



Luxembourg, 16.10.24

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name: **FAZER - XYLITOL FACTORY**

Project Number: 2019-0146

Country: *Finland*

Project Description: *The project concerned two components: (i) the construction and operation of a new, innovative xylitol production facility producing xylitol from oat hulls; (ii) RDI activities supporting Fazer's bakery, confectionery and new lifestyle food businesses, including ongoing innovation activities related to xylitol production and the use of xylose and xylitol. Fazer has its headquarters in Vantaa, Finland. The new xylitol production facility is located in Lahti, Finland*

### Summary of Environmental and Social Assessment at Completion

**EIB notes the following Environmental and Social performance and key outcomes at Project Completion.**

The project is located within an existing, already approved industrial site (flour mill and bakery) located in the vicinity of a town. All permitting related to the project has been obtained and no environmental nor social incidents have been reported. The Company reports that through the project, they have improved the circular economy of the factories at the site and reduced the use of fossil fuels. The xylitol factory uses oat hulls, which is a low-value by-product of another factory at the site. Then one of the by-products from the xylitol plant is used as a fuel at a small power plant nearby to power all of the factories at the site, which previously used fossil fuels for power generation.

Fazer has a number of sustainability initiatives to align with the Science Based Targets initiative (SBTi). The Company reports a 24% reduction (since 2020) in scope 1 and 2 emissions (tCO<sub>2e</sub>) in 2023, targeting a 42% reduction by 2030. For scope 3 emissions (tCO<sub>2e</sub>), the Company reports a 5% reduction since 2020, targeting a 42% reduction by 2030. The Company is planning to have all packaging sortable for recycling by 2025, with reduced use of plastic and metal. They also have a sustainable sourcing strategy with specific targets.

### Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.