

# Fazer Group



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## APPROACH AND KEY ACHIEVEMENTS

At Fazer Group, one of our four ambitious sustainability core goals is “100% sustainable sourcing.” We are aware of the impacts of palm oil production on the environment and biodiversity, as well as on farmers and local communities. To mitigate unwanted consequences, we committed to sourcing 100% Roundtable on Sustainable Palm Oil (RSPO) certified sustainable palm oil in 2014. In 2019, Fazer Group sourced palm oil using a combination of Segregated (47%), Mass Balance (1%) and Book & Claim credits (53%). We have gradually increased the share of Segregated palm oil over the years. We also started supporting smallholders through the purchase of RSPO Independent Smallholder credits (3% of the credits in 2019).

## ROADBLOCKS AND SOLUTIONS

Fazer operates in the Nordic countries, Baltic countries and Russia, and exports to about 40 countries. Consumer awareness and expectations vary across these countries. The selection, availability and pricing of raw materials also differ. Currently, 100% of Fazer’s production in the Nordic and Baltic countries uses only RSPO certified palm oil which is sourced through either the Segregated or Mass Balance supply chain models. We are working to improve the situation in the Russian market by trying to find suitable raw materials that contain RSPO certified palm oil. Fazer’s annual usage of palm oil is only about 4,000 tonnes. To create the right texture, solid fat is required in some Fazer products like laminated coffee breads, biscuits and in some confectionery fillings. Palm oil is used in several fat blends as the solid part together with liquid oils. Segregated palm oil in certain fat blends is still not available which is an important obstacle that we face.



## POST-2020 ACTION PLANS

Fazer is committed to sourcing 100% RSPO certified sustainable palm oil with increased traceability by 2020. Additionally, Fazer will continue to increase the share of Segregated palm oil in our procurement. For consumer awareness and transparency, we find it important to refer to RSPO in our communications.

For the near future, Fazer's actions related to palm oil will revolve around two major topics: **Conduct an RSPO Supply chain audit and renew Fazer's commitment to palm oil.**

An **RSPO Supply chain audit** was in our plans for early 2020 but execution has been delayed due to the coronavirus pandemic, which prevents visitors from entering the production sites. Considering the pandemic status, our plan is to finalise the audit by the end of 2020. Fazer aims to widen the geographical coverage of the audits step by step and we will start with the operations in Fazer Confectionery and Fazer Bakeries Finland. We plan to use the results of this audit to increase transparency within our palm oil supply chain. This will be an important step in consumer communications and in increasing awareness about sustainable palm oil supply chains.

**Fazer's commitment to sustainable palm oil** dates back to 2014 and is due to expire after 2020. Fazer will evaluate and analyse achievements and set new goals and commitments related to palm oil. We foresee that we will extend the current commitment and further increase the share of Segregated palm oil and direct a higher proportion of credits bought from independent smallholders.

We will also engage our stakeholders and have discussions with them to align our future activities with Fazer's global goals, the [Sustainable Development Goals](#) (SDGs) as well as with consumer expectations.



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