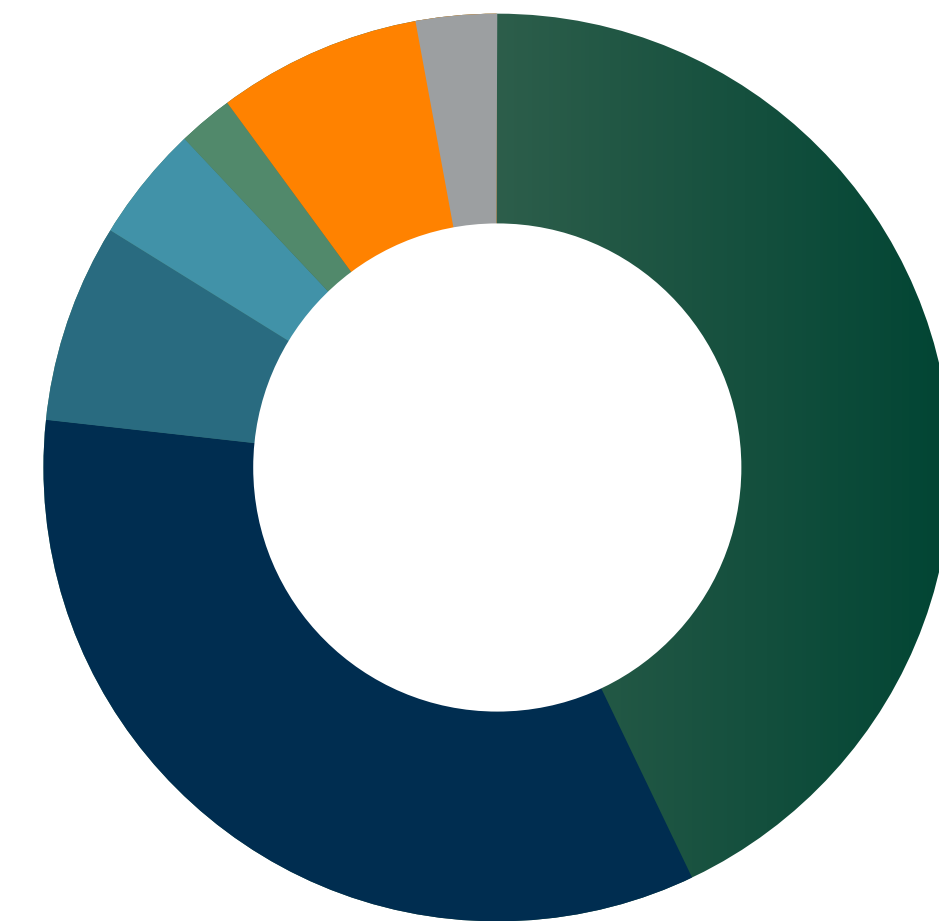
## More sustainable products achieved through collaboration

Working closely with our suppliers, partners and customers alike is essential to achieving high quality, sustainability and reducing our carbon footprint throughout the value chain.

## Responsible raw materials in our own production

The products manufactured at our factory in Rauma make up the majority of our product sales (2023: 70%). Wood fiber products accounted for half of our product sales. Under the EU deforestation regulation, wood is classified as a risk raw material. The raw materials used in our wood fiber products come from Finland and Germany and are more than 90% certified. We always strive for more responsible raw materials and high quality, both in our own production and in our forwarded finished products. We will also actively increase the use of renewable and recycled raw materials in our products. The overall performance of the food packaging is accounted for, to protect and prolong the shelf life of the food item.

## Countries of Origin of Materials



- Finland 42%**
- Germany 33%**
- Sweden 6.9%**
- Turkey 4%**
- USA 1.9%**
- Other European countries: 10%**  
(Italy, Netherlands, United Kingdom, Denmark, Poland, Portugal and France)
- Risk countries 2.3%**  
(China: 1.9% and Bahrain 0.4%)



# Sustainable products from sustainably managed forests

Forest certification shows that forests are used responsibly and sustainably. This means that forest management and treatment is ecologically, economically and socially sustainable, and the opportunities for future generations are not undermined. The diversity of forest nature and the cultural and recreational values of forests are taken into account while practicing planned forestry. About 90% of Finland’s forests are PEFC certified, and 10% FSC certified.

In 2023, half of our product sales came from wood fiber products. 94% of the wood raw materials used in our own production are certified\*.

## The amount of certified raw materials used in our own production:

FSC 66%  
PEFC 28%  
94% certified in total

## Energy and water usage 2020-2023

	2023	2022	2021	2020
Heating Energy	654 MWh	527 MWh	557 MWh	461 MWh
Electricity	1,265 MWh	1,455 MWh	1,166 MWh	1,442 MWh
Water	675 m³	1,007 m³	918 m³	873 m³

\*covers raw materials of products, not packaging material

Our 2030 goal:

**100%**

of our products will be recyclable and made from renewable raw materials.

Own production raw materials

**66%**

is FSC certified

Own production raw materials

**28 %**

is PEFC certified







# INVESTING IN EMPLOYEE WELL-BEING



# Our long-term plans to improve well-being at the workplace.

Our work community consists of nearly 80 skilled employees. At Fredman, every employee is an expert in their own field. We want to ensure a fair, equal, supportive, safe and healthy workplace for all our employees.

Since 2022, workplace well-being has been a special theme within our work community and management. Exceptional years and getting used to new ways of working have affected the well-being at work of Fredmanians.

In 2023, we continued working to develop well-being at work together with our employees and occupational health professionals. We conducted job surveys with Terveystalo in both Rauma and Espoo in 2023. The themes for improvement were also added to the Development List from the annual Employee Survey.

In 2023, we started work to clarify all roles, common rules and processes, and this work will continue in 2024. Last year we also revised our Code of Conduct, oriented our employees and integrated them into the new employee orientation program.

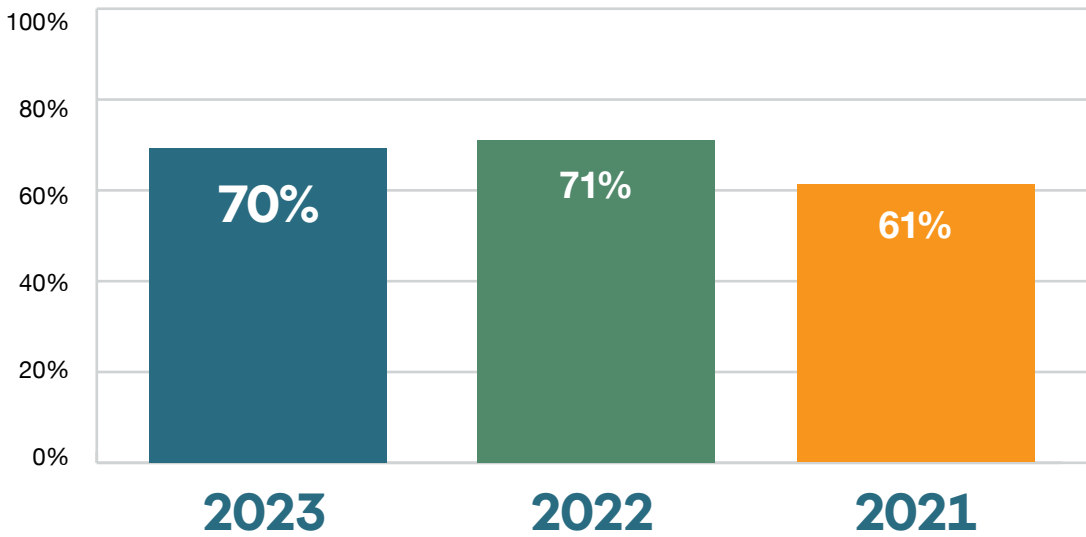
### Gender balance:

Women 44%



Men 56%

### Recommends Fredman as an employer



### Employees at different locations

Location	2023	2022	2021	2020
Rauma (factory, office and warehouse)	52	58	51	55
Espoo (office)	25	32	35	26
Total:	77	90%	86	81







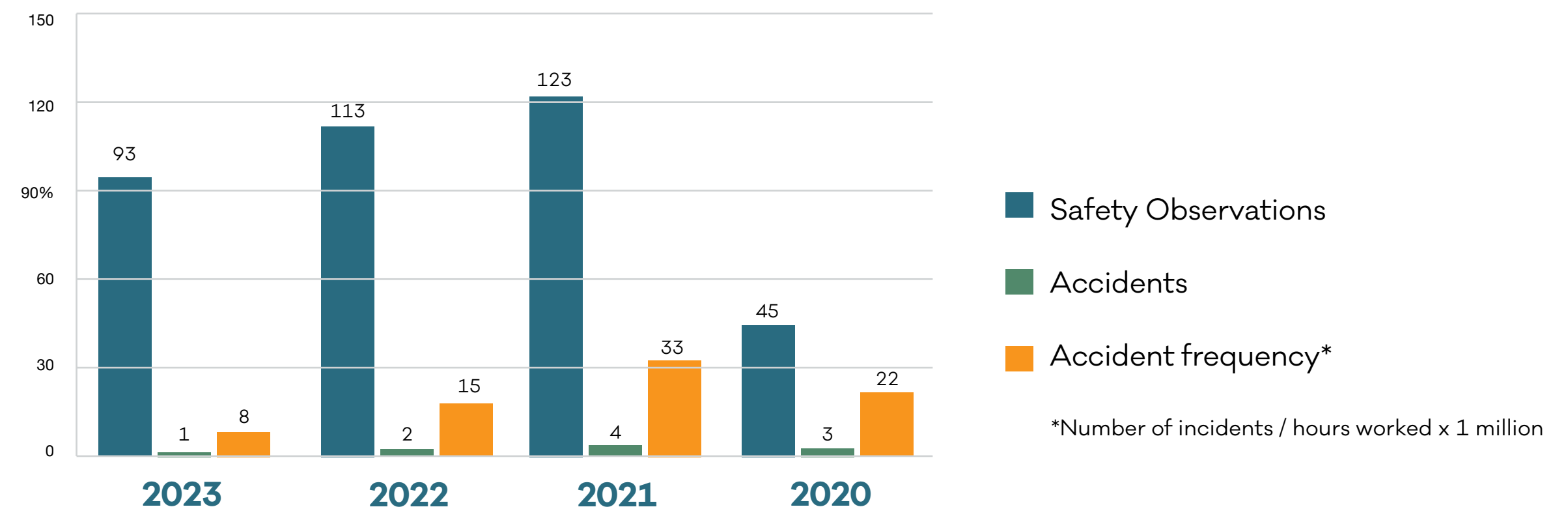
## Proactive safety work together

As a family-owned business, the health, safety and wellbeing of our employees are essential to us. Safety is a priority in everything we do, and our goal is zero accidents. The employer and every Fredman employee have a responsibility to ensure the safety of our workplace and to promote a culture of accident prevention. Among other things, we encourage our employees to actively make safety observations and conduct regular safety walks.

The theme of safety in 2023 was machine safety. To do this, we conducted a machine safety audit of the entire plant in 2023 with an external expert. We started reviewing development items and corrective actions at the end of last year and the work will continue in 2024.

In 2023, we also continued internal risk surveys in line with our annual plan. As one concrete measure of the risk surveys, we lowered the maximum speed of the forklifts indoors. In the fall of 2023, we started 6S program, which helped us to improve the safety and cleanliness of both machine-specific and the entire factory.

### Occupational Safety





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On the food side

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Fredman's factory  
Lapland, Rauma

