

A young girl with a blue hair clip is drinking orange juice from a glass. A woman with glasses and a red and white striped shirt is smiling at her. They are sitting at a dining table with plates of food, including a bowl of fruit and a bowl of green vegetables.

# **HKFOODS**

## Annual Review

### **2025**

## HKFoods Annual Review 2025

Annual Review consists of three parts:

### Year 2025



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The Annual Review is available in Finnish and English.

This Annual Review in pdf format is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation. The Report of the Board of Directors, Sustainability Statement and Financial Statements 2025 in accordance with ESEF regulations are available electronically as an xHTML document in Finnish language at <https://www.hkfoods.com/en/investors-information/financial-reports-and-other-presentations/>.



**HKFOODS**

Year **2025**

## Year 2025

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The brands mentioned in this report - HK®, Kariniemen® and Via® - are registered trademarks of HKFoods Group.

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## CEO JUHA RUOHOLA'S REVIEW

### Good profitability development continued in 2025

HKFoods' good profitability development continued in 2025, and comparable EBIT from continuing operations has now improved for 12 consecutive quarters from the comparison period.

Net sales from continuing operations were at the previous year's level, totalling EUR 996.4 (1,001.8) million. The Group's comparable EBIT from continuing operations strengthened by 22.9 per cent to EUR 34.1 (27.7) million, representing 3.4 (2.8) per cent of net sales.

In the last quarter of 2025, comparable EBIT strengthened once again. The profit for the period from continuing operations also improved clearly. Retail sales showed growth in HKFoods' own branded products and as a result of a successful Christmas season. Sales grew in poultry products, ready meals and pork. Sales in the food service channel grew due to commercial measures and a comprehensive product range, and we strengthened our market position in the channel. In particular, sales of poultry products showed strong development.

In 2025, sales of pork and poultry products under the HK® and Kariniemen® brands grew in the retail channel. The national nutritional recommendations, published at the end of 2024, weakened demand for meat products in Finland especially in the first half of 2025. However, the decline in demand levelled off as the year progressed, and sales of meat products and ready meals under HKFoods' own brands turned to growth in the second half of the year.

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### Significant savings from our internal efficiency programme

Over the past few years, alongside a significant restructuring, we have implemented an internal efficiency programme, which has progressed as planned and generated significant savings. Efficiency investments and other development measures improved production efficiency, and cost savings reduced fixed costs. The investments completed at the Rauma and Forssa units in the summer of 2024, in particular, have improved HKFoods' production efficiency, and their impact is fully reflected in the fourth quarter results.

On the other hand, profitability in 2025 was weakened by the food industry strike in April and the overtime and shift change bans related to labour market negotiations, as well as the rise in the purchase price of beef due to the shortage of beef. We were able to only partially compensate for this increase with higher sales prices in the second half of the year. Regarding the availability of beef, the situation continues to be tight in the early part of 2026. On the other hand, this development is reflected in the growing sales of poultry and pork, which supports HKFoods' strategic choices.

### Our focus is on growing product segments

According to the strategy updated in early autumn, HKFoods' goal is to achieve profitable and sustainable growth as well as a strong presence in consumers' food moments as a valued partner. Our focus is on growing product segments: strong and innovative poultry products, and meals and meal components. Our core business includes pork, beef and poultry meat, meat products, ready meals and meal components. Our production line investments completed last year in our Eura and Vantaa units are related to the strategic choices listed above.

Measures strengthening our balance sheet in 2025 also included new EUR 20 million capital securities issued in August and the redemption of the old capital securities, which will generate annual interest savings of EUR 2.4 million.

**// As a result of our significant development efforts, we have been able to improve both the level of our operations and our key financial indicators extensively.**

### Goal-oriented responsibility work continues

Responsibility is a key part of our business. We at HKFoods are committed to the UN Global Compact sustainability initiative and are contributing to the UN Sustainable Development Goals. We are developing responsible food production throughout our value chain, from farms to consumers, by continuing the goal-oriented responsibility work. In late 2025, HKFoods Plc's Board of Directors confirmed the company's new responsibility programme for 2026-2028. The programme lays the foundation for HKFoods' responsibility work and its focus areas are environment, people, animal welfare, and good governance and corporate culture.

Our hard work over the past few years has paid off. As a result of our significant development efforts, we have been able to improve both the level of our operations and our key financial indicators extensively. **I would like to thank our employees, our contract producers, customers and our other partners.** We will now focus on implementing our strategy and continue our determined work towards our long-term financial targets.

**Juha Ruohola**  
CEO

# HKFOODS

## HKFOODS IN BRIEF

### The most valued partner of food moments

With 110 years of experience, we at HKFoods make life tastier - today and tomorrow. With approximately 3,000 professionals, we make responsible and locally produced food for consumers' various food moments. Our well-known brands in Finland are HK®, Kariniemen® ja Via®. HKFoods is a publicly listed company, and in 2025, our net sales totalled EUR 1 billion.

Home market

**Finland**

Locations in  
Finland and Poland

**7 | 1**

Employees on  
average (FTE)

**2,993**

Contract  
producers

**~1,800**

Net sales\*

**996.4 M€**

(1,001.8 M€)

Comparable  
EBIT\*

**34.1 M€**

(27.7 M€)

Comparable EBIT,  
% of net sales\*

**3.4%**

(2.8%)

Return on capital  
employed (ROCE)\*\*

**6.6%**

(0.9%)

Cash flow from  
operating activities\*\*

**51.0 M€**

(60.8 M€)

Net  
gearing

**73.2%**

(69.5%)

Values **Inspire  
Care  
Lead  
Deliver**

\* Continuing operations  
\*\* Including discontinued operations  
Year 2024 in parantheses

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# HKFOODS

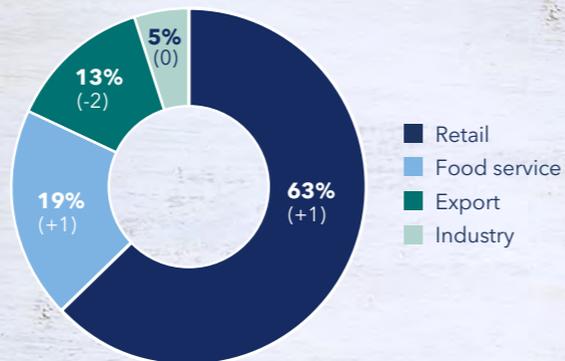
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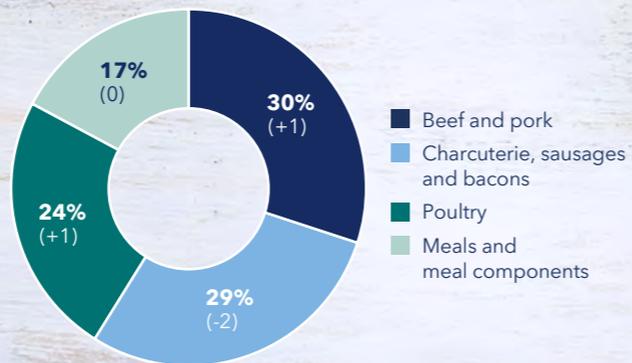
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### Sales channels



### Categories



Data represents distribution in Q4/2025. Changes in percentage points vs. Q4/2024 in parantheses.

### Delicious food by our famous brands:

Key own brands:



Key partnerships:



# HKFOODS

## Locations

### HEAD OFFICE

- Turku

### PRODUCTION UNITS

- **Forssa:** Pig slaughtering, cutting and packing
- **Outokumpu:** Beef slaughtering and cutting
- **Rauma:** Poultry slaughtering, cutting and packing
- **Eura:** Production of salad portions, pizzas and ready-to-eat components
- **Vantaa:** Production of processed meat and meals, domestic logistics centre
- **Mikkeli:** Production of meals and processed meat

### PRODUCTION UNIT IN POLAND

- **Świnoujście:** Production of bacon

### LOCATIONS OF ASSOCIATES

**Lihatukku Harri Tamminen Oy:** Vantaa, Sipoo and Luumäki

**Kivikylän kotipalvaamo Oy:** Rauma, Säskylä, Huittinen, Liperi and Eura

**Länsi-Kalkkuna Oy:** Säskylä

**DanHatch Finland Oy:** Mynämäki and Kokemäki

**Mäkitalon Maistuvat Oy:** Eura

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### HKFoods' key events in 2025

#### Q1

HKFoods launched the Flavoured Salt innovation, allowing the sodium content of several HK® and Kariniemen® products to be reduced by up to 25 per cent.

HKFoods increased efficiency, and Paimio unit operations ended.

In March, HKFoods published its first Sustainability Statement for the reporting year 2024, in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD).

#### Q2

The strategic investment in the production of ready-to-eat products was completed in Eura production unit, and the new products were launched to the market.

The future of the Polish production unit was assessed - the unit will continue as part of the Group.

HKFoods paid the first instalment of capital return (EUR 0.09 per share).

#### Q3

HKFoods issued EUR 20 million capital securities and redeemed its outstanding capital securities issued in 2018, which will generate annual interest savings of EUR 2.4 million.

HKFoods updated its strategy and long-term financial targets.

The strategic investment in the new meal production line in Vantaa was completed, and production on the line started.

#### Q4

An employee survey conducted to assess employee' experiences and employee engagement in the organization achieved a record-high response rate (90 per cent).

HK® and the Finnish Olympic Committee signed a significant agreement on a principal partnership for the years 2026-2028.

HKFoods updated its responsibility programme for 2026-2028.

HKFoods paid the second instalment of capital return (EUR 0.05 per share).



# HKFOODS

## Strategy

HKFoods' vision is to be the most valued partner of food moments. This means working together with all our employees to meet the changing needs of consumers and customers by creating sustainable, tasty and nutritious solutions for all meaningful food moments. It is a collaborative effort with customers, consumers, contract producers and the company's other partners.

Our strategic target is to achieve profitable and sustainable growth as well as a strong presence in consumers' food moments as a valued partner. Our focus is on growing product segments: strong and innovative poultry products, and meals and meal components. HKFoods' core business includes pork, beef and poultry meat, meat products, ready meals and meal components.

HKFoods' strategic focus areas are:

- **Growth in selected food moments:** The target is to achieve profitable growth through selected food moments, which include simple everyday life and nutritious snacks.
- **Operational excellence:** Production and processes are enhanced and automated, and the entire value chain is streamlined and developed. Joint efforts are strengthened both internally and through partners.
- **Competent, healthy personnel:** HKFoods inspires people to get involved and renews itself. Wellbeing and safety at work are developed, and corporate culture is strengthened.
- **Sustainable value chain:** HKFoods cares and takes responsibility for a sustainable value chain by developing contract production, utilising innovations and producing tasty, healthy and safe food for consumers' various food moments.

Responsibility is a key part of HKFoods' business. Responsible food production is developed throughout the value chain, from farms to consumers, by continuing the goal-oriented responsibility work. Environment-related sustainability topics material to HKFoods' business include climate change adaptation, biodiversity, and circular economy.

In terms of social responsibility, the material sustainability topics include the producer community, the company's own employees, and safe, healthy food. In addition, good governance, corporate culture and animal welfare are key sustainability themes. The company's strategy has an impact on all sustainability topics identified as material to the company, the most important of which in the medium to long term are climate change, consumer health and safety, and animal welfare.

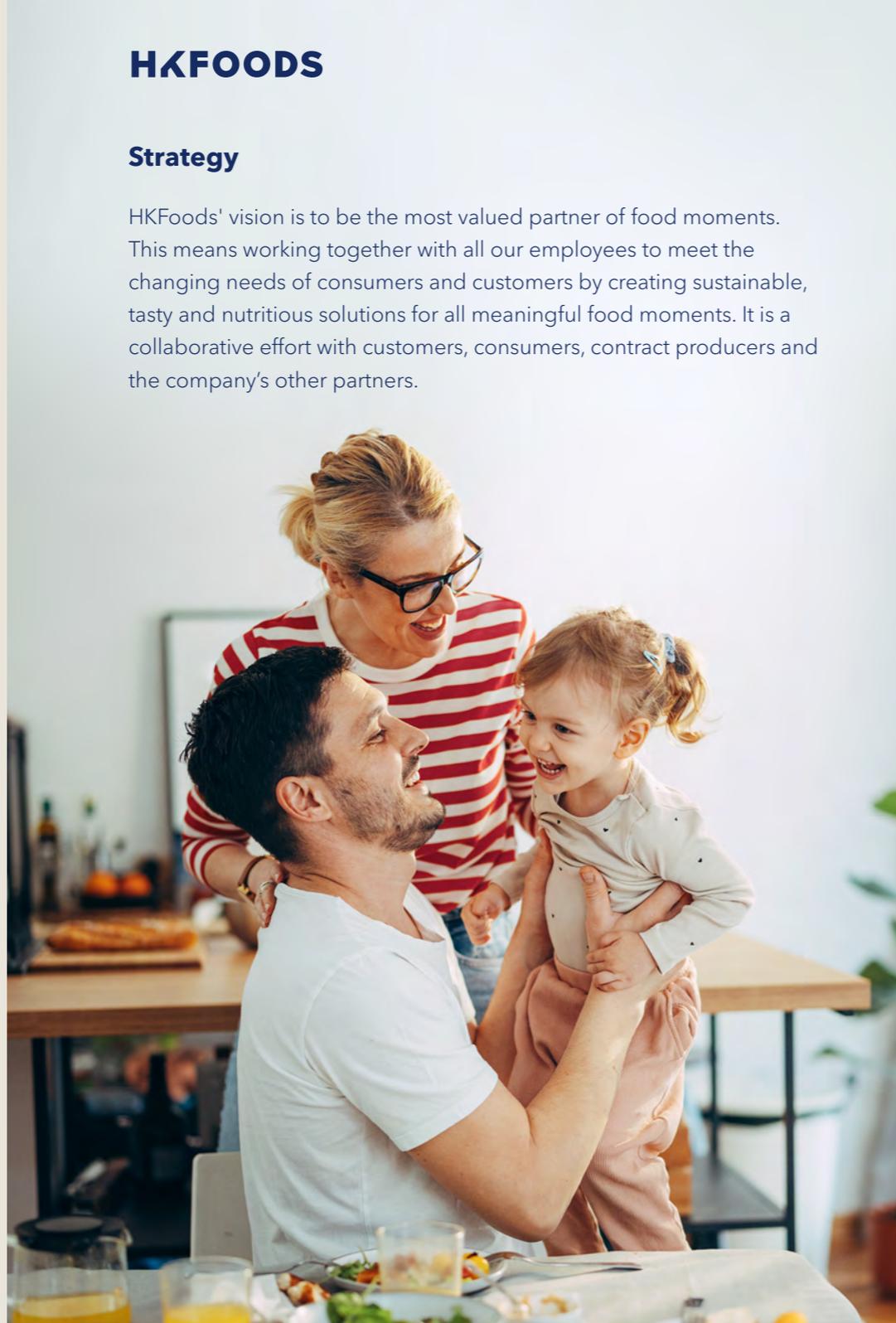
HKFoods is looking for new growth and pursues strategic business opportunities within the limits of its financial resources.

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## HKFood's strategy

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#### VISION

The most valued partner of food moments

#### MISSION

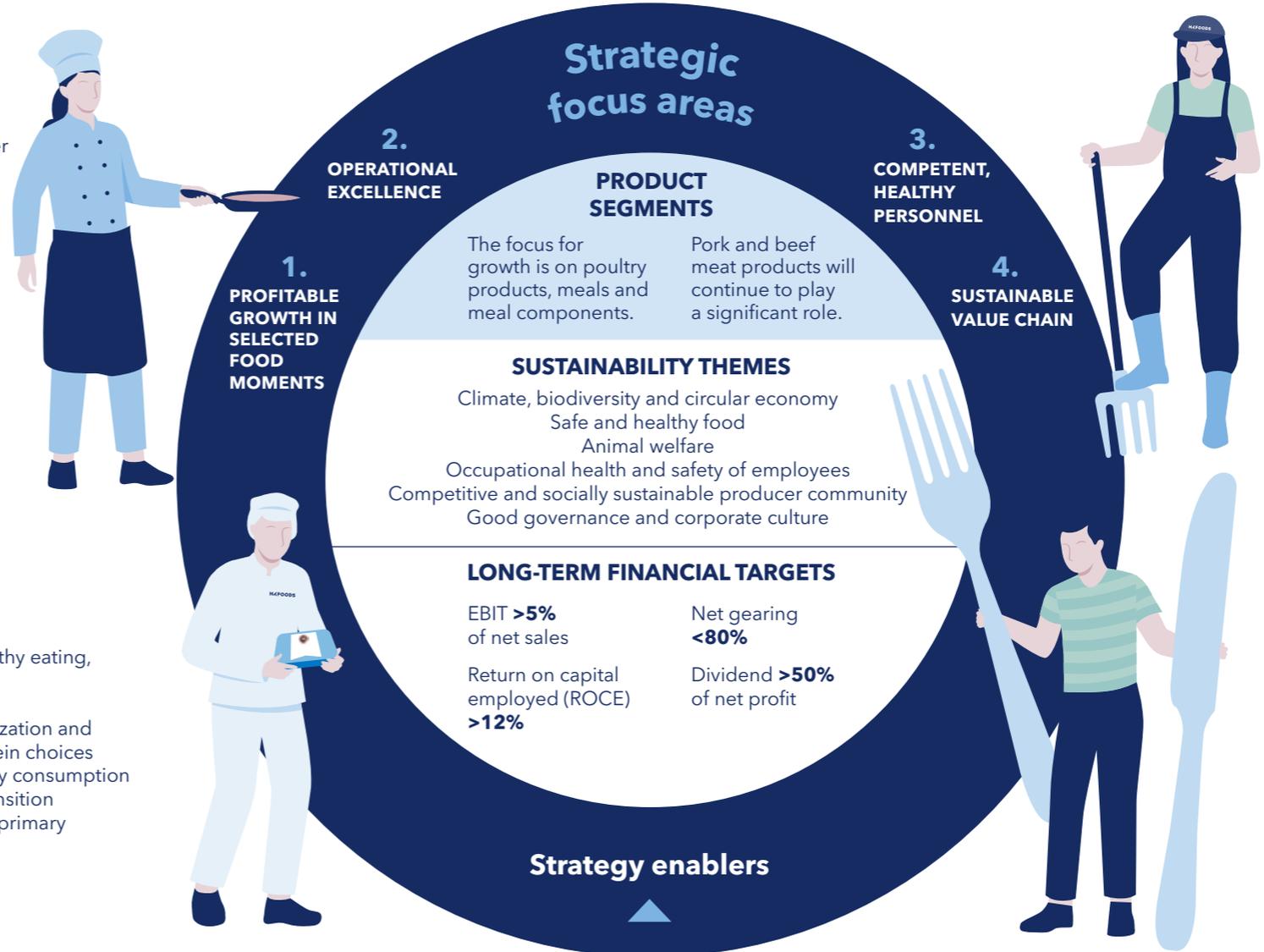
We make life tastier - today and tomorrow

#### VALUES

Inspire  
Lead  
Care  
Deliver

#### WE RESPOND TO CHANGING NEEDS

- Quick, easy and healthy eating, sustainability
- Snacking as a trend
- The impact of urbanization and immigration on protein choices
- The growth of poultry consumption
- Sales channels in transition
- Structural change in primary production



- Domestic raw materials
- Value chain from farms to consumers, committed contract producers
- Competent people
- Key brands and partnerships
- Customer and consumer research
- Delivery capability and efficiency

# HKFOODS

## Changes in food moments

The transformation of food culture continued in 2025, and consumers' expectations regarding food moments and meals have changed.

### WHAT DO WE EAT?

Meat consumption habits have been changed by time use and new technologies. Demand and use of ready-to-eat alternatives has increased. All solutions making cooking easier are reflected in buying decisions, and products such as strips and chips, as well as pre-seasoned, breaded and tenderised meat products, are selling well.

Increasingly, the traditional hot meal is replaced by various snacks. The changing role of snacks has given rise to a need for targeted meals, for example.

In recipe searches, traditional Finnish recipes are the most popular. Foods familiar from childhood and the passing on of food traditions are particularly important to Generation Z. In contrast, people are looking for and boldly experimenting with either completely new taste experiences or new ways of cooking.

Interest in healthy and new domestic products is growing. 70 per cent of Finnish consumers estimate they have a sufficiently healthy diet, but only 15 per cent strictly follow nutritional recommendations\*.

The new nutritional recommendations, published at the end of 2024, had some impact on the consumption of meat products in 2025, but they have not permanently changed the core of Finnish food culture. Finns are a bread-eating nation who also enjoy cold cuts.

Total meat consumption has remained stable. It even increased slightly in 2025, but there has been a shift from red to white meat. Scarcity of domestic beef is affecting Finns' everyday meal favourites, which often include minced meat as the main ingredient, by shifting consumption towards mixed and hybrid minced meats, poultry and pork, among others.

Finnish consumers are cautious with their food purchases due to rising prices, which is increasing the popularity of private label brands. When dining out, consumers are choosing more affordable dishes.

Price-quality ratio remains the most important criterion when Finns choose what to eat. Domestic origin is almost as important. Food is also expected to be tasty and nutritious, and the packaging and portion size must be right\*\*.

Food chain responsibility, such as animal welfare, circular economy and healthiness of food, are important to consumers. Trust in domestic and Nordic food products is stronger than in products from outside the EU.

There are differences in eating habits and attitudes between generations: Older people emphasise healthiness and domestic origin, while younger people value convenience and new experiences. Casual eating and the use of semi-prepared foods are growing trends, especially among young people.

\* Source: Study of Taloustutkimus, Suomi syö

\*\* Source: Ruokatietoa 2025 - Kantar Agri Oy.

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### HOW DO WE EAT?

On weekdays, cooking is expected to be quick and easy. On weekends and holidays, people put time and money into eating together, planning meals and preparing food.

No compromises are made on quality when it comes to celebration. Although the festive season, such as Christmas, may be shorter than before, it is all the more delicious. Big and small food celebrations and different harvest seasons bring variety to the calendar year.

Work and leisure time are combined as well as possible with the help of ready meals.

Cooking skills have declined, and this trend increases the purchase of ready meals. Finns have a positive attitude toward ready meals. They meet the diverse needs of consumers and offer nutritionally good options, a variety of flavours, nostalgia, convenience and speed, indulgence and treats.

Since people no longer invite friends over to their homes as often, restaurants have taken on the role of "living room". People enjoy going out for a meal together, and perhaps playing board games or singing karaoke.

### WHERE DO WE BUY FOOD?

Consumers have significantly reduced eating away from home. The underlying reasons are the economic situation and the hybrid work model.

Especially eating at work has changed, and cooking at home, ordering food to be delivered and shopping at grocerants have increased with remote work.

Finns have also significantly reduced their restaurant dining in their free time. In restaurant dining, fast food has increased and fine dining declined.

A significant part of restaurant sales has shifted to retail stores with the grocerant phenomenon. Flexible service concepts in retail stores include sushi, salads, Asian cuisine, sandwiches and pizzas. In addition to cafes, stores now offer variety of restaurants and takeaway foods, and also, for example, breweries and juice bars. The latest trend is the growing popularity of home-style food at store food counters. At the same time, many restaurants are closing their doors.

The increase in the number of small households is reflected in the selection offered by stores. It is easier to buy meals for one person than to prepare a small amount of food from scratch just for one's own use.

Events such as fairs, concerts, and sporting events thrive and attract visitors and diners.

Food distribution channels are changing, and the long opening hours of stores are reducing visits, for example, to kiosks.



# HKFOODS

## Responsible food production

We aim to promote the wellbeing of people, production animals and our environment by developing food production throughout the value chain, from farms to consumers. We carry out our responsibility work in collaboration with consumers and customers, our personnel, contract producers, suppliers and other partners.

HKFoods operations play an important role in Finnish society: Together with our contract farmers, we make sure that there is enough Finnish food for everyone. Our products also have an impact on public health. We meet the changing needs of consumers and customers by creating sustainable, tasty and nutritious solutions for all meaningful food moments.

We closely work together with our approximately 1,800 contract farmers of meat raw materials to further develop production and responsibility, and we ensure the competitiveness of local meat production. Together with our contract producers, we promote animal welfare and help farms reduce environmental emissions from production. We are also committed to reducing greenhouse gas emissions in our own production.

It is a matter close to our hearts that all of our approximately 3,000 employees can do their work safely, enjoy their work and feel that their work is meaningful. Their occupational safety and wellbeing are the foundation of our social responsibility.



**HKFoods promotes responsible food production in cooperation with the entire food chain.**

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# HKFOODS

## Responsibility programme lays the foundation for our responsibility work

Our responsibility programme for 2026–2028 focuses on the most material sustainability themes for our strategy, business operations and stakeholders, which are environment, people, animal welfare, and good governance and corporate culture. Progress is monitored annually in the Sustainability Statement, which describes the programme’s targets in more detail.

### Responsibility programme 2026–2028

| ENVIRONMENT  | PEOPLE   | ANIMAL WELFARE   | GOOD GOVERNANCE AND CORPORATE CULTURE  |
|--|--|--|--|
| <p><b>Reducing greenhouse gas emissions</b></p> <ul style="list-style-type: none"> <li>Aiming for net zero by 2050</li> <li>By 2030, greenhouse gas emissions will be reduced from 2022 levels in our own operations and value chain in accordance with the short-term targets approved by SBTi (Science Based Targets initiative)</li> </ul> <p><b>Preventing biodiversity loss</b></p> <ul style="list-style-type: none"> <li>A more extensive and systematic survey of the environmental impact of primary production by introducing an environmental impact calculation system on broiler, pig and cattle farms</li> <li>Assessment of the water load of own contract production and reduction of its impact in the Archipelago Sea catchment areas</li> <li>Operating in accordance with the EU Deforestation Regulation (EUDR): raw materials that have caused deforestation or degraded the condition of forests are not used in production after the regulation enters into force</li> </ul> <p><b>Reducing waste and increasing the recyclability of packaging</b></p> <ul style="list-style-type: none"> <li>Reducing food waste as well as mixed and energy waste</li> <li>Increasing the recyclability of product packaging gradually, in accordance with the Packaging and Packaging Waste Regulation (PPWR)</li> </ul> | <p><b>Promoting occupational safety and well-being of employees</b></p> <ul style="list-style-type: none"> <li>Reducing the number of occupational accidents and sickness absences</li> <li>Improving employee experience</li> </ul> <p><b>Competitive and socially sustainable producer community</b></p> <ul style="list-style-type: none"> <li>Developing producer interaction, expertise and satisfaction by organising meetings, training and other interaction in line with the action plan</li> <li>Measuring producer satisfaction and creating a feedback system</li> </ul> <p><b>Safe food that supports wellbeing</b></p> <ul style="list-style-type: none"> <li>Increasing the number of products that meet the Heart Symbol criteria</li> <li>All production units have valid food safety certificates</li> <li>Products launched on the market are of high quality and safety, and do not require recalls</li> </ul> | <ul style="list-style-type: none"> <li>Promoting broiler welfare, with a high level of footpad health as an indicator</li> <li>Continuous care for the health of broilers so that they can be raised without the use of antibiotics</li> <li>The welfare of pigs and cattle is promoted in accordance with the national healthcare schemes Sikava and Naseva</li> <li>Animal welfare during transport and at slaughterhouses is ensured in accordance with the development plan</li> </ul> | <ul style="list-style-type: none"> <li>Promoting a culture that supports sustainable and ethical practices through the Code of Conduct and policies, and related training for employees</li> <li>HKFoods’ suppliers are committed to the Group’s Supplier Code of Conduct</li> </ul> |

The targets are Group level targets set for HKFoods Plc.



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# HKFOODS

## Key actions in our responsibility work in 2025

### Climate

- In our climate work, we focused on investment projects that improve the energy efficiency of our production plants and reduce emissions from our own operations, development of the system for calculating the environmental impact of primary production, and climate work-related research projects.
- As part of the From Footprints to Digital Handprints (FF2DH) project funded by Business Finland, we developed a system for calculating the environmental impact of primary production by digitising the life cycle models of the Natural Resources Institute Finland (Luke) for pork, poultry and field crops. The new system enables the calculation of the water and carbon footprint and biodiversity impacts of primary production and helps contract farms to develop their operations.
- In addition, the Carbo® Farm calculator, jointly used by the Finnish milk and meat producers for calculating emissions, was introduced on HKFoods' cattle farms.

### Biodiversity

- We assessed the impact of out contract farms located in pilot areas in the Archipelago Sea catchment area on eutrophication as well as measures already implemented and possible measures to prevent eutrophication. In addition, we prepared a water protection action plan for 2026-2028.

### Circular economy

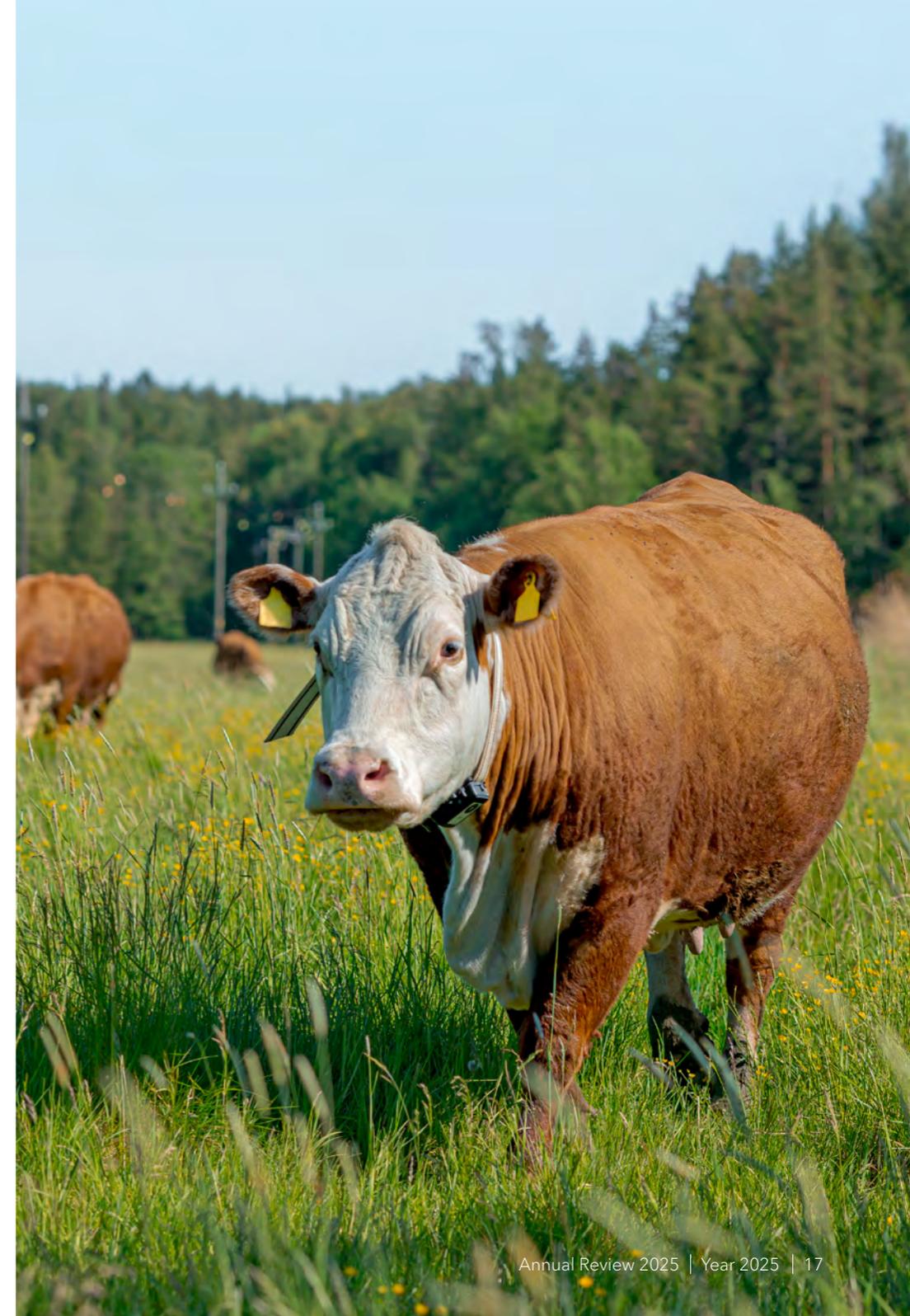
- Our production generates by-products suitable for use in several other industries, where they can be further processed, for example, into animal feed and biofuels. In 2025, we conducted a study on the utilisation of by-products generated in our production processes, which led to an investment in a new by-product production line at the Outokumpu unit.

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# HKFOODS

## Occupational safety and wellbeing of employees

- We developed our corporate culture and focused especially on occupational safety and wellbeing, training, high-quality management and improvement of the employee experience. HKFoods Plc, HKFoods Finland Ltd ja HKFoods Poland Sp. z o.o. conducted a joint employee survey to assess employees' experiences of their work and employee engagement. The response rate was a record-high at 90 per cent, and employee Net Promoter Score (eNPS) was 22. Based on the results, action plans were prepared for each company for 2026–2028.
- We continued the harmonisation and development of processes critical to occupational safety. We initiated an assessment of the current state of occupational safety in all our production units in Finland and Poland in accordance with the requirements of the ISO 45001 occupational health and safety standard. A new HESQ system and new occupational safety and fire safety guidelines were introduced at the production plants of HKFoods Finland Ltd and HKFoods Poland Sp. z o.o. in Finland and Poland.
- Our lost time injury rate (LTIR), which measures the number of occupational accidents leading to sickness absence per one million hours worked, improved during the year across the entire Group. Read more about the result in the Sustainability Statement, on page 109.

## Producer community

- We prepared an action plan for 2026–2028 to develop producer cooperation, interaction, competence and satisfaction within the producer community. A two-year responsibility training programme for producers was launched in cooperation with the Pyhäjärvi Institute.

## Safe food that supports wellbeing

- In Finland, HKFoods advanced its nutrition-related commitments. The most significant measures were related to increasing the number of Heart Symbol products in the Kariniemen® and HoReCa product ranges, increasing the number of plant-based products for the HoReCa sector, and reducing the salt content of whole meat cuts through the Flavoured Salt innovation.
- At the end of the year, HKFoods' range included around 80 Flavoured Salt products and some 200 Heart Symbol products or products that meet corresponding criteria.

## Animal welfare

- The welfare of production animals was further developed through continuous improvement, for example, by offering contract producers advisory services of veterinarians and other experts, and by conducting assessments on broiler, pig and cattle farms and in animal transport and at slaughterhouses to support the development of operations. Furthermore, we drew up a development plan to improve animal welfare during transport and at slaughterhouses in 2026–2028.

## Good governance

- We prepared responsible procurement principles that guide the Group's procurement units to take into account risk factors in accordance with due diligence when selecting suppliers and to commit suppliers to the Group Supplier Code of Conduct. The responsible procurement principles include requirements relating to animal welfare, product safety and quality, the environment and human rights, including occupational health and safety, among other things.

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### HKFoods is a responsible food company

#### Strong commitment to climate work



2023 approved near-term industrial and land-based climate targets

#### Engaged in the UN's sustainability work



#### Rated by independent ESG rating

ISS ESG Corporate and QualityScore:



Included in the Europe's Climate Leaders list by Financial Times in 2021-2025.

## Examples of our responsibility work

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#### New electric steam boiler brings greater energy efficiency and emission reduction to Vantaa production unit

In 2025, HKFoods invested a total of approximately EUR 600,000 in promoting climate targets and improving energy efficiency at its own production plants.

The most significant energy investment was made in the steam production unit at the Vantaa production plant, where natural gas was replaced with electricity. With the investment, starting in 2026, approximately 80 per cent of the Vantaa plant's steam will be produced using electricity with a guarantee of origin and 20 per cent using natural gas.

In addition to reducing emissions, the new electric steam boiler aims to improve energy efficiency and cost-effectiveness, as the change will allow fuel use to be optimised based on the price of electricity and natural gas.



#### Flavoured Salt recognised in the Food Innovation of the Year competition

In 2025, our Flavoured Salt innovation received an honourable mention in the renowned Food Innovation of the Year competition for promoting health and making everyday life easier. The purpose of the award is to highlight innovations and new ideas in the industry and encourage industry operators to develop solutions that make both everyday life and celebrations easier for consumers.

With HKFoods' Flavoured Salt, launched in January 2025, it has been possible to reduce the salt content of products by up to 25 per cent while keeping their taste unchanged. In many familiar HK® and Kariniemen® products, part of salt has been replaced by the new Flavoured Salt, which contains no sodium.

We determinedly continue our innovation work and will introduce Flavoured Salt into a wider range of products. In addition, we aim to increase the number of products that meet the Heart Symbol criteria.



#### Onnela Farm's success in the international WelFarmers competition

Our contract farmer, Onnela Farm in Alastaro, committed to pig welfare, was successful in the international WelFarmers competition in October 2025 in the category of farm and pen solutions. The competition rewarded the best solutions already in use that improve the living conditions of production animals.

The focus on welfare is reflected in the health and growth of the animals and the quality of the end product, among others. At Onnela Farm, stable and comfortable conditions for the pigs, such as air conditioning that controls temperature and humidity, and utilising knowledge of pig behaviour, play a key role in reducing stress factors.

A woman with dark hair tied back, wearing a white button-down shirt and hoop earrings, is seated at a desk in an office. She is holding a plate of food, which includes pasta, green vegetables, and red tomatoes, and is using a fork to eat. The desk in front of her has a laptop keyboard, a smartphone, and some papers. The background is a bright, slightly blurred office environment.

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# Report of the Board of Directors for the financial year 2025

## Group net sales and EBIT

### Net sales

HKFoods' net sales from continuing operations decreased by 0.5 per cent to EUR 996.4 (1,001.8) million.

Retail sales were at the comparison period's level. Retail sales in HKFoods' own brands, particularly HK® and Kariniemen® pork and poultry products, showed positive development. The national nutritional recommendations weakened demand for meat products especially in the first half of the year. However, the decline in demand levelled off as the year progressed and sales in meat products and ready meals under HKFoods' own brands turned to growth in the second half of the year. The food industry strike in April and the overtime and shift change bans related to labour market negotiations in the second quarter weakened sales in 2025.

HKFoods' food service sales increased and market position strengthened as a result of successful commercial measures and a comprehensive product range, even though overall demand in the food service market weakened in 2025. The strongest growth was seen in poultry products, ready meals and food components.

Industrial sales decreased considerably, as planned. Export sales also declined as stronger domestic demand has reduced the need for exports. Additional tariffs imposed by China on pork in September weakened exports of pork by-products to China. On the other hand, poultry export sales showed clear growth as the exports of poultry by-products to China began in early 2025.

As a result of the sale of the Swedish and Danish businesses, bacon sales to Sweden by the Polish bacon unit have been reported as the company's external sales from April 2024 and to Denmark from November 2024.

### EBIT

HKFoods' EBIT from continuing operations grew to EUR 32.9 (22.4) million. The comparable EBIT from continuing operations strengthened to EUR 34.1 (27.7) million, accounting for 3.4 (2.8) per cent of net sales.

An item affecting comparability of EUR -1.1 (-5.3) million was recorded in continuing operations. Items affecting comparability are described in more detail in the end of the chapter.

The comparable EBIT was increased by the significant savings generated by the company's efficiency programme and increased production efficiency, as well as by an improved sales structure. Especially the investments completed at the Rauma and Forssa units in the summer 2024 have improved HKFoods' production efficiency, and their impact is fully reflected in the result for the review period. The overall sales structure improved due to, e.g., growth in food service sales, a decline in less profitable meat exports and a planned reduction in industrial sales.

The sharp rise in the purchase price of beef due to the shortage of beef weakened the comparable EBIT. Due to a structural delay in the Finnish retail pricing, the increase in cattle purchase prices could only be partially offset by higher sales prices during the review period. In addition, profitability was weakened by the food industry strike in April and the overtime and shift change bans related to labour market negotiations.

### Items affecting comparability

| (EUR million)                                       | 2025        | 2024        |
|---|-------------|-------------|
| <b>Comparable EBIT, continuing operations</b>       | <b>34.1</b> | <b>27.7</b> |
| Termination of employment <sup>1)</sup>             | -0.3        | -1.7        |
| Impairment of assets <sup>2)</sup>                  | -0.4        | -3.6        |
| Losses on sales of non-current assets <sup>3)</sup> | -0.2        | -           |
| Poland unit future assesment <sup>3)</sup>          | -0.3        | -           |
| <b>EBIT, continuing operations</b>                  | <b>32.9</b> | <b>22.4</b> |

1) Included in the Income Statement in the item "Employee benefit expenses"

2) Included in the Income Statement in the item "Depreciation and amortization"

3) Included in the Income Statement in the item "Other operating expenses"

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## Balance, cashflow and financing

At the end of the year 2025, HKFoods' balance sheet total was EUR 512.6 (527.7) million. The Group's interest-bearing debt at the end of the year was EUR 193.6 (186.4) million, including an IFRS 16 lease liability of EUR 84.0 (87.6) million. The company's net debt decreased from the comparison period by EUR 7.9 million to EUR 141.8 (149.8) million. HKFoods' net gearing ratio was 73.2 (69.5) per cent. The impact of the IFRS 16 lease liability on the net gearing ratio was 43.6 percentage points.

At the end of the year 2025, the company had in its balance sheet a hybrid bond issued in August 2025 amounting to EUR 20.0 million. The hybrid bond bears a fixed interest rate of 8.750 per cent per annum from the issue date to the reset date 21 August 2028. The hybrid bond is treated as equity. The hybrid bond does not have a specified maturity date, but the Group is entitled to redeem the hybrid bond at the nominal amount on the reset date of 21 August 2028 and subsequently, on each coupon interest payment date. In September 2025, the Group redeemed its outstanding hybrid bond issued in 2018 with a nominal amount of EUR 25.9 million. An interest of 16.0 per cent was paid on the redeemed hybrid loan, treated as equity, from retained earnings.

The Group's liquidity position was stable. A commercial paper programme had been drawn to the amount of EUR 17.0 (3.0) million. Committed credit facilities at the end of the year 2025 stood at EUR 20.0 (20.0) million and had been drawn to the amount of EUR 0.0 (0.0) million. Net financial expenses from continuing operations were EUR -14.9 (-19.5) million.

Cash flow from operating activities was EUR 51.0 (60.8) million. Cash flow after investments was EUR 36.1 (141.7) million.

HKFoods' covenants for bank loans and revolving credit facilities are the net gearing ratio and the ratio of net debt to EBITDA. EBITDA includes the share of profits from associates and joint ventures. The net gearing ratio limit is 105 per cent until the end of March 2026 and 100 per cent from June 2026. At the end of the year 2025, the company's net gearing ratio was 73.2 per cent.

The covenant limit for net debt to EBITDA ratio for bank loans at the end of the review period was 3.25 and it is 3.0 starting from the end of June 2026. At the end of the year 2025, the net debt to EBITDA ratio was 2.2.

The covenant limit for the net gearing ratio of the bond is 120 per cent. HKFoods distributed capital returns in two instalments for 2024 from the reserve for invested unrestricted equity, in May and December 2025. If the company distributes a dividend or pays a capital repayment, the net debt to EBITDA ratio must not exceed 3.0 as a result of the capital repayment, when applied to the published ratio for the quarter preceding the decision date.

## Key events in 2025

### HKFoods developed the Flavoured Salt innovation

HKFoods has developed a new Flavoured Salt, which has allowed the salt content of several HK® and Kariniemen® products to be reduced by up to 25 per cent while retaining the familiar taste. Part of the salt in the products has been replaced by the new Flavoured Salt, which contains no sodium. Flavoured Salt consists of potassium chloride and flavourings. HKFoods has exclusive rights to it for the time being. The first renewed products were launched in stores in January 2025.

Details on the matter were provided in Finnish in the following releases: [28 January 2025](#) and [11 April 2025](#)

### Paimio unit operations ended

HKFoods decided to transfer Paimion Teurastamo Oy's operations to the external service provider Liha Hietanen Oy in Sastamala from 31 March 2025, after which the Paimio-based production unit was closed. The Paimio unit slaughtered cattle and sows. The decision was based on HKFoods' goal to build a stronger foundation for the future competitiveness of its business and improve its profitability by streamlining operations. Through the efficiency plan, HKFoods aims to achieve annual savings of approximately EUR 1 million, which have begun to accumulate since the second quarter of 2025. The savings are expected to be realised in full during 2026.

Details on the matter were provided in the following release: [7 March 2025](#)

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## HKFoods cancelled treasury shares

The Board of Directors of HKFoods Plc resolved to cancel 8,376,408 series A and 665,000 series K treasury shares. The cancellation was registered in the trade register on 25 March 2025.

The cancellation reduced the number of issued series A and K shares with the corresponding amount but had no effect on the share capital. The cancelled amount equalled approximately 8.95 per cent of the total number of series A shares, approximately 12.31 per cent of the total number of series K shares and approximately 9.14 per cent of the total number of shares in the Company before the cancellation.

After the cancellation, the total number of shares and votes in the Company are 85,175,373 series A shares, representing the same number of votes, 4,735,000 series K shares, representing 94,700,000 votes and in total 89,910,373 shares, representing 179,875,373 votes.

Details on the matter were provided in the following stock exchange release: [20 March 2025](#)

## Food industry strike in April 2025

Following the failure of the mediation between the Finnish Food Workers' Union (SEL) and the Finnish Food and Drink Industries' Federation (ETL) in early April 2025, a three-day strike in the meat and staple food sector took place from 8 to 10 April 2025. HKFoods' units in Forssa, Mikkeli and Vantaa were covered by the strike. The strike and the overtime and shift change bans related to labour market negotiations significantly affected the availability of the company's products, caused a pig backlog at the company's contract farms and resulted in additional costs for HKFoods during the review period.

## HKFoods distributed capital returns in two instalments

The Annual General Meeting (AGM) held on 23 April 2025 resolved to distribute EUR 0.09 per share from the reserve for invested unrestricted equity as a return of

capital for 2024. The capital return was paid in May. In addition, the AGM authorised the Board of Directors to decide on the distribution of funds recorded in the reserve for invested unrestricted equity up to a total of EUR 0.05 per share. On 17 December, the company's Board of Directors decided to pay a second instalment of capital return of EUR 0.05 per share. The capital return was paid on 30 December 2025.

Details on the matter were provided in the following stock exchange releases: [23 April 2025](#) and [17 December 2025](#).

## The future of the Polish production unit was assessed – the unit will continue as part of the HKFoods Group

On 28 April 2025, HKFoods announced that it had launched an investigation to assess the future of its bacon production unit in Swinoujście, Poland, including the possible sale of the unit. The investigation was a continuation of HKFoods' assessment of its Group structure, and the objective of a possible sale was to strengthen the Group's balance sheet. On 3 July 2025, HKFoods announced that it had completed the assessment and that the Polish production unit will continue its operations as part of the HKFoods Group. The company has invested in the unit over the past years, and the unit is profitable.

Details on the matter were provided in the following stock exchange releases: [28 April 2025](#) and [3 July 2025](#)

## HKFoods Plc issued EUR 20 million capital securities and redeemed its outstanding capital securities issued in 2018

In August, HKFoods issued unsecured subordinated capital securities of EUR 20 million. The capital securities do not have a specified maturity date, but the company is entitled to redeem the capital securities at their nominal amount on the reset date of 21 August 2028 and on each interest payment date thereafter. The capital securities bear a fixed interest rate of 8.750 per cent per annum until the reset date 21 August 2028. From the reset date, the capital securities will bear a floating interest as described in the terms and conditions of the capital securities.

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The net proceeds of the issue of the capital securities are used for general corporate purposes of the company. In connection with the issue of the new capital securities, HKFoods redeemed in full, on 17 September 2025, the existing capital securities issued on 17 September 2018, which had a fixed interest rate of 16.0 per cent (original coupon rate 8.0 per cent) and a remaining total nominal value of approximately EUR 25.9 million.

Details on the matter were provided in the following stock exchange releases: [13 August 2025](#) and [14 August 2025](#)

## Updated strategy and long-term financial targets

On 26 August 2025, HKFoods' Board of Directors approved the company's updated strategy. HKFoods' core business continues to be pork, beef and poultry meat, meat products, ready meals and meal components. HKFoods' strategic focus areas were specified as growth in selected food moments, operational excellence, competent, healthy personnel, and a sustainable value chain. The company is looking for new growth and pursues strategic business opportunities within the limits of its financial resources. Due to the favourable financial development, HKFoods' Board of Directors updated the company's long-term financial targets and raised the targets for EBIT margin, net gearing and dividend.

Details on the matter were provided in the following stock exchange release: [26 August 2025](#)

## HKFoods wrote down conditional purchase price receivable related to the sale of Baltic operations

On 26 September 2025, HKFoods announced that it would write down a conditional purchase price receivable related to the sale of Baltic operations to Estonian AS Maag Grupp on 31 August 2023. At the end of August 2025, African swine fever (ASF) was detected in the largest pork production unit of AS Maag Grupp. The animal disease outbreak is expected to have a significant and long-term negative impact on AS Maag Grupp's performance, which is the basis for calculating the conditional purchase price. HKFoods' management estimated that the receipt of the conditional purchase price would not materialise, for which reason a write-down of EUR 6.9 million was

made in the third quarter of 2025. The write-down will not affect the comparable EBIT and will have no impact on cash flow. The write-down is reported as a result of discontinued operations.

Details on the matter were provided in the following stock exchange release: [26 September 2025](#)

## New responsibility programme completed

The Board of Directors of HKFoods Plc confirmed the company's new responsibility programme for 2026–2028 in late 2025. The programme lays the foundation for HKFoods' responsibility work, and its focus areas are environment, people, animal welfare, and good governance and corporate culture. More information on the programme is provided under the section Corporate responsibility.

## Change in HKFoods' Board of Directors

Outi Henriksson announced her resignation from HKFoods Plc's Board of Directors due to her new commitments and left the company's Board on 31 December 2025. Henriksson was appointed to the Board at HKFoods' Annual General Meeting on 23 April 2025. HKFoods' Board continued with seven members from the beginning of January 2026 until further notice. The Board appointed Terhi Tuomi as the new Chairman of the Audit Committee.

The change was disclosed in the following stock exchange release: [17 December 2025](#)

## Disputes and pending legal proceedings

There are administrative proceedings pending with the authorities, an investment-related legal process and a dispute relating to damage compensation. Regardless of the outcome, the proceedings are not expected to have an impact on the company's financial key figures.

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## Investments

HKFoods' investments in continuing operations amounted to EUR 25.6 (25.5) million. IFRS 16 increases to right-of-use assets totalled EUR 3.6 (8.7) million.

In 2025, HKFoods completed the strategic investments at its production units in Vantaa and Eura. These investments enable growth in meals, meal components and snacks, which increases added value and improves profitability.

In September 2024, HKFoods decided on a significant strategic investment of approximately EUR 5 million in the meal production of its Vantaa unit. Production on the new meal production line in Vantaa began in the third quarter of 2025. The investment responds to the growing demand for ready meals in both the retail and food service sectors.

New products made on the Eura unit's line of ready-to-eat products were launched during the second quarter of 2025. The investment was based on the company's decision in March 2024 to centralise the packaging operations of poultry products from Eura to Rauma and Forssa, and to make an investment of around EUR 8 million in the production line for ready-to-eat products in the Eura unit. In addition, renovation work was carried out in the Eura unit, bringing the total investment in Eura to around EUR 9.7 million.

The investment enabling higher added value of Polish operations and the property development project in Poland continued. In addition, HKFoods implemented several smaller efficiency investments during the review period.

## Exports

HKFoods aims to grow the exports and added value of its products in selected product categories and to make the most efficient and sustainable use of all parts of carcasses. HKFoods exports meat and meat products to, e.g., Japan, New Zealand and South Korea as well as several European countries. In 2025, the share of meat products of exports remained at the previous year's level, at around 60 per cent (2024: around 57 per cent).

HKFoods launched poultry meat exports from Finland to China in late 2024, when the company's Rauma unit was granted an export licence. Poultry meat exports to China developed according to plan during 2025.

## Changes in the international meat market

Strong demand for poultry meat is expected to continue while beef supply is expected to remain scarce in the EU. Prices for both poultry and beef began to decline at the end of 2025. Pork prices fell sharply in the EU during the last quarter of 2025, and the situation is not expected to improve significantly in the near future. In the autumn, China imposed temporary tariffs on pork imports from the EU. In December, China issued its final decision on the EU's anti-dumping investigation on pork, which resulted in a reduction in additional tariffs for most operators, including HKFoods. The volatility of the pork market is increased by the African swine fever (ASF) outbreak detected in December 2025 in Spain, the EU's largest producer country.

## Assets and liabilities of disposal group classified as held for sale and discontinued

### Sale of operations in Baltics

HKFoods sold its Baltic operations to AS Maag Grupp of Estonia on 31 August 2023. The debt-free purchase price was EUR 90 million, of which EUR 20 million is conditional on the combined performance of the separately defined meat business subject to the transaction and AS Maag Grupp's Baltic meat business in the following three years. Of the EUR 70 million fixed purchase price, EUR 55 million was paid at the closing of the transaction and the remainder was paid in 2024 and 2025.

HKFoods has received the last EUR 10 million part of the fixed purchase price in 2025. The receivable was measured at amortised cost and discounted at 5 per cent. The conditional purchase price receivable (earn-out) is measured at fair value through profit and loss, and it includes management judgement and estimation. At the end of August 2025, African swine fever (ASF) was detected in AS Maag Grupp's largest pork production unit. The animal disease outbreak is expected to have a significant and long-term negative impact on AS Maag Grupp's performance, which is the basis for calculating the conditional purchase price. HKFoods' management has estimated that the receipt of the conditional purchase price will not materialise, for which reason the conditional purchase price has been written down in 2025. After the write-down, there is no conditional purchase price receivable on the Group's balance sheet. The write-down does not affect the comparable EBIT and has no impact on cash flow. The write-down is reported as a result of discontinued operations.

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### Sale of operations in Sweden

On 27 March 2024, HKFoods and Lantmännen ek för closed the transaction announced on 29 December 2023, whereby HKFoods sold its Swedish business to the Swedish Lantmännen. The transaction concerned the shares in HKScan Sweden AB, the subsidiary that formed HKFoods' Business Unit Sweden.

The purchase price for the shares of HKScan Sweden Ab including the settlement of an internal loan amounted to EUR 83.7 million at closing. In addition, Lantmännen ek för transferred A shares (6,869,750) and K shares (665,000) in HKFoods Plc held by Lantmännen. The calculated market value of the shares was EUR 5.5 million at the time of signing the agreement. A prepayment of EUR 25 million of the purchase price was made upon the signing of the agreement. The sold company had EUR 4.4 million in cash at the closing.

The Swedish business unit was classified an assets and liabilities held for sale on the balance sheet on 31 December 2023, and it is presented in the income statement as discontinued operations. The Group's translation difference in equity has come almost entirely from the Swedish operations, and at closing it was recorded from the comprehensive income statement into the income statement.

The Group's significant internal transactions between continuing and discontinued operations included the sale and purchase of products between the Swedish operations and the rest of the Group, the Group's administrative service fee from Sweden and the Group's financial gain on the Swedish lending. The figures for continuing and discontinued operations reflect external sales and their costs in accordance with the Group's segment reporting. External financing costs for Sweden are shown as a financing cost of discontinued operations.

### Sale of operations in Denmark

On 2 May 2024, HKFoods signed an agreement to sell its Danish business to the Dutch Plukon Food Group B.V. The debt-free purchase price was EUR 44.6 million. The sale of the Danish business unit was completed on 31 October 2024. HKFoods received EUR 36.6 million in cash at the closing. The sold company had EUR 2.7 million in cash at the closing.

The Danish business unit was classified as assets and liabilities held for sale on balance sheet on 31 March 2024, and it is presented in the income statement as discontinued operations.

The Group's significant internal transactions between continuing and discontinued operations included the sale and purchase of products between the Danish operations and the rest of the Group, the Group's administrative service fee from Denmark and the Group's financial gain on the Danish lending. The figures for continuing and discontinued operations reflect external sales and their costs in accordance with the Group's segment reporting. External financing costs for Denmark are shown as a financing cost of discontinued operations.

The income statement and cash flow presented below include the Danish operations until October 2024 and the Swedish operations until March 2024.

### Profit/loss for discontinued operations

| (EUR million)  | 2025         | 2024         |
|--|--------------|--------------|
| Net sales  | -            | 371.7        |
| Cost of goods sold   | -            | -351.6       |
| Other operating items total                                    | -            | -15.7        |
| Operating profit   | -            | 4.4          |
| Financial income and expenses                                  | -            | -1.2         |
| Income tax   | -            | 0.8          |
| Profit/loss for the period                                     | -            | 3.9          |
| Impairment from fair-value measurement, Baltics                | -11.0        | 0.2          |
| Impairment from fair-value measurement, Sweden                 | -            | 5.9          |
| Impairment from fair-value measurement, Denmark                | -0.4         | -14.1        |
| Translation difference transfer to profit and loss, Sweden     | -            | -21.1        |
| Other equity items transfer to result for the period, Sweden   | -            | 1.1          |
| Other equity items transfer to result for the period, Denmark  | -            | 0.1          |
| <b>Profit/loss for the period from discontinued operations</b> | <b>-11.4</b> | <b>-24.0</b> |

### Cash flow of discontinued operations

| (EUR million)                       | 2025       | 2024         |
|-------------------------------------|------------|--------------|
| Cash flow from operating activities | -          | 13.2         |
| Cash flow from investing activities | 9.3        | 107.0        |
| Cash flow from financing activities | -          | -1.9         |
| <b>Cash flow total</b>              | <b>9.3</b> | <b>118.3</b> |

## Strategy

HKFoods' vision is to be the most valued partner of food moments. This means working together with all employees to meet the changing needs of consumers and customers by creating sustainable, tasty and nutritious solutions for all meaningful food moments. It is a collaborative effort with customers, consumers, contract farmers and other company partners.

HKFoods' strategic goal is to achieve profitable and sustainable growth as well as a strong presence in consumers' food moments as a valued partner. The company's focus is on growing product segments: strong and innovative poultry products, and meals and meal components. HKFoods' core business includes pork, beef and poultry meat, meat products, ready meals and meal components.

HKFoods' strategic focus areas are:

- **Growth in selected food moments:** The target is to achieve profitable growth through selected food moments, which include simple everyday life and nutritious snacks.
- **Operational excellence:** Production and processes are enhanced and automated, and the entire value chain is streamlined and developed. Joint efforts are strengthened both internally and through partners.
- **Competent, healthy personnel:** HKFoods inspires people to get involved and renews itself. Wellbeing and safety at work are developed, and corporate culture is strengthened.
- **Sustainable value chain:** HKFoods cares and takes responsibility for a sustainable value chain by developing contract production, utilising innovations and producing tasty, healthy and safe food for consumers' various food moments.

Responsibility is a key part of HKFoods' business. Responsible food production is developed throughout the value chain, from farms to consumers, by continuing the goal-oriented responsibility work. Environment-related sustainability topics material to HKFoods' business include climate change adaptation, biodiversity, and circular economy. In terms of social responsibility, the material sustainability topics include the producer community, the company's own employees, and safe, healthy food. In addition, good governance and corporate culture, and animal welfare are key sustainability themes. The company's strategy has an impact on all sustainability topics identified as material to the company, the most important of which in the medium to long term are climate change, consumer health and safety, and animal welfare.

HKFoods is looking for new growth and pursues strategic business opportunities within the limits of its financial resources.

## Long-term financial targets

Due to the favourable financial development, HKFoods' Board of Directors updated the company's long-term financial targets in August.

The new targets are:

- **EBIT:** over 5 per cent of net sales (previously over 4 per cent)
- **Return on capital employed (ROCE):** over 12 per cent (no change from the previous target)
- **Net gearing:** less than 80 per cent (previously less than 100 per cent)
- **Dividend:** more than 50 per cent of net profit (previously more than 30 per cent)

## Corporate responsibility

In March 2025, HKFoods published its first Sustainability Statement covering 2024 in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and updated its responsibility programme in late 2025. The new responsibility programme for 2026–2028 is based on the material responsibility topics identified in the double materiality assessment updated in the spring 2025 and creates a foundation for the company's responsibility work. The key themes of the programme are as follows:

### Environment

- Climate: reducing greenhouse gas emissions
- Biodiversity
- Circular economy: reducing waste and increasing the recyclability of packaging

### People

- Promoting occupational safety and wellbeing of employees
- Competitive and socially sustainable producer community
- Safe food that supports wellbeing

### Animal welfare

- Developing the welfare of production animals through the principle of continuous improvement

### Good governance and corporate culture

- Promoting a culture that supports sustainable and ethical practices

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The targets of the responsibility programme are described in more detail in the media release on [15 January 2026](#). Information on the programme's indicators is available on HKFoods' website at <https://www.hkfoods.com/en/responsibility/>.

## Key events in 2025 responsibility work

### Climate

The climate work focused on the investment projects in production plants, development of the system for calculating the environmental impact of primary production, and climate work-related research projects. The most significant energy investment was carried out in the steam production unit of the Vantaa production plant where, starting in 2026, around 80 per cent of the steam will be produced using electricity with a guarantee of origin and 20 per cent using natural gas.

As part of the From Footprints to Digital Handprints (FF2DH) project funded by Business Finland, HKFoods developed a system for calculating the environmental impact of primary production by digitising the life cycle models of the Natural Resources Institute Finland (Luke) for pork, poultry and field crops. The new system enables the calculation of the water and carbon footprint and biodiversity impacts of primary production and helps contract farms to develop their operations. In addition, the Carbo® Farm calculator, jointly used by the Finnish milk and meat producers for calculating emissions, was introduced on HKFoods' cattle farms.

### Biodiversity

HKFoods assessed the impact of its contract farms located in pilot areas in the Archipelago Sea catchment area on eutrophication as well as measures already implemented and possible measures to prevent eutrophication. In addition, the company prepared a water protection action plan for the area for 2026–2028. HKFoods prepared to meet the requirements of the EU Deforestation Regulation by building a process and data collection system to verify the origin of beef and fulfil the due diligence requirements. The system will be implemented before the regulation comes into force, which, according to the new schedule, will be on 30 December 2026.

### Circular economy

HKFoods conducted a study on the utilisation of by-products generated in its production processes, which led to an investment in a new by-product production line at the Outokumpu unit. The company also began systematic preparations to meet the requirements of the EU Packaging and Packaging Waste Regulation (PPWR).

### Occupational safety and wellbeing of employees

In 2025, HKFoods continued to develop its corporate culture and focused especially on occupational safety and wellbeing, training, high-quality management and improvement of the employee experience. In the last quarter of the year, a Group-wide employee survey was conducted to assess employees' experiences of their work and employee engagement. The employee Net Promoter Score (eNPS) was 22. The survey covered HKFoods Plc, HKFoods Finland Oy and HKFoods Poland Sp. z o.o. Based on the results, action plans were prepared for each company for 2026–2028.

HKFoods continued the harmonisation and development of processes critical to occupational safety. The company initiated an assessment of the current state of occupational safety in all its production units in Finland and Poland in accordance with the requirements of the ISO 45001 occupational health and safety standard. A new HESQ system and new occupational safety and fire safety guidelines were introduced at the production plants of HKFoods Finland Oy and HKFoods Poland Sp. z o.o. in Finland and Poland. HKFoods also carried out machine and line-specific risk assessments and implemented measures to improve fire safety.

The lost time injury rate (LTIR) developed favourably during the year. HKFoods Group's lost time injury rate for work-related accidents leading to sick leave among HKFoods Group's own workforce in Finland and Poland for the previous 12 months was 11.6 in the fourth quarter of the year, compared to 15.9 in the previous quarter and 20.4 in the first quarter. The LTIR figure also includes data from the subsidiaries Kivikylän kotipalvaamo Oy, Lihatukku Harri Tamminen Oy and Jokisen Eväät Oy.

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## Producer community

HKFoods prepared an action plan for 2026–2028 to develop producer cooperation and to promote interaction, competence and satisfaction within the producer community. A two-year responsibility training programme for producers was launched in cooperation with the Pyhäjärvi Institute.

## Safe food that supports wellbeing

During the review period, HKFoods advanced its nutrition-related commitments. The most significant measures were related to increasing the number of Heart Symbol products in the Kariniemen® and HoReCa product ranges, increasing the number of plant-based products for the HoReCa sector, and reducing the salt content of whole meat cuts through the Flavoured Salt innovation. At the end of the year, HKFoods' range included around 80 Flavoured Salt products and some 200 Heart Symbol products or products that meet corresponding criteria.

## Animal welfare

The welfare of production animals was further developed through continuous improvement, for example, by offering contract producers advisory services of veterinarians and other experts, and by conducting assessments on broiler, pig and cattle farms and in animal transport and at slaughterhouses to support the development of operations. Furthermore, the company worked with veterinarians and experts responsible for primary production procurement to draw up a development plan to improve animal welfare during transport and at slaughterhouses in 2026–2028.

## Good governance

HKFoods prepared responsible procurement principles that guide the Group's procurement units to take into account risk factors in accordance with due diligence when selecting suppliers and to commit suppliers to the Group Supplier Code of Conduct. The responsible procurement principles include requirements relating to animal welfare, product safety and quality, the environment, and occupational health and safety, among other things.

## Personnel

HKFoods employed 2,993 (3,000) people in its continuing operations.

| Continuing operations personnel | 2025    | 2024    |
|---------------------------------|---------|---------|
| Personnel on average*           | 2,993   | 3,000   |
| Women / men %                   | 42 / 58 | 40 / 60 |
| Women / men of superiors %      | 40 / 60 | 37 / 63 |

\* Figures include persons employed by HKFoods converted to full-time equivalents (FTE).

## Research and development

In 2025, HKFoods' research and development expenses amounted to EUR 4.4 (4.1) million, representing 0.4 (0.4) per cent of the Group's net sales.

The goal of HKFoods' research and development activities is to develop the company's product range to meet the changing demands of consumers and customers. Product development focuses on the product categories that are central to the company's strategy, new innovations and raw materials, developing and growing sales channels, changing consumer behaviour and food moments, and promoting the company's responsibility targets.

In 2025, HKFoods launched its new Flavoured Salt innovation, which allows the salt content of several HK® and Kariniemen® products to be reduced by up to 25 per cent while maintaining the familiar taste. Flavoured Salt contains no sodium and consists of potassium chloride and flavourings. The innovation supports HKFoods' goal to provide safe food that supports wellbeing while contributing to the public health of Finns.

Since 2020, HKFoods has, through the Nordic FoodTech VC capital investment fund, supported the companies that are transforming the food system. The fund invests in technology companies that make the food chain more resource-efficient and ecological, produce food in novel ways or promote healthy eating.

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In 2025, HKFoods participated in the From Footprints to Digital Handprints (FF2DH) development project funded by Business Finland. The goal of this project is to promote the development of a responsible food production ecosystem in Finland, which is one of the most important competitive factors in the food industry. HKFoods' sub-project is investigating and developing a responsible and more environmentally friendly food chain through ecosystem cooperation and digitalisation. Business Finland's funding enables broader networking with food chain operators and research institutes.

## Significant intangible assets

Group balance sheet includes EUR 15.3 million intangible assets. The balance consists of IT software, trademarks and connection fees. In addition, group balance sheet includes EUR 28.1 million goodwill. Goodwill derives from historical consolidation, and it brings synergy benefits for the group.

## Significant related party loans

There is EUR 5 million revolving credit facility to both directions between HKFoods Plc and LSO Osuuskunta. Related to this the Group had receivable amounting to EUR 3.1 (4.9) million at year end. The Group received interest income for the balance EUR 458 (389) thousand during the year. Interest rate for the credit facility is in line with HKFoods' financing cost.

## Shares and shareholders

At the end of December 2025, HKFoods Plc's paid and registered share capital stood at EUR 66,820,528.10. The company's issued shares totalled 89,910,373 and were divided into two share series as follows: A shares, 85,175,373 (94.73 per cent of the total number of shares) and K shares, 4,735,000 (5.27 per cent of the total number of shares). The A shares are quoted on Nasdaq Helsinki Ltd. The K shares are held by LSO Osuuskunta (4,735,000 shares) and are not listed.

In March 2025, HKFoods Plc cancelled 8,376,408 of its own series A shares and 665,000 of its own series K shares. At the end of December, HKFoods Plc held 0 (8,376,408) of its own series A shares and 0 (665,000) of its own K shares.

They accounted for 0.00 per cent of all shares and 0.00 per cent of the voting rights. The calculated market value of HKFoods' shares at the end of December stood at EUR 133.1 (69.4) million. The market value of the series A shares was EUR 126.1 (65.8) million, and the calculated market value of the unlisted series K shares was EUR 7.0 (3.7) million.

In 2025, a total of 13,514,675 (11,959,218) of the company's shares were traded with a total value of EUR 18,071,040 (8,605,055). The highest price quoted was EUR 1.84 (0.99) and the lowest EUR 0.77 (0.56). The average price was EUR 1.34 (0.72). At the end of December, the closing price was EUR 1.48 (0.77).

At the end of 2025, the shareholders maintained by Euroclear Finland Ltd included 16,267 (14,994) shareholders. Nominee-registered foreign shareholders held 3.8 (3.7) per cent of the company's shares.

At the end of 2025, members of the Board of Directors and the company's President and CEO and his deputy, as well as their related parties owned a total of 835,843 A Shares, corresponding to 0.9 per cent of the total number of shares and 0.5 per cent of the votes.

## Ownership breakdown by amount of share on 31 December 2025

| Number of shares   | Number of shareholders | % of shareholders | Number of shares  | % of share capital |
|--------------------|------------------------|-------------------|-------------------|--------------------|
| 1-100              | 5,116                  | 31.45             | 216,259           | 0.24               |
| 101-500            | 4,746                  | 29.18             | 1,340,799         | 1.49               |
| 501-1,000          | 2,288                  | 14.07             | 1,814,793         | 2.02               |
| 1,001-5,000        | 3,034                  | 18.65             | 7,038,804         | 7.83               |
| 5,001-10,000       | 545                    | 3.35              | 4,035,333         | 4.49               |
| 10,001-50,000      | 442                    | 2.72              | 8,911,330         | 9.91               |
| 50,001-100,000     | 41                     | 0.25              | 2,917,411         | 3.24               |
| 100,001-500,000    | 36                     | 0.22              | 7,574,917         | 8.42               |
| 500,001- above     | 19                     | 0.12              | 55,933,187        | 62.21              |
| On common accounts | 0                      | 0.00              | 127,540           | 0.14               |
| <b>Total</b>       | <b>16,267</b>          | <b>100</b>        | <b>89,910,373</b> | <b>100</b>         |

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## Shares by share series 31 December 2025

| Share series | Number of shares  | % of shares | % of votes |
|--------------|-------------------|-------------|------------|
| A Shares     | 85,175,373        | 94.73       | 47.35      |
| K Shares     | 4,735,000         | 5.27        | 52.65      |
| <b>Total</b> | <b>89,910,373</b> | <b>100</b>  | <b>100</b> |

## Ownership breakdown by sector on 31 December 2025

|                                 | Share of owners % | Share of shares % | Share of votes % |
|---------------------------------|-------------------|-------------------|------------------|
| Corporates                      | 2.70              | 46.51             | 73.26            |
| Finance and insurance companies | 0.10              | 8.88              | 4.44             |
| Public entities                 | 0.02              | 6.25              | 3.13             |
| Households                      | 96.61             | 33.56             | 16.78            |
| Non-profit organizations        | 0.30              | 0.85              | 0.42             |
| Abroad                          | 0.27              | 3.81              | 1.90             |
| Other                           | 0.00              | 0.15              | 0.07             |
| <b>All sectors, total</b>       | <b>100</b>        | <b>100</b>        | <b>100</b>       |

## 20 largest shareholders on 31 December 2025

|   | A shares          | K shares         | Of total shares, % | Of total votes, % |
|---|-------------------|------------------|--------------------|-------------------|
| 1 LSO Osuuskunta  | 25,083,884        | 4,735,000        | 33.17              | 66.59             |
| 2 Apteekkien Eläkekassa   | 3,581,889         |                  | 3.98               | 1.99              |
| 3 Sijoitusrahasto Fourton Hannibal  | 3,250,000         |                  | 3.61               | 1.81              |
| 4 Maa- ja metsätaloustuottajain Keskusliitto MTK ry                         | 2,711,414         |                  | 3.02               | 1.51              |
| 5 Suhonen Jyrki   | 1,605,362         |                  | 1.79               | 0.89              |
| 6 Keskinäinen työeläkevakuutusyhtiö Varma                                   | 1,539,247         |                  | 1.71               | 0.86              |
| 7 Oy Etra Invest Ab   | 1,500,000         |                  | 1.67               | 0.83              |
| 8 Jocer Oy Ab   | 1,175,000         |                  | 1.31               | 0.65              |
| 9 Etola Group Oy  | 1,000,000         |                  | 1.11               | 0.56              |
| 10 J & K Hämälinen Oy   | 627,134           |                  | 0.70               | 0.35              |
| 11 Gripenberg Jarl kuolinpesä   | 620,000           |                  | 0.69               | 0.34              |
| 12 Malviala Harri Tapani  | 550,231           |                  | 0.61               | 0.31              |
| 13 Häggström Klas   | 545,000           |                  | 0.61               | 0.30              |
| 14 Petter ja Margit Forsströmin säätiö Karl ja Olivia Forsströmin muistolle | 522,000           |                  | 0.58               | 0.29              |
| 15 Ab 2011 Fruitgum Company Oy  | 510,000           |                  | 0.57               | 0.28              |
| 16 Sun Marianne Oy  | 508,200           |                  | 0.57               | 0.28              |
| 17 Valtion Eläkerahasto   | 500,000           |                  | 0.56               | 0.28              |
| 18 Sinituote Oy   | 500,000           |                  | 0.56               | 0.28              |
| 19 Piglauri Oy  | 472,615           |                  | 0.53               | 0.26              |
| 20 Kaitila Tuomas Vilhelm   | 401,371           |                  | 0.45               | 0.22              |
| <b>Other shareholders</b>   | <b>37,972,026</b> | <b>0</b>         | <b>42.23</b>       | <b>21.11</b>      |
| <b>Total</b>  | <b>85,175,373</b> | <b>4,735,000</b> | <b>100</b>         | <b>100</b>        |

Source: Euroclear Finland

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## Annual General Meeting 2025

HKFoods Plc's Annual General Meeting (AGM), held on 23 April 2025 in Turku, confirmed the financial statements of the parent company and the Group, granted discharge to the members of the Board of Directors (Board) and the CEO for 2024 and approved the remuneration report. The AGM decided that the company will not distribute a dividend for the financial year 2024. The AGM decided to distribute EUR 0.09 per share from the company's reserve for invested unrestricted equity for the year 2024 as a return of capital. In addition, the AGM authorised the Board to decide on the distribution of the funds recorded in the reserve for invested unrestricted equity, at its discretion, up to a maximum of EUR 0.05 per share.

The Board members Reijo Kiskola, Jari Mäkilä, Terhi Tuomi, Ilkka Uusitalo, Niclas Diesen, Lauri Sipponen and Sami Yski were re-elected as members of the Board. Outi Henriksson was elected as a new member of the Board until the end of the AGM 2026. At the organisational meeting after the AGM, the Board re-elected Reijo Kiskola as Chair and Jari Mäkilä as Vice Chair.

The auditing firm Ernst & Young Oy was elected as the company's auditor until the end of the next AGM and Maria Onniselkä, Authorized Public Accountant, as the lead audit partner. In addition, the auditing firm Ernst & Young Oy was elected as the sustainability auditing assurer until the end of the next AGM, with Maria Onniselkä, Authorized Sustainability Auditor (ASA), as the lead sustainability assurer.

The AGM decided to amend items 1, 6 and 8 of the Shareholders' Nomination Board's charter to read as follows:

- item 1, company name, HKFoods Plc
- item 6, the Nomination Board will also take into account the general familiarity with sustainability issues (environmental, social responsibility, good governance) when proposing members
- item 8, the Nomination Board shall submit its proposals to the Board of Directors in good time so that the proposals can be included in the invitation to the AGM.

The AGM authorised the Board to decide on share issues and on the issue of option rights and other special rights entitling to shares. In addition, the AGM authorised the Board of Directors to decide on the acquisition and/or pledge of the company's own

series A shares. The authorisations will be valid until 30 June 2026, and they revoke both the authorisation granted by the Extraordinary General Meeting on 28 February 2024 to the Board to decide on the issue of series A shares and the authorisation granted by the AGM on 18 April 2024 to the Board to acquire and/or to accept as pledge the company's own series A shares.

The resolutions of the AGM were published in full in the stock exchange release of [23 April 2025](#), and the minutes of the AGM are available on the company's website at [www.hkfoods.com](http://www.hkfoods.com).

## Share-based long-term incentive plans

The performance periods of the company's long-term incentive plans (Performance Share Plan PSP 2018-2020, Performance Share Plan PSP 2019-2021 and Restricted Share Plan RSP 2019-2021) have expired. On 7 April 2021, the company announced changes to the payment schedules of the plans to better align compensation with the company's long-term performance and shareholder returns. According to the new payment schedule, some of the rewards were paid between 2021 and 2023. The remainder was deferred to 2024-2025, provided that the targets set by the Board of Directors for total shareholder return (TSR) and profitability were met. The minimum targets for the deferred rewards were not met and therefore they were not paid in 2024-2025.

In April 2023, HKFoods announced a new Performance Share Plan for the CEO for the period 2023-2027. Further information on the CEO's incentive scheme is available in the stock exchange release published on [3 April 2023](#). More information on the share-based incentive plans is available on the company website at: <https://www.hkfoods.com/en/investors-information/corporate-governance/remuneration/>.

## Short-term business risks

The company's operations involve risks that may affect its results or financial position. HKFoods describes its business risks and risk management in more detail in its 2025 Annual Review, which will be published in week 14/2026 and then available at <https://www.hkfoods.com/en/investors-information/>.

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## Risks related to economic operating environment

Finland's unemployment rate has risen to the highest in Europe. Economic growth in Finland has been weak, forecasts for the coming years have been revised downwards and the public sector's cost-cutting measures will continue. These factors will further undermine fragile consumer confidence.

In October 2024, the European Commission decided to impose tariff increases on Chinese electric cars for the following five years. In response, China imposed additional tariffs on pork imports from EU countries from 10 September 2025. The additional tariffs do not apply to poultry meat, but their possible extension to poultry meat cannot be ruled out. The tariff increases may affect HKFoods' exports of pork and poultry meat to China.

If the long-term interest rates level starts to rise again, the risk of impairment losses will increase and may affect the company's economic and financial position, despite the company's improved performance. The company's financing agreements include covenants, which are described in more detail in the section Balance, cashflow and financing.

## Changes in consumer demand and behaviour

There is still uncertainty surrounding the development of consumer demand due to weak employment and consumers' reduced purchasing power. Should consumer demand weaken significantly, this could have a negative impact on the company's profitability. Weaker consumer purchasing power may shift demand to lower-priced products and product categories, which may be reflected in a decline in HKFoods' sales volume in higher-priced products and an increase in basic food products.

The new national nutritional recommendations published in November 2024 have had a negative impact on the meat products market. This may also have an impact on the development of the meat products market in the longer term.

Potential food scandals, discussions surrounding climate change and unexpected actions by pressure groups may affect consumer demand and HKFoods' business.

## Price increase and availability of production inputs and raw materials

Uncertainty about the availability and price of production inputs can be reflected in production costs. A possible recurrence of the liquidity and profitability crisis affecting farms could weaken the availability of local meat raw material or the company's profitability if the company fails to raise the sales prices of its products to cover higher costs in the production chain, alongside measures to improve production efficiency. Especially the number of dairy farms and dairy cows has declined significantly in recent years, which affects the availability and price of beef for the company.

## Other short-term risks

Other short-term risks relate, for example, to food safety in the long production chain. The possibility of animal diseases cannot be ruled out either. Especially the risk of African swine fever (ASF) spreading to Finland has increased significantly since the disease spread to Estonian pig farms in June 2025. Highly pathogenic avian influenza (HPAI) has caused widespread outbreaks in wild birds and poultry in Europe during the winter of 2025. The risk of the disease spreading to poultry also in Finland has increased. Due to the epidemic, the supply of poultry meat in the EU has decreased, and authorities in certain countries have imposed restrictions on the import and export of poultry products. The threat of cyber risks has increased, and potential cyber-attacks could have serious consequences for business operations and profitability. HKFoods manages these risks through continuous monitoring, system updates, staff training, and the introduction of new technologies.

## Events after the reporting period

No significant events after the reporting period.

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## Board of Directors' proposal on the distribution of profit and the authorisation of the Board of Directors to resolve on the distribution of funds recorded in the reserve for invested unrestricted equity

The parent company's distributable equity amounts to EUR 162.0 (167.2) million, including a free equity reserve of EUR 194.5 (216.2) million and results for the financial year 2025 of EUR 7.3 (-23.1) million. The Board of Directors proposes to the Annual General Meeting that the company distribute a dividend of EUR 0.08 per share for the financial year 2025 (which would correspond to a total of approximately EUR 7.2 million for all 89,910,373 shares currently outstanding) and that the remainder of the profit for the financial year be recorded in retained earnings from previous financial years. The dividend is paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the record date of the payment. The record date is 24 April 2026, and the payment date is 4 May 2026.

The Board of Directors further proposes that the Annual General Meeting authorises the Board of Directors to decide, at its discretion, on the distribution of funds recorded in the reserve for invested unrestricted equity, up to a maximum of EUR 0.07 per share (which would correspond to a total of approximately EUR 6.3 million for all 89,910,373 shares currently outstanding). Under the authorisation, the Board of Directors could resolve to distribute funds in one or more instalments. The authorisation is valid until the beginning of the next Annual General Meeting. The company will announce any decision of the Board of Directors on repayment of capital and, at the same time, confirm the record and payment dates for capital repayments. Capital repayments payable under the authorisation will be paid to shareholders entered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the record date for the capital repayment in question.

## Outlook for 2026

HKFoods expects that in 2026 the Group's comparable EBIT will grow compared to 2025.

## Annual General Meeting 2026

HKFoods' Annual General Meeting will be held in Turku on Wednesday, 22 April 2026. The invitation will be published later.

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## Key figures

| Financial indicators   | 2025  | 2024    | 2023  | 2022  | 2021  |
|--|-------|---------|-------|-------|-------|
| Net sales, EUR million, continuing operations                                    | 996.4 | 1,001.8 | 933.0 | 877.2 | 778.0 |
| Operating profit/loss (EBIT), EUR million, continuing operations                 | 32.9  | 22.4    | 14.3  | -7.0  | 1.4   |
| - % of net sales   | 3.3   | 2.2     | 1.5   | -0.8  | 0.2   |
| Comparable operating profit/loss, EUR million, continuing operations             | 34.1  | 27.7    | 11.6  | -7.3  | -2.1  |
| - % of net sales   | 3.4   | 2.8     | 1.2   | -0.8  | -0.3  |
| Profit/loss before taxes, EUR million, continuing operations                     | 18.7  | 4.2     | -10.7 | -17.8 | -10.3 |
| - % of net sales   | 1.9   | 0.4     | -1.2  | -2.0  | -1.3  |
| Return on equity (ROE), %, incl. discontinued operations                         | 1.4   | -11.4   | -8.6  | -21.2 | -0.4  |
| Return on capital employed before taxes (ROCE), %, incl. discontinued operations | 6.6   | 0.9     | 3.0   | -6.4  | 3.5   |
| Equity ratio, %  | 37.8  | 40.8    | 28.8  | 29.3  | 33.9  |
| Net gearing ratio, %   | 73.2  | 69.5    | 121.0 | 123.7 | 92.2  |
| Gross capital expenditure on PPE, EUR million, continuing operations             | 25.6  | 25.5    | 15.9  | 17.3  | 18.2  |
| Additions in right-of-use assets, EUR million, continuing operations             | 3.6   | 8.7     | 10.6  | 3.0   | 70.9  |
| Investments total, EUR million, continuing operations                            | 29.3  | 34.2    | 26.5  | 20.3  | 89.0  |
| - % of net sales   | 2.9   | 3.4     | 2.8   | 2.3   | 11.4  |
| R&D expenses, EUR million, continuing operations                                 | 4.4   | 4.1     | 4.6   | 4.9   | 5.3   |
| - % of net sales   | 0.4   | 0.4     | 0.5   | 0.6   | 0.7   |
| Employees, average (FTE), continuing operations                                  | 2,993 | 3,000   | 2,946 | 2,970 | 2,964 |

| Per share data   | 2025   | 2024   | 2023   | 2022   | 2021   |
|--|--------|--------|--------|--------|--------|
| Undiluted earnings per share (EUR/share), continuing operations                      | 0.08   | -0.09  | -0.24  | -0.27  | -0.20  |
| Earnings per share adjusted for dilution effect (EUR/share), continuing operations   | 0.08   | -0.09  | -0.24  | -0.27  | -0.20  |
| Undiluted earnings per share (EUR/share), discontinued operations                    | -0.13  | -0.26  | -0.05  | -0.47  | 0.14   |
| Earnings per share adjusted for dilution effect (EUR/share), discontinued operations | -0.13  | -0.26  | -0.05  | -0.47  | 0.14   |
| Undiluted earnings per share (EUR/share)   | -0.05  | -0.36  | -0.29  | -0.73  | -0.06  |
| Earnings per share adjusted for dilution effect (EUR/share)                          | -0.05  | -0.36  | -0.29  | -0.73  | -0.06  |
| Comparable earnings per share, EUR, continuing operations                            | 0.09   | -0.04  | -0.27  | -0.27  | -0.24  |
| Equity per share, EUR  | 1.81   | 2.08   | 2.17   | 2.68   | 3.24   |
| Dividend paid per share, EUR   | 0.08*  | 0.14   | 0.00   | 0.00   | 0.04   |
| Dividend payout ratio, undiluted, %  | 103.9* | -149.0 | 0.0    | 0.0    | -19.7  |
| Dividend payout ratio, diluted, %  | 103.9* | -149.0 | 0.0    | 0.0    | -19.7  |
| Effective dividend yield, %  | 5.4*   | 18.2   | 0.0    | 0.0    | 2.4    |
| Price-to-earnings ratio (P/E)  |        |        |        |        |        |
| undiluted  | 19.2   | -8.2   | -3.7   | -3.3   | -8.2   |
| diluted  | 19.2   | -8.2   | -3.7   | -3.3   | -8.2   |
| Lowest trading price, EUR  | 0.77   | 0.56   | 0.68   | 0.86   | 1.57   |
| Highest trading price, EUR   | 1.84   | 0.99   | 0.97   | 1.71   | 2.52   |
| Middle price during the period, EUR  | 1.34   | 0.72   | 0.78   | 1.31   | 2.08   |
| Share price at the end of the year, EUR  | 1.48   | 0.77   | 0.89   | 0.87   | 1.66   |
| Market capitalisation, EUR million   | 133.1  | 69.2   | 86.9   | 84.6   | 161.2  |
| Trading volume (1,000)   | 13,515 | 11,959 | 15,571 | 16,991 | 32,515 |
| % of the average volume  | 15.0   | 13.1   | 16.0   | 17.5   | 33.5   |
| Adjusted number of outstanding shares (1,000)  |        |        |        |        |        |
| average during financial period  | 89,910 | 91,166 | 97,426 | 97,291 | 97,046 |
| at the end of financial period   | 89,910 | 89,910 | 97,445 | 97,330 | 97,094 |
| fully diluted  | 89,910 | 89,910 | 97,445 | 97,330 | 97,094 |

\* Based on the Board of Directors' distribution of funds proposal. In addition authorisation 0.07 eur/share.

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## Calculation of financial indicators

HKFoods discloses alternative performance measures (APM) to give relevant information to stakeholders. Disclosed APMs are also used in steering the Company. Items affecting comparability and related APMs are disclosed to better reflect the operational business performance and to enhance comparability between periods.

|   |   |
|---|---|
| <b>Return on equity (%)</b>                             | $\frac{\text{Profit}}{\text{Total equity (average)}} \times 100$  |
| <b>Return on capital employed (ROCE) before tax (%)</b> | $\frac{\text{Profit before tax + interest and other financial expenses}}{\text{Balance sheet total - non-interest-bearing liabilities (average)}} \times 100$ |
| <b>Equity ratio (%)</b>                                 | $\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$   |
| <b>Net gearing ratio (%)</b>                            | $\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$  |
| <b>Earnings per share*</b>                              | $\frac{\text{Profit for the period attributable to equity holders of the parent}}{\text{Average number of outstanding shares during period}}$                 |
| <b>Equity per share</b>                                 | $\frac{\text{Equity attributable to holders of the parent}}{\text{Number of outstanding shares at end of period}}$  |
| <b>Dividend per share</b>                               | $\frac{\text{Dividend distribution}}{\text{Number of outstanding shares at end of period}}$   |
| <b>Dividend payout ratio (%)</b>                        | $\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$  |
| <b>Effective dividend yield (%)</b>                     | $\frac{\text{Dividend per share}}{\text{Closing price on the last trading day of the financial year}} \times 100$   |

|  |  |
|--|--|
| <b>P/E ratio</b>                           | $\frac{\text{Closing price on the last trading day of the financial year}}{\text{Earnings per share}}$   |
| <b>Market capitalization</b>               | The number of outstanding shares at the end of period x the closing price on the last trading day of the financial year  |
| <b>Cash flow before debt service</b>       | Cash flow after investment activities - financial items  |
| <b>Employee numbers</b>                    | Average of workforce figures calculated at the end of calendar months  |
| <b>Items affecting comparability</b>       | One-time charges, which are not related to the normal continuing operations and materially affect company's finance. Examples of such expenses are: capacity adjustment (restructuring), redundancy, legal costs relating to restructuring or similar, one-time expenses related to efficiency / reorganization programmes, significant compensations or penalties paid out due to legal verdict or settlement, transaction fees / expenses related to business acquisitions (consultation, advisory, legal, due diligence, registration etc.) and gains/losses of business disposals. |
| <b>Comparable EBIT</b>                     | Operating profit - items affecting comparability   |
| <b>Comparable earnings per share*</b>      | $\frac{\text{Profit for the period attributable to equity holders of the parent - items affecting comparability}}{\text{Average number of outstanding shares during period}}$  |
| <b>Interest-bearing net debt</b>           | Interest-bearing debt - cash and bank and interest bearing loan receivables  |
| <b>Net debt to EBITDA ratio (leverage)</b> | $\frac{\text{Interest-bearing net debt}}{\text{EBITDA + share of profit/loss in associates and joint ventures}}$   |

\* When calculating the earnings per share, interest and issue costs of the hybrid loan, net of tax, have been reduced from profit for the period.

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**1,350 tCO<sub>2</sub>e/M€**

(2024: 1,656 tCO<sub>2</sub>e/M€)

**Greenhouse gas intensity**

(total emissions relative to net sales calculated using market-based emission factors)

**61%**

(2024: 17%)

**Share of renewable energy sources in total energy consumption**

**Lost Time Injury**

**Rate (LTIR) developed in a positive direction**

**0 antibiotic treatment / broiler flock**

**27.9% of products met the Finnish Heart Symbol criteria**

## General disclosures

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The Sustainability Statement contains information on HKFoods' environmental, social responsibility and good governance-related impacts, risks and opportunities, as well as its performance related to sustainability for the period 1 January to 31 December 2025.

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## ESRS 2 General disclosures

The reported topics are based on the material impacts, risks and opportunities identified in the double materiality assessment. A list of the ESRS disclosure requirements and reported data points can be found in section *IRO-2 ESRS disclosure requirements covered by the Company's Sustainability Statement*.

### 1. Basis for preparation

#### BP-1 General basis for preparation of sustainability statements

This Sustainability Statement ("Sustainability Report") has been prepared in accordance with the EU Sustainability Reporting Directive and Standards and the EU Taxonomy. HKFoods does not comply with any other legislative reporting frameworks for sustainability information.

The Sustainability Report covers HKFoods Plc's operations at the Group level, and the scope of consolidation corresponds to the scope of HKFoods' consolidated financial statements. The Sustainability Statement covers the subsidiaries controlled by the HKFoods Group. In addition, the activities of associates and joint ventures have been included in the assessment of impacts, risks and opportunities across the entire value chain. Associates and joint ventures are also included in the Group's emissions calculation under *E1 Climate change*, according to the proportion of ownership. The Group has no operational control over associates, joint ventures or companies in which the Group's shareholding is less than 20%. Subsidiaries, associates and joint ventures are disclosed in Note 28 (*Related party transactions*) to the Consolidated Financial Statements. The report mainly deals with Group level information, with more detailed information on individual companies where necessary to provide a more complete picture.

The impacts assessed in sustainability reporting cover the entire value chain and chain of activities, 'from field to table'. In addition to the Company's own operations, the review takes into account Tier 1 suppliers covered by procurement agreements, such as contract farms and raw material and service suppliers upstream in the value chain, as well as customers, consumers and end users of products downstream in the value chain. The metrics cover the entire value chain mentioned above. The Company's policies also take into account the value chain in its entirety.

In its Sustainability Statement, HKFoods has not used the option to exclude information relating to the intellectual property, know-how or results of innovation of the Group companies.

#### BP-2 Disclosures in relation to specific circumstances

The timeframes used in this Sustainability Statement follow the definitions of timeframes set out in Section 6.4 of the ESRS 1 of Commission Delegated Regulation (EU) 2023/2772 (Sustainability Reporting Standard, hereinafter ESRS).

#### Timeframes used in the Statement:

- **Short term:** reporting period, calendar year at HKFoods
- **Medium term:** from the end of the short-term reporting period to 5 years
- **Long term:** more than 5 years

The sections of topical standards E1, E3, E4, E5 and S2 describe in more detail the metrics, compilation criteria and level of precision of the result for the reported indicators to the extent that the measures include upstream and downstream data estimated using indirect sources.

The Company does not consider the metrics to be subject to significant measurement uncertainty. In emissions calculations, data from upstream and downstream sources are indicative, but the estimates used by the Company do not have a material impact on the magnitude of CO<sub>2</sub>e emissions reported by the Company. Emissions from the most significant land-based sources (LUC and non-LUC), i.e., emissions from animal-based raw materials, have been calculated using emission factors based on international and national scientific studies.

In the medium term, HKFoods aims to specify the following:

- CO<sub>2</sub>e emissions calculations for upstream value chain data by using information obtained from suppliers, and
- quantity, quality and environmental information on procurement throughout the value chain.

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The Company changed its emissions calculation method in connection with setting SBTi (Science Based Targets initiative) targets in 2023, and since 2024, emissions have been calculated in accordance with the Corporate Standard GHG protocol and Land Sector and Removals Guidance. The calculation method takes into account land use and related changes in emissions. This calculation method comprehensively covers the scope 3 emission category and land-based emissions.

The numerical data published in the 2024 reporting period have been adjusted in the following sub-topics: *E1 Climate change* (calculation results related to energy and emission calculations), *E3 Water and marine resources* and *E5 Resource use and circular economy*. More detailed information on the adjusted numerical results and the comparability of results from previous years is provided in the sections on specific topics. Individual entries were corrected in the calculations for these topics. In addition, the factors used in the emission calculation were updated based on the latest data sources and one incorrectly recorded value affecting the scope 2 results was corrected.

## 2. Governance

### GOV-1 The role of the administrative, management or supervisory bodies

The Board of Directors of HKFoods Plc is the highest decision-making body that oversees matters related to responsibility at HKFoods. The Board of Directors is responsible for the administration of the HKFoods Group and the proper organisation of its operations.

To facilitate the preparation and management of matters for which the Board is responsible, the Board has four committees: Audit Committee, Compensation Committee, Working Committee and Special Committee. The Board appoints and dismisses the CEO, possible deputy CEO and members of the Group Executive Team (GET).

CEO is responsible for managing the Group's business activities and administration in accordance with the Articles of Association, the Finnish Limited Liability Companies Act in force at the time and instructions provided by the Board. CEO is accountable to the Board for the implementation of the objectives, plans, procedures and targets laid down by the Board.

HKFoods Plc's Shareholders' Nomination Board prepares a proposal on the Board members in accordance with its rules of procedure.

Under the rules of procedure, the matters to be decided by the Board and the roles and responsibilities of other bodies are set out in more detail in the *Corporate Governance Statement 2025*.

### Organisation of the sustainability reporting

The Corporate Responsibility (CR) team is responsible for ensuring compliance with sustainability reporting requirements, data collection, and the assurance process. VP Corporate Responsibility reports to the Audit Committee on the progress of sustainability reporting. The Group's Executive Team approves the outcome of the double materiality assessment, and the CEO presents the Sustainability Statement materials to the Board. The Board approves the Sustainability Statement and signs it as part of the Report of the Board of Directors.

In 2025, sustainability topics and the progress of reporting were discussed two times at the Group's Board meetings and six times at the Audit Committee meetings.

### Composition of the Board

In 2025, HKFoods Plc's Board of Directors consisted of eight regular members. The Board did not include persons involved in the operational management of HKFoods' business, and none of the Board members were employed by the Company or any of its Group companies. There is no separate employee representation on the Board consisting of the Group's employees.

The Shareholders' Nomination Board takes sustainability considerations into account in the skills and selection of board members. Its main task is to ensure that members and deputy members of the Board of Directors have sufficient expertise, skills and experience to meet the needs of the Company.

The Group's Board has a broad representation of specialists in Finnish primary agricultural production and representatives of the Company's contract producers, and thus has strong expertise in the production of the main raw materials and products. The Board members include two Finnish pork producers and one broiler meat producer.

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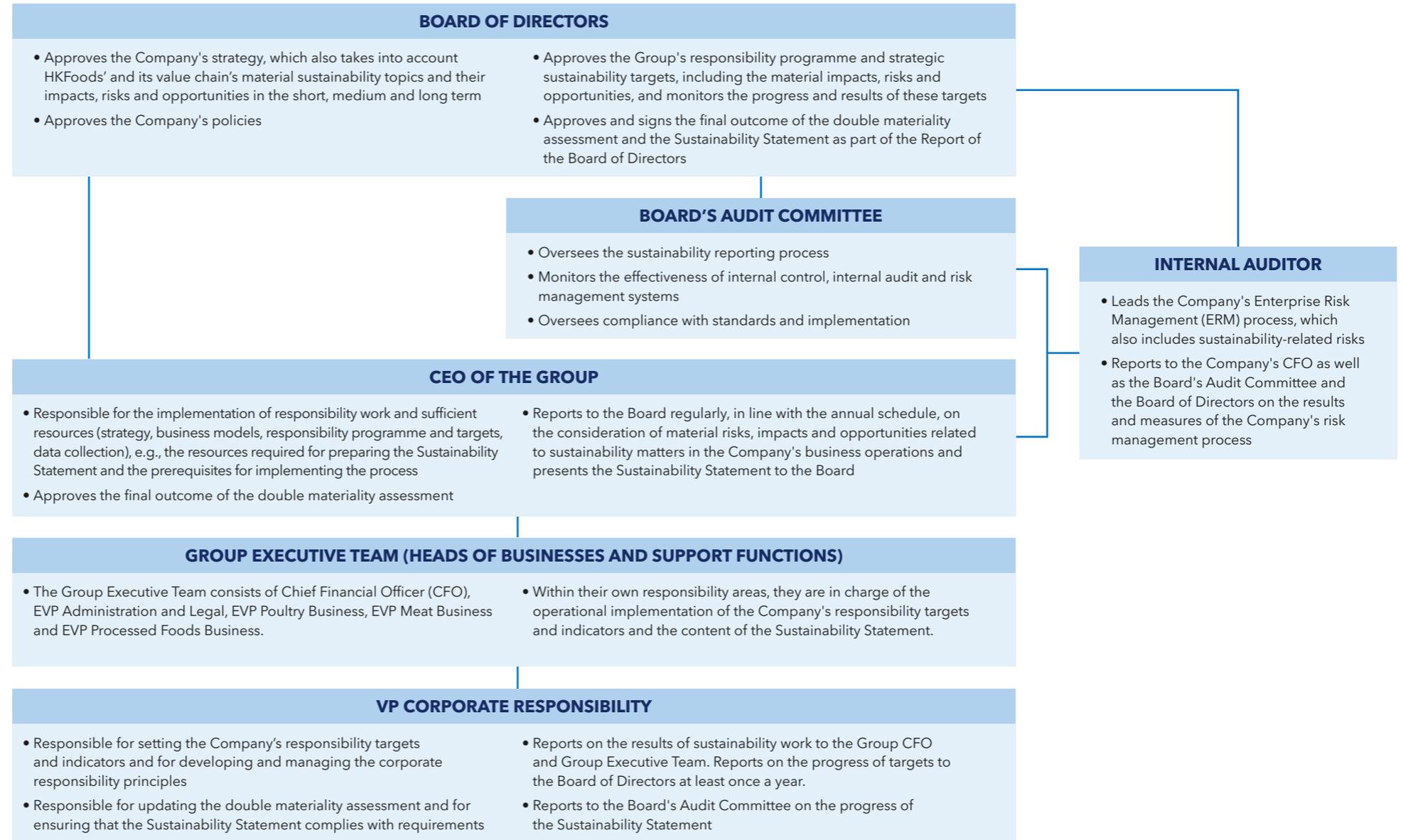
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## Management of responsibility in the HKFoods Group



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The composition of the Board in 2025 was in line with the Company's diversity principles, and gender balance was in line with recommendation 8 of the Corporate Governance Code 2020 in force during the transitional period (ending on 30 June 2026). The gender composition of the Board in 2025 was 25% female (2/8 members) and 75% male (6/8 members).

The Board assesses the independence of its members annually in line with recommendation 10 of the Corporate Governance Code. The Board member is obliged to provide the Company with the information necessary to carry out the independence assessment. The Board member is also obliged to report any changes regarding independence. The independence assessment of the Board members is presented in the *Corporate Governance Statement 2025* in the Board members' introductions. Of the members elected as Board members at the AGM on 23 April 2025, 62.5 per cent (5/8 of the Board members) of the Board members were independent of the Company and 62.5 per cent (5/8 of the Board members) of the Board members were independent of significant shareholders.

Until the AGM on 23 April 2025, the following persons served as Board members:

- Reijo Kiskola (Chairman)
- Jari Mäkilä (Vice Chairman)
- Niclas Diesen (member)
- Anne Koutonen (member)
- Lauri Sipponen (member)
- Terhi Tuomi (member)
- Ilkka Uusitalo (member) and
- Sami Yski (member).

After the AGM on 23 April 2025, the following persons served as Board members:

- Reijo Kiskola (Chairman)
- Jari Mäkilä (Vice Chairman)
- Niclas Diesen (member)
- Outi Henriksson (member, until 31 December 2025)
- Lauri Sipponen (member)
- Terhi Tuomi (member)
- Ilkka Uusitalo (member) and
- Sami Yski (member).

The Audit Committee was chaired by Anne Koutonen and its members until the AGM on 23 April 2025 were Reijo Kiskola, Terhi Tuomi and Niclas Diesen. After the AGM on 23 April 2025, the Audit Committee was chaired by Outi Henriksson (until 31 December 2025) and its members were Reijo Kiskola, Terhi Tuomi (chair of the Audit Committee from 1 January 2026) and Niclas Diesen.

In 2025, HKFoods did not organise separate training on sustainability themes, as the Board, Audit Committee, CEO, CFO and EVP Administration and Legal were provided with sustainability-related training in 2024, which covered sustainability-related legislation and the responsibilities of the Audit Committee and the Board in relation to sustainability themes.

In 2025, the Board and CEO attended events related to HKFoods' material impacts, risks and opportunities. At these events, the Group's experts presented sustainability topics that are essential to the Company and related considerations. The purpose of these meetings has been to ensure that the Board and CEO are aware of sustainability matters and the current situation.

#### GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

As part of the annual risk management process, the corporate responsibility team updates HKFoods' double materiality assessment, which covers material impacts, risks and opportunities related to sustainability. HKFoods Group's Enterprise Risk Management (ERM) process includes uniform principles and systematic practices for risk management. The ERM process aims to identify and update HKFoods' potential risks, promote the Group's risk awareness and effective risk management and to ensure that management and the Board have sufficient information on risks to support their decision-making. Risk management process is an integral part of the management system and strategy process, which is implemented annually. The Group's Risk Management Policy is applied in the HKFoods Group companies.

VP Corporate Responsibility reports the results of the double materiality assessment and the responsibility programme to the Group's Board at least once a year. As part of the outcome of the risk management work, the internal auditor reports once a year to the Group's Board on the main risks related to the Company's sustainability matters and the implementation of the sustainability work.

Sustainability targets, metrics and results are reported to the Group Executive Team and Board at least once a year. The internal auditor presents the status of the operating principles (policies and guidelines) and any changes to them once a year. During 2025, the progress of responsibility work was presented to the Board two times.

The impacts, risks and opportunities of sustainability matters were determined in a double materiality assessment in their current scope for the first time in 2024 and the assessment was updated in 2025. The Board's charter specifies that the Board decides on the Group's strategic sustainability targets and approves the material impacts, risks and opportunities of sustainability matters. The Board monitors the progress and outcome of these targets, with the assistance of the executive management and experts.

During the 2025 financial year, meetings of the Board and its committees addressed the following topics related to material impacts, risks and opportunities:

- Market practices for 2024 Sustainability Statements and developments in sustainability regulation
- Observations and lessons learned from the 2024 Sustainability Statement assurance work
- Results of the 2025 double materiality assessment
- Results of the climate scenario and resilience analysis
- Internal audit of SBTi-approved climate targets
- Results of the animal welfare assessment
- Group policy updates and implementation programme
- Occupational safety
- Information security
- Targets and indicators for the 2026-2028 responsibility programme, and
- Preliminary content of the 2025 Sustainability Statement.

The following topics related to material impacts, risks and opportunities, among others, were discussed at the Group Executive Team meetings attended by the CEO:

- Market practices for 2024 Sustainability Statements and developments in sustainability regulation
- Observations and lessons learned from the 2024 Sustainability Statement assurance work

- Results of the 2025 double materiality assessment
- Results of the climate scenario and resilience analysis
- Internal audit of SBTi-approved climate targets
- Results of the animal welfare assessment
- Group policy updates and implementation programme
- Occupational safety
- Information security
- Deforestation Regulation
- Targets and indicators for the 2026-2028 responsibility programme, and
- Preliminary content of the 2025 Sustainability Statement.

## GOV-3 Integration of sustainability-related performance in incentive schemes

Sustainability matters were not taken into account in the remuneration of HKFoods Plc's Board of Directors in the 2025 reporting period. 70% of the short-term incentive scheme for members of the Group Executive Team (excluding the CEO) for 2025 is linked to the comparable EBIT of the Group and/or business unit, and 30% to personal targets.

In 2025, four out of five members of the Group Executive Team (excluding the CEO) had a responsibility-related target (lost time injury rate, LTIR) as part of their personal targets. Its weighting was 5 per cent.

In the medium term, the Company aims to systematise and introduce more comprehensive sustainability metrics and targets into its remuneration system for each responsibility area and role. In the Company's short-term remuneration system, ESG targets account for five percentage points of the personal metrics. Climate-related targets have not been taken into account in the remuneration of HKFoods' Board of Directors or CEO.

On the basis of preparation done by the Board's Compensation Committee, the Board decides on the incentive programmes for the Group's management and personnel and the criteria for the payment of bonuses. HKFoods' General Meeting decides on the remuneration of the Board based on a proposal by the Shareholders' Nomination Board.

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### GOV-4 Statement on due diligence

| Part of the due diligence process   | Location in the Sustainability Statement  |
|---|---|
| Integration of the due diligence process into governance, strategy and business model | ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3  |
| Engagement with affected stakeholders   | ESRS 2 SBM-2, ESRS 2 IRO-1  |
| Identifying and assessing negative impacts on people and the environment              | ESRS 2 IRO-1, ESRS 2 SBM-3, S1 ESRS 2 SBM-3, S2 ESRS 2 SBM-3, E1 ESRS 2 SBM-3, E2 ESRS 2 SBM-3, E4 ESRS 2 SBM-3 |
| Taking action to address negative impacts on people and the environment               | G1-1, G1-2, S1 ESRS 2 SBM-3, S1 ESRS 2 SBM-3, S2-4, E1-3, E2-2, E4-3  |
| Tracking the effectiveness of actions   | G1-5, G1-6, G1-2, S1-5, S2-5, E1-4, E2-3, E4-4  |

### GOV-5 Risk management and internal controls over sustainability reporting

HKFoods' sustainability reporting is based on the results of the double materiality assessment approved by the Board of the Company. The Company's experts from different responsibility areas have contributed to the production of the information. The information has been systematically compiled in line with the ESRS structure.

Internal checks of the reporting content have been carried out by area of responsibility, with the head of each area of responsibility checking the accuracy of the content. Responsibility areas are finance, strategy and corporate responsibility, administration, innovation and research, packaging development, quality and environment, HR management, risk management and safety, industrial sales, primary production development, and procurement. The Board's Audit Committee has followed the preparation of the reporting and the progress of the work during the reporting year 2025.

The double materiality assessment was updated in accordance with official standards and guidelines during the spring and summer of 2025.

The key identified risks in sustainability reporting have been related to the sufficiency of human resources available for sustainability reporting and ESRS expertise throughout the organisation and the management and technical implementation of data collection. The responsibility areas have been engaged in the reporting work in the most comprehensive and proactive way possible. Responsibilities for data collection are strongly linked to subject-matter expertise.

The Company used a model developed by external experts to help identify risks and opportunities, ensuring that risks and opportunities were identified in accordance with ESRS standards. The Company's data collection systems ensured that the data sources required by the CSRD were identified and that the data were collected in a sufficiently comprehensive manner. In addition, the data collection systems were used to ensure that risks, opportunities and impacts were analysed in accordance with ESRS requirements. In 2025, the progress of reporting was reported to the Audit Committee six times (February, May, August, November and December) and to the Board two times (August and November).

## 3. Strategy

### SBM-1 Strategy, business model and value chain

HKFoods' core business is in the production, marketing and sale of pork, beef and poultry meat, meat products and ready meals as well as meal components. The Company's customers include the retail, food service, industrial and export sectors. The Group operates in Finland and Poland and exports to around 40 countries.

HKFoods updated its strategy and long-term financial targets in 2025.

Strategic focus areas are as follows:

- **Growth in selected food moments:** The target is to achieve profitable growth through selected food moments, which include simple everyday meals and nutritious snacks.
- **Operational excellence:** Production and processes are enhanced and automated, and the entire value chain is streamlined and developed. Joint efforts are strengthened both internally and through partners.
- **Competent, healthy personnel:** HKFoods inspires people to get involved and renews itself. Wellbeing and safety at work are developed, and corporate culture is strengthened.
- **Sustainable value chain:** HKFoods cares and takes responsibility for a sustainable value chain by developing contract production, utilising innovations and producing tasty, healthy and safe food for consumers' various food moments.

HKFoods is looking for new growth and pursues strategic business opportunities within the limits of its financial resources.

Responsibility is a key part of HKFoods' business. Responsible food production is developed throughout the value chain, from farms to consumers, by continuing the goal-oriented responsibility work. Environment-related sustainability topics material to HKFoods' business include climate change adaptation, biodiversity and circular economy. In terms of social responsibility, the material sustainability topics include the producer community, the Company's own employees and healthy, safe food. In addition, good governance, corporate culture and animal welfare are key sustainability themes. The Company's strategy has an impact on all sustainability topics identified as material to the Company, the most important of which in the medium to long term are climate change, consumer health and safety, and animal welfare.

In 2025, HKFoods took into account the impact of material sustainability topics in its business operations, e.g. in product portfolio planning, product development and

manufacturing phases and in investments and research projects. Sustainability aspects were increasingly taken into account in innovation work and the selection of raw materials, e.g. with regard to salt and fat content in products. In addition, the Company explored the potential for utilising production side streams and identified new ways to utilise materials and new sources of income from them.

In 2025, the number of HKFoods employees in Finland was 3,083 (2024: 2,936) and in Poland 193 (2024: 183). Disclosure Requirement *S1-6 Characteristics of the undertaking's employees* provides more information on HKFoods' employees.

The slaughtering of cattle and sows at HKFoods' Paimio unit ended in March 2025. HKFoods' cattle slaughtering has been centralised in Outokumpu and outsourced to an external operator, which also took over the slaughtering of sows in March.

The Company has Group-wide sustainability targets in line with sustainability reporting requirements, which are explained in more detail in sections *E1, E2, E4, E5, S1, S2, S4* and *G1*. The key sustainability targets focus on Company's own operations and personnel, on primary production farms and suppliers in other procurement categories, as well as on consumers and end users. The development work is mainly carried out in Finland. All customer groups are affected by the targets: retail and food service sectors as well as industrial and export customers. Comparative data related to the indicators of the responsibility programme has been left out in cases where it is not possible to provide comparable figures.

The sustainability targets concern all the Company's product categories, customer segments and market areas.

At the core of HKFoods' strategy is meeting the expectations of consumers and end users, as well as Finnish contract producers and the pork, beef and poultry they produce, and the products made from them. The production of the main raw material has the greatest impact on climate change and is the most significant challenge for HKFoods in achieving its emission reduction targets. Other significant sustainability topics linked to the main raw material are water pollution from agriculture, water resource use, biodiversity and ecosystems, and resource use and circular economy. Operations throughout the value chain depend on a skilled workforce and profitable operations.

Getting the value chain to commit to common targets is key to managing the impacts, risks and opportunities associated with sustainability.

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# HKFOODS

## HKFoods' strategy

### VISION

The most valued partner of food moments

### MISSION

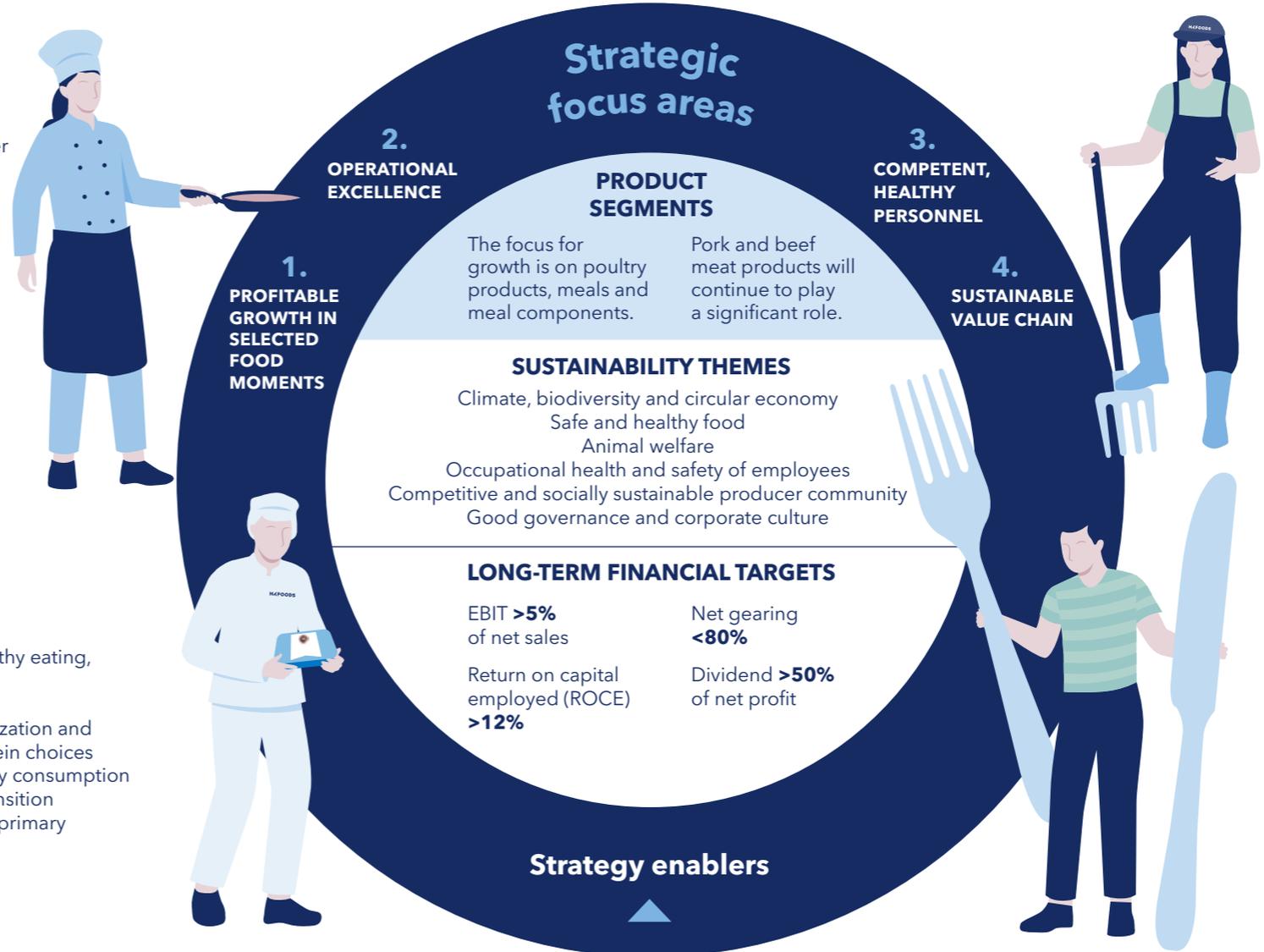
We make life tastier - today and tomorrow

### VALUES

Inspire  
Lead  
Care  
Deliver

### WE RESPOND TO CHANGING NEEDS

- Quick, easy and healthy eating, sustainability
- Snacking as a trend
- The impact of urbanization and immigration on protein choices
- The growth of poultry consumption
- Sales channels in transition
- Structural change in primary production



Domestic raw materials | Value chain from farms to consumers, committed contract producers | Competent people | Key brands and partnerships | Customer and consumer research | Delivery capability and efficiency

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# HKFOODS

## HKFoods' value chain

HKFoods' upstream value chain includes farms that produce meat raw materials and suppliers that sell raw materials and services. HKFoods Finland Ltd and Kivikylän kotipalvaamo Oy engage in contract production. HKFoods' own value chain operations include product development, procurement, slaughtering, product manufacturing and packaging, as well as sales and marketing. The downstream value chain consists of HKFoods' customers - retail, food service and industrial customers - through whom the products reach consumers' food moments.

HKFoods manufactures and sells food products for customers, making everyday life easier for consumers. The nutritional value and quality of the products made by HKFoods are described in the Sustainability Statement under *S4 Consumers and end-users*.

HKFoods' meat production is Finnish, thus ensuring the continuity of domestic food production in its home market and promoting national food security and security of supply.

In 2025, retail sales accounted for 63 (63) per cent of HKFoods' net sales, food service for 19 (18) per cent, industrial sales for 4 (6) per cent and exports for 14 (13) per cent. HKFoods supports its own value chain and also conducts business through associates and joint ventures, including slaughtering, cutting, meat processing and ready food manufacturing as well as the use of rental, waste management, research and consultancy services.

Partnerships offer HKFoods a way to expand into new product categories and raw materials (e.g. Mäkitalon Maistuvat Oy) and to meet consumer demand for a diverse range of products. Upstream value chain partnerships (DanHatch Finland Oy, Finnpig Oy and Länsi-Kalkkuna Oy) and downstream partnerships (Honkajoki Oy and Pakastamo Oy) are an integral part of HKFoods' value chain activity and its further development.

HKFoods helps its producers develop their activities and promotes animal welfare and more climate-friendly food production in collaboration with farms. The Company promotes producers' expertise and the competitiveness of local food production through producer meetings and training courses. HKFoods' primary production experts and veterinarians provide producers with advice on topics such as animal feeding and welfare, as well as cultivation and technology. For more information on this topic, see *S2-4 Actions related to material risks and opportunities affecting value chain workers*.

HKFoods promotes employee wellbeing and occupational safety through company-specific occupational wellbeing and occupational safety programmes. Accidents at work are prevented through proactive safety measures, which increases wellbeing and reduces costs for both the Company and its employees. Promoting wellbeing at work improves employee experience and commitment to the Company and reduces costs for the Company.

Shareholders, investors and financiers expect the Company to create value and generate returns in dividends and share price performance and to manage its sustainability risks and opportunities.

In connection with its 2025 strategy update, HKFoods also updated its long-term financial targets, which are:

- EBIT over 5 per cent of net sales
- Return on capital employed (ROCE) over 12 per cent
- Net gearing less than 80 per cent and
- Dividend more than 50 per cent of net profit.

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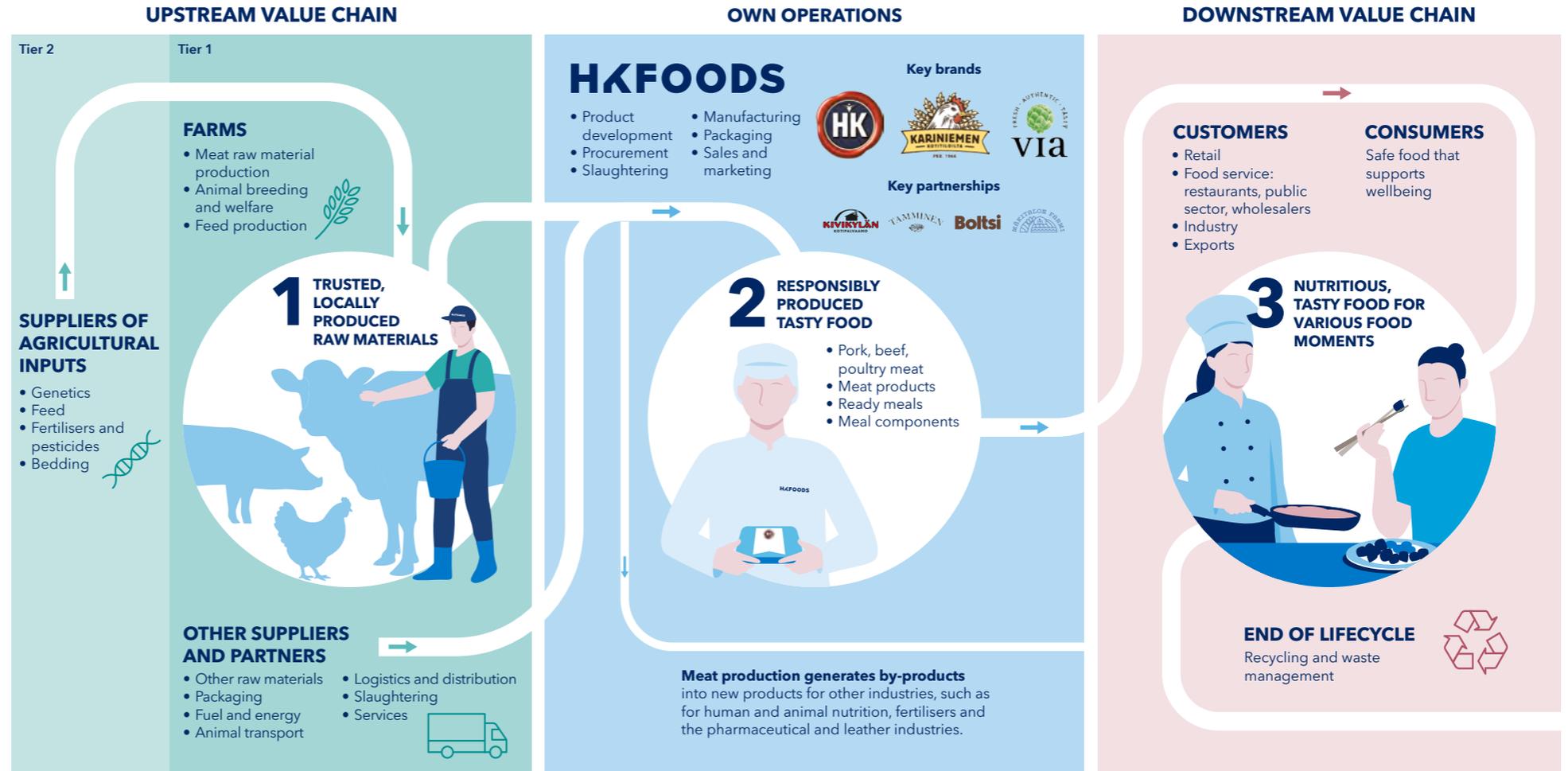
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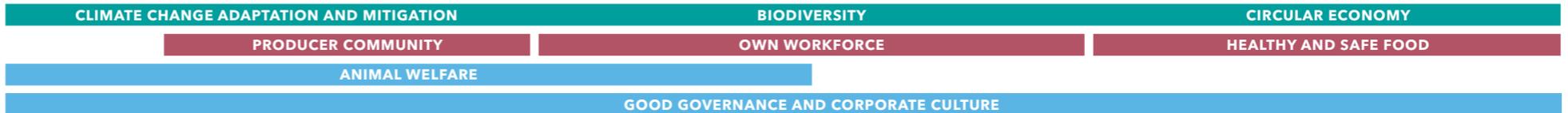
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# HKFOODS

## HKFoods' value chain



### MATERIAL SUSTAINABILITY THEMES



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#### SBM-2 Interests and views of stakeholders

HKFoods' key stakeholders are customers, consumers, employees and potential employees, contract producers and other value chain workers, partners, owners, investors and financiers, public authorities and decision-makers, the media, NGOs and associations. The Company's strategy is market-driven, with sustainability work guided by business needs as well as key stakeholders' expectations and requirements.

The purpose of stakeholder engagement is to ensure cooperation with all stakeholders and to promote business and its sustainable development by understanding stakeholders' needs and expectations. The results are taken into account in the development of the Company's operations and products. In addition, with the high level of safety and quality of HKFoods' products, the Company aims to ensure customer and consumer satisfaction and that the needs and expectations of internal and external stakeholders are met.

| Stakeholder                           | Forms of engagement  | Important themes to stakeholders*   | Results and impacts of engagement on operations, business model and strategy  |
|---------------------------------------|--|---|---|
| Customers                             | <ul style="list-style-type: none"> <li>- Customer meetings and events</li> <li>- Customer feedback</li> <li>- Customer satisfaction surveys</li> <li>- Audits</li> <li>- Fair Way reporting channel for reporting suspected misconduct</li> <li>- Website</li> </ul>   | <ul style="list-style-type: none"> <li>- Customer experience and level of customer service, delivery reliability</li> <li>- Product quality and safety</li> <li>- Product responsibility in all areas of responsibility - especially reducing value chain emissions</li> <li>- Circular economy, waste, packaging</li> <li>- Conducting business according to good governance practices</li> </ul>  | <ul style="list-style-type: none"> <li>- Feedback used in quality and product development</li> <li>- Food safety and quality strategies are taken into account in the annual business planning process</li> <li>- Certifications</li> <li>- Information utilised in strategy updates</li> </ul>   |
| Consumers                             | <ul style="list-style-type: none"> <li>- Consumer service</li> <li>- Consumer surveys and studies, brand reputation studies</li> <li>- Websites and social media</li> <li>- Product packaging</li> </ul>   | <ul style="list-style-type: none"> <li>- Tasty and nutritious food</li> <li>- Safety of products</li> <li>- Availability of high-quality product information</li> <li>- Domestic origin</li> <li>- Reduction of environmental impacts</li> <li>- Animal welfare</li> <li>- Security of supply</li> </ul>  | <ul style="list-style-type: none"> <li>- Consumers' changing needs and domestic nutritional recommendations taken into account in product development</li> <li>- Product packaging containing comprehensive product and manufacturer information</li> <li>- Packaging material development</li> <li>- Consumer behaviour and competitor analyses provide information on changes in demand and consumption trends, and this information is used in product development and strategy</li> </ul>   |
| Own employees and potential employees | <ul style="list-style-type: none"> <li>- Direct, face-to-face interaction: team meetings, performance reviews, workshops, Q&amp;A sessions with supervisors and management</li> <li>- Internal communication channels, e.g. intranet, newsletters, info-TVs and whiteboards</li> <li>- Employee surveys</li> <li>- Code of Conduct and other internal guidelines and related trainings</li> <li>- Fair Way reporting channel for reporting suspected misconduct</li> <li>- Recruitment processes, cooperation with schools</li> <li>- Websites and social media channels</li> <li>- Development and learning forums</li> <li>- Events and fairs</li> </ul> | <ul style="list-style-type: none"> <li>- Skilled and committed workforce</li> <li>- Company's values, social impact and reputation</li> <li>- Occupational health and safety, wellbeing and corporate culture</li> <li>- Equal treatment, diversity</li> <li>- Competence development and career paths</li> <li>- Dialogue between the Company and staff representatives</li> <li>- Information about the Company's operations, responsibility and direction</li> <li>- Continuity of operations</li> <li>- Compensation and transparency of remuneration</li> <li>- High-quality managerial work</li> <li>- Work flexibility</li> <li>- Transparency of recruitment</li> </ul> | <ul style="list-style-type: none"> <li>- Employee programmes supporting wellbeing</li> <li>- Measures reducing accidents at work, occupational health services</li> <li>- Providing inductions and training, e.g. work safety programmes and training, diversity training</li> <li>- Encouraging a work culture that promotes open dialogue, sharing information on important topics</li> <li>- Employees participate in developing a healthy and safe workplace (e.g., safety observations, business and strategy development)</li> <li>- Internships, specialist vocational qualifications with schools and institutes</li> <li>- The number, structure and competence of personnel correspond to the targets and plans set out in the Company's strategy</li> <li>- Feedback and ideas from employees are used in the development of processes and working conditions and in innovation</li> </ul> |

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| Stakeholder                                      | Forms of engagement   | Important themes to stakeholders*   | Results and impacts of engagement on operations, business model and strategy  |
|--|---|---|---|
| Contract producers and other value chain workers | <ul style="list-style-type: none"> <li>- Continuous communication and meetings</li> <li>- Producer portal</li> <li>- Primary production cooperation groups</li> <li>- Training</li> <li>- Supplier and producer surveys, audits</li> <li>- Supplier Code of Conduct</li> <li>- Fair Way reporting channel for reporting suspected misconduct</li> <li>- Producer magazine</li> <li>- Websites and social media</li> </ul> | <ul style="list-style-type: none"> <li>- Development and profitability of meat production and farm operations</li> <li>- Food safety, animal disease management and animal welfare</li> <li>- Climate change adaptation and mitigation, biodiversity protection</li> <li>- Health and safety of value chain workers</li> <li>- Continuity of operations and security of supply; short- and longer-term action plans</li> </ul>                                      | <ul style="list-style-type: none"> <li>- Long-term relationships with Finnish contract producers</li> <li>- Competitive, high-quality raw material and pricing, and cooperation with contract producers promote profitability and create conditions for operations</li> <li>- Cooperation to improve quality and reduce climate impact</li> <li>- Increasing climate expertise in the value chain's primary production, e.g., through training, meetings and assessments</li> <li>- Environmental impact calculation system</li> <li>- Advisory services provided by veterinarians and other experts</li> <li>- Joint research, training and development projects (e.g. training and development for producers' businesses)</li> <li>- Short- and longer-term action plans</li> </ul> |
| Shareholders, investors and financiers           | <ul style="list-style-type: none"> <li>- Regular financial and sustainability reporting</li> <li>- Releases and investor website</li> <li>- Annual General Meeting</li> <li>- Continuous interaction with shareholders and financiers</li> <li>- Investor meetings and events</li> <li>- Fair Way reporting channel for reporting suspected misconduct</li> </ul>   | <ul style="list-style-type: none"> <li>- Financial performance and development</li> <li>- Market environment</li> <li>- Strategy</li> <li>- Risks and opportunities</li> <li>- Implementation and development of ESG matters</li> </ul>   | <ul style="list-style-type: none"> <li>- Financial value creation and financial targets</li> <li>- Communicating strategy, responsibility agenda and targets</li> <li>- Ensuring good governance</li> </ul>   |
| Authorities and decision-makers                  | <ul style="list-style-type: none"> <li>- Discussion, meetings and cooperation on regulatory projects, exports, animal welfare, etc.</li> <li>- Cooperation forums and projects for developing Finnish food production and ensuring its continuity</li> <li>- Websites and social media</li> </ul>   | <ul style="list-style-type: none"> <li>- National food security and security of supply</li> <li>- Compliance with food chain legislation and trade practices</li> <li>- Local industrial policy</li> <li>- Animal health and welfare</li> <li>- Environmental impacts of the value chain</li> </ul>   | <ul style="list-style-type: none"> <li>- Acting in accordance with the guidelines and decisions of society and the authorities</li> <li>- Nutrition commitments, energy efficiency agreements, material efficiency commitments</li> <li>- Acquiring, complying with and maintaining possible certifications and standardisations</li> <li>- Commitment to animal welfare in line with the Responsibility Programme</li> </ul>   |
| Media  | <ul style="list-style-type: none"> <li>- Releases, news, publications, websites and social media</li> <li>- Interviews and journalist meetings for background information</li> <li>- Participation in media discussions, expert statements</li> </ul>   | <ul style="list-style-type: none"> <li>- National food security and self-sufficiency</li> <li>- The vitality of agriculture and livelihoods, the continuity of meat production, the availability and price of meat and the profitability of meat production</li> <li>- Financial and other developments in business operations</li> <li>- New products and food and packaging innovations</li> <li>- Employment issues</li> <li>- The Company's strategy</li> </ul> | <ul style="list-style-type: none"> <li>- Timely, transparent and reliable information and communication in accordance with the requirements of listed companies and media practices</li> </ul>  |
| NGOs and associations                            | <ul style="list-style-type: none"> <li>- Dialogue</li> <li>- Questionnaires</li> <li>- Meetings</li> <li>- Industry networks and working groups</li> <li>- Advocacy cooperation</li> <li>- Cooperation projects</li> <li>- Websites and social media</li> </ul>   | <ul style="list-style-type: none"> <li>- Product origin and working conditions in the supply chain</li> <li>- Animal welfare</li> <li>- Issues shared across the industry</li> <li>- Environmental impacts of the value chain</li> <li>- Developments in responsibility and industry regulation</li> </ul>  | <ul style="list-style-type: none"> <li>- Participating in the development of the industry and responsibility by being involved in organisations and/or cooperating with them (industry and interest groups such as trade unions, food industry interest groups, organisations specialising in animal health and welfare, and groups promoting the interests of agricultural producers)</li> <li>- Anticipating and preparing for regulatory changes</li> </ul>  |

\* Based on the Company's own assessment

In 2025, HKFoods made no significant changes to its existing strategy based on stakeholder views and does not expect any changes in the medium term.

The Board regularly considers the views of stakeholders and takes them into account on a case-by-case basis. The Company's management representatives report the main stakeholder views to the Board on various issues under discussion. In addition, the annual risk management process takes into account the most relevant stakeholder views under the guidance of the Internal Auditor.

## SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

HKFoods conducted a double materiality assessment in accordance with ESRS standards on material impacts, risks and opportunities for the first time in 2024 and updated the assessment in 2025. The significant impacts, risks and opportunities identified in the assessment are summarised below. Further information on the impacts, risks and opportunities, as well as the means of managing them, are presented in each topical section.

| HKFoods' material impacts, risks and opportunities |  |                             |   |              |
|--|--|-----------------------------|---|--------------|
| Topic  | Sub-topic and sub-sub-topic                                | Type of impact              | Impacted part in value chain  | Time horizon |
| <b>E - ENVIRONMENT</b>                             |  |                             |   |              |
| <b>E1 Climate change</b>                           | Climate change adaptation                                  | +                           | Raw materials and suppliers   | ...          |
|  |  | ▲                           | Raw materials and suppliers   | ...          |
|  | Climate change mitigation                                  | —                           | Raw materials and suppliers   | ..           |
|  |  | ▲                           | Raw materials and suppliers   | ..           |
|  | Energy   | —                           | Raw materials and suppliers   | ..           |
|  |  | ▲                           | Raw materials and suppliers, own operations, customers and partners | ..           |
| <b>E2 Pollution</b>                                | Pollution of water   | —                           | Raw materials and suppliers   | ..           |
| <b>E3 Water and marine resources</b>               | Water: Water withdrawal                                    | —                           | Raw materials and suppliers, own production                         | ...          |
| <b>E4 Biodiversity and ecosystems</b>              | Direct impact drivers of biodiversity loss:                |                             |   |              |
|  | Climate change   | —                           | Raw materials and suppliers   | ...          |
|  |  | ▲                           | Raw materials and suppliers   | ...          |
|  | Land-use change, fresh water-use change and sea-use change | —                           | Raw materials and suppliers   | ..           |
|  |  | ▲                           | Raw materials and suppliers   | ..           |
|  | Pollution  | —                           | Raw materials and suppliers   | ..           |
| Impact and dependencies on ecosystem services      | —  | Raw materials and suppliers | ...   |              |
| <b>E5 Circular economy</b>                         | Resource inflows related to products and services          | ▲                           | Own operations  | ..           |
|  | Resource outflows related to products and services         | + ▲                         | Own operations  | ..           |
|  |  | —                           | Own operations  | ... ..       |
|  | Waste  | —                           | Customers and partners  | ..           |
|  |  | ▲                           | Own operations, customers and partners                              | ..           |

+ Actual positive impact    + Potential positive impact    ▲ Risk  
— Actual negative impact    — Potential negative impact    ▲ Opportunity

. Short term  
 .. Medium term  
 ... Long term

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## HKFoods' material impacts, risks and opportunities

| Topic                                | Sub-topic and sub-sub-topic  | Type of impact              | Impacted part in value chain                | Time horizon |
|--------------------------------------|--|-----------------------------|---|--------------|
| <b>S - SOCIAL RESPONSIBILITY</b>     |  |                             |   |              |
| <b>S1 Own workforce</b>              | Working conditions: Secure employment  | +                           | Own operations                              | ••           |
|                                      | Social dialogue  | +                           | Own operations                              | ••           |
|                                      | Collective bargaining, including rate of workers covered by collective agreements                | +                           | Own operations                              | ••           |
|                                      | Health and safety  | + -                         | Own operations                              | •            |
|                                      | Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value | +                           | Own operations                              | •            |
|                                      | Training and skills development  | +                           | Own operations                              | ••           |
|                                      | Diversity  | +                           | Own operations                              | •            |
| <b>S2 Workers in the value chain</b> | Working conditions: Health and safety  | + -                         | Raw materials and suppliers                 | •            |
|                                      | Equal treatment and opportunities for all: Training and skills development                       | + ▲ ▲                       | Raw materials and suppliers                 | ••           |
| <b>S4 Consumers and end-users</b>    | Information-related impacts for consumers and/or end-users: Access to quality information        | +                           | Customers and partners, consumers           | •••••        |
|                                      | Personal safety of consumers and/or end-users:   | +                           | Customers and partners                      | •••••        |
|                                      | Health and safety  | -                           | Customers and partners                      | •••••        |
|                                      |  | ▲                           | Customers and partners                      | ••           |
| <b>G - GOOD GOVERNANCE</b>           |  |                             |   |              |
| <b>G1 Business conduct</b>           | Animal welfare   | + -                         | Raw materials and suppliers                 | ••           |
|                                      |  | ▲                           | Raw materials and suppliers, own operations | ••           |
|                                      | Corporate culture  | +                           | Own operations                              | ••           |
|                                      |  | ▲                           | Own operations                              | ••           |
| Relationships with suppliers         | +  | Raw materials and suppliers | •   |              |

+ Actual positive impact    + Potential positive impact    ▲ Risk  
- Actual negative impact    - Potential negative impact    ▲ Opportunity

• Short term  
 •• Medium term  
 ••• Long term

The Company has not made an accurate assessment of the impact of material risks and opportunities on its results, cash flows or financial position in the current or upcoming financial period. The Company will supplement the assessment in the medium term.

In 2025, the Company prepared a climate change scenario and resilience analysis, which is described in section *E1 Climate change*. The results of the scenario and resilience analysis have been taken into account in the double materiality assessment.

HKFoods has no own entity-specific reportable items outside the ESRS.

HKFoods has described the material impacts, risks and opportunities related to climate change, biodiversity, own workforce, value chain workers, consumers and end-users and their interaction with the strategy and business model also as part of the topical ESRS standards in requirement *SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*:

- **Climate change-related** impacts, risks and opportunities as part of the E1 standard on page 71.
- **Biodiversity-related** impacts, risks and opportunities as part of the E4 standard on page 94.
- **Own workforce-related** impacts, risks and opportunities as part of the S1 standard on page 110.
- **Value chain worker-related** impacts, risks and opportunities as part of the S2 standard on page 126.
- **Consumer- and end-user-related** impacts, risks and opportunities as part of the S4 standard on page 136.

## 4. Impact, risk and opportunity management

### 4.1 Disclosures on the materiality assessment process

#### IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

HKFoods conducted the double materiality assessment following the requirements of the ESRS 1 standard in 2024 and updated the assessment in 2025. The work was supported by the EFRAG guidance on double materiality assessment work.

In the 2025 update, the material impacts, risks and opportunities, as well as their thresholds, were reviewed in 14 internal workshops attended by a wide range of personnel from different functions: HR, administration, risk management, procurement, industrial sales, innovation and quality unit, finance, the environmental team, primary production procurement and development, the corporate responsibility team and communications. In addition to these internal stakeholders, the views of external stakeholders were taken into account through various studies, analyses and dialogue with primary production operators, but no separate survey was conducted for external stakeholders.

All topics, sub-topics and sub-sub-topics listed in the topical standards were considered in the analysis work. In the first stage, topics irrelevant to HKFoods' business and business environment were excluded. In the second stage, the magnitude of the impacts, risks and opportunities of the remaining topics was assessed. The impact assessment determined the severity of the sustainability topic: scale, scope, irremediable character and likelihood. The range for each was 1-5, with a value of 5 being the highest.

For the financial impact, the sustainability topics were assessed based on the duration of their impact, their financial impact and the likelihood of the event. The assessment of financial materiality was based on the euro-denominated risk rating used in the Company's risk management process.

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The final prioritisation of topics was based on the numerical results of the assessment tool used in the assessment work, the likelihood of the sustainability topic being realised and the financial impact. In the impact assessment, topics that reached or exceeded the threshold value of 15 were included in the list of material impacts.

The Company monitors developments in the relevant sustainability topics that have been assigned a lower value but does not include them in the list of material topics. Sub-topics rated as moderate (value 15-20), high (value 20-22) and distinct (value 22-25) are defined as material sub-topics.

The financial assessment had the same threshold of 15, but in addition to this, the topic was considered to be financially material if its financial impact was assessed as 2 (low financial impact) on the risk management rating scale and its probability was 5 (likely). A total of 25 topics were listed in the impact assessment and 12 in the risk and opportunity assessment. The assessment of risks and opportunities revealed one risk related to resource inflows associated with products and services. The other impacts did not exceed the materiality threshold. The Sustainability Statement covers all topics identified in the double materiality assessment.

The topics, risks and opportunities material to the Company and the thresholds set were discussed and approved by the Group Executive Team, Audit Committee and Board of Directors.

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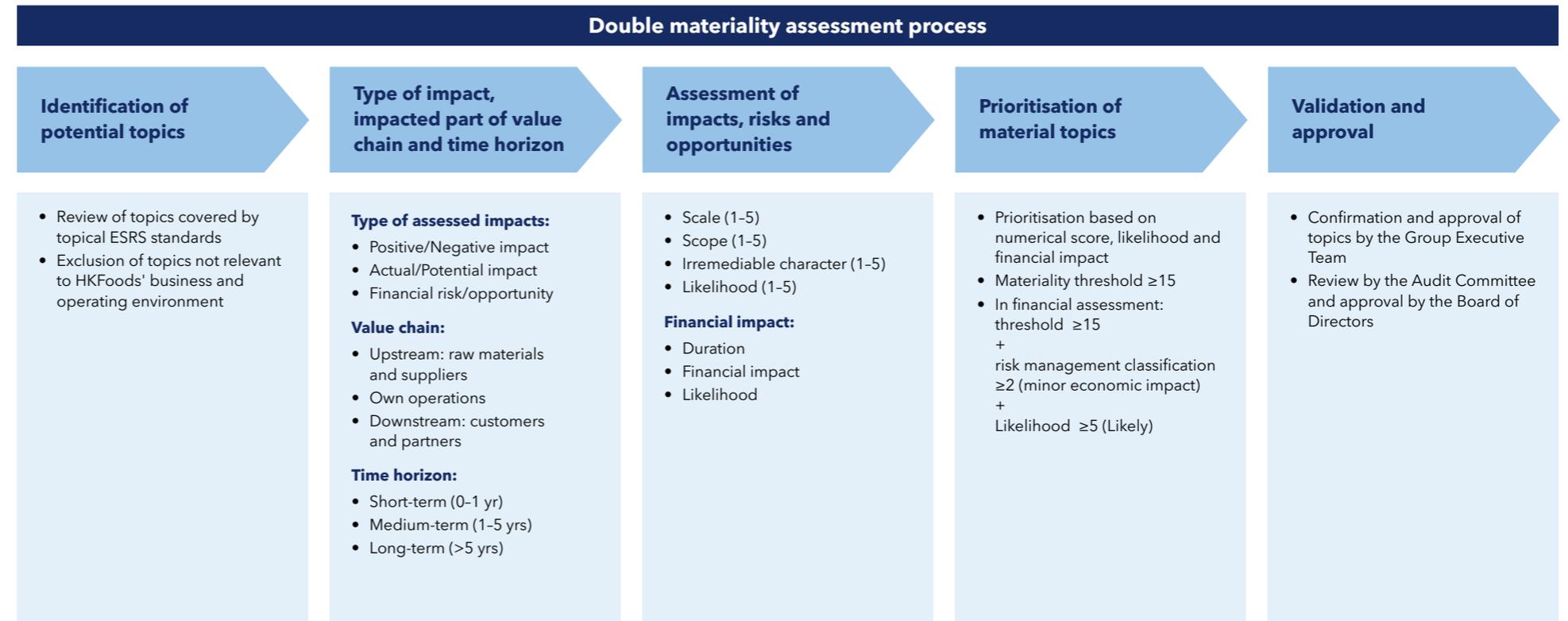
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The key changes compared to the previous analysis for 2024 were:

- *G1 Business conduct* - the sub-topic *Whistle-blower protection* was excluded from the material impacts. The impacts have been assessed as smaller because the Group has downsized and focused mainly on Finland as a result of the restructuring, and no deviations have been observed in its statutory operations.
- *G1 Business conduct* - the sub-topic *Political influence* was excluded from the material impacts because the impact was assessed to be smaller. Political influence is potential and does not involve certain outcomes.
- The sub-topic *G1 Payment practices* was assessed as non-material because the magnitude of the impact did not exceed the materiality threshold.
- *S1 Own workforce* - the risks and opportunities of the sub-sub-topics *Secure employment*, *Collective bargaining, including rate of workers covered by collective agreements* and *Health and safety* were assessed to be smaller and the results no longer exceeded the threshold. However, in the impact assessment, the results exceeded the threshold value.
- *E5 Circular economy* - the sub-topic *Resource outflows related to products and services* was identified as a new financial risk. The risk is described in section *SBM-3 Material impacts, risks, and opportunities and their interaction with the strategy and business model*.

HKFoods does not have a single due diligence process for all of the topics identified in the double materiality assessment of the Sustainability Statement, but rather the due diligence process for each material area is determined under the management process for that area. The existing due diligence process focus for the material sub-topics are described in the sections for each sub-topic separately and are listed in the table in GOV-4.

Under the double materiality assessment carried out during the reporting period, the most material risks, opportunities and impacts for sustainability have been largely identified in line with the due diligence processes. HKFoods recognises that the Company's development focus is to define in more detail the processes for assessing and managing the risks, opportunities and impacts of identified material sub-topics in the medium term. During 2025, the ERM process was further developed and aligned with the ESRS risk assessment. The Company also assessed the most significant risks identified in the ERM from the perspective of sustainability matters.

HKFoods has described the process for identifying and assessing the material impacts, risks and opportunities related to climate, water pollution, water and marine resources, biodiversity, resource use and circular economy, and business conduct also as part of the following topic-specific ESRS standards:

- *E1 Climate change* on page 70
- *E2 Pollution* on page 86
- *E3 Water and marine resources* on page 89
- *E4 Biodiversity and ecosystems* on page 95
- *E5 Resource use and circular economy* on page 104
- *G1 Business conduct* on page 148

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### IRO-2 Disclosure requirements in ESRS covered by the company's sustainability statement

#### Disclosure requirements and incorporation by reference

The following tables list the disclosure requirements of the Sustainability Reporting Standard (ESRS) that HKFoods has complied with when preparing this Sustainability Statement on a double materiality basis.

The tables can be used to navigate to the information on the disclosure requirement of the Sustainability Statement.

The tables present ESRS-compliant information that is referred to outside the Sustainability Statement, either in another part of the Report of the Board of Directors or in the Financial Statements.

| Data point                        | Disclosure requirement  | Page number |
|-----------------------------------|---|-------------|
| <b>ESRS 2 General disclosures</b> |   |             |
| BP-1                              | General basis for preparation of the sustainability statement   | 42          |
| BP-2                              | Disclosures in relation to specific circumstances   | 42          |
| GOV-1                             | The role of the administrative, management or supervisory bodies  | 43          |
| GOV-2                             | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 45          |
| GOV-3                             | Integration of sustainability-related performance in incentive schemes  | 46          |
| GOV-4                             | Statement on due diligence  | 47          |
| GOV-5                             | Risk management and internal controls over sustainability reporting   | 47          |
| SBM-1                             | Strategy, business model and value chain  | 48          |
| SBM-2                             | Interests and views of stakeholders   | 52          |
| SBM-3                             | Material impacts, risks and opportunities and their interaction with strategy and business model                                    | 54          |
| IRO-1                             | Description of the processes to identify and assess material impacts, risks and opportunities                                       | 56          |
| IRO-2                             | Disclosure requirements in ESRS covered by the company's sustainability statement   | 59          |
| <b>ESRS E1 Climate change</b>     |   |             |
| E1. ESRS 2 GOV-3                  | Integration of sustainability-related performance in incentive schemes  | 46          |
| E1-1                              | Transition plan for climate change mitigation   | 78          |
| E1. ESRS 2 SBM-3                  | Material impacts, risks and opportunities and their interaction with strategy and business model                                    | 112         |
| E1. ESRS 2 IRO-1                  | Description of the processes to identify and assess material climate-related impacts, risks and opportunities                       | 70          |
| E1-2                              | Policies related to climate change mitigation and adaptation  | 74          |
| E1-3                              | Actions and resources in relation to climate change policies  | 75          |
| E1-4                              | Targets related to climate change mitigation and adaptation   | 77          |
| E1-5                              | Energy consumption and mix  | 80          |
| E1-6                              | Gross Scopes 1, 2, 3 and Total GHG emissions  | 81          |

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| Data point                                 | Disclosure requirement   | Page number |
|--|--|-------------|
| <b>ESRS E2 Pollution</b>                   |  |             |
| E2. ESRS 2 IRO-1                           | Description of the process to identify and assess material impacts, risks and opportunities related to pollution                 | 86          |
| E2-1                                       | Policies related to pollution  | 86          |
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| Data point                                       | Disclosure requirement   | Page number |
|--|--|-------------|
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| S1. ESRS 2 SBM-2                                 | Interests and views of stakeholders  | 52          |
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| S1-3   | Processes to remediate negative impacts and channels for own workers to raise concerns   | 117         |
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| <b>ESRS S2 Value chain workers</b>     |  |             |
| S2. ESRS 2 SBM-2                       | Interests and views of stakeholders  | 52          |
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| S4-3                                   | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns   | 141         |
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| <b>ESRS G1 Business conduct</b> |   |             |
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| G1. ESRS IRO-1                  | Description of the processes to identify and assess material impacts, risks and opportunities | 56          |
| G1-1                            | Corporate culture and business conduct policies   | 149         |
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### References outside the Sustainability Impact Assessment

| Data point | Section of the Report of the Board of Directors / Financial Statements             |
|------------|--|
| BP-1       | Note 28 to the Consolidated Financial Statements <i>Related party transactions</i> |
| E1-5       | Consolidated Financial Statements  |
| E1-6       | Consolidated Financial Statements  |

## Disclosures stemming from other legislation

The following table shows all other datapoints derived from EU legislation listed in Annex B of ESRS 2. The table shows where the datapoints are found in the HKFoods Sustainability Statement and which datapoints have been assessed as non-material on the basis of the double materiality analysis. If HKFoods does not yet have data relating to a particular datapoint, it is marked with a dash (-).

| Disclosure requirement | Datapoint      | Location and page number | Sustainability information   | Reference to other EU legislation |          |                      |                |
|------------------------|----------------|--------------------------|--|-----------------------------------|----------|----------------------|----------------|
|                        |                |                          |  | SFDR                              | Pillar 3 | Benchmark regulation | EU Climate Law |
| ESRS 2 GOV-1           | 21 (d)         | 43                       | The board's gender diversity   | x                                 |          | x                    |                |
| ESRS 2 GOV-1           | 21 (e)         | 43                       | Percentage of board members who are independent  |                                   |          | x                    |                |
| ESRS 2 GOV-4           | 30             | 47                       | Statement of due diligence   | x                                 |          |                      |                |
| ESRS 2 SBM-1           | 40 (d) i       | Non-material             | Involvement in activities related to fossil fuel   | x                                 | x        | x                    |                |
| ESRS 2 SBM-1           | 40 (d) ii      | Non-material             | Involvement in activities related to chemical production   | x                                 |          | x                    |                |
| ESRS 2 SBM-1           | 40 (d) iii     | Non-material             | Involvement in activities related to controversial weapons   | x                                 |          | x                    |                |
| ESRS 2 SBM-1           | 40 (d) iv      | Non-material             | Involvement in activities related to cultivation and production of tobacco   |                                   |          | x                    |                |
| ESRS E1-1              | 14             | 78                       | Transition plan to reach climate neutrality by 2050  |                                   |          |                      | x              |
| ESRS E1-1              | 16 (g)         | Non-material             | Undertakings excluded from Paris-aligned benchmarks  |                                   | x        | x                    |                |
| ESRS E1-4              | 34             | 77                       | GHG emissions reduction targets  | x                                 | x        | x                    |                |
| ESRS E1-5              | 38             | 80                       | Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)                               | x                                 |          |                      |                |
| ESRS E1-5              | 37             | 80                       | Energy consumption and mix   | x                                 |          |                      |                |
| ESRS E1-5              | 40-43          | 80                       | Energy intensity associated with activities in high climate impact sectors   | x                                 |          |                      |                |
| ESRS E1-6              | 44             | 81                       | Gross Scopes 1, 2, 3 and Total GHG emissions   | x                                 | x        | x                    |                |
| ESRS E1-6              | 53-55          | 81                       | Gross GHG emissions intensity  | x                                 | x        | x                    |                |
| ESRS E1-7              | 56             | Non-material             | GHG removals and carbon credits  |                                   |          |                      | x              |
| ESRS E1-9              | 66             | -                        | Exposure of the benchmark portfolio to climate-related physical risks  |                                   |          | x                    |                |
| ESRS E1-9              | 66 (a); 66 (c) | -                        | Disaggregation of monetary amounts by acute and chronic physical risk. Location of significant assets at material physical risk. |                                   | x        |                      |                |
| ESRS E1-9              | 67 (c)         | -                        | Breakdown of the carrying value of its real estate assets by energy-efficiency classes   |                                   | x        |                      |                |
| ESRS E1-9              | 69             | -                        | Degree of exposure of the portfolio to climate-related opportunities   |                                   |          | x                    |                |
| ESRS E2-4              | 28             | 87                       | Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil                              | x                                 |          |                      |                |
| ESRS E3-1              | 9              | 89                       | Water and marine resources   | x                                 |          |                      |                |

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| Disclosure requirement | Datapoint    | Location and page number | Sustainability information   | Reference to other EU legislation |          |                      |                |
|------------------------|--------------|--------------------------|--|-----------------------------------|----------|----------------------|----------------|
|                        |              |                          |  | SFDR                              | Pillar 3 | Benchmark regulation | EU Climate Law |
| ESRS E3-1              | 13           | Non-material             | Dedicated policy   | x                                 |          |                      |                |
| ESRS E3-1              | 14           | Non-material             | Sustainable oceans and seas  | x                                 |          |                      |                |
| ESRS E3-4              | 28 (c)       | Non-material             | Total water recycled and reused  | x                                 |          |                      |                |
| ESRS E3-4              | 29           | 90                       | Total water consumption in m <sup>3</sup> per net revenue on own operations                                | x                                 |          |                      |                |
| ESRS 2- IRO 1 - E4     | 16 (a) i     | 94                       |  | x                                 |          |                      |                |
| ESRS 2- IRO 1 - E4     | 16 (b)       | 94                       |  | x                                 |          |                      |                |
| ESRS 2- IRO 1 - E4     | 16 (c)       | 94                       |  | x                                 |          |                      |                |
| ESRS E4-2              | 24 (b)       | 96                       | Sustainable land / agriculture practices or policies   | x                                 |          |                      |                |
| ESRS E4-2              | 24 (c)       | 96                       | Sustainable oceans / seas practices or policies  | x                                 |          |                      |                |
| ESRS E4-2              | 24 (d)       | 96                       | Policies to address deforestation  | x                                 |          |                      |                |
| ESRS E5-5              | 37 (d)       | 107                      | Non-recycled waste   | x                                 |          |                      |                |
| ESRS E5-5              | 39           | 107                      | Hazardous waste and radioactive waste  | x                                 |          |                      |                |
| ESRS 2- SBM3 - S1      | 14 (f)       | 112                      | Risk of incidents of forced labour   | x                                 |          |                      |                |
| ESRS 2- SBM3 - S1      | 14 (g)       | 112                      | Risk of incidents of child labour  | x                                 |          |                      |                |
| ESRS S1-1              | 20           | 114                      | Human rights policy commitments  | x                                 |          |                      |                |
| ESRS S1-1              | 21           | 114                      | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions |                                   |          | x                    |                |
| ESRS S1-1              | 22           | 114                      | Processes and measures for preventing trafficking in human beings  | x                                 |          |                      |                |
| ESRS S1-1              | 23           | 115                      | Workplace accident prevention policy or management system  | x                                 |          |                      |                |
| ESRS S1-3              | 32 (c)       | 117                      | Grievance/complaints handling mechanisms   | x                                 |          |                      |                |
| ESRS S1-14             | 88 (b) & (c) | 124                      | Number of fatalities and number and rate of work-related accidents   | x                                 |          | x                    |                |
| ESRS S1-14             | 88 (e)       | 124                      | Number of days lost to injuries, accidents, fatalities or illness  | x                                 |          |                      |                |
| ESRS S1-16             | 97 (a)       | 124                      | Unadjusted gender pay gap  | x                                 |          | x                    |                |
| ESRS S1-16             | 97 (b)       | 124                      | Excessive CEO pay ratio  | x                                 |          |                      |                |
| ESRS S1-17             | 103 (a)      | Non-material             | Incidents of discrimination  | x                                 |          |                      |                |
| ESRS S1-17             | 104 (a)      | Non-material             | Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines                           | x                                 |          | x                    |                |
| ESRS 2- SBM3 - S2      | 11 (b)       | 127                      | Significant risk of child labour or forced labour in the value chain                                       | x                                 |          |                      |                |
| ESRS S2-1              | 17           | 131                      | Human rights policy commitments  | x                                 |          |                      |                |

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|------------------------|-----------|--------------------------|---|-----------------------------------|----------|----------------------|----------------|
|                        |           |                          |   | SFDR                              | Pillar 3 | Benchmark regulation | EU Climate Law |
| ESRS S2-1              | 18        | 130                      | Policies related to value chain workers   | x                                 |          |                      |                |
| ESRS S2-1              | 19        | 131                      | Non-respect of UNGPs on Business and Human Rights and OECD guidelines                               | x                                 |          | x                    |                |
| ESRS S2-1              | 19        | 131                      | Due diligence policies on issues addressed by the fundamental ILO Conventions                       |                                   |          | x                    |                |
| ESRS S2-4              | 36        | 133                      | Human rights issues and incidents connected to its upstream and downstream value chain              | x                                 |          |                      |                |
| ESRS S3-1              | 16        | Non-material             | Human rights policy commitments   | x                                 |          |                      |                |
| ESRS S3-1              | 17        | Non-material             | Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines                | x                                 |          | x                    |                |
| ESRS S3-4              | 36        | Non-material             | Human rights issues and incidents   | x                                 |          |                      |                |
| ESRS S4-1              | 16        | 139                      | Policies related to consumers and end-users   | x                                 |          |                      |                |
| ESRS S4-1              | 17        | 140                      | Non-respect of UNGPs on Business and Human Rights and OECD guidelines                               | x                                 |          | x                    |                |
| ESRS S4-4              | 35        | Non-material             | Human rights issues and incidents   | x                                 |          |                      |                |
| ESRS G1-1              | 10 (b)    | -                        | Principles for anti-corruption or anti-bribery consistent with the UN Convention against Corruption | x                                 |          |                      |                |
| ESRS G1-1              | 10 (d)    | -<br>Non-material        | Protection of whistle-blowers   | x                                 |          |                      |                |
| ESRS G1-4              | 24 (a)    | Non-material             | Fines for violation of anti-corruption and anti-bribery laws  | x                                 |          | x                    |                |
| ESRS G1-4              | 24 (b)    | Non-material             | Standards of anti-corruption and anti-bribery   | x                                 |          |                      |                |

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## HKFoods' policies

| Policy  | Material topics covered by the policy | Key content  | Coverage   | Responsibility for implementation     | Highest approval level | Availability         | Training*  |
|---|---------------------------------------|--|--|---------------------------------------|------------------------|----------------------|--|
| Code of Conduct (updated 2024)                | E1, E2, E4, E5, S1, S2, S4, G1        | Defines the general framework for HKFoods' guidelines on appropriate conduct and behaviour in relation to, e.g. human rights, employee rights, occupational health and safety, reducing environmental impacts, animal health and welfare, product quality and safety, business ethics as well as communication and information sharing   | All employees and the value chain (producers, suppliers, subcontractors and partners)  | CEO                                   | Board                  | Website and intranet | - Included in some agreements<br>- Online training as part of induction training<br>- Part of the Code of Conduct online training, which must be completed every two years |
| Supplier Code of Conduct (updated 2023)       | E1, E2, E4, E5, S2, S4, G1            | The principles according to which the Company operates globally throughout the value chain and that suppliers must comply with when supplying goods and services to HKFoods. The principles relate to, e.g., business operations and good governance, fair competition, employee rights and human rights, health and safety, product safety and quality, the environment, and animal health and welfare. | All employees and the value chain (producers, suppliers, subcontractors and partners)  | Procurement Director                  | Board                  | Website and intranet | Included in some agreements  |
| Group Human Resource Policy (updated 2024)    | S1                                    | Ensures that all employees are treated fairly and with dignity and sets out the principles of HR management applicable to our employees  | All employees within the Group companies' own workforce, excluding subsidiaries with their own HR policies                       | SVP HR                                | Board                  | Intranet             | Company-specific online trainings  |
| Environmental Policy (updated 2025)           | E1, E2, E3, E4, E5                    | Defines HKFoods' environmental commitments and environmental impact management principles  | All employees and the value chain (producers, suppliers, subcontractors and partners)  | Director Quality & Environment        | Board                  | Website and intranet | Online training  |
| Procurement Policy (updated 2024)             | E5, G1                                | Key principles for sustainable procurement at HKFoods  | Applies to all procurement activities within the Group, except for the procurement of live animals, which has its own principles | Procurement Director                  | Board                  | Intranet             | Online training  |
| Food Safety and Quality Policy (updated 2025) | S4                                    | Defines the food safety and quality management principles, regulations, rules and reference documents that the Company complies with   | The entire Group and chain of activities   | Director Quality & Environment        | Board                  | Website and intranet | Online training  |
| Health and safety policy (updated 2021)       | S1                                    | Defines the principles related to health, safety and wellbeing of employees  | All employees and the subcontractors, suppliers and other persons working in the units   | SVP Risk Management, Safety and Cyber | Board                  | Website and intranet | Online trainings and continuous internal communication   |
| Animal Welfare Policy (updated 2024)          | G1                                    | Includes the main principles of animal welfare and the Company's commitment to promoting the health, welfare and good treatment of production animals at all stages of the value chain   | All employees  | EVP, Meat Business                    | Board                  | Website and intranet | Online training and other training methods, such as on-site training   |
| Data Privacy Policy (updated 2020)            | G1                                    | Defines how personal data is processed, e.g., what personal data is collected, for what purposes, on what basis, how long the data is stored and what rights data subjects have  | All employees  | SVP Risk Management, Safety and Cyber | Board                  | Website and intranet | Online training  |

\* In line with the targets of the Responsibility Programme, all policies will be covered in training in accordance with the training plan for white-collar employees by the end of 2026 and for blue-collar employees by the end of 2027. After this, training on all policies will be organised at regular intervals, generally every two years, and as part of the induction of new employees. Training on the policies considered particularly important, such as the Health and Safety Policy, will be organised annually.

# Environmental information

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- E5 Circular economy ..... 101

HKFoods is developing its food chain from farm to consumer and striving to reduce its environmental impact throughout its production chain. The focus of its environmental work is on reducing climate impact, promoting the circular economy and recyclability of packages, increasing biodiversity, reducing water pollution in the supply chain and using sustainable water resources.

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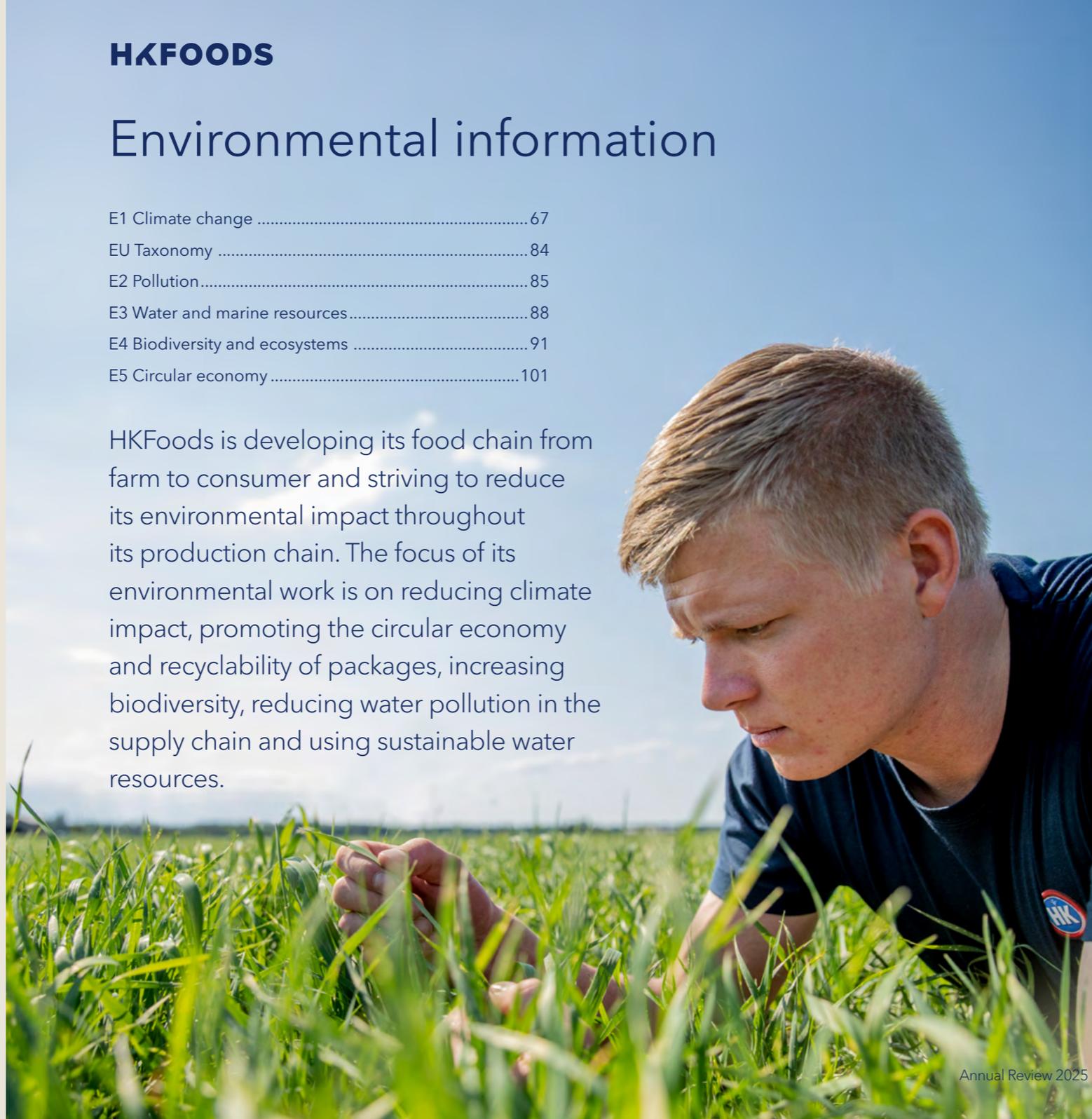
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**0.019 MtCO<sub>2</sub>e**

(2024: 0.024)

Scope 1 and 2 emissions  
(SBTi target), Industrial operations and energy

**0.113 MtCO<sub>2</sub>e**

(2024: 0.160)

Scope 3 emissions  
(SBTi target), Industrial operations and energy (scope 3.1, 3.3, 3.4, 3.9 and 3.15)

**1.036 MtCO<sub>2</sub>e**

(2024: 1.087)

Land-based emissions  
(SBTi target), FLAG (scope 3: 3.1 Finnish meat)

**227 MWh / net sales M€**

(2024: 230)

Energy intensity

**112 m<sup>3</sup> / net sales M€**

(2024: 117)

Water intensity

**32,096 t**

(2024: 30,951)

Waste generated

# HKFOODS

## E1 Climate change

HKFoods is committed to reducing its greenhouse gas (GHG) emissions in its own operations and throughout its value chain, e.g. by improving the energy efficiency of its industrial operations, promoting sustainable land use and collaborating with its contract producers. Approximately one per cent of the Company's total emissions are generated in its own operations and 99 per cent in other parts of the food chain. HKFoods therefore has an important role to play in reducing emissions from meat production, as it helps farms producing meat raw materials to develop their operations and reduce their emissions by increasing climate expertise in primary production.

| HKFoods' climate targets, results and actions in 2025  |                     |  |
|--|---------------------|--|
| Responsibility programme 2026-2028 targets   | Result 2025 (2024)* | Key actions  |
| <b>Reducing GHG emissions by 2030 from 2022 levels in accordance with the short-term targets approved by the Science Based Targets initiative (SBTi)</b> |                     |  |
| Industrial operations and energy: -42% (scope 1 and 2)   | -12% (+12%)         | <b>Own operations:</b> <ul style="list-style-type: none"> <li>A total of approx. EUR 600,000 investments to advance the climate targets and to improve energy efficiency in own production facilities</li> <li>E.g. a significant energy investment in steam generation process in Vantaa production plant</li> </ul>  |
| Industrial operations and energy: -42% (scope 3: 3.1, 3.3, 3.4, 3.9 and 3.15)  | +22% (+73%)         | <ul style="list-style-type: none"> <li>Guarantees of origin based on wind and nuclear power acquired for purchased electricity</li> <li>Transportation optimisation continued in logistics.</li> </ul>   |
| Land-based emissions, FLAG: -30.3% (scope 3: 3.1 Finnish meat)   | +0,3% (+5,3%)       | <b>Value chain:</b> <ul style="list-style-type: none"> <li>Emissions calculation models based on primary data from primary production were developed for pork, poultry and field crops.</li> <li>A common emission calculation model developed for the cattle industry was taken into use.</li> <li>Farm-specific data collection started in stages during the year. The aim is to utilise the new data from primary production in the Group's emissions calculations starting in 2026.</li> </ul> |

\*Compared to the baseline of 2022

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## E1 Climate change: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic                 | The greatest impact in the value chain | Type of impact |          | Time horizon | HKFoods' environmental and social impacts  | Impact of the sustainability topic on HKFoods' business  | Management of impacts   |
|---------------------------|--|----------------|----------|--------------|--|--|---|
| Climate change adaptation | Raw materials and suppliers            | potential      | positive | long-term    | <ul style="list-style-type: none"> <li>- HKFoods' activities play an important role in maintaining national food security.</li> <li>- The Company strengthens the capabilities of its contract producers at the upstream of the value chain so they can adapt to the measures required to reduce emissions and to the changing conditions caused by climate change.</li> </ul> | <ul style="list-style-type: none"> <li>- The availability of raw materials requires vibrant rural areas. Adapting to climate change supports the continuity of primary production, the control of animal and plant diseases and the management of extreme weather events.</li> </ul>   | <ul style="list-style-type: none"> <li>- Commitment to SBTi targets and measurable actions to reduce emissions in line with the Responsibility Programme</li> <li>- Strategic commitment to using Finnish meat through the pledges made by the HK, Kariniemen, Kivikylän and Tamminen consumer brands</li> <li>- Increasing climate expertise in primary production in the value chain</li> </ul>   |
| Climate change mitigation | Raw materials and suppliers            | actual         | negative | medium       | <ul style="list-style-type: none"> <li>- The main raw material used in HKFoods' products is meat and its production causes GHG emissions.</li> <li>- Operations are dependent on fossil energy sources and fuels.</li> </ul>   | <ul style="list-style-type: none"> <li>- The high climate impact of the meat industry value chain and growing climate awareness affect stakeholder attitudes, the attractiveness of the industry and the cost of financing.</li> <li>- National and EU legislation on climate change is developing rapidly and its content is open to interpretation, which makes it difficult to implement regulatory changes.</li> </ul> | <ul style="list-style-type: none"> <li>- Commitment to SBTi targets and measurable actions in line with the Responsibility Programme</li> <li>- Commitment by the HK, Kariniemen, Kivikylän and Tamminen consumer brands to use only Finnish meat</li> <li>- Increasing climate expertise in primary production in the value chain</li> <li>- Research projects related to mitigating the climate impacts of agriculture and animal production</li> </ul> |
| Energy                    | Raw materials and suppliers            | actual         | negative | medium       | <ul style="list-style-type: none"> <li>- Temperature-controlled processes and transport consume energy.</li> <li>- Operations are dependent on purchased energy and national/local energy production.</li> </ul>   | <ul style="list-style-type: none"> <li>- Dependence on the availability and price of purchased energy and on the progress of national energy investment projects and new technologies</li> </ul>   | <ul style="list-style-type: none"> <li>- Measures in accordance with the Energy Efficiency Agreement for Industries</li> <li>- Production plant-specific energy efficiency programmes, investments and other measures</li> </ul>  |

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## E1 Climate change: HKFoods' risks and opportunities and their interaction with strategy and business model

SBM-3

| Sub-topic                 | Part of the value chain   | Type | Time horizon | Description of risk/opportunity and business and strategy dependencies on the sustainability topic   | Management  |
|---------------------------|---|------|--------------|--|---|
| Climate change adaptation | Raw materials and suppliers   | risk | long-term    | <ul style="list-style-type: none"> <li>- There is a risk that HKFoods' business and value chain will not be able to adapt to the changes in the operating environment caused by climate change.</li> <li>- The business is dependent on meat raw materials produced by Finnish contract producers. Business continuity requires a vibrant agricultural sector, continuity of meat production and control of animal diseases.</li> <li>- Measures to adapt to climate change require economic incentives and national political guidance.</li> </ul>  | <ul style="list-style-type: none"> <li>- Measures to adapt to climate change are taken into account in the Company's strategy and procurement work.</li> <li>- Commitment to the SBTi targets and the measurable actions in line with the Responsibility Programme</li> <li>- Increasing climate expertise in the value chain's primary production</li> <li>- The Company supports the operating conditions for meat production. For example, animal disease control reduces vulnerability to disruptions and price volatility.</li> </ul>  |
| Climate change mitigation | Raw materials and suppliers   | risk | medium       | <ul style="list-style-type: none"> <li>- Risk is that measures to mitigate climate change will lead to higher prices for raw materials and services throughout the value chain.</li> <li>- Measures to reduce emissions resulting from increasing regulation will incur costs throughout the value chain.</li> <li>- Replacing fossil fuels in own production with electrical energy requires significant investments.</li> <li>- Meat production is mainly local contract production and depends on the operating conditions of primary production and the demand for raw materials.</li> </ul> | <ul style="list-style-type: none"> <li>- Commitment to SBTi targets in line with the responsibility programme</li> <li>- Medium-term investment planning for industrial operations, energy and land-based emission reduction measures</li> <li>- Strategic commitment to supporting local meat production</li> <li>- Training and primary production cooperation groups to increase the climate expertise of contract producers</li> <li>- Next Generation programme to increase the climate expertise of new agricultural entrepreneurs</li> <li>- Research projects related to mitigating the climate impacts of agriculture and animal production</li> </ul> |
| Energy                    | Raw materials and suppliers, own operations, customers and partners | risk | medium       | <ul style="list-style-type: none"> <li>- The risks include limited availability and high prices of low-emission purchased energy and the possibility that farms may not be able to invest in new technology.</li> <li>- The need for investment will cause rising costs and price volatility throughout the value chain.</li> </ul>  | <ul style="list-style-type: none"> <li>- Measures under the Energy Efficiency Agreement for Industries</li> <li>- Production plant-specific energy efficiency programmes, investments and other measures</li> </ul>   |

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## Impact, risk and opportunity management

### IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The material impacts, risks and opportunities related to climate change mitigation and adaptation are identified annually in a double materiality analysis based on HKFoods' risk management process principles, which was also updated in 2025. The process is described in more detail in section *ESRS 2 General Disclosures* under *IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*.

The 2025 materiality analysis update also utilised a climate change-related scenario and resilience analysis prepared by the Company in 2025 in accordance with the requirements of the ESRS E1-5 standard. The scenario analysis assessed potential future risks and opportunities in two different climate scenarios extending to 2030 and 2050 and their impact on the Company's business model, strategy and financial performance. The resilience analysis, on the other hand, assessed HKFoods' ability to adapt and respond to the risks and opportunities posed by climate change.

### Scenario and resilience analysis process



## Identification of risks and opportunities

The assessment of climate risks and opportunities covered a broad range of chronic and acute physical risks, transition risks related to politics, legislation and markets, as well as opportunities related to products, services and markets. For each risk, the financial effect (net sales and expenditure) and time frame (short, medium or long term) were assessed. From the extensive list of risks and opportunities, the most significant risks were selected for closer examination based on their financial impact and probability. The TCFD (Task Force on Climate-related Financial Disclosures) reporting framework was followed in the assessment of physical and transition risks and climate-related opportunities.

The assessment covered all of HKFoods' operations and locations. The risks considered at the company's upstream value chain included volatility in feed costs and exposure to animal and plant diseases. The impacts considered at the downstream value chain included changes in consumer demand, export opportunities and public procurement requirements. In addition, the examination took into account strategic factors for the Company, such as subsidies for primary production, the crisis resilience of farms and traceability.

With regard to extreme weather events and rising average temperatures, the analysis utilised value chain-specific data describing local conditions. In other respects, the analysis is based on national data. HKFoods' value chain operations and business activities are mainly located in Finland, where major climate change-related threats are expected to materialise in the long term.

The scenario analysis combined qualitative scenario work and quantitative modelling. The tools used were Monte Carlo simulation as a numerical modelling method for determining disease risks, market trend forecasts for predicting protein demand and pricing models for calculating the effects of carbon pricing. The greatest risks identified on the basis of risk assessments and scenario analysis are presented in more detail in the following table.

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## SBM-3 Material impacts, risks and opportunities related to climate change and their interaction with HKFoods' business model

| Risk / opportunity            | Category             | Subcategory   | Description   | Financial impact        | Time horizon | Vulnerability analysis |
|-------------------------------|----------------------|---|---|-------------------------|--------------|------------------------|
| <b>Physical risk</b><br>▲     | Acute                | Epidemics and pandemics   | Supply disruption from animal and plant diseases increasing in domestic markets, supply chain and exports   | Net sales               | Short term   | High                   |
|                               |                      | Impact of extreme weather events (drought, heat wave, heavy rainfall)         | Impact of extreme weather events: Primary production stoppage or disruption following damage and/or transport difficulties  | Net sales / Expenditure | Medium term  | High                   |
|                               | Chronic              | Rising mean temperatures, changes in precipitation patterns                   | The negative impact of rising average temperatures and changes in precipitation patterns on feed crop yields, livestock conditions, and the availability and prices of raw materials. Production stoppage at farms and production facilities due to water restrictions. | Net sales / Expenditure | Long term    | High                   |
| <b>Transitional risk</b><br>▲ | Policy & legislation | Regulations on GHG emissions in meat production and feed production (farming) | The impact of national and EU legislation on pricing, taxes and GHG emissions from meat production  | Expenditure             | Short term   | Medium/high            |
|                               | Market               | Shift in consumer behaviour / Negative perceptions of meat sector             | Impact of ethical consumerism on consumer behaviour, including concerns about animal welfare, nutrition, the carbon footprint of meat value chain, negatively impacts sales.  | Net sales               | Short term   | Medium/high            |
| <b>Opportunity</b><br>▲       | Products & services  | Development and expansion of low carbon products and services                 | Development and expansion of low-carbon products and services: Exploring new proteins   | Net sales               | Long term    | High                   |
|                               |                      |   | Higher demand for low-carbon meat   | Net sales / Expenditure | Short term   | Medium/high            |
|                               | Market/ resilience   | Export market focus   | Export market focus: Using competitive advantage and increase in meat exports as a result from poorer agricultural conditions in other markets due to climate change  | Net sales               | Long term    | High                   |

The time horizons for assessing risks and opportunities are the same as those previously used by the Company in assessing climate-related risks and opportunities: The short term is less than 5 years, the medium term is 5-10 years and the long term is more than 10 years.

## Climate change scenarios

The scenario analysis assessed two global warming scenarios within two different time periods extending to 2030 and 2050. These time periods were selected in line with SBTi-approved short-term climate targets and the Paris Agreement targets.

The performance of HKFoods' business model was examined in two clearly different development paths based on widely accepted scientific scenarios (Intergovernmental Panel on Climate Change IPCC's Shared Socioeconomic Pathways, SSP):

- In scenario 1 (1.5°C scenario), global warming will remain below 1.5 degrees Celsius and carbon neutrality will be achieved by 2050 (SSP1-1.9).
- In scenario 2 (3°C scenario), global warming will be around 3 degrees Celsius and net zero will not be achieved by 2100 (SSP2-4.5).

Both scenarios are possible development paths for the Company's value chain.

HKFoods' climate targets are in line with the 1.5°C scenario. The 3°C scenario represents current climate policy and market developments. The scenarios differ in terms of emission levels, regulatory impacts and physical risks.

## Explored alternative futures for HKFoods

### Scenario 1: 1.5°C

- Very low greenhouse gas (GHG) emissions scenario (SSP1-1.19)
- A scenario in line with the Paris Agreement targets, where global warming stays below 1.5 degrees and carbon neutrality is achieved by 2050.
- Global climate actions, early carbon pricing and changes in consumer diets support emission reductions, and the worst impacts of global warming are avoided.
- The scenario includes moderate climate risks and society's actions to reduce emissions.

**The future: challenging, but adaptable**

### Strong climate change action and changes in consumption

- The transition in agriculture begins
  - Farmers adopt low-emission practices supported by policies, innovations and incentives
- Rapid shift in demand
  - Demand for red meat declines; red meat alternatives and poultry gain market share
- Export potential grows
  - HKFoods leverages Finland's stable climate to supply products to hotter and drier regions in Europe
- Emissions-related costs rise, but are manageable
  - Early action to reduce emissions and a clear transition plan limit the risk

### Scenario 2: 3°C

- Intermediate greenhouse gas (GHG) emissions scenario (SSP2-4.5)
- GHG emissions will remain at current levels until 2050, after which they will decline. However, net zero will not be achieved by 2100. Global warming is about 3 degrees by 2100.
- Climate risks are rapidly escalating, but the political and economic system is too fragmented to mitigate the impacts of climate change comprehensively.
- The disruptions caused by climate change are serious and the costs are rising. Society's actions are weak and inconsistent.

**The future: severe disruptions**

### Risks are escalating and climate change governance is weak

- Extreme weather conditions are increasing
  - Droughts, heat waves, and heavy rains affect feed and livestock
- Epidemics are increasing
  - Mild winters and wetter summers increase the risk of epidemics
- The emissions-related costs stagnate, but emissions remain high
  - Higher cumulative costs than in the 1.5°C scenario
- Consumption of red meat is slowly declining, consumption of poultry meat remains strong
  - Climate change-related shocks strain production and pricing

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### E1-9 Anticipated financial effects from material climate-related risks and opportunities

According to the conclusions of the scenario analysis, the financial impacts of climate change are likely to occur if measures to prevent the risks from materialising are not taken. The final results of the modelling and the estimated financial impacts are based on the assumption that all the risks and opportunities included in the analysis will materialise simultaneously in both scenarios.

In the descriptions of financial effects, a very significant effect exceeds EUR 100 million, a significant effect falls between EUR 30-100 million and a moderate is below EUR 30 million.

The financial modelling carried out as part of the scenario analysis predicts that the 3°C scenario could, at most, have a very significant negative effect on the Company's net sales by 2050 as a result of declining demand for red meat, rising production costs and stricter regulations.

According to the model, the anticipated negative impacts of **physical risks** on revenue will be moderate in the medium term (by 2030) in the 1.5°C scenario and significant in the 3°C scenario. In the long term (by 2050), the anticipated negative effects are moderate in the 1.5°C scenario and very significant in the 3°C scenario. The calculation takes into account extreme weather conditions, an increase in average temperature and the spread of epidemics.

The anticipated negative impacts of **transition risks** on net sales will be significant in the medium term (by 2030) in both the 1.5°C and 3°C scenarios. In the long term (by 2050), the anticipated negative impacts on net sales will be very significant in both the scenarios. The calculation takes into account the impact of carbon pricing on meat production and changes in Finnish retail trade.

According to the modelling, the financial impacts of **climate change-related opportunities** are moderate in the medium term (by 2030) in both the 1.5°C and 3°C scenarios, and very significant in the long term (by 2050) in the 1.5°C scenario and significant in the 3°C scenario. The financial opportunities are related to the utilisation of alternative proteins, low-emission meat production and increased exports.

### Assumptions, limitations and uncertainties of the scenario analysis

The scenario analysis was based on the assumption that the Company's production volumes and key financial indicators would remain unchanged and that the increase in feed costs would be partially taken into account. Both selected scenarios took into account key factors affecting the Company's own operations and value chain:

- physical risks, such as extreme weather conditions and rising temperatures
- transition risks: e.g. changes in climate policy and carbon pricing
- the resilience of the business model in a low-carbon economy
- the financial impacts of climate change on operations, assets, value chain and
- science-based climate scenarios.

The scenario analysis excluded geopolitical events (e.g., wars and elections), macroeconomic trends unrelated to climate, sustainability topics unrelated to climate (e.g., diversity and human rights), consumer trends (e.g., health and environmental issues) and HKFoods' own business measures.

The limitations and uncertainties of the analysis relate to, among others, weather variability and the ability of farms to adapt to climate change, which are difficult to model accurately. The impacts on the value chain may also differ from national and international modelling and data. Carbon pricing and changes in consumer diets are based on forecasts that may change. Some risks (e.g., reputational damage or secondary market impacts) have not been quantified. The scenarios have not taken into account the effects of innovations that generally affect value chain activities (e.g., improved feed efficiency).

### Data used in assessing financial impacts

- Economic impacts of epidemics: previous epidemics in Finland since 1900, impact of climate change on the frequency of epidemics, Monte Carlo simulation for modelling the probability of epidemics and the severity of financial losses in different climate scenarios
- Impact of rising temperatures on feed costs and HKFoods' procurement costs: e.g. Eurostat wheat price statistics
- Impact of carbon pricing: Denmark's CO<sub>2</sub>e tax and the IEA's carbon price forecast
- Transition in Finnish retail: historical data on meat consumption per capita and estimates of future consumption for each meat category from bEU Ag Outlook, EAT-Lancet, FABLE and Natural Resources Institute Finland (Luke)
- Transition to meat alternatives: data on per capita consumption of meat alternatives, average price of these products and HKFoods' market share from Sitra, Statista, AT Kerney, McKinsey and PRI
- Impact of low-carbon meat: net sales adjusted for price premiums, cost changes, adoption rate, market access and global demand growth factors in Finland
- Impact of export growth: HKFoods' current export volumes and data from IPCC and OECD-FAO

## Resilience of HKFoods' strategy and business model in relation to climate change risks and opportunities

Scenario and resilience analysis helps HKFoods prepare for future challenges and supports the Company in achieving its climate goals. The aim is to ensure that the Company's climate strategy is sustainable and that the Company will continue to be able to create long-term value in a low-carbon, climate-adaptive economy. In addition, the scenario and resilience analysis supports HKFoods in drawing up its climate transition plan.

Based on the conclusions of the scenario and resilience analysis, HKFoods has the prerequisites to achieve the 1.5-degree climate targets set for 2030 regarding scope 1 and scope 2. The goal of HKFoods' long-term energy plan is to replace the fossil energy sources used in the Company's units with low-emission energy, such as electricity produced from water, wind or nuclear power. Investments in line with the plan will be made taking into account the Company's climate targets.

Reduction of scope 3 emissions, i.e., emissions from the value chain, depends on the ability of third parties to reduce emissions, e.g. from agriculture, and on the alternatives provided by the energy sector for low-emission energy. The Company has the ability to adapt its strategy and business model to climate change in the medium and long term. HKFoods' product development regularly renews and develops the product portfolio in a market-driven manner, taking consumer purchase willingness into account.

However, according to the resilience analysis, without action, the Company's net sales are likely to decline, particularly due to falling demand for meat, rising production costs and changes in legislation. HKFoods must reinforce its key climate actions, draw up a transition plan that meets the SBTi FLAG and ESRS requirements and begin implementation immediately so that climate targets set for 2030 can also be achieved for scope 3.

### Calculation of greenhouse gas emissions to identify material impacts, risks and opportunities

The climate emissions calculation was updated in 2024 to better align with international climate guidelines, calculation guidelines and reporting standards. HKFoods' emissions

calculation is based on the international GHG Protocol guidelines. HKFoods has conducted emissions calculation since 2019. In 2023, the emissions calculation was expanded to include material scope 3 categories and land-based emissions. The results of the emissions calculation can be used to identify the material impacts, risks and opportunities related to climate change.

HKFoods has assessed that achieving the Company's strategic climate target will require both significant emission reduction measures and carbon removal solutions. The Company has identified its dependence on raw materials produced in agriculture, for which climate neutrality also requires significant and long-term national measures.

### E1-2 Policies related to climate change mitigation and adaptation

HKFoods' climate work is led by the Board-approved HKFoods' Code of Conduct, HKFoods' Supplier Code of Conduct and Environmental Policy, which are available on the Company's website. They provide a framework for mitigating and adapting to climate change and for managing the material impacts, risks and opportunities related to energy.

The Code of Conduct applies to all HKFoods' employees and the value chain, and the Company's CEO is responsible for its implementation. The Procurement Director is responsible for the Supplier Code of Conduct and the implementation of its requirements. The Quality and Environment Director is responsible for the Environmental Policy.

**HKFoods' Code of Conduct** outlines the Company's goal of reducing its environmental impacts. HKFoods strives to increase the positive impacts of its operations and to prevent or reduce negative environmental impacts in accordance with national and international regulations and environmental permits. Efforts must be made to prevent environmental damage, and environmental aspects must be taken into account throughout the value chain, not just in the Company's own operations. HKFoods aims to reduce its GHG emissions and other climate impacts and improve its energy and material efficiency using circular economy methods. In its Code of Conduct, HKFoods is committed to actively supporting measures to protect biodiversity and ecosystems and to improve water and waste management. The Company is also committed to the safe handling of chemicals and other hazardous substances and the treatment of emissions.

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HKFoods is aware that the environmental impacts of meat products begin in primary production. In its Code of Conduct, the Company commits to monitoring primary animal production from the perspective of sustainable development and strives to develop it in cooperation with producers.

HKFoods requires all its producers, suppliers, subcontractors and business partners to operate responsibly in accordance with the above-mentioned Code of Conduct.

HKFoods' **Supplier Code of Conduct** describes the principles according to which the Company operates both in Finland and export markets throughout the value chain. The suppliers must comply with applicable environmental laws and regulations. Harmful effects on the environment and thus on human health must be minimised throughout the value chain. This includes minimising emissions and preventing leaks, promoting resource efficiency and sustainable use of resources, contributing to the reduction of greenhouse gas emissions and minimising other environmental impacts. Suppliers must also commit to acting in accordance with the principles of HKFoods' Environmental Policy.

All meat and animal suppliers operating in primary production have not yet committed to HKFoods Group's Code of Conduct and Supplier Code of Conduct. These Codes have not yet been incorporated into producer agreements in such a way that all producers would be covered by them, but the aim is to increase the coverage in the medium term.

The main principles of environmental management are defined in the Group's **Environmental Policy**. HKFoods' Environmental Policy defines the Company's environmental commitments and key environmental goals, which apply to the entire value chain.

In accordance with the key principles of the Environmental Policy, HKFoods

- complies with and regularly monitors environmental laws and regulations and operates in accordance with the environmental permits issued for its production facilities
- cooperates with authorities, customers and other stakeholders to ensure that environmental work meets the expectations and requirements set for its operations
- reduces the environmental and climate impacts of its production facilities and transport, including improving energy efficiency, reducing energy consumption, transitioning to renewable energy and reducing water consumption

- works to improve material efficiency by, e.g., developing packaging materials, complying with the waste hierarchy, minimising production waste and making efficient use of animal raw materials
- promotes circular economy throughout its value chain
- promotes the reduction of environmental impacts in primary production at its contract production farms and its own farms, together with contract producers and other partners
- takes environmental aspects into account in procurement, subcontracting and investments
- works to preserve biodiversity and forests
- requires that the supply chain does not cause deforestation or support the conversion of other natural ecosystems.

The operating principles, their scope, approval and implementation rights and availability are presented in summary form in the section *ESRS 2 General Disclosures*, in table *HKFoods' policies*.

### E1-3 Actions and resources related to climate change policies

Current measures in HKFoods' **own operations** to reduce scope 1 and 2 industrial emissions include, among others, investments in its own production units to replace the use of fossil energy, recovery and utilisation of heat generated in production processes, and commitment of the supply chain to climate targets.

HKFoods' investment plan for its sites is based on the Company's short-term emission reduction target. If the investment plan is implemented as planned, the Company estimates that it will achieve its reduction target for scope 1 and 2 emissions by 2030. HKFoods has identified the most significant sources of climate emissions at its key sites and the opportunities to reduce emissions through lower-emission technologies, such as electric power. In addition, the Company is exploring new technologies for operations where low-emission solutions have not yet been found.

In **the upstream of HKFoods' value chain**, measures to reduce land-based emissions on the Company's contract farms include animal feed development work, regenerative farming methods and the use of cultivation techniques that improve soil condition, the optimal use of fertilisers, and the reduction of methane emissions from cattle digestion and manure. These measures, recommended by HKFoods to its

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contract farmers, can have an impact on scope 3 emissions. The aim is to improve the productivity of the farms and the feed efficiency ratio and to optimise the proportion of soy in feed. In addition, manure will be utilised as fertiliser, renewable energy will be used and the replacement of peat litter with other litter materials will be tested. In the coming years, the expected results and schedule of these measures will be announced in the climate change transition plan under preparation. The results and progress of the measures will be assessed for the first time in 2026.

HKFoods has diverse research projects underway to promote the mitigation of climate impacts caused by agriculture and animal production. The development projects focus on animal feeding, genetics and regenerative farming. The research projects also explore opportunities for carbon sequestration within the Group's own value chain. The Group calculates and reports its GHG emissions annually. The aim is to include calculations based on primary data from primary production in the Group's emissions calculations during 2026. The research results provide scientific evidence and can be applied in practical measures in primary production upstream in the value chain. The national research results also provide an opportunity to specify the Company's own calculation of scope 3 emissions related to raw materials using up-to-date emission factors that take Finnish conditions into account.

HKFoods has no economic activities covered by the delegated regulations on climate change adaptation or mitigation adopted under the Taxonomy Regulation.

## Action in 2025

### Climate work in the Company's own operations

#### *Investments*

In 2025, HKFoods made a total of approximately EUR 600,000 in investments in measures that promote climate goals and improve the energy efficiency of its own operations:

- The most significant energy investment was carried out in the steam production unit at the Vantaa production plant, where natural gas was replaced with electricity. According to HKFoods' estimate, from 2026 onwards, approximately 80 per cent of the steam at the Vantaa plant will be produced using electricity with a guarantee of origin and 20 per cent using natural gas. The use of energy sources is controlled by

a pricing-based optimisation method. The Vantaa unit is one of the Group's largest energy consumers and steam production in Vantaa consumes about 10 per cent of the Group's total energy.

- Steam production using electric boilers began in the new production unit in Eura in the summer of 2025. Energy consumption is optimised, e.g. by pausing nighttime use.
- The Forssa production plant invested in four new air compressors, which are controlled by AI-based control logic.
- The amount of LED lighting was increased at HKFoods' sites.
- New electric car charging points were introduced in Vantaa, Forssa, Mikkeli and Outokumpu. At the end of the reporting year, there were a total of approximately 30 car charging points available to the Company's employees.

The Company is committed to an action plan of the Energy Efficiency Agreement for Industries, and reports annually on its progress through the Motiva Ltd portal.

In 2025, HKFoods spent approximately EUR 300,000 (2024: approximately EUR 700,000) on operational costs and external human resources related to climate change mitigation projects.

Note 12 to the Financial Statements provides details of additions to tangible assets in 2025.

### Climate work affecting the value chain

In logistics planning and procurement, the optimisation of transport continued. In logistics (scope 3.4 and 3.9), the climate targets of transport partners and new vehicle procurement also support the Company's emission reductions.

#### *Research projects*

HKFoods participated in research projects that promote the mitigation of the climate impacts from agriculture and animal production.

- The Business Finland-funded project **From Footprints to Digital Handprints (FF2DH)** developed a system for calculating the environmental impacts of primary production by digitising Luke's (Natural Resources Institute Finland) **life cycle models for pork, poultry and field crops**. The new calculation system enables the calculation of primary production's water and carbon footprints and biodiversity impacts, as well as more

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reliable reporting. It also helps contract farms develop their operations to become more efficient and sustainable. Farms that have adopted the calculation system can view the climate impacts of their own farms on the producer portal. In addition, the tool provides recommendations for measures that farmers can take to develop their operations and reduce the environmental impacts of their farms.

- As part of the FF2DH project, a **pilot study on controlled drainage ditches** was carried out during the 2025 growing season to investigate their use in fields and observe their effects on field water management and feed pea yields.
- The Finnish Meteorological Institute modelled **soil carbon sequestration and natural soil emissions as a pilot project** on the fields of HKFoods' contract broiler producer. Knowledge of soil and maintenance of growth conditions are increasingly important in the Company's climate work in the value chain. In addition, the project began mapping peat fields and carried out a scenario calculation as a pilot for pig and broiler farms to reduce the climate impact of the farms. The scenario work also included a financial impact assessment and the effects on soil growth conditions.
- HKFoods launched a modelling and data flow description **to verify the responsibility data in its value chain**.
- HKFoods joined **Valio's Food 2.0 partner ecosystem** that aims to promote sustainable food production and improve its profitability and international competitiveness. The Company is involved in the projects launched in 2025: Towards Climate Positive Agriculture project (Carbon+) coordinated by the University of Helsinki is investigating the impact of agricultural aerosols on climate change, and AGCLIMATE research project, led by the Finnish Meteorological Institute, is developing solutions to reduce GHG emissions from agricultural land.

#### *Primary production training*

Training on climate change and climate change adaptation was organised for primary producers in production-specific cooperation groups, in the Next Generation training programme for young producers and in separate responsibility training for producers. In addition, information on climate change and climate change adaptation has been shared with producers in the Kotitalta magazine. More information on these activities is provided in section *S2 Value chain employees*, under *S2-2* and *S2-4*.

## E1-4 Targets related to climate change mitigation and adaptation

### Long-term target

HKFoods aims to achieve net zero for all greenhouse gas emissions by 2050. The Company is committed to the short-term targets of the Science Based Targets initiative (SBTi) for 2022-2030 but has not yet committed to the SBTi's long-term target for 2050. For this reason, the net-zero target does not meet the sustainability standard requirements, but it is in line with the Paris Climate Agreement, which aims to limit the global average temperature increase to 1.5 degrees Celsius.

As the Company has not yet committed to the SBTi's long-term target for 2050, it has not yet specified long-term measures to achieve the targets. Long-term targets will be set in the medium term. HKFoods will focus on implementing key measures to reduce greenhouse gas emissions throughout its value chain by 2030, after which the measures will be supplemented by carbon sequestration and sustainable carbon removal solutions.

HKFoods complies with the SBTi requirements for calculating greenhouse gas emissions in accordance with the GHG Protocol's Corporate Standard and Land Sector and Removals guidelines. Due to divestments made in 2023-2024, HKFoods will update its short-term targets in accordance with the SBTi in 2026 if the GHG Protocol's emission calculation guidelines for the land use sector are updated.

### Short-term target

SBTi has approved HKFoods' short-term climate targets, which are in line with the Paris Agreement's 1.5°C target timeline. The calculation covers all seven greenhouse gases. The short-term climate targets were approved by the Group Executive Team and Board of Directors in 2023.

HKFoods is committed to reducing its GHG emissions by 2030 from 2022 levels as follows:

- Absolute scope 1 and 2 greenhouse gas emissions from industrial operations and energy will be reduced by 42 per cent. Scope 2 emissions are calculated using a market-based method. In 2025, emissions were 12 per cent lower than in 2022 (in 2024: 12 per cent higher than in 2022).

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- Emissions from industrial operations will be reduced by 42 per cent in the following scope 3 categories: 3.1 Purchased goods and services, 3.3 Fuel and energy related activities, 3.4 Upstream transportation and distribution, 3.9 Downstream transportation and distribution and 3.15 Investments. In 2025, emissions in these categories were 22 per cent higher than in 2022 (in 2024: 73 per cent higher than in 2022).

Both targets also include land-based emissions related to the production of bioenergy raw materials and the carbon removals enabled by it.

- For land-based emissions, absolute scope 3 FLAG GHG emissions will be reduced by 30.3 per cent in scope 3 category 3.1, emissions caused by Finnish meat raw materials. The target includes emissions from the production of land-based raw materials and the carbon removals enabled by it. In 2025, emissions in this category were 0.3 per cent higher than in 2022 (2024: 5.3 per cent higher than in 2022).

In addition, the Company is committed to ensuring that the production of its raw materials does not cause deforestation.

In the base year 2022, scope 1 accounted for 0.91 per cent, scope 2 for 0.32 per cent and scope 3 for 98.77 per cent of the Company's emissions. The calculation covered the countries and units in Finland, Sweden, Denmark and Poland that were part of the company structure at the time. The proportions of GHG scope classifications have remained the same after the change in the company structure. More detailed scope-specific results for 2025 are presented in Table E1-6 *Scope 1, scope 2 and scope 3 gross emissions and total GHG emissions*.

HKFoods' progress toward its emission reduction targets is compared to the 2022 base year whose calculated background data represents the entire period of operation. No values deviating from normal annual variation have been identified in the source material describing operational activities, emission factors or external conditions for 2025.

## Transition plan for climate change mitigation under preparation

In autumn 2025, HKFoods launched the preparation of a transition plan related to climate change mitigation. The plan to reduce emissions, extending to 2030, is intended to be completed in the coming years in accordance with all ESRS requirements.

The preparation of the transition plan is guided by the Company's strategic guidelines, which were updated in 2025. It takes into account HKFoods' corporate structure and the geographical location of its business operations.

HKFoods is committed to reducing its GHG emissions in all its own operations and throughout the value chain, e.g. by improving the energy efficiency of its industrial operations and working with contract producers to reduce GHG emissions, particularly through sustainable land use practices. The Company will specify the details of its transition plan in the coming years, including climate measures and their effectiveness and calculated emission reductions, implementation schedule and financial impacts.

**Scope 1 and 2 industrial emissions** mainly originate from fossil energy sources, so for them, the greatest emission reduction by 2030 will come from the transition to fossil-free energy. In industrial operations, the most significant emission reductions will be achieved in steam and heat production, where energy sources will be replaced with lower-emission energy sources by switching to biogas or lower-emission electricity. In addition, emissions from factories will be reduced by improving energy efficiency, heat recovery, electrification of production equipment and the introduction of lower-emission refrigerants.

The Company will continue to develop the energy efficiency of its own operations and reduce emissions at its production plants through measures in line with its investment plan extending to 2030.

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Emissions from the Company's own operations will also be reduced through resource efficiency and waste reduction, full utilisation of animal carcasses and the development of packaging innovations and recycled materials.

The greatest potential for reducing **scope 3 industrial emissions** is realised by engaging value chain actors in climate work and setting their own SBTi targets. Reduction potential arises from, e.g., logistics optimisation, the use of low-emission, high-capacity transport vehicles and increased use of biofuels.

In the downstream of the value chain, consumers and end-users in households and food service kitchens have the opportunity to reduce emissions related to meat consumption by switching to renewable electricity in food preparation and by reducing food waste. This emission reduction potential is based on Finnish Energy's estimate that Finnish electricity will be increasingly renewable in the future. HKFoods can support consumers and end-users in these choices by providing guidance and information.

The most effective reduction potential for scope 3 FLAG emissions, i.e. **land-based emissions**, can be achieved through regenerative farming practices in feed production, reducing the use of soy in feed and replacing it with domestic protein sources and soy origin certification. Other possible ways to reduce emissions include improving feed efficiency, optimising and streamlining the productivity of the production chain, using manure as energy and fertiliser as part of the circular economy, replacing peat litter with other alternatives, using renewable energy in primary production and reducing methane in cattle farming.

Land-based emissions can also be affected by reducing and developing the cultivation of peatlands and changing their use (e.g., restoration and rewetting). However, the implementation of these measures requires national policy and measures. The Company is surveying the number of peatlands in its value chain and their emission reduction potential during 2026.

Changes in the meat product portfolio, such as an increase in the share of poultry products, a decrease in beef production through structural change, and the possible expansion of the use of hybrid products, alternative proteins and vegetables, could enable a small reduction in emissions in the short term.

These measures are based on the 1.5°C reduction targets and climate scenario set by SBTi.

The emission reduction measures have taken into account the requirements of SBTi's 1.5°C target schedule and climate scenario.

HKFoods will finance investments that support the implementation of the climate change mitigation plan with cash flow generated from its business operations.

HKFoods has no significant locked-in GHG emissions for key assets or products that could jeopardise the Company's achievement of its GHG emission reduction targets and pose a transition risk.

The Company has no economic activities falling within the scope of the delegated regulations on climate change adaptation or mitigation adopted under the Taxonomy Regulation. The Company is not excluded from the EU Paris-aligned Benchmarks.

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## E1-5 Energy consumption and energy sources in use

| Energy consumption and energy mix   | 2025           | 2024                        |
|---|----------------|-----------------------------|
| Fuel consumption from coal and coal products (MWh)  | 0              | 0                           |
| Fuel consumption from crude oil and petroleum products (MWh)  | 25,276         | 24,357                      |
| Fuel consumption from natural gas (MWh)   | 4,667          | 10,549                      |
| Fuel consumption from other fossil sources (MWh)  | 0              | 0                           |
| Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)   | 30,930         | 29,395                      |
| <b>Total fossil energy consumption (MWh)</b>  | <b>60,872</b>  | <b>64,302</b>               |
| Share of fossil energy sources in total energy consumption (%)  | 27             | 28                          |
| <b>Energy consumption from nuclear sources (MWh)</b>  | <b>12,460</b>  | <b>112,705<sup>1)</sup></b> |
| Share of nuclear sources in total energy consumption (%)  | 5              | 49 <sup>1)</sup>            |
| Fuel consumption from renewable sources, incl. biomass (as well as industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh) | 3,018          | 823 <sup>2)</sup>           |
| Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)  | 136,161        | 38,868                      |
| Consumption of self-produced, non-fuel renewable energy (MWh)   | 194            | 196                         |
| <b>Total renewable energy consumption (MWh)</b>   | <b>139,373</b> | <b>39,888</b>               |
| Share of renewable energy sources in total energy consumption (%)   | 61             | 17                          |
| <b>Total consumption of energy from other sources (MWh)</b>   | <b>13,006</b>  | <b>13,070</b>               |
| <b>Total energy consumption (MWh)</b>   | <b>225,711</b> | <b>229,965<sup>3)</sup></b> |
| <b>Energy intensity MWh / net sales MEUR *</b>  | <b>227</b>     | <b>230<sup>3)</sup></b>     |

(1) A calculation error in the previously reported figure has been corrected.

The correction reduced the previously reported value by approximately 3 per cent.

(2) A calculation error in the previously reported figure has been corrected.

The correction reduced the previously reported value by approximately 19 per cent.

(3) Due to the above changes, the previously reported figure has been corrected.

The correction reduced the previously reported value by approximately 1 per cent.

\*) The calculation of energy intensity takes into account the total consumption of fossil energy, the consumption of energy from nuclear sources, the total consumption of renewable energy, the total consumption of energy from other sources, divided by net sales. Net sales are reported in full in the Financial Statements for the Company's food industry business for the reporting period 2025. The calculation uses the net sales value of EUR 996.4 million according to the Consolidated Income Statement, which is presented in the Consolidated Financial Statements under "Consolidated Income Statement".

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### E1-6 Scope 1, scope 2 and scope 3 gross emissions and total GHG emissions

(tCO<sub>2</sub>e)

|   | Retrospective               |                             |                  |               | Milestones and target year |   |
|---|-----------------------------|-----------------------------|------------------|---------------|----------------------------|---|
|   | Base year (2022) (*)        | 2024                        | 2025             | 2025 / 2024 % | 2030                       | Annual %-target / base year (**)  |
| <b>Gross scope 1 GHG emissions (tCO<sub>2</sub>-eq.)</b>  | <b>13,492</b>               | <b>15,590</b>               | <b>10,155</b>    | <b>-35</b>    | <b>7,825</b>               | <b>Total scope 1-2: -5.25</b>   |
| Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)                 | 0                           | 0                           | 0                | 0             | 0                          |   |
| Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> -eq.)                              | 20,814 <sup>(1)</sup>       | 17,467 <sup>(1)</sup>       | 14,267           | -18           |                            |   |
| <b>Gross market-based scope 2 GHG emissions (tCO<sub>2</sub>-eq.)</b>                           | <b>8,282 <sup>(2)</sup></b> | <b>8,728 <sup>(2)</sup></b> | <b>8,931</b>     | <b>2</b>      | <b>2,797</b>               | <b>Total scope 1-2: -5.25</b>   |
| <b>Total Gross indirect (scope 3) GHG emissions (tCO<sub>2</sub>-eq.)</b>                       | <b>1,471,897</b>            | <b>1,634,941</b>            | <b>1,325,741</b> | <b>-19</b>    | <b>773,752</b>             | <b>Industrial emissions: -5.25<br/>LUC and non-LUC emissions: -3.79</b> |
| 3.1 Purchased goods and services  | 1,302,460                   | 1,365,698 <sup>(3)</sup>    | 1,150,731        | -16           | 761,217                    | Industrial emissions: -5.25<br>LUC and non-LUC emissions: -3.79         |
| 3.2 Capital goods   | 76,654                      | 83,161                      | 78,977           | -5            |                            |   |
| 3.3 Fuel and energy-related activities (which are not included in scope 1 or scope 2 emissions) | 1,807                       | 2,912                       | 2,990            | 3             | 1,055                      | Total industrial emissions from scope 3: -5.25                          |
| 3.4 Upstream transportation and distribution  | 18,386                      | 9,732 <sup>(4)</sup>        | 11,830           | 22            | 10,664                     | Total industrial emissions from scope 3: -5.25                          |
| 3.5 Waste generated in operations   | 327                         | 429                         | 566              | 32            |                            |   |
| 3.6 Business travel   | 194                         | 297                         | 158              | -47           |                            |   |
| 3.7 Employee commuting  | 1,318                       | 1,410                       | 925              | -34           |                            |   |
| 3.9 Downstream transportation   | 646 <sup>(6)</sup>          | 2,715                       | 2,268            | -16           | 375                        | Total industrial emissions from scope 3: -5.25                          |
| 3.10 Processing of sold products  | 54,970 <sup>(5)</sup>       | 77,627 <sup>(5)</sup>       | 22,073           | -72           |                            |   |
| 3.12 End-of-life treatment of sold products   | 14,301 <sup>(5)</sup>       | 28,899 <sup>(5)</sup>       | 699              | -98           |                            |   |
| 3.15 Investments  | 760 <sup>(6)</sup>          | 62,060                      | 54,523           | -12           | 441                        | Total industrial emissions from scope 3: -5.25                          |
| Total GHG emissions (location-based) (tCO <sub>2</sub> -eq.)                                    | 1,506,202                   | 1,667,998                   | 1,350,163        | -19           |                            |   |
| <b>Total GHG emissions (market-based) (tCO<sub>2</sub>-eq.)</b>                                 | <b>1,493,670</b>            | <b>1,659,259</b>            | <b>1,344,827</b> | <b>-19</b>    |                            |   |
| Biogenic emissions scope 1  | 147                         | 212                         | 916              | 332           |                            |   |
| Biogenic emissions scope 2  | 13,233                      | 13,547                      | 10,260           | -24           |                            |   |
| Biogenic emissions scope 3  | 11,381                      | 13,435                      | 7,214            | 18            |                            |   |

<sup>(1)</sup> The emission figures for 2022 and 2024 have been updated retroactively for comparability. The change to the previously reported figures is approximately -1 per cent.

<sup>(2)</sup> A calculation error in the previously reported figure has been corrected. The correction increased the previously reported value by approximately 70 per cent.

<sup>(3)</sup> Incomplete recording of raw material procurement has been corrected retroactively, which increased the amount of emissions by approximately 6 per cent from the previously reported figure.

<sup>(4)</sup> Logistics data entered incorrectly in 2024 has been corrected. The change reduced the previously reported emissions in category 3.4 by approximately 24 per cent.

<sup>(5)</sup> The data for 2022 and 2024 could not be updated to be comparable. The 2025 result is based on a more accurate emission factor.

<sup>(6)</sup> The 2022 data is not comparable, as emission data could only be retrospectively adjusted from 2024 onwards.

\* Figures presented for continuing operations. The official SBTi validation carried out in 2023 included discontinued operations.

\*\* The annual reduction target is calculated based on the ESRS reporting requirement and is not included in HKFoods' emission reduction plan. The targets are only reported for those categories for which the SBTi has confirmed HKFoods' reduction targets. Progress towards the SBTi targets is presented in section E1-4 Targets related to climate change mitigation and adaptation.

HKFoods' annual scope 1, scope 2 and scope 3 emissions calculations comply with the GHG Protocol guidelines and the Land Sector and Removals Guidance. In addition, emissions are separated into emissions that take into account land use and land use changes for FLAG (Forest, Land and Agriculture) materials, i.e. LUC (Land Use Change) and non-LUC emissions and industrial emissions. The organisational scope of the calculation complies with the principle of operational control. The gross results of the emissions calculation are compared with the set reduction targets. The Company does not use emissions compensation, avoided emissions or emissions removals, which means that the emissions calculation is directly consistent with the set science-based targets.

The GHG emissions from all FLAG (Forest, Land and Agriculture) materials included in land use changes totalled 1.110 (1.283) million tCO<sub>2</sub>e in the reporting year 2025, including LUC and Non-LUC emissions (in the base year 2022, the corresponding amount was 1.231 million tCO<sub>2</sub>e).

The emissions calculation is based on an automated measuring system in which HKFoods manages the actual and estimated data broken down for each site. The emission factors used by the Company were verified in 2025 for key scopes 1, 2 and 3 topics. The factors are based on commonly used emission factor databases and scientific publications. Scope 1 data are partly based on estimates, as it has not been possible to measure exact actual data. Scope 2 data are based on measured actual data. Scope 3 data are based on the procurement volumes (in kilograms) of the most significant emission sources, i.e., meat raw materials. The emissions calculation for other raw materials was specified during the reporting period by using kilogram-based data instead of euro-based data. During the reporting period, the Company used emissions data from other parties in certain individual instances in its own calculations: in estimating logistics emissions (scope 3.4 and 3.9) and in calculating emissions from investments (scope 3.15), as well as in reporting the emission volumes presented by Honkajoki Oy.

Approximately 80 per cent of scope 3 emissions are based on primary data.

Scope 2 emissions are calculated using market- and location-based emission factors. For market-based emission factors, guarantees of origin of electricity purchased by the Company have been taken into account for the Finnish and Polish operations. The market-based emission factors are based on information provided by the local

energy companies. The guarantees cover the total amount of electricity purchased in the reporting period and in the previous years 2022-2024. For HKFoods Finland and HKFoods Poland, the guarantee of origin includes 100 per cent wind-generated electricity, while for Kivikylän kotipalvaamo Oy and Lihatuokku Harri Tamminen Oy, the guarantee is based on nuclear-generated energy. Guarantees of origin cover 100 per cent of all purchased electrical energy. 100 per cent of the guarantees of origin have been acquired separately from the actual electricity contracts. Electrical energy accounted for 62 (62) per cent of the total energy in scope 2. The Company did not use any other agreements for the sale or purchase of energy in addition to guarantees of origin.

The sub-categories excluded from the emissions calculation are not relevant to the business.

The Company's emissions calculation boundary is based on an audit carried out during the SBTi validation. The businesses of the companies included in the Group's emissions calculation are not materially related to the four sub-categories and are therefore excluded from the calculation.

These scope 3 subcategories are:

- 3.8 upstream leased assets emissions
- 3.11 use of products
- 3.13 downstream leased assets and
- 3.14 franchising activities.

The emissions calculation is based on a third-party automated calculation system under the GHG Protocol, where HKFoods manages the actual data and factors broken down for each site. The calculation method is described in more detail in E1-4.

In line with the emission calculations described above and the SBTi targets, the scope 3 subcategories and related estimation methods for companies belonging to the Group and the value chain are as follows:

- 3.1 Purchased services and goods, which include materials and services that are essential from the perspective of the Company's emissions inventory. The data is based on purchased meat volumes and weight-based raw material procurement volumes starting from 2025 data. Estimated emissions for previous years are based entirely on data in euros. Emissions from services have been estimated based on the purchase value.

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- 3.3. Emissions from purchased energy activities - the category is directly dependent on the production methods of the scope 2 energy forms. The data are based on actual data on purchased energy.
- 3.4 and 3.9. Logistics and storage services for operational activities. Data are based on average logistic efficiency assumptions and the volume of transport services purchased. Emissions from storage are average values.
- 3.15 Investments: For 2025, the calculation takes into account a rough estimate of the emissions of each company based on the net sales and ownership share of Group companies over which HKFoods has no operational control (scope 1, 2 and 3), excluding data from Honkajoki Oy, which is based on emission data provided by the company starting in 2024. To avoid double counting, this category does not include companies with which HKFoods has a purchasing relationship and from which it purchases e.g. raw materials. The most significant emissions from these companies are taken into account in categories 3.1 and 3.9.

In 2025, HKFoods' GHG intensity (total GHG emissions relative to net sales) was as follows:

- With market-based emission factors 1,350 tCO<sub>2</sub>e/million euros (1,656)
- With location-based emission factors 1,355 tCO<sub>2</sub>e/million euros (1,665)

The calculation uses the Group's net sales value of EUR 996.4 million, as presented in the Consolidated Income Statement in the Consolidated Financial Statements. The GHG intensity figures for 2024 have been adjusted for comparability. The changes are presented in Table E1-6 *Scope 1, scope 2 and scope 3 gross emissions and total GHG emissions*.

## GOV-3 Climate-related targets in remuneration

The remuneration of HKFoods Plc's Board of Directors and CEO is based on the principles of remuneration as set out in the applicable Remuneration Policy and approved by HKFoods' Board of Directors and shareholders. Climate-related targets have not been considered in the remuneration of the Board of Directors or the CEO.

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## E: EU taxonomy

### 1. Assessment of taxonomy eligibility and alignment at HKFoods and reporting principles

#### 1.1. Net sales

HKFoods' net sales, amounting to EUR 996.4 (1,001.8) million, consist almost entirely of sales of food products manufactured by the Company, which are not yet included in the EU taxonomy. The Company therefore has no taxonomy-eligible net sales. In relation to net sales, a significant proportion of the Company's costs is accounted for by the purchase of raw meat from contract farmers. The reportable net sales correspond to the net sales as reported in the consolidated financial statements.

#### 1.2. Capital and operating expenditure

HKFoods has analysed that the Company does not have a material amount of taxonomy-eligible capital and operating expenditure. Capital expenditure includes additions to intangible and tangible fixed assets and to concession assets related to leases, determined in accordance with IFRS accounting policies. Operating expenditure includes maintenance and repair expenditure and short-term leases related to the maintenance of tangible fixed assets.

#### 1.3. Fossil gas and nuclear energy

HKFoods has no activities related to fossil gas or nuclear energy.

### Tables according to the EU Taxonomy Regulation

Share of net sales, capital expenditures and operating expenses for products or services related to taxonomy-eligible or taxonomy-aligned economic activities in 2025

| KPI (1)  | Financial year 2025      |  |  |   | Breakdown by environmental objectives of taxonomy-aligned activities |                                    |                |                           |                     |                        |   |   |   |   |   |
|----------|--------------------------|--|--|---|--|------------------------------------|----------------|---------------------------|---------------------|------------------------|---|---|---|---|---|
|          | Total (2)<br>EUR million | Proportion of taxonomy-eligible activities(3)<br>% | Taxonomy-aligned activities (4)<br>EUR million | Proportion of taxonomy-aligned activities(5)<br>% | Climate change mitigation (6)<br>%                                   | Climate change adaptation (7)<br>% | Water (8)<br>% | Circular economy (9)<br>% | Pollution (10)<br>% | Biodiversity (11)<br>% | Proportion of enabling activities (12)<br>% | Proportion of transitional activities (13)<br>% | Not assessed activities considered non-material (14)<br>% | Taxonomy-aligned activities in previous financial year 2024 (15)<br>EUR million | Proportion of taxonomy-aligned activities in previous financial year 2024 (16)<br>% |
| Turnover | 996.4                    | 0  | 0  | 0   | 0  | 0                                  | 0              | 0                         | 0                   | 0                      | 0   | 0   | 0   | 0.0   | 0   |
| CapEx    | 29.2                     | 0  | 0  | 0   | 0  | 0                                  | 0              | 0                         | 0                   | 0                      | 0   | 0   | 0   | 0.0   | 0   |
| OpEx     | 26.6                     | 0  | 0  | 0   | 0  | 0                                  | 0              | 0                         | 0                   | 0                      | 0   | 0   | 0   | 0.0   | 0   |

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# HKFOODS

## E2 Pollution

Field farming and meat production cause nutrients and soil to leach into local water bodies, leading to eutrophication of inland waters in Finland and nutrient loading in the Baltic Sea. HKFoods is investigating the local impact of its contract production on water in the Archipelago Sea catchment area and aims to develop water protection in cooperation with its producers and other partners. The quality of wastewater generated by the Company's own operations is monitored regularly in accordance with the requirements of environmental permits and industrial water agreements.

### Targets and key actions

#### Responsibility programme 2026-2028 targets

**Assessing the water load of HKFoods' own contract production and reducing its impact in the Archipelago Sea catchment areas on pilot farms in accordance with the plan prepared for 2026-2028. The target applies to HKFoods Finland's contract production.**

#### Actions in 2025

- As part of the From Footprints to Digital Handprints (FF2DH) project led by the Company, HKFoods carried out research and development projects with its pilot farms regarding the reduction of water-related impacts, covering topics such as regenerative farming, manure utilisation and nitrogen fertilisation of farmland.
- HKFoods surveyed the impact of its contract farms located in the pilot areas of the Archipelago Sea catchment area on eutrophication as well as the measures implemented and potential future measures to prevent eutrophication. In addition, the Company drew up a water protection action plan concerning the area for 2026-2028.

## E2 Pollution: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic          | The greatest impact in the value chain | Impact type |          | Time horizon | HKFoods' environmental and social impacts  | Impact of the sustainability topic on HKFoods' business   | Management of impacts   |
|--------------------|--|-------------|----------|--------------|--|---|---|
| Pollution of water | Raw materials and suppliers            | actual      | negative | medium       | Field farming and meat production cause leaching of nutrients and soil from manure and fertilisers into local water bodies, leading to eutrophication. | Impact on the Company's reputation, costs and production constraints are dependent on water protection measures taken by producers. | <ul style="list-style-type: none"> <li>- Research projects related to opportunities for reducing the impact of agriculture on water bodies and the utilisation of livestock manure</li> <li>- Engaging contract farmers in water protection measures</li> </ul> |

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## 1. Management of impacts, risks and opportunities

### IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

The material pollution-related impacts, interdependencies, key risks and opportunities have been identified and assessed through the double materiality assessment based on the principles of HKFoods' risk management process. HKFoods has identified that the most significant, likely and actual impacts, risks and opportunities of pollution are at the upstream of the value chain, in the nutrient loading caused by agriculture on water bodies in the areas where HKFoods' main raw materials are produced. Agriculture contributes significantly to the nutrient load of the Baltic Sea, with more than half of its nitrogen and phosphorus load coming from agriculture. The assessment is based on generally recognised environmental impacts of agriculture.

For its own operations, HKFoods has assessed site-specific environmental impacts and possible changes to the surrounding natural environment as required by the environmental authorities. However, the actual impacts of own operations on water bodies have not yet been surveyed on a catchment area basis. HKFoods' production activities generate wastewater, the final treatment of which is carried out by local wastewater treatment plants. The nutrient load caused by the wastewater depends on the efficiency of each treatment plant.

HKFoods uses scientific research on eutrophication to assess the impacts and, in the medium term, aims to gather more detailed information on nutrient pollution from its supply chain and assess the implementation of its Environmental Policy in its value chain. The regulation on environmental protection in agriculture is expected to become stricter, but based on the Company's risk assessment, the financial impact is estimated to be low in the double materiality assessment. In the long term, the measures to reduce waterbody loading in HKFoods' own operations and across the entire value chain are expected to have a positive impact on the condition of water bodies.

As part of the double materiality assessment, HKFoods has not carried out separate consultations with the affected communities. In 2024, however, the Company launched a survey as part of the Archipelago Sea project to assess the impacts of its value chain on the Baltic Sea and local water bodies, as well as on the communities within their sphere of influence in Finland. The Archipelago Sea project is described in more detail under *E4 Biodiversity and ecosystems*.

### E2-1 Policies related to pollution

HKFoods' policies on environmental protection requires that the Company and its contract producers comply with the local conditions of permits issued by environmental authorities and reduce negative impacts on the environment, both in their own operations and in their business relationships.

HKFoods' **Code of Conduct** and **Supplier Code of Conduct** also cover the management of material impacts, risks and opportunities related to pollution prevention and control. The Company strives to increase the positive environmental impacts of its operations and to prevent or reduce negative impacts in accordance with national and international regulations and environmental permits. Efforts must be made to prevent environmental damage, and environmental aspects must be taken into account throughout the value chain. HKFoods also actively supports continuous measures to improve water and waste management.

Supplier Code of Conduct refers to the **Environmental Policy** owned by the Quality and Environment Director. It is available on the Company's website. The Policy is presented in more detail in section *E1-2 Policies related to climate change mitigation and adaptation* and in section *ESRS 2 General disclosures* under the table *HKFoods' policies*.

The Code of Conduct applies to all entities in direct business dealings with HKFoods as part of written agreements. The HKFoods Group Supplier Code of Conduct requires all suppliers of goods and services to comply with all applicable legal and regulatory requirements. Suppliers are expected to work towards minimising environmental risks and impacts in their own operations and supply chains in line with the principle of continuous improvement. HKFoods encourages its suppliers to conduct systematic environmental work in accordance with the principles of ISO 14001.

All suppliers of meat and animal species in primary production have not yet committed to the HKFoods Group's Code of Conduct and Supplier Code of Conduct. The goal is to commit the supply chain to complying with the Supplier Code of Conduct in stages by the end of 2028. The goal is described in more detail in section *G1 Business Conduct - Metrics and targets related to management of relationships with suppliers*.

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## Management of adverse impacts

HKFoods aims to enhance the positive impacts of its operations and prevent or reduce negative environmental impacts, related to pollution, through its Code of Conduct, Supplier Code of Conduct and Environmental Policy. The Company also seeks to prevent or reduce negative impacts as required by national and international regulations and environmental permits. HKFoods monitors the impacts of primary production on water pollution and strives to develop its operations in cooperation with contract producers and other partners. The main principles of environmental management are defined in the Group's Environmental Policy.

In accordance with HKFoods' Code of Conduct, the Company also takes into account due diligence obligations under local environmental laws and is committed to preventing environmental damage in its own operations and to taking immediate corrective action in emergency situations in cooperation with the authorities.

### E2-2 Actions and resources related to pollution in 2025

HKFoods acted as the responsible party in the research and development project From Footprints to Digital Handprints (FF2DH) funded by Business Finland. The project's goal was to promote the development of responsible food production in Finland and to help monitor and reduce the environmental impacts of food production. The final report of the FF2DH project, which ended in January 2026, will be published in 2026.

As part of the FF2DH project, HKFoods continued the research and development projects in collaboration with its pilot farms, investigating ways to reduce negative impacts on water bodies in Finland. These projects relate to, e.g., expanding the environmental impact calculation system of primary production on contract farms and researching regenerative farming practices, manure utilisation and nitrogen fertilisation of farmland. The results and lessons learned from the projects are shared at HKFoods' contract producers' joint events and in their own Kotitalta magazine.

Other pollution prevention work during the review period included researching the eutrophication effects of beef production as part of the Valio Carbo® Environmental Calculator partnership agreement and surveying the eutrophication potential of contract farms located in the Archipelago Sea catchment areas. Measures and projects related to water pollution prevention during the reporting period are described in more detail in section *E4 Biodiversity and ecosystems*. In its own operations, HKFoods continued its systematic work in 2025 in accordance with the requirements set by the environmental management system and environmental authorities.

## 2. Metrics and targets

### E2-3 Targets related to pollution

The responsibility programme 2026–2028 aims to assess the water load of the Company's own contract production in the Archipelago Sea catchment areas and to reduce its impact in 2026–2028. The goal is to implement the measures outlined in the water protection action plan on pilot farms by the end of 2028. This voluntary target is explained in more detail in section *E4 Biodiversity and ecosystems*. The target only applies to HKFoods Finland's contract production.

Some of HKFoods' units are required to obtain environmental permits that state the minimum requirements for wastewater quality. The quality of wastewater generated by the Company's own operations is monitored regularly and operational activities are managed in accordance with the permit conditions. The Company has not set specific requirements for contract farmers of primary production or other suppliers of raw materials.

### E2-4 Water pollution

The quality of wastewater generated by HKFoods' own operations is systematically monitored through laboratory analyses when required by the environmental permit. Environmental authorities and industrial water agreements set minimum limits for wastewater quality. Wastewater generated by HKFoods' own operations is treated at municipal wastewater treatment plants, which are responsible for meeting the quality criteria for the treated wastewater released into the environment.

HKFoods' sites where environmental permit conditions or industrial water contracts require monitoring of wastewater quality are subject to local regulations and permit conditions. Wastewater quality at these sites is monitored regularly and samples are analysed by independent laboratories. EU-BREF (Best Available Techniques Reference) document requirements are met for those HKFoods sites where the requirement is to be applied in practice. The thresholds for "non-GHG" emissions, as defined in Appendix II of the EU E-PRTR regulation, are not exceeded in the Company's own operations and thus not reported by the Company. Historical data on the impacts of HKFoods' own operations and its contract producers on water bodies have not been collected, so information on any changes over time in the status of water bodies is not available.

There were no significant changes in the Company's emissions during the reporting period. The environmental permit conditions for these emissions did not change in 2025.

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# HKFOODS

## E3 Water and marine resources

HKFoods is committed to reducing water consumption in its operations, as its production chain is water-intensive. In the upstream value chain, meat production on contract farms consumes water for drinking and for irrigating feed crops. In the Company's own production, water is mainly used in the manufacture of products and for cleaning premises. Water withdrawal and the associated local environmental impacts are primarily the responsibility of water supply companies. HKFoods does not have its own production activities in water risk areas. The use of water resources is being optimised at each production facility, and the quality of wastewater is monitored in accordance with the sampling plan required by environmental permit conditions.

### HKFoods' ambition

**Reducing water withdrawal is a key principle of HKFoods' Environmental Policy, and the Company is therefore committed to reducing water consumption in its operations.**

The Company has not set Group-level targets for reducing water withdrawal and water consumption in accordance with the ESRS standard.

### Actions and results in 2025 (2024)

- Total water withdrawal remained at the previous year's level and was 1.596 million m<sup>3</sup> (2024: 1.598)
- Estimated water consumption decreased by approximately 4% and was 111,859 m<sup>3</sup> (corrected estimate for 2024: 117,035)
- HKFoods launched a study on the use of recycled water in the food industry.

## E3 Water and marine resources: HKFoods' material impacts and their interaction with strategy and business model

### SBM-3

| Sub-topic | Sub-sub-topic     | The greatest impact in the value chain      | Impact type | Time horizon | HKFoods' environmental and social impacts | Impact of the sustainability topic on HKFoods' business  | Management of impacts   |  |
|-----------|-------------------|---|-------------|--------------|---|--|---|--|
| Water     | Water withdrawals | Raw materials and suppliers, own production | actual      | negative     | long-term                                 | <ul style="list-style-type: none"> <li>- In meat production, water is used for animal drinking water and for cleaning premises.</li> <li>- In own production, water is used for manufacturing products and cleaning premises. Limits for wastewater quality are set in environmental permits.</li> </ul> | <ul style="list-style-type: none"> <li>- Water withdrawal and its local environmental impacts are primarily the responsibility of water supply companies.</li> <li>- The Company is dependent on the availability and price of clean water and the efficiency of municipal wastewater treatment.</li> </ul> | <ul style="list-style-type: none"> <li>- Pre-treatment and monitoring of wastewater as required by environmental permit conditions</li> <li>- Enhancing water resource efficiency at each production facility</li> </ul> |

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## 1. Impact, risk and opportunity management

### IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

HKFoods has assessed the use of water resources and marine natural resources in accordance with its risk assessment process as part of its double materiality assessment updated in 2025. The Company's production units carry out environmental impact assessments in line with the main principles of the environmental management system. The identification of impacts is based on both the results of environmental impact assessments and the content of environmental permits. The impacts, risks and opportunities of the production units' industrial activities related to water resources and discharges formed through wastewater have been identified in this environmental impact assessment and taken into account in the double materiality analysis.

HKFoods estimates that its most material actual impacts, risks and opportunities relate both to the upstream value chain, i.e. animal production and agriculture, and its own operations, in terms of water withdrawal and consumption. In the Company's upstream value chain, meat production on contract farms consumes water both for animal drinking water and for irrigating feed crops. In the Company's own production, water is mainly used in product manufacturing and facility cleaning. In the double materiality assessment, the assessment of water consumption in the upstream value chain was based on estimates.

HKFoods has no sites located in areas of high water stress or water risk. HKFoods' production units are committed to operating within the applicable legislation and the permit conditions set by the regional environmental authority. The environmental authorities have assessed the risks posed by wastewater to local water bodies and imposed necessary monitoring obligations on the production units in respect of wastewater discharge parameters.

HKFoods has not found it necessary to hold consultations with affected communities, as water withdrawal and associated local environmental impacts are primarily the responsibility of water treatment companies.

### E3-1 Policies related to water and marine resources

HKFoods' Group-wide **Environmental Policy** defines the reduction of water consumption and compliance with the limit values set in environmental permits for wastewater as key principles.

The Company's other policies do not describe specific measures or targets for HKFoods Group's management of water resources. However, the Group has identified that the operations of its production units are water-intensive. Water is used in almost all stages of the production process and for cleaning production premises. This water must meet the quality requirements for drinking water set by the applicable legislation.

HKFoods' policies and guidelines do not explicitly state how water issues and conservation of marine resources are addressed in product design. The Company takes into account the environmental impact of its activities and seeks to integrate water-related issues and the conservation of marine resources into its activities.

HKFoods also seeks to integrate upstream environmental considerations, including water consumption, into its procurement, subcontracting and investment activities. The Environmental Policy and its key content and scope, availability and responsibility for implementation are described in more detail in section *E1-2 Policies related to climate change mitigation and adaptation*. All of the Company's operating principles are summarised in the section *ESRS 2 General disclosures* in the table *HKFoods' policies*.

### E3-2 Actions and resources related to water and marine resources

The use of water resources is guided by the the principles set out in the Environmental Policy and by improving the efficiency of water use at each production site. As part of its environmental work, HKFoods monitors wastewater quality in accordance with the sampling plan required by the environmental permit conditions. The production units set their own operational targets for water withdrawal and draw up action plans to achieve these targets. The water use of the production units is monitored by tracking total usage and usage in relation to production volumes. In 2025, no significant investments were made to reduce water consumption. The Company has not assessed the long-term capital and operating expenditure required to reduce water consumption.

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HKFoods has not reported on water resource management activities with the accuracy required by the ESRS standard, as instead of Group-wide measures, water consumption efficiency measures are site-specific and depend on the nature of the sites' operations. Water consumption targets are not included in the Company's Responsibility Programme for 2026-2028, as the local price and availability of fresh water do not pose a significant risk to the Company's own business operations.

## 2. Targets and metrics

### E3-3 Targets related to water and marine resources

Reducing water withdrawal and compliance with the limit values set for wastewater in environmental permits have been identified as key principles in HKFoods' Group-wide Environmental Policy. Legislation requires that the water used in HKFoods' operations meets the quality criteria for drinking water. The production units have set their own operational targets for reducing water withdrawal, which are proportional to their production volumes, but no clear numerical target has been set for all production units. At the Group level, the Company has not set any ESRS-compliant measurable targets related to the management of impacts, risks and opportunities affecting water and marine resources or to reducing water withdrawal and consumption. In the medium term, HKFoods will estimate the need for setting long-term targets for reducing water withdrawal and consumption.

HKFoods' Group companies do not have their own operations in water-risk areas. Therefore, there are no material impacts, risks or opportunities in water-risk areas that would require management or the setting of targets. Section E3-4 *Water consumption* describes the Group's water withdrawal rate, which is a key performance indicator related to water resource use and is measured on an ongoing basis.

In its operational activities, HKFoods' production management regularly monitors development in water withdrawal and consumption and seeks to optimise and reduce the water intensity of each production unit.

### E3-4 Water consumption

HKFoods' total water withdrawal was 1.596 million m<sup>3</sup> in 2025 (2024: 1.598), of which 84 per cent (84) is surface water and 16 per cent (16) ground water. The estimated water consumption decreased by 4 per cent from the previous year and was 111,859 m<sup>3</sup> in 2025. Water consumption in 2024, adjusted for comparability, amounted to 117,035 m<sup>3</sup>. The water consumption reported in the Sustainability Statement 2024 was approximately 48 per cent lower than the adjusted figure in the Sustainability Statement 2025. The difference was due to clerical errors made in calculation.

In 2025, HKFoods' water intensity, i.e. total water consumption of operations in cubic metres relative to net sales (EUR million), was 112. The adjusted comparable figure for 2024 was 117. The correction was due to the aforementioned adjustment to the water consumption figure.

HKFoods' production units do not use recycled or reused water. The Company has explored the possibility of using recycled water in certain operations and launched a study on the use of recycled water in the food industry in 2025.

Data on water withdrawal is collected by site and reported monthly to the Group-wide reporting system. The data are based on accurate measured actual data from water meters. Groundwater and surface water shares are based on data provided by local water treatment plants. Water consumption includes an estimate of the amount of water evaporated and remains in products.

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## E4 Biodiversity and ecosystems

Meat production requires the use of land for growing feed crops and grazing, and the use of fertilisers and manure, among others, has an impact on the eutrophication of water bodies. HKFoods is committed to increasing biodiversity in its food chain. For example, efficient water use and careful wastewater treatment support biodiversity. It is essential to engage contract farms in cooperation on regenerative farming methods and actions to reduce water pollution, among other things.

In HKFoods' value chain, most of the feed used in animal production is locally grown grain and grass feed. In addition, soy is used in purchased feed for poultry and pigs, and soy production can have negative impacts on biodiversity. In Finland, only sustainability-certified soy is used, and the aim is to replace soy with domestic protein sources in the future. After the EU Deforestation Regulation enters into force, HKFoods ensures that the products it purchases have not contributed to deforestation.

### Targets and actions

| Responsibility programme 2026-2028 targets  | Results and actions in 2025  |
|---|--|
| <p><b>More extensive and systematic survey of the environmental impact of primary production by introducing an environmental impact calculation system for broiler, pig and cattle farms*:</b></p> <ul style="list-style-type: none"> <li>The calculation will cover more than 80% of animal procurement volumes by the end of 2028. A biodiversity coefficient is calculated for broiler and pig farms, while eutrophication and acidification impact factors are calculated for cattle farms.</li> </ul> <p><small>*) Target only applies to HKFoods Finland's contract production.</small></p> | <ul style="list-style-type: none"> <li>The system for calculating the environmental impact of primary production was developed by digitising the life cycle models of the Natural Resources Institute Finland (Luke) for pork, poultry and field crops.</li> <li>In 2025, the calculation of the environmental impact of primary production covered 11% of the procurement volumes of broiler, pork and beef.</li> </ul> |
| <p><b>Assessment of the water load of own contract production and reduction of its impact in the Archipelago Sea catchment areas</b></p>  | <ul style="list-style-type: none"> <li>HKFoods conducted a study on water load in the Archipelago Sea catchment area and drew up a plan for actions to be taken in pilot farms in 2026-2028 as part of the Archipelago Sea project.</li> </ul>   |
| <p><b>Operations in accordance with the EU Deforestation Regulation (EUDR)</b></p> <p>Raw materials that have caused deforestation or degraded the condition of forests are not used in production after the regulation enters into force.</p>  | <ul style="list-style-type: none"> <li>HKFoods prepared to meet the EUDR requirements by establishing a process and data collection system to verify the origin of beef and to fulfil the due diligence requirements. As the implementation of the regulation was postponed, the process and system have not yet been deployed.</li> </ul>   |

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## E4 Biodiversity and ecosystems: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic                                      | Sub-sub-topic  | The greatest impact in the value chain | Type of impact | Time horizon | HKFoods' environmental and social impacts | Impact of the sustainability topic on HKFoods' business  | Management of impacts   |   |
|--|--|--|----------------|--------------|---|--|---|---|
| Direct impact drivers of biodiversity loss     | Land-use change, fresh water-use change and sea-use change | Raw materials and suppliers            | actual         | negative     | medium                                    | <ul style="list-style-type: none"> <li>- Meat production requires the use of land for feeding crops and grazing.</li> <li>- Soy, that falls within the scope of the Deforestation Regulation, is used in feeds.</li> <li>- Some products may be manufactured using raw materials that fall within the scope of the Deforestation Regulation (beef, soy, palm oil). Among the changes in land use, deforestation is one of the key drivers of biodiversity loss.</li> </ul> | <ul style="list-style-type: none"> <li>- The quality of feed (e.g., replacing soy with other protein sources) may reduce the nutritional efficiency of animal feed, which may affect the quality of meat raw materials and animal welfare.</li> </ul>   | <ul style="list-style-type: none"> <li>- Commitment to actions required by the Deforestation Regulation</li> <li>- Sustainability-certified soy and palm oil</li> <li>- Cooperation with feed suppliers</li> <li>- Research projects: regenerative farming production methods and replacing imported soy with domestic protein</li> </ul> |
|  | Pollution  | Raw materials and suppliers            | actual         | negative     | medium                                    | <ul style="list-style-type: none"> <li>- Meat production has an impact on the eutrophication of water bodies. The greatest impact comes from the use of fertilisers and livestock manure.</li> <li>- Water pollution is one of the key drivers of biodiversity loss.</li> </ul>  | <ul style="list-style-type: none"> <li>- Dependent on water protection actions taken by producers</li> <li>- The terms of agricultural subsidies are an essential economic incentive for water protection work (e.g., buffer strips, permits, fertiliser quantities).</li> </ul>  | <ul style="list-style-type: none"> <li>- Research projects: regenerative farming production methods, optimisation of nitrogen fertiliser use, improvement of field water management and utilisation and further processing of livestock manure</li> </ul>   |
|  | Climate change   | Raw materials and suppliers            | actual         | negative     | long                                      | <ul style="list-style-type: none"> <li>- Climate change is the main driver of change in biodiversity.</li> </ul>   | <ul style="list-style-type: none"> <li>- Increasing contractual requirements and uncertainty expose supply chains to various disruptions.</li> <li>- Rapid changes in national and EU legislation on biodiversity and the ambiguity of its interpretation</li> </ul>  | <ul style="list-style-type: none"> <li>- Research projects: regenerative farming production methods to promote soil condition and carbon sequestration</li> </ul>   |
| Impacts and dependencies on ecosystem services |  | Raw materials and suppliers            | actual         | negative     | long                                      | <ul style="list-style-type: none"> <li>- Dependence on agricultural raw materials, the production of which is dependent on ecosystem services</li> <li>- Feed production and the production of plant-based raw materials require good soil fertility and plant disease control.</li> <li>- Meat production requires animal disease control. Medicines used in animal disease control can promote the emergence of antibiotic-resistant microbial communities.</li> </ul>   | <ul style="list-style-type: none"> <li>- Dependent on the availability and price of agricultural raw materials. Disruptions in ecosystem services expose the Company to availability challenges and price volatility.</li> <li>- Dependent on national plant and animal disease prevention work and research</li> </ul> | <ul style="list-style-type: none"> <li>- Commitment to national animal health programmes and antimicrobial resistance control activities</li> <li>- Research projects: regenerative farming production methods to promote soil condition and carbon sequestration</li> </ul>  |

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## E4 Biodiversity and ecosystems: HKFoods' risks and opportunities and their interaction with strategy and business model

SBM-3

| Sub-topic                                  | Sub-sub-topic  | Part of the value chain     | Type of impact | Time horizon | Risk description and business and strategy dependencies on the sustainability topic   | Management   |
|--|--|-----------------------------|----------------|--------------|---|--|
| Direct impact drivers of biodiversity loss | Land-use change, fresh water-use change and sea-use change | Raw materials and suppliers | risk           | medium       | <ul style="list-style-type: none"> <li>- Enforcement of the Deforestation Regulation entails costs, as the origin of beef must be verified.</li> <li>- Certifying the origin of soy incurs additional costs. Its availability is also limited.</li> <li>- Nature Restoration Regulation adds costs to the value chain.</li> <li>- Replacing soy with other protein sources may affect feed costs.</li> </ul>  | <ul style="list-style-type: none"> <li>- Design and implementation of measures required by the Deforestation Regulation</li> <li>- Engaging the value chain in cooperation</li> <li>- Research projects: regenerative farming production methods and replacing imported soy with domestic protein</li> </ul> |
|  | Climate change   | Raw materials and suppliers | risk           | long         | <ul style="list-style-type: none"> <li>- Increasing contractual requirements and emission reductions lead to costs and price volatility.</li> <li>- Introducing regenerative farming and carbon sequestration require national financial incentives, targeting of agricultural subsidies and policy guidance.</li> <li>- Decisions taken now will have a slow impact on nature, but a major impact on the continuity of agriculture and soil vitality.</li> </ul> | <ul style="list-style-type: none"> <li>- Research projects: regenerative farming production methods to promote carbon sequestration, optimisation of water management in fields</li> </ul>   |

### 1. Strategy

#### E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

##### Transition plan to support biodiversity

HKFoods does not currently have a strategic transition plan to support biodiversity, through which detailed biodiversity-related development targets, action plans and their associated financial impacts would have been defined.

#### Resilience of HKFoods' strategy and business model in relation to biodiversity and ecosystems

The main raw materials procured by HKFoods depend on natural ecosystem services such as pollination and the diversity and fertility of the soil. HKFoods has assessed the resilience of its business and value chain in relation to biodiversity and ecosystems.

HKFoods' short- and long-term strategy and business model are dependent on the Finnish primary production, where physical, transition and systemic risks from climate change are assessed as part of the Group's annual risk management process (ERM). Table E4 Biodiversity and ecosystems: HKFoods' risks and opportunities and their interaction with strategy and business model provides a more detailed description of the material financial risks associated with the business.

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In connection with the update of the double materiality assessment in 2025, a climate change-related scenario and resilience analysis was also utilised. The climate-related risks, opportunities and the Company's resilience identified as a result of this analysis are described in section *E1 Climate change*.

Based on the findings of the impact and risk analysis, HKFoods is not aware of any factors that would negatively affect its resilience in the short term. In the medium term, HKFoods' current strategy and business model are capable of responding and adapting to physical risks related to biodiversity and ecosystems and to transition and systemic risks.

## Impact and risk assessment related to biodiversity

Biodiversity impacts and risks have been assessed in the short, medium and long term from four different perspectives across the value chain:

1. The impact of climate change on biodiversity loss
2. Impacts of water use and land use change on biodiversity
3. The value chain's dependence on ecosystem services and
4. Impacts of pollution on biodiversity.

The biggest impact arises upstream in the value chain. In its impact and risk assessment, HKFoods has taken into account the operating environment of domestic primary production, the view on the state of nature work and, on a case-by-case basis, related science-based studies. The following assumptions have been used as the basis for the assessment:

- HKFoods' business model is based on the procurement and processing of meat raw materials in both the short and long term.
- In Finland, natural areas are not cleared for cattle grazing, and Finland has been identified as a country with a low risk of deforestation.
- The pressure from agriculture for increased water use, land-use changes or greater agricultural loading on water bodies or soil has not been assessed locally, taking into account the state of the environment and local conditions.
- The difficult-to-predict effects of climate change involve uncertainties, which is why it is currently difficult to assess, for example, the potential disruptions to ecosystem services and their impact on the Company in the long term.

## SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

### Impacts of HKFoods' sites on biodiversity

HKFoods' production units in Finland are located in Vantaa, Rauma, Eura, Forssa, Mikkeli and Outokumpu, and in Świnoujście in Poland. The Company's head office is in Turku. In addition, HKFoods Finland Ltd's subsidiary, Kivikylän kotipalvaamo Oy, operates in Rauma, Säkyä, Huittinen, Eura and Liperi, and Lihatukku Harri Tamminen Oy has premises in Vantaa, Sipoo and Luumäki.

HKFoods' sites are not located in or near biodiversity-sensitive areas. The own operations of the companies under HKFoods' control have not been found to cause deterioration in biotopes and habitats of species or to disturb protected species. HKFoods' operations have local impacts from direct emissions to the air, which may also contribute to long-term impacts on biodiversity-sensitive habitats due to climate change. The impacts of these emissions are described in more detail under *E1 Climate change*.

HKFoods has not yet assessed the impact of its supply chains on biodiversity-sensitive areas based on the origin of raw materials data. With the supplier management system, introduced in 2024, HKFoods systematically collects information on the precise locations of its suppliers, the environmental impacts of their operations and any related measures and targets. Location data enables better identification of areas with environmental risks and their integration into HKFoods' supply chain.

Areas of activity with material impacts on biodiversity are located on Finnish farms. The entire production chain of HKFoods' main raw materials, i.e. primary production, is significantly dependent on domestic natural conditions and the functioning of ecosystems. As a rule, the natural state of the contract farms is assumed to be in balance with the current production volumes of the raw materials.

According to the Natural resources and bioeconomy study 39/2024, deforestation caused by agricultural construction is low. The Deforestation Regulation does not apply to the agricultural use of cleared fields for the production of non-regulated commodities. In terms of risk, the most significant commodity is beef produced in

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Finland, for which HKFoods is an operator under the Deforestation Regulation. The operator is responsible for maintaining a traceability system that enables verification of the deforestation-free status of the product placed on the market, which entails costs.

Medication used in the management of animal diseases can contribute to the emergence of antibiotic-resistant microbial communities. This can adversely affect natural microbial communities and microbiological processes in soil and water bodies. In Finland, animal disease control and prevention are at a high level and the use of antibiotics in livestock is low by international standards. This is shown in the annual FINRES-Vet reports published by the authorities.

Section *E2 Pollution* of the Sustainability Statement discusses in more detail the impacts of agriculture on the status of water bodies both in Finland's inland waters and in the coastal regions of the Baltic Sea.

HKFoods has not identified, in its own operations or in the operating environment of its value chain, any material adverse effects related to land degradation, desertification or soil sealing. Over the coming years, HKFoods will continue its investigation of the negative impacts, utilising its traceability work on the origin of material raw materials and supplier surveys.

HKFoods' own operations are not identified as having a direct impact on endangered species.

## 2. Impact, risk and opportunity management

### **IRO-1** Description of processes for identifying and assessing material impacts, risks and opportunities related to biodiversity and ecosystems

Biodiversity-related material impacts, dependencies, key risks and opportunities have been identified and assessed through the double materiality assessment based on the principles of the Company's risk management process. The assessment was updated in 2025.

### Material impacts and dependencies related to biodiversity and ecosystems

The greatest impact of HKFoods' operations on biodiversity and ecosystems is generated in primary production. The production of agricultural raw materials is also dependent on natural ecosystem services.

As part of its double materiality assessment, HKFoods has identified the following material direct and indirect impacts and dependencies related to biodiversity loss.

Medium-term material impacts:

- Soy is used as a protein component in feed for livestock, and its production can cause deforestation or other negative impacts on biodiversity upstream in the value chain. Deforestation may impair the carbon sequestration capacity of ecosystems and reduce biodiversity. After the application of the Deforestation Regulation, the sale of products causing deforestation will no longer be permitted in the EU market.
- In meat production, the use of fertilisers and manure, especially in crop growing, has an impact on water pollution and eutrophication, as runoff from agricultural production carries nutrients such as nitrogen and phosphorus. Eutrophication negatively affects aquatic ecosystems and the services they provide, such as access to clean water.

Long-term material impacts:

- HKFoods' most significant GHG emissions come from meat raw material production in the upstream of the value chain on contract farms. Extreme weather events caused by climate change can have adverse impacts on biodiversity and ecosystems, including intensifying nutrient leaching into waterways.
- Agricultural production takes advantage of the services provided by ecosystems, such as feed and meat raw materials, soil nutrient cycling and water quality regulation, but at the same time, it can reduce the quality and quantity of some ecosystem services. Feed production and the production of plant-based raw materials require good soil condition and the control of plant and animal diseases. Medicines used to control animal diseases can promote the emergence of microbial communities resistant to antibiotics.

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## Material risks related to biodiversity and ecosystems

As part of its annual Group risk analysis process, HKFoods has assessed transition risks related to biodiversity and ecosystem services, such as the impact of politics and legislation on agricultural activities, as well as physical risks and the consequences of climate change, such as unforeseen extreme natural events, plant disease outbreaks, animal disease management, extreme drought or excessive rainfall. In its risk assessments, HKFoods has used data from climate research reports published by the Intergovernmental Panel on Climate Change (IPCC).

The impact and risk analyses have identified the following risks related to biodiversity and ecosystems:

In the medium term

- costs incurred in verifying the origin of beef, which may arise as a result of the Deforestation Regulation entering into force
- additional costs arising from soy origin certification and limited availability of certified soy
- additional costs to the value chain arising from Nature Restoration Regulation
- replacement of soy with other protein sources may affect feed costs

In the long term

- increasing contractual requirements, uncertainty and emission reductions generate costs and expose to price volatility
- introduction of regenerative farming and carbon sequestration will require national financial incentives, targeting of agricultural subsidies and policy guidance
- decisions and changes made today in agriculture have a slow impact on nature, but a significant impact on the continuity of agriculture and soil health.

In its risk analysis, HKFoods has also assessed systemic risks at a general level to the extent that ecosystem services can be expected to change in the agricultural environment, either temporarily or permanently.

## Consultations with affected communities

The views of agricultural operators affected by HKFoods have been taken into account in the double materiality assessment based on continuous cooperation, e.g. in research projects, and by analysing sector-specific, commonly recognised environmental impacts in HKFoods' own value chain.

As part of its ongoing interaction with contract producers, HKFoods has also collected the views of its Finnish contract producers on the local operating environment and the use of natural resources affecting agriculture.

In 2025, HKFoods drew up a plan for producer cooperation for 2026–2028. The aim of the plan is to develop interaction, competence and satisfaction among producers. In addition, contract producers were trained in the use of an environmental impact assessment tool for primary production, in entering farm-specific data for assessment and in utilising the results to develop their own operations.

### E4-2 Policies related to biodiversity and ecosystems

HKFoods' policies concerning biodiversity and ecosystems relate to climate change, land use change, water use, ecosystem services and their interdependencies, and pollution of nature. These policies are described in more detail in other environment-related sections of this Sustainability Statement: *E1 Climate change, E2 Pollution, E3 Water and marine resources and E5 Resource use and circular economy* and in section *ESRS 2 General disclosures* in Table *HKFoods' policies*.

In HKFoods' **Environmental Policy**, the Company's key principle is to operate throughout its value chain in a manner that protects biodiversity and forests. The Company requires that its raw material suppliers and other suppliers also commit to preserving biodiversity and forests in their own operations and do not cause or support the conversion of other natural ecosystems. The HKFoods Group **Supplier Code of Conduct** and procurement principles support these same principles in nature work.

In line with its Environmental Policy, HKFoods complies with the requirements of local environmental authorities and also requires its value chain actors to comply with local environmental legislation. In Finland, HKFoods complies with its regular inspection obligations under the ISO 14001 environmental management system.

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For example, contingency plans are updated annually for the Finnish sites. The plan comprehensively assesses all key nature impacts, including the affected areas of Natura 2000 sites, and whether they should be taken into account in the Company's own operations.

The HKFoods' **Code of Conduct** requires that operators in business relations with the Company always comply with the local environmental protection law. Agricultural operators are guided by a separate sector-specific code of conduct, which also requires reporting to the authorities. HKFoods' policies guide internal processes that support the identification of the impacts, risks and opportunities affecting nature, the prevention of negative impacts and the promotion of positive impacts.

The Environmental Policy requires that the supply chain does not cause deforestation. In addition, the Company's other operating principles support the identification of the origin of products, as the most important raw materials used in the products are sourced through a strictly controlled animal production chain.

HKFoods is obliged to manage the traceability data of beef, soy, palm oil and wood-based products in accordance with the due diligence requirements included in the EU Deforestation Regulation once the Regulation has come into effect. The Regulation is described in more detail in section *E4-3 Actions and resources related to biodiversity and ecosystems*.

HKFoods has not yet analysed how actual or potential social impacts should be taken into account in its biodiversity and ecosystem-related policies.

HKFoods' Environmental Policy and Supplier Code of Conduct are described in more detail in section *E1 Climate change* and in section *ESRS 2 General disclosures* in the table *HKFoods' policies*. Principles of responsible procurement are described in section *G1-1 Corporate culture and business conduct policies*.

## E4-3 Actions and resources related to biodiversity and ecosystems

### Actions to promote biodiversity

During the reporting period, HKFoods set biodiversity-related targets as part of its Responsibility Programme for 2026–2028. The targets are presented under *Metrics and targets*. The progress of the Responsibility Programme will be monitored from 2026 onwards, but some target-related measures were already implemented during 2025:

- *Due diligence (DD) processes in accordance with the EU Deforestation Regulation (EUDR)*  
During 2025, to prepare for meeting the requirements of the EU Deforestation Regulation, HKFoods implemented a service together with the Finnish cattle industry to collect the information required by the Deforestation Regulation on the origin of cattle. In addition, the capability to generate a DD reference number from the EU's Traces system and to transmit this information to the customer was created. The entering into force of the EUDR has been postponed, and according to current information, its implementation for large operators like HKFoods will begin on 30 December 2026. The Company will continue its development work to ensure that the solution is ready to be deployed once the final content and schedule of the Regulation as well as the national guidelines have been confirmed.
- *Actions in line with the Archipelago Sea project*  
HKFoods is part of the national Archipelago Sea project, launched in 2024, which aims to reduce diffuse agricultural pollution in the Archipelago Sea. In 2025, HKFoods conducted a review in the Archipelago Sea catchment area, identifying the production lines, location and production volumes of its contract farms in the area, as well as the measures already in place on the largest farms to prevent eutrophication. The review showed that the greatest potential impact of HKFoods' value chain on eutrophication is in the Aurajoki and Mynälahti catchment areas in the Archipelago Sea.

The review included all contract pig, broiler and cattle farms in the catchment area. On this basis, it was decided to continue the review on broiler and pig farms, which generate HKFoods' largest load in the Archipelago Sea catchment area. In these areas, production on farms accounts for 15 per cent of HKFoods' total pork production kilograms and 14 per cent of broiler meat production kilograms.

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The share of cattle farms in these areas is very small, so they were excluded from further review.

- *Introduction of an environmental impact calculation system on farms*  
In 2025, HKFoods continued to measure the environmental impacts of meat products through several projects. As part of the **From Footprints To Digital Handprints** (FF2DH) project, HKFoods developed a system for calculating the environmental impacts of primary production by digitising the life cycle models of the Natural Resources Institute Finland (Luke) for pork, poultry and field crops. The new calculation system enables continuous calculation of the water and carbon footprints and biodiversity impacts of primary production and provides more reliable reporting. It also helps to target measures to promote the responsibility of farms.

The calculation models can be used to reliably and scientifically measure the impact of pork, poultry and field crops on the climate and water scarcity, and the impact of production land use on biodiversity. Contract producers enter their data into the system, and the results are available on HKFoods' producer portal, which serves as an interface for contract producers producing pigs and broilers. The technical tool has been implemented based on Luke's life cycle modelling. The implementation of the calculation model will be extended to HKFoods' contract farms in stages.

In 2025, HKFoods became part of the Valio Carbo® Farm Calculator partner agreement, a tool developed to assess the environmental impact of the Finnish dairy and meat sector. The calculator helps meat farms determine the impact of their operations on acidification and eutrophication. At the same time, farms gain access to the most effective means of reducing their impacts. The calculation model is certified by the Carbon Trust organisation.

HKFoods' targets related to the environmental impact calculation systems of primary production are presented under *Targets and metrics*.

- *Other actions to support biodiversity*  
As part of the FF2DH project, work continued on developing regenerative farming and related production methods, optimising the use of nitrogen fertilisers, improving field water management and investigating the possibilities for utilising and further processing livestock manure in collaboration with pilot farms.

As part of broader cooperation, the Finnish Meteorological Institute modelled soil carbon sequestration and natural soil emissions from the fields of HKFoods' contract farmer as a pilot project. The method developed by the Finnish Meteorological Institute can be used to monitor, model and report on the carbon balance of fields.

The final report of the FF2DH project will be published in 2026.

### Commitments to certified soy, palm oil and responsible use of antibiotics

In accordance with its internal operating guidelines and principles of responsible procurement, HKFoods is committed to using responsibly produced soy and palm oil. In the future, the Company aims to replace imported soy with other protein sources, such as fava beans and peas. As regards the use of soy, HKFoods is dependent on the development work carried out by the feed mills used by its contract farmers, which is affected by factors such as the nutritional quality, availability and price of alternative protein sources.

HKFoods Finland Ltd's value chain only uses sustainability-certified soy (RTRS, ProTerra and other similar certification schemes that take into account environmental responsibility, working conditions and sustainable agricultural practices). HKFoods Finland Ltd is also a member of the Round Table on Responsible Soy (RTRS) promoting responsible soy production. HKFoods procures palm oil only as ingredient of some raw materials. For these products, the Round Table on Sustainable Palm Oil (RSPO) certification is required.

Medicines used to manage animal diseases can contribute to the emergence of antibiotic-resistant microbial communities and thus weaken biodiversity. The controlled use of antibiotics and reduction of the need for medication are key measures in the prevention of antibiotic resistance. In HKFoods' contract production, national antimicrobial resistance prevention measures are promoted and slaughtered animals are regularly sampled to test for antimicrobial residues in line with the surveillance programme. HKFoods' slaughterhouses receive information on the health status, morbidity and possible medication of animals through the chain information. The national health care systems for pigs and cattle, Sikava and Naseva, maintained by the Animal Health ETT, can be used to check the information recorded by contract producers on animal medication records and farming conditions.

Actions and resources related to animal welfare are described in more detail in section *G1 Business conduct - animal welfare*.

HKFoods has not used biodiversity offsets in its action plans.

Available resources for promoting biodiversity

HKFoods' VP Corporate Responsibility and the team of sustainability experts are responsible for compliance with biodiversity and ecosystem legislation and frameworks as well as for raw material certification of procurement and the collection and analysis of supplier data. The implementation of this work is the responsibility of those in charge of animal and raw material procurement, environmental experts at the factories and research and development functions.

## 3. Metrics and targets

### E4-4 Targets and metrics related to biodiversity and ecosystems

#### E4-5

#### Setting biodiversity targets

HKFoods' Responsibility programme for 2026-2028 has set the following biodiversity targets:

- *Introduction of environmental impact calculation system on contract farms by 2028*  
The target is for the calculation of the environmental impact of primary production to cover more than 80 per cent of broiler, pork and beef procurement volumes in 2028. In 2025, the actual figure was 11 per cent. A biodiversity coefficient is calculated for broiler and pig farms while eutrophication and acidification impacts are calculated for cattle farms. The target only applies to HKFoods Finland's contract production.

HKFoods set its first biodiversity targets in 2025. The aim is to use a science-based assessment tool to collect information on the environmental impacts upstream in the value chain. The assessment tool is ready, but the analysis and comprehensive impact assessment have not yet been carried out. The assessment will be carried out, where possible, in line with the requirements of general international reference frameworks.

- *Assessment of the water load of own contract production and reduction of impacts in the Archipelago Sea catchment areas in line with the water protection action plan drawn up for 2026-2028*  
The target is for the Company to progress according to plan by 2028 together with selected broiler and pig farms. The action plan supports the national Archipelago Sea project. The target only applies to HKFoods Finland's contract production.
- *Operating in accordance with the EU Deforestation Regulation (EUDR), which prohibits the use of raw materials that have caused deforestation or degraded the condition of forests in production once the implementation of the EUDR has begun*  
The target is that 100 per cent of the products subject to the EUDR meet the requirements of the Regulation. The schedule and implementation of the target will be defined in line with the updated content of the Regulation and the schedule of its implementation.

HKFoods' biodiversity targets will minimise business risks and reduce negative impacts on the environment in the value chain and increase positive nature impacts using science-based criteria.

The biodiversity targets are derived from the sustainability topics identified as material. The most significant impacts of the value chain occur in the raw material production phase, which is why the Company's targets include a new goal related to the calculation of the environmental impacts of primary production. The target related to the water load from agriculture is linked to water pollution, which has a material negative impact upstream in the Company's value chain. Operating in accordance with the Deforestation Regulation requires significant additional operational and administrative measures for the Company's own business, which results in the financial risk described in the section *Material risks related to biodiversity and ecosystems*.

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As part of its biodiversity target setting, HKFoods will take into account, among other things, the targets set by the EU's biodiversity strategy and their applicability to HKFoods' value chain operations. When setting targets, the consideration of ecological thresholds will be examined on a case-by-case basis.

HKFoods will specify the geographical delimitation for biodiversity when setting new, more precise targets and metrics in the medium term. HKFoods has not used biodiversity offsets in its nature work and does not currently plan to use them in target setting.

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## E5 Circular economy

HKFoods' business activities generate mainly organic waste as part of food production processes. Environmental impacts also arise from food waste downstream in the value chain. On the other hand, some of the materials generated as production side streams can be directed to other industries for further processing, for example into animal feed and biofuel. HKFoods is committed to reducing food waste and loss and improving the recyclability of product packaging in its product development. Food shelf life, quality, product safety and transport require functional packaging that is easy to use and recyclable and that uses only the necessary amount of packaging material.

### Targets and actions

#### Responsibility programme 2026-2028 targets

##### Reducing waste in own operations by 2028 from 2025 levels:

- Food waste -20%
- Mixed and energy waste -20%

Calculated in tonnes in relation to tonnes sold.

The aim is that the food waste in relation to tonnes sold is 1.3% and that the mixed and energy waste in relation to tonnes sold is 0.6%.

##### Increasing the recyclability of packaging and meeting the requirements of the Packaging and Packaging Waste Regulation in accordance with EU Regulation 2025/40:

- 80% of the materials used in sales packaging are technically recyclable by the end of 2028
- All sales packaging labelled with sorting instructions by 1 January 2028 or 24 months after the adoption of the implementing regulation
- BPA and PFAS compounds not used in packaging materials after the relevant requirements become effective (August 2026)

#### Actions and results in 2025 (2024)

- Total waste generated by HKFoods' operations: 32,096 tonnes (2024: 30,951)
- Food waste per tonnes sold: 1.6% (2024: not available)
- Mixed and energy waste per tonnes sold: 0.8% (2024: not available)
- The development project on by-products examined the economic optimisation of side streams and the development of material utilisation.
- A machine investment was made at the Outokumpu unit for a new production line utilizing side streams.

- 64% (2024: 64) of sales packaging materials were technically recyclable.
- Technically recyclable packaging materials were tested in consumer packaging, and the functionality of materials in packaging machines was developed.

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## E5 Circular economy: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic  | The greatest impact in the value chain | Type of impact |          | Time horizon           | HKFoods' environmental and social impacts  | Impact of the sustainability topic on HKFoods' business  | Management of impacts  |
|--|--|----------------|----------|------------------------|--|--|--|
| Waste  | Customers and partners                 | actual         | negative | medium                 | <ul style="list-style-type: none"> <li>- Distribution activities require the packaging of food products.</li> <li>- In the downstream value chain, the recycling of food waste and packaging waste has negative impacts.</li> </ul>  | <ul style="list-style-type: none"> <li>- The requirements and targets of national and EU legislation related to the EU Green Deal require new operating models.</li> <li>- HKFoods is dependent on national practices related to packaging recycling and sorting.</li> </ul> | <ul style="list-style-type: none"> <li>- Commitment to improving the recyclability of packaging as part of product development, as well as identifying and testing alternative material solutions</li> <li>- Monitoring customer credits related to quality waste</li> </ul>   |
| Resource outflows related to products and services | Own operations                         | actual         | positive | medium                 | <ul style="list-style-type: none"> <li>- The production process generates by-products suitable for human consumption, animal consumption or other industrial uses.</li> <li>- Meat production generates organic by-products that can be used as raw materials for, e.g. biofuels and fertilisers.</li> </ul> | <ul style="list-style-type: none"> <li>- HKFoods has the potential to develop the use of by-products more widely in collaboration with its partners.</li> <li>- Opportunity to utilise circular economy solutions in product development</li> </ul>                          | <ul style="list-style-type: none"> <li>- Activities in line with the Finnish food industry's material efficiency commitment</li> <li>- Joint ownership of Honkajoki to promote the circular economy of meat production's by-products</li> <li>- Production plant-specific waste monitoring programmes</li> <li>- Production plant-specific waste reporting</li> <li>- Market-specific utilisation of circular economy solutions, incl. export</li> </ul> |
| Resource outflows related to products and services | Own operations                         | actual         | negative | short, medium and long | <ul style="list-style-type: none"> <li>- Processing of by-products and waste increases, e.g., energy consumption and emissions.</li> <li>- Not all materials are recyclable.</li> </ul>  | <ul style="list-style-type: none"> <li>- Changes in sorting and treatment processes require new work steps and tools.</li> </ul>   | <ul style="list-style-type: none"> <li>- New processing methods take energy efficiency into account and minimise emissions.</li> <li>- Prioritising the efficient use of materials</li> </ul>  |

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## E5 Circular economy: HKFoods' risks and opportunities and their interaction with strategy and business model

SBM-3

| Sub-topic  | Part of the value chain                | Type of impact | Time horizon | Risk/Opportunity description and business and strategy dependencies on the sustainability topic  | Management   |
|--|--|----------------|--------------|--|--|
| Resource inflows related to products and services  | Own operations                         | risk           | medium       | <ul style="list-style-type: none"> <li>- Regulations on packaging materials create a need for new materials and may require equipment investments.</li> </ul>  | <ul style="list-style-type: none"> <li>- Testing of packaging materials and cooperation with packaging material suppliers</li> <li>- Anticipating investments</li> </ul>   |
| Resource outflows related to products and services | Own operations                         | opportunity    | medium       | <ul style="list-style-type: none"> <li>- Wider use of by-products enables increased commercial revenue from animal-based raw materials.</li> <li>- Better use of raw materials reduces costs arising from processing fees.</li> <li>- Export markets offer potential for carcass parts that are not in demand on local markets.</li> </ul> | <ul style="list-style-type: none"> <li>- Operations in line with the Finnish food industry's material efficiency commitment</li> <li>- Joint ownership of Honkajoki to promote the circular economy of meat production by-products</li> <li>- Production plant-specific waste monitoring programmes</li> <li>- Production plant-specific waste reporting</li> <li>- Wider use of by-products enables an increase in the commercial return on animal-based raw materials and reduces disposal costs.</li> </ul> |
| Waste  | Customers and partners, own operations | opportunity    | medium       | <ul style="list-style-type: none"> <li>- The potential for energy recovery from biowaste is coming to market. Possibility to reduce the amount of waste and treatment costs.</li> <li>- Dependence on the technological capabilities of circular economy operators</li> </ul>  | <ul style="list-style-type: none"> <li>- Development of new waste sorting methods</li> <li>- Cooperation with circular economy partners to promote material recycling</li> </ul>   |

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## 1. Impact, risk and opportunity management

### **IRO-1** Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

HKFoods has assessed the actual and potential impacts, risks and opportunities related to resource use and circular economy in its own operations as well as upstream and downstream of the value chain in its double materiality assessment in accordance with the sustainability reporting standard. The assessment was updated in 2025.

The material impacts, risks and opportunities assessed by the Company have been analysed in terms of product-related resource inflows and outflows, as well as normal and hazardous waste generated by its own operations. Product-related resource inflows were identified in the 2025 materiality assessment as a new medium-term risk, as regulations on packaging materials create a need to renew materials and require possible equipment investments.

Conclusions regarding resource outflows and waste are based on accurate volume data on different packaging materials, waste fractions and side streams generated by business operations, which have been monitored and developed over several years. The greatest impacts and dependencies related to resource outflows associated with products and services are found in the Group's own operations as a purchaser and user of raw materials. Production generates by-products that are suitable for human consumption, for animal feed and for use in several other industries, such as raw materials for biofuels and fertilisers.

Waste treatment in the downstream of the value chain has negative impacts on the environment. Activities related to product distribution and ensuring shelf life, quality and product safety require food packaging, which results in the handling of waste fractions from packaging materials. The Company is dependent on national practices related to packaging recycling and sorting as well as on the requirements and objectives of national and EU legislation, such as the Packaging and Packaging Waste Regulation. Food waste and its treatment also have negative impacts.

Waste and by-products generated by HKFoods' business operations are handled by various operators, such as transport services and material processing plants,

whose activities have an impact on the environment. The management of waste and by-products requires close cooperation with these circular economy partners. Various industries use animal ingredients as raw materials, and the share of animal by-products from carcasses is significant. Downstream value chain environmental impacts also arise from food waste, which can be caused by, e.g., quality defects or unused product batches. HKFoods has limited influence on the recyclability and reuse of products through its choice of packaging materials.

Resource outflows also present opportunities in the medium term. HKFoods engages in regular dialogue with its circular economy partners. The aim of the dialogue is to ensure that waste streams and by-products are optimally directed to further processing facilities. The Company has recognised that it could make greater use of by-products and circular economy solutions in product development. New circular economy solutions in collaboration with business partners may offer new opportunities to increase the recycling or value-adding use of various materials in the medium and long term.

Reducing waste enables a reduction in the environmental impacts of the value chain and cost savings related to recycling. More extensive use of by-products makes it possible to increase the commercial yield of animal-based raw materials and reduces the costs of processing fees. The export market has sales potential for carcass parts that are not in demand on the local market.

### **E5-1** Policies related to resource use and circular economy

The impacts, risks and opportunities related to resource use and circular economy are taken into account in the **Environmental Policy** approved by HKFoods' Board of Directors. The Policy is described in more detail in section *E1-2 Policies related to climate change mitigation and adaptation* and *ESRS 2 General disclosures*, in the table *HKFoods' policies*.

One of the key principles of the Environmental Policy is to operate in accordance with a certified environmental management system (ISO 14001), which requires, e.g., the development of packaging materials, compliance with the waste hierarchy, minimising production waste and the efficient use of animal raw materials. HKFoods is committed to promoting circular economy throughout the value chain.

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As HKFoods' business is focused on food production, it cannot switch to using recycled raw materials or other materials in its own production other than within the framework of legislation permitting food contact materials. Only the product packaging materials as part of the main product and logistics have been identified as an area where HKFoods can gradually move towards the use of recycled materials. The management and implementation of circular economy issues and side streams in line with the Environmental Policy is the responsibility of the director of environmental matters in each company. The Product Development Director is responsible for the development of packaging materials in collaboration with the packaging development function.

HKFoods' Board of Directors has approved HKFoods' internal **Procurement Policy** that applies to all the suppliers except for contract producers of animals. The Procurement Policy defines the guiding principles for HKFoods' sustainable procurement, which are extended to the supply chain through the HKFoods Group's **Supplier Code of Conduct**. The Procurement Policy and Supplier Code of Conduct are described in more detail under *G1-2 HKFoods Group's Procurement Policy and Supplier Code of Conduct* and in section *ESRS 2 General disclosures* in the table *HKFoods' policies*.

## E5-2 Actions and resources related to resource use and circular economy

HKFoods' responsibility programme for 2026–2028 also includes measures related to circular economy, some of which were already advanced in 2025.

HKFoods promotes circular economy development work in units where waste management is the responsibility of the persons in charge of the units' environmental issues. Industrial sales are responsible for the management of by-products, and packaging development is in charge of the circular economy development of packaging materials. Production plants have factory-specific waste monitoring programmes and waste reporting in place. In addition, the use of materials is constantly being optimised.

In terms of resource outflows, the Company aimed to improve the efficiency of meat raw material utilisation in its own operations during the 2025 reporting period. The by-products generated in the production processes of HKFoods' products are primarily used as raw materials or as energy in the value chain in the business operations of circular economy partners. HKFoods also owns 50 per cent of Honkajoki

Oy, a processor and refiner of animal by-products. Honkajoki Oy manufactures raw materials from by-products generated in meat production for use in various industries. The products manufactured by Honkajoki are used as raw materials in products such as animal feed, fertilisers and biofuels.

In 2025, the Company conducted a study on by-products, covering all HKFoods Finland Ltd's sites. The results showed that the economic return from side streams is being optimised in an increasingly systematic manner, and that the use of materials is being redirected back to purposes such as human food, pharmaceuticals and pet food processing. As a result of the study, an investment decision was made at Outokumpu production unit on a new production line that improves the utilisation of bone material generated in the cattle slaughterhouse as food and increases the yield from side streams. Based on the study results, HKFoods will continue its systematic work to increase the yield from side streams in the coming years.

The Company has strived to reduce waste and increase recycling in line with the waste hierarchy. Food waste arising downstream in the value chain is assessed by monitoring customer credits (value in euros) due to quality defects. Based on this, the Company can develop and implement corrective and preventive production measures.

HKFoods has improved its material efficiency by increasing the recyclability of packaging materials and minimising production loss. In 2025, the recyclability of materials used in consumer packaging was increased by testing and developing new technically recyclable materials for all product groups in collaboration with packaging material suppliers.

Packaging materials must be recyclable by 2030 in accordance with the requirements of the EU Packaging and Packaging Waste Regulation (PPWR). HKFoods reports the packaging materials it places on the market to the producer responsibility organisation and pays the waste management costs incurred as part of its producer responsibility. The further processing of waste fractions and the recycling of packaging are the responsibility of the packaging producer community and national recycling facilities.

The Company has not assessed the capital and operating expenditure required for the circular economy in the long term.

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## 2. Metrics and targets

### E5-3 Targets related to resource use and circular economy

HKFoods' Environmental Policy has been used to derive key targets, through which the HKFoods Group is committed to the efficient use of energy, water and raw materials. In terms of resource efficiency and circular economy, material efficiency and compliance with the waste hierarchy have been identified as key objectives, and the HKFoods Group has carried out continuous site-specific development work in relation to these objectives.

The Responsibility Programme for 2026-2028 includes the following new targets for reducing waste and improving the technical recyclability of packaging:

- *Reducing the amount of waste by 2028 from 2025 levels:*
  - Food waste -20%
  - Mixed and energy waste -20%

Calculated in tonnes in relation to tonnes sold.

Progress towards the targets will be monitored for the first time in 2026. The change in the amount of food waste as well as mixed and energy waste compared to 2024 has not been calculated. In 2025, the amount of food waste in relation to tonnes sold was 1.6 per cent, and the amount of mixed and energy waste in relation to tonnes sold was 0.8 per cent. The aim is that in 2028 the amount of food waste in relation to tonnes sold is 1.3 per cent and the amount of mixed and energy waste in relation to tonnes sold is 0.6 per cent.

Progress toward the targets will be monitored from 2026 onwards, both at the Group level and separately in the Group companies. The calculation is based on the circular economy partners' waste reports, which specify the actual data for each type of waste. The volume data for the Company's own sales is based on the actual data for the reporting period.

HKFoods' waste and by-product targets relate primarily to tiers 1 (reduction of waste) and 2 (recovery of reusable materials) of the waste hierarchy, but the Company is also taking measures for other tiers.

- *Increasing the recyclability of packaging and meeting the requirements of the Packaging and Packaging Waste Regulation:*
  - 80 per cent of the materials used in sales packaging will be technically recyclable by the end of 2028. In 2025, 64 per cent of sales packaging materials were technically recyclable.
  - All sales packaging will have sorting instructions in accordance with EU Regulation 2025/40 from 1 January 2028 or 24 months after the publication of the implementing regulation. The sorting criteria in accordance with the new regulation had not yet been published by the end of 2025.
  - BPA and PFAS compounds will not be used in packaging materials after the relevant requirements enter into force (August 2026).

HKFoods' resource use and circular economy targets for packaging materials are based on the requirements of changing EU legislation. The targets for waste and by-products are voluntary targets that exceed the requirements of legislation.

### E5-5 Resource outflows

HKFoods' primary outflow-related products are foodstuffs manufactured by the Group's companies and requiring packaging for storage and transport. The material used for product packaging is mainly cardboard or plastic. Recyclability targets have been set for product packaging, as presented above in section E5-3 *Targets related to resource use and circular economy*.

HKFoods' food production generates a large amount of animal material as a by-product which cannot be used as food. Most of these by-products are sent either to Honkajoki Oy, 50 per cent owned by HKFoods, for processing or to other industries as raw materials, such as bovine hides for the leather industry.

The sustainability of HKFoods' packaging products in relation to the industry average and their reparability are not relevant in terms of HKFoods' resource outflows.

The recyclability of food packaging is determined by the separable packaging components and the local recycling infrastructure. HKFoods' packaging waste mainly ends up in the Finnish market. Consumer packaging is sorted in accordance with the recycling instructions printed on the packaging.

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## 234 GOVERNANCE 2025

# HKFOODS

The waste resulting from HKFoods' business is mostly non-hazardous waste generated by processes typical of food industry operations. In terms of waste volumes, the main categories of waste are sludge from water treatment and grease traps, animal manure, litter and other animal by-products and biowaste. Together, these account for about 85 (87) per cent of the total waste. Of the remaining 15 (13) per cent or so, the largest category is mixed waste.

HKFoods' most significant waste streams are solids from water treatment, grease sludge discharged from grease traps and organic matter containing animal waste (manure, litter, wood chips). In addition, food production generates biowaste as a by-product.

Most of the waste generated by HKFoods' business is organic matter, i.e. biomass. It also includes various types of plastic fractions, metal, glass and small amounts of paper, cardboard and hazardous waste.

Waste data is collected on a site-by-site basis and waste volumes are calculated using the Group's common accounting system. The data are based on the European Waste Catalogue (EWC) classification and actual data reported by the waste management companies. The by-products of HKFoods' business activities are separated from materials classified as waste in accordance with legal requirements.

## E5-5 37 Waste generated by HKFoods' business (tonnes)

|   | 2025          | 2024           |
|---|---------------|----------------|
| <b>Total waste generated</b>  | <b>32,096</b> | <b>30,951*</b> |
| <b>Hazardous waste diverted from disposal</b>                               | <b>7.92</b>   | <b>1.76</b>    |
| Hazardous waste diverted from disposal due to preparation for reuse         | 0.34          | 0.00           |
| Hazardous waste diverted from disposal due to recycling                     | 5.18          | 1.34           |
| Hazardous waste diverted from disposal due to other recovery operations     | 2.40          | 0.42           |
| <b>Non-hazardous waste diverted from disposal</b>                           | <b>27,750</b> | <b>27,952*</b> |
| Non-hazardous waste diverted from disposal due to preparation for reuse     | 1.70          | 0.29           |
| Non-hazardous waste diverted from disposal due to recycling                 | 2,348         | 1,971**        |
| Non-hazardous waste diverted from disposal due to other recovery operations | 25,400        | 25,980*        |
| <b>Hazardous waste directed to disposal</b>                                 | <b>17</b>     | <b>10</b>      |
| Hazardous waste directed to disposal by incineration                        | 0.45          | 0.29           |
| Hazardous waste directed to disposal by landfilling                         | 0.00          | 0.00           |
| Hazardous waste directed to disposal by other disposal operations           | 17            | 10             |
| <b>Non-hazardous waste directed to disposal</b>                             | <b>4,320</b>  | <b>2,986</b>   |
| Non-hazardous waste directed to disposal by incineration                    | 2,447         | 2,586          |
| Non-hazardous waste directed to disposal by landfilling                     | 330           | 318            |
| Non-hazardous waste directed to disposal by other disposal operations       | 1,543         | 82             |
| <b>Non-recycled waste</b>   | <b>4,338</b>  | <b>2,997</b>   |
| <b>Percentage of non-recycled waste</b>                                     | <b>14</b>     | <b>10</b>      |
| <b>Total amount of hazardous waste</b>                                      | <b>25</b>     | <b>12</b>      |

\*) \*\*) The data reported in 2024 has been specified in retrospective calculation due to erroneous records related to the waste treatment method. However, it is not possible to revise the data retrospectively for all Group sites. The data has been revised in terms of waste fractions and materials classified as by-products. The differences between the previously reported and revised data are 1 per cent\* and 5 per cent.

\*\*) Due to the changes to records, the years are not fully comparable.

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## 234 GOVERNANCE 2025

# Social information

S1 Own workforce .....109  
 S2 Value chain workers .....125  
 S4 Consumers and end-users .....135

As a significant employer, HKFoods is committed to promoting the wellbeing and safety of its employees, their competence and equal treatment and opportunities. Material responsibility themes in the value chain include a competitive and socially sustainable producer community, as well as the development of contract producers' competence, and the promotion of health and safety. In addition, the Company's social responsibility includes ensuring the personal safety of consumers and end-users through safe food that supports wellbeing.



**3,083** own employees in Finland and Poland at the end of 2025

**~1,800** Finnish contract producers

**200** products meeting the Heart Symbol criteria

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**234 GOVERNANCE 2025**

## S1 Own workforce

HKFoods' operations have a significant employment impact both nationally and locally in the production locations. The Company aims to create a safe and healthy working community, where determined efforts are made to reduce accidents and sick leave and to improve the employee experience. Employees' skills and expertise are developed in line with the requirements of their tasks. HKFoods complies with collective agreements in its remuneration practices and strives for gender equality. The Company's recruitment practices are non-discriminatory.

### Targets and actions in 2025

| Responsibility programme 2026-2028 targets   | Actions and results in 2025 (2024)  |
|--|---|
| <p><b>Reducing the number of occupational accidents</b></p> <p>Occupational accidents leading to absence per million working hours (lost time injury rate, LTIR) by the end of 2028:</p> <ul style="list-style-type: none"> <li>• HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o.: LTIR 8.19</li> <li>• Lihaturku Harri Tamminen Oy: LTIR &lt; 20</li> <li>• Kivikylän kotipalvaamo Oy: LTIR &lt; 20</li> </ul> | <ul style="list-style-type: none"> <li>• Positive development in accident frequency rate (LTIR): <ul style="list-style-type: none"> <li>- HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o.: 8.2 (2024: 16.9)</li> <li>- Lihaturku Harri Tamminen Oy: 19.4 (2024: 19.6)</li> <li>- Kivikylän kotipalvaamo Oy: 34.9 (2024: 48.0)</li> </ul> </li> <li>• New HESQ system and occupational safety and fire safety guidelines introduced at the production plants of HKFoods Finland Ltd and HKFoods Poland Sp.z o.o.</li> <li>• Proactive occupational safety culture promoted through safety training and regular communication, active safety observations and the development of practices.</li> </ul> |
| <p><b>Reducing sickness absences</b></p> <p>Sick leave rate by the end of 2028:</p> <ul style="list-style-type: none"> <li>• HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o.: &lt; 4.9%</li> <li>• Lihaturku Harri Tamminen Oy: &lt; 4.9%</li> <li>• Kivikylän kotipalvaamo Oy: &lt; 5.0%</li> </ul>  | <ul style="list-style-type: none"> <li>• Positive development in sick leave rates: <ul style="list-style-type: none"> <li>- HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o.: 6.2% (2024: 6.9%)</li> <li>- Lihaturku Harri Tamminen Oy: 5.3% (2024: 5.3%)</li> <li>- Kivikylän kotipalvaamo Oy: 5.0% (2024: 5.5%)</li> </ul> </li> <li>• In Finland, an ageing programme and rehabilitation courses were underway. Staff were offered sports benefits, a lighter and compensatory work model, a low-threshold concern chat service and mood coaching.</li> </ul>  |
| <p><b>Improving employee experience</b></p> <p>Employee Net Promoter Score (eNPS) by the end of 2028:</p> <ul style="list-style-type: none"> <li>• HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o.: &gt; 35</li> <li>• Lihaturku Harri Tamminen Oy: &gt; 30</li> <li>• Kivikylän kotipalvaamo Oy: &gt; 30</li> </ul>  | <ul style="list-style-type: none"> <li>• Systematic monitoring of eNPS began: <ul style="list-style-type: none"> <li>- HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o.: eNPS 22 (2024: not measured)</li> <li>- Lihaturku Harri Tamminen Oy: 17 (2024: not measured)</li> <li>- Kivikylän kotipalvaamo Oy did not conduct an employee survey in 2025.</li> </ul> </li> <li>• Based on the employee survey, an action plan was drawn up to develop the employee experience for 2026-2028.</li> </ul>  |

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## S1 Own workforce: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic          | Sub-sub-topic     | The greatest impact in the value chain | Impact type |          | Time horizon | HKFoods' environmental and social impacts  | Impact of the sustainability topic on HKFoods' business  | Management of impacts   |
|--------------------|-------------------|--|-------------|----------|--------------|--|--|---|
| Working conditions | Secure employment | Own operations                         | actual      | positive | medium       | <ul style="list-style-type: none"> <li>- The Company's operations have a significant impact on employment both nationally and locally in the production locations.</li> </ul>  | <ul style="list-style-type: none"> <li>- Dependent on the availability of skilled labour, which may vary significantly from place to place</li> <li>- Dependent on training opportunities and interest in the industry</li> <li>- A diverse workforce requires broad-based induction training</li> <li>- Changes in labour laws and regulations may create new requirements</li> </ul> | <ul style="list-style-type: none"> <li>- Standardised and job-specific induction and comprehensive employee support</li> <li>- Collaboration with educational institutions and specialised vocational qualifications</li> </ul>   |
|                    | Health and safety | Own operations                         | potential   | positive | short        | <ul style="list-style-type: none"> <li>- The Company offers occupational health care services that exceed the legal requirements and support the working capacity and return to work of its personnel.</li> <li>- In 2025, lost time injury rate and sick leave rate developed positively and absences due to musculoskeletal disorders reduced from the comparison period. This has a positive impact on the wellbeing of individuals and work community.</li> <li>- Vocational rehabilitation has enabled a high proportion of people to return to work after sick leave.</li> </ul> | <ul style="list-style-type: none"> <li>- Dependent on outsourced occupational health services and their scope and effectiveness</li> <li>- A healthy workforce enables the Company's success.</li> </ul>   | <ul style="list-style-type: none"> <li>- Occupational health and safety action plan, early support models</li> <li>- Local occupational health and safety work carried out by health and safety committees</li> <li>- Workplace surveys, Voice employee survey</li> </ul> |
|                    | Health and safety | Own operations                         | potential   | negative | short        | <ul style="list-style-type: none"> <li>- Physically demanding work exposes to musculoskeletal disorders and occupational accidents. The number of people receiving disability pensions increased in 2025 from the comparison period.</li> <li>- Shift work and psychological stress can affect wellbeing and safety at work and increase long-term sick leave.</li> <li>- Hazardous chemicals in use can cause serious occupational accidents and diseases, which affect both the individual's career and the Company's insurance premiums.</li> </ul>                                 | <ul style="list-style-type: none"> <li>- Occupational accidents and sickness absences have an impact on costs and can also affect job satisfaction, the Company's attractiveness as an employer and its reputation.</li> </ul>   | <ul style="list-style-type: none"> <li>- The workplace promotes proactive occupational health and safety among its employees.</li> <li>- All employees are offered occupational health services that support their ability to work.</li> </ul>                            |

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| Sub-topic                                 | Sub-sub-topic   | The greatest impact in the value chain | Impact type |          | Time horizon | HKFoods' environmental and social impacts   | Impact of the sustainability topic on HKFoods' business  | Management of impacts  |
|---|---|--|-------------|----------|--------------|---|--|--|
| Working conditions                        | Social dialogue   | Own operations                         | actual      | positive | medium       | - A dialogue between employees and their representatives that exceeds regulatory requirements and includes e.g. regular internal communications, enables employees to better influence their own work, increases transparency, prevents conflicts and reinforces trust between the social partners. | - The size of the Company requires collaborative processes and representative lobbying. The Company has a European Works Council (EWC).  | - Involved in the Finnish Food and Drink Industries' Federation (ETL) industry network and working groups<br>- Activities in line with the cooperation procedures, representative lobbying<br>- The Company supports dialogue with staff and its representatives and regularly uses various communication and interaction channels for this purpose. |
|   | Collective bargaining, including rate of workers covered by collective agreements | Own operations                         | actual      | positive | medium       | - The Company complies with collective agreements that guarantee equal treatment and ensure industrial peace during their term.   | - The Company's employment policies are dependent on industry-specific collective agreements.  | - Collective agreements and sectoral collective agreements apply to employment relationships.<br>- In the network of the Finnish Food and Drink Industries' Federation (ETL)<br>- Activities in line with the cooperation procedures   |
| Equal treatment and opportunities for all | Training and skills development   | Own operations                         | actual      | positive | medium       | - The Company supports employee training, which develops staff skills, supports internal career development and builds a positive employer image.<br>- Employee skills and expertise are developed in line with job requirements.   | - Dependent on training opportunities in the industry, which is directly linked to the availability of skilled labour<br>- Skills gaps can lead to increased labour costs, quality issues and operational disruptions. | - Workplace wellbeing programmes<br>- Collaboration with educational institutions and specialist vocational qualifications<br>- Succession planning, training plans, induction programmes<br>- Personal performance reviews  |
|   | Diversity   | Own operations                         | actual      | positive | short        | - Staff diversity brings different perspectives, improves the Company's ability to find new solutions and develop its operations, reduces the risk of workplace discrimination and improves the reputation.   | - There may be preconceptions and ideological constraints on business that can affect the willingness of the workforce to enter the sector.  | - The Company's recruitment practices, job descriptions and criteria for applying for jobs are non-discriminatory.<br>- Diversity training for staff<br>- Nationality is included in the collection of personnel data.   |
|   | Gender equality and equal pay for work of equal value                             | Own operations                         | potential   | positive | short        | - Equal pay strengthens employee trust and commitment, improves productivity, reduces staff turnover, supports the Company's reputation, attracts skilled workforce and reduces legal risks.  | - Tightening legislation on pay transparency and equality may create new requirements for pay practices.   | - Collective agreements guide the wages applied in employment contracts, and the Company has regular practices for reviewing grades.<br>- Pay transparency criteria reported annually  |

## 1. Strategy

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The health and safety, employment security, and training and skills development of employees within own workforce are key factors in maintaining the Company's productivity and competitiveness, and thus contribute to HKFoods' long-term success. Competent, healthy personnel is one of the focus areas of the strategy updated in 2025. It includes, e.g., the objectives of inspiring people to get involved and to renew themselves, developing wellbeing and safety at work, reforming leadership and supervisory work, preparing for future competence needs, building dialogue with stakeholders and strengthening a unified corporate culture.

The material impacts, risks and opportunities related to HKFoods' own workforce were identified in the double materiality assessment based on the principles of the Company's risk management process. The information reported in the Sustainability Statement includes all persons in the Company's own workforce.

HKFoods' business activities have material impacts on permanent, part-time and temporary employees and on-demand workers. In addition to HKFoods' own employees, subcontractors and consultants may work at the same sites.

The Company's plans and actions to reduce GHG emissions and any related investments in new production technology and more energy-efficient solutions may change employees' job descriptions by increasing skill requirements and may cause changes in the current working spaces and equipment.

HKFoods has operations and employees in Finland and Poland. The Company's business and related work assignments are not located in geographical areas where the use of forced labour or child labour is defined as a significant risk. Local legislation in the Group's area of operation and HKFoods' general policies prohibit the use of forced labour and child labour. Recruitment is conducted in accordance with local legislation and HKFoods' Code of Conduct.

HKFoods' Code of Conduct emphasises that the Company does not accept any form of forced labour, wage slavery, labour coercion, modern slavery or human trafficking. HKFoods' workers are not required to pay securities or surrender their identity card to the employer. They have the right to terminate their employment according to the laws and collective agreements in force. HKFoods does not accept the use of child labour. This means, e.g., that persons under 18 years of age may not work at night or on any other assignments that may endanger their health and safety. Children under 15 years of age or children who have not reached the local minimum working age or the end of compulsory school age, whichever is the highest, may not work in a way that would interfere with their schooling. In its Code of Conduct, HKFoods is committed to not accepting employment relationships that do not meet the above conditions.

### Material impacts, risks and opportunities related to own workforce

Based on the double materiality assessment results, the material sustainability topics related to own workforce include the working-conditions-related themes of health and safety and employment security, social dialogue and collective bargaining, as well as the equal-opportunities-related themes of training and skills development, diversity and gender equality, and equal pay for equal work. The material topics are described in more detail in the table *S1 Own workforce: HKFoods' material impacts and their interaction with strategy and business model*.

### Material positive impacts

HKFoods' operations have the following positive effects on own workforce, among others:

- **A significant employment impact:** The Company creates jobs both nationally and locally in the production locations.
- **Supporting the ability to work:** The Company offers occupational health care services and vocational rehabilitation that exceed the statutory requirements and support the wellbeing and return to work of its personnel.
- **Health and safety:** The lost time injury rate and sick leave rate have decreased from the comparison period, improving the working capacity and wellbeing of individuals and the work community.

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- **An open dialogue:** Cooperation with the staff and its representatives is facilitated more extensively than required by regulations through, e.g., Working Committee meetings, negotiations councils, EWC cooperation and active internal communication.
- **Ensuring terms of employment:** Compliance with collective agreements guarantees equal treatment and industrial piece.
- **Skills development:** Training strengthens staff competence, supports internal career development and builds a positive employer image.
- **Diversity:** Promotes innovation, reduces the risk of discrimination and improves the Company's reputation.
- **Equal pay:** Increases trust and commitment, reduces staff turnover, improves productivity, attracts talent, supports the Company's reputation and reduces legal risks.

#### Material negative impacts

HKFoods' operations have, among others, the following negative impacts on its own workforce:

- **Physical workload:** Heavy production work exposes workers to musculoskeletal disorders and occupational accidents.
- **Disability risks:** The number of people on disability pension increased from the comparison period.
- **Effects of shift work and psychological stress:** Shift work and mental stress can reduce wellbeing and workplace safety and increase long-term sick leave.
- **Risks related to chemicals:** The use of hazardous chemicals can cause serious occupational accidents and diseases, which affect both the individual's career and the Company's insurance premiums.

#### Risks and opportunities

The 2025 materiality analysis did not identify any own workforce-related risks or opportunities that exceeded the materiality threshold. The employment security-related risk concerning the attractiveness of the sector and the availability of skilled labour, described in the Sustainability Statement 2024, decreased below the materiality threshold, as labour availability improved in 2025. In addition, the risk related to collective bargaining impacts reduced following the collective agreements negotiated for employees and salaried employees in the food industry in spring 2025.

The new collective agreements are valid until 2028. The risk related to the health and safety of the Company's employees decreased, as occupational health and safety have developed positively thanks to systematic development work and monitoring.

## 2. Management of impacts

### S1-1 Policies related to own workforce

The management of material impacts, risks and opportunities on HKFoods' own workforce is guided by the Code of Conduct and the HR Policy.

HKFoods' **Code of Conduct** sets out the general framework for HKFoods' guidelines for appropriate conduct and behaviour. The purpose of HKFoods' **HR Policy** is to ensure that all employees are treated fairly and with dignity and to set out the principles of HR management applicable to our employees. HKFoods complies with country-specific laws, regulations and collective agreements and ensures that its HR Policy is always in line with the Company's Code of Conduct and other policies.

The HKFoods Group Code of Conduct and HR Policy apply to all members of the Company's own workforce, regardless of role, background, gender or type of employment relationship. Lihatuokku Harri Tamminen Oy drew up and implemented its own HR Policy in 2025, which is in line with the Group's HR Policy. Kivikylän kotipalvaamo Oy began to work on preparing its own HR Policy.

The Group's CEO is responsible for the Code of Conduct implementation. The HR Policy owner is the Group's SVP HR, who is also responsible for implementing related matters within HKFoods. At Kivikylän kotipalvaamo Oy and Lihatuokku Harri Tamminen Oy, the management of each company is responsible for the implementation of the Code of Conduct and HR Policy.

## Human rights policy commitments

In line with the HKFoods' Code of Conduct, HKFoods respects the following international human rights conventions:

- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women
- OECD Guidelines for Multinational Enterprises
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and
- Ten Principles of the UN Global Compact.

HKFoods uses various Due Diligence processes to manage potential and actual adverse impacts related to human rights.

## Respect for the labour rights

In its Code of Conduct, HKFoods emphasises the following:

- Work at HKFoods is always based on an employment relationship, which is entered into under national laws and practices. All HKFoods employees have the right to make and sign an employment contract in a language they understand. The employment contract includes all mutually agreed terms and conditions of employment. Information provided to employees concerning their rights at the workplace must comply with local legal requirements and established practices.
- All HKFoods employees are treated equally without regard to race, religion, ethnic origin, age, disability, gender, marital status, pregnancy, parenthood, sexual orientation, union membership, political opinion or any other personal characteristic. HKFoods does not tolerate discriminatory practices in recruitment, job assignment, training and development, promotion, compensation and other benefits, or general conduct in the workplace. If discrimination is identified, it is addressed.

- HKFoods pays its employees' wages and benefits in accordance with national legal norms or generally applicable standards in the industry, including minimum wages. HKFoods recognises that wages must be sufficient to meet the basic needs of workers in their country of residence. As regards wages and payment methods, HKFoods' employees are informed of the terms and conditions of employment prior to the start of their employment. These conditions are also recorded in the employment contract.
- All disciplinary action against an employee is recorded. Disciplinary action may take the form of verbal or written warnings. However, a deduction from wages is not an accepted disciplinary measure at HKFoods. It is only possible if permitted by applicable national law or if specifically authorised by the employee concerned. The nature and type of disciplinary measures taken are described in more detail in the HR guidelines.
- HKFoods supports compliance with national legislation, applicable collective agreements and international conventions on working hours. At HKFoods, overtime is voluntary and is used in exceptional circumstances such as unexpected peaks in production or similar situations. Overtime always requires appropriate precautions to protect workers' health and safety. Employees are paid overtime compensation according to the applicable national laws and collective agreements.

HKFoods respects workers' freedom of association and the right to collective bargaining. HKFoods' employees are free to join trade unions and participate in the election of their official representatives in accordance with the applicable laws and collective agreements in each country. There must be no discrimination whatsoever against employees who are official representatives.

## Measures to provide remedy for human rights impacts

The HKFoods Group's business and operations have a material impact on the human rights of its employees, customers, consumers, suppliers, producers and communities in the countries where the Group operates. HKFoods' Code of Conduct states that the Company respects international human rights conventions and is committed to continuously improving its processes and practices to identify, prevent and mitigate human rights impacts that it may cause, contribute to or be directly associated with, both in its own operations and in its value chain.

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## Policies related to workplace accident prevention

In its Code of Conduct, HKFoods is committed to providing a safe and healthy working environment, taking into account specific risk factors for work-related injuries and illnesses, including possible exposure to substances and working conditions hazardous to health. Clear rules and guidelines have been drawn up for occupational health, safety, fire prevention and crisis preparedness, and these are followed. Occupational health services are available to all employees in accordance with local practices.

HKFoods takes occupational safety seriously and works continuously to prevent occupational accidents and health hazards in the workplace. Employees participate in the development of a healthy and safe workplace. This includes participation in occupational safety committees and the activities of occupational safety representatives, where such activities are organized. The Company's commitment to developing a healthy and safe workplace is set out in more detail in the Group's Health & Safety Policy.

HKFoods' **Health & Safety Policy** defines the health, occupational safety and wellbeing principles to be followed in all operating countries and units. The Policy, available on the Company's website, is the responsibility of the SVP of Risk Management, Safety and Cyber Security. The Group and business unit management is responsible for planning and resourcing activities in each unit and country to ensure that the Policy principles and supporting guidelines can be implemented and that human safety or health is not compromised at any stage of the process.

Management and supervisors are responsible for handling workplace health and safety-related matters through strong and credible leadership according to the legal requirements. HKFoods requires each employee to take responsibility for their own actions and to comply with the Health & Safety Policy and its supporting guidelines.

All sites must ensure that health and safety communication to employees, subcontractors and other stakeholders is systematic and proactive. If necessary, training and exercises must be organised to ensure that everyone is able to carry out their duties safely.

## Principles for promoting diversity and inclusion

HKFoods is committed to promoting equality and equal treatment in the workplace as set out in its Code of Conduct, HR Policy and Equality and non-discrimination plan. Equality and non-discrimination plans have been drawn up for the Group's Finnish companies in accordance with local legislation. The promotion of equality and equal opportunities is a key part of the corporate culture.

**The Equality and non-discrimination plan** emphasises an open, interactive and respectful working community where everyone can work to their full potential and take the initiative. Regardless of their role, everyone working in the Company must ensure the fair, equal and appropriate treatment of employees working in different personnel groups, of different genders, ages, religions, gender orientations, backgrounds or family circumstances, as well as both permanent and fixed term employees.

To promote equality and inclusion, HKFoods is committed to the following actions in its Equality and non-discrimination plan:

- operating in such a way that people of different genders apply for open positions regardless of their ethnic background
- promoting a balanced personnel structure and equality between women and men
- creating equal opportunities for career advancement and training for all
- promoting equality in working terms
- developing working conditions that are appropriate for both women and men
- facilitating the balance between work and family/private life
- ensuring that there is no discrimination of any kind in performance appraisals, remuneration, training selection or other personnel-related decisions, and
- acting in a way that prevents discrimination based on sex, age, origin, nationality, language, religion, belief, opinion, political activity, trade union activities, health status, family status, disability, sexual orientation or any other ground related to a person.

HKFoods' recruitment principles include a commitment to non-discrimination in job descriptions and application criteria. When making recruitment decisions, attention is paid to applicants' education, previous work experience, knowledge and skills and personality traits relevant to the role.

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## Principles of non-discrimination

HKFoods' Code of Conduct states that HKFoods is committed to acting against all forms of discrimination and unfair or prejudiced treatment of individuals and groups based on, e.g., race, gender, age or sexual orientation. All employees must be treated fairly, equally and with respect, regardless of the type of employment contract. HKFoods takes measures to protect employees from discrimination and promote diversity and inclusion, and the Company seeks to take vulnerable groups into account in its operations and value chains.

### S1-2 Processes for engaging with own workforce and workers' representatives about impacts

HKFoods complies with local labour legislation, applicable collective agreements and local agreements in force in all countries where it operates. Cooperation is carried out under the legislation of each country. All local agreements are drawn up in conformity with HKFoods' Code of Conduct. HKFoods complies with local collective agreements. The agreements are renewed through regular collective bargaining between the employers and workers' unions. The aim of this cooperation is to improve the Company's operations and employees' opportunities for influence.

In 2025, HKFoods actively participated in the activities of the Finnish Food and Drink Industries' Federation (ETL) industry network, aiming to contribute to industrial peace in the sector. HKFoods holds a European Works Council (EWC), which promotes internal flow of information and communication between management and staff and regularly discusses issues of interest to staff. The EWC meets twice a year. The aim of this cooperation is to build trust, listen to employees, answer their questions, involve them and discuss any training needs.

HKFoods has a National Negotiations Council in Finland, which convenes four times a year to discuss the Company's financial situation, current staff issues and the topics covered by the Co-operation Act. A specially appointed Working Committee, meeting once a month, is responsible for preparing council meetings. In addition, local cooperation is carried out with local shop stewards. HKFoods has a national Health and Safety Committee, with health and safety representatives from each location. The Committee meets twice a year.

HKFoods conducts a Voice employee survey, repeated at least every three years, to assess the satisfaction and commitment of all employees and their willingness to recommend the Company. The employee survey measures satisfaction with supervisor work and management, job meaningfulness, clarity and balance, psychological safety and diversity, among other things. At Kivikylän kotipalvaamo Oy, an employee survey is carried out at least every four years in cooperation with the pension insurer. Short pulse surveys are carried out a few times a year for each unit. At Lihatuokku Harri Tamminen Oy, an employee survey is conducted four times a year. Everyone is guaranteed the opportunity to respond, and the response rate is systematically monitored throughout the survey. The language options for the survey are determined on a company-specific basis. For example, HKFoods' employee survey can be answered in several different languages. If necessary, technical support is available to assist in completing the survey.

HR management is responsible for the implementation of the employee survey. Top management, with the support of Human Resource Management, is responsible for ensuring that the results are processed and taken into account in decision-making. The results are discussed at different organisational levels and with shop stewards. Supervisors are trained to deal with the results and teams are supported in drawing up improvement measures. Based on the results, improvement measures are agreed in the work communities, and their implementation is monitored in meetings under the management system.

HKFoods organises internal briefings on a quarterly basis and otherwise as and when required. At these events, staff have the opportunity to ask questions and discuss current issues directly with management. Supervisors are encouraged to engage in an ongoing dialogue with their team members.

Communication with employees and employee representatives is the responsibility of business management, operational management and HR management, each within their own area of responsibility.

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### S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

HKFoods has drawn up and implemented health, safety and welfare principles, which are monitored regularly. The main focus is on proactive occupational safety and the development of employee skills, with the aim of reducing any material negative impact on employees.

Continuous improvement and initiative activities are also part of HKFoods' operating principles, and through them the Company constantly aims to develop and improve working methods and conditions.

HKFoods' initiative activities provide personnel with opportunities to influence their own work and the Company's operations. The aim of the initiative is to stimulate continuous improvement, to create a channel for the implementation of ideas and to reward good ideas and the benefits they bring.

#### Addressing inappropriate behaviour and discrimination

In addition to HKFoods' Code of Conduct, the Company has guidelines for managing inappropriate behaviour and discrimination in the workplace. They form part of HKFoods' HR Policy. They apply to all HKFoods companies and all countries in which HKFoods operates. Own employees are encouraged to report any ethical issues or violations of legislation they observe to their supervisors, local management or human resources.

HKFoods has agreed on a cooperation forum model for consultation and cooperation with shop stewards. The cooperation forums cover both local and national cooperation. The forums involve a dialogue between the employer and staff representatives to promote adequate and timely communication between the employer and staff, and opportunities for staff to influence matters relating to their work, working conditions or status.

HKFoods has a separate occupational health and safety organisation and occupational health service, which also allow its own workforce to raise concerns or needs directly with the Company.

#### Reporting unethical behaviour and discrimination

HKFoods' own employees and other persons outside the Company may report suspected misconduct to the whistleblowing reporting system operated by an external service provider. Reporting through the whistleblowing reporting system is possible either by name or on a completely anonymous basis.

HKFoods Finland Ltd and HKFoods Poland Sp. z o.o. have a joint reporting channel, and any misconduct is investigated by a working group that is obliged to keep the information received confidential and report on its activities to the Board's Audit Committee. The working group includes representatives from the risk management and legal departments. HKFoods monitors reports submitted to the working group together with HR and employee representatives. HKFoods has published its principles for the protection of whistleblowers in its guidelines on the reporting system. Suspected misconduct is handled confidentially and in accordance with the Whistleblower Act.

Kivikylän kotipalvaamo Oy and Lihaturku Harri Tamminen Oy have their own reporting channels and processes for handling suspected violations. Kivikylän kotipalvaamo Oy uses the GuavaHR application as its reporting channel, while Lihaturku Harri Tamminen Oy has Webropol's whistleblower reporting channel in use.

HKFoods' employees are informed about the accessibility of the channels for reporting unethical behaviour and discrimination as well as suspected misconduct during their induction as part of the Code of Conduct training. In addition, HKFoods regularly communicates its Code of Conduct to its personnel through the communication channels specified by each company, such as the intranet and break rooms.

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### S1-4 Actions related to material impacts on own workforce

#### Action plans

The **HR Action Plan**, extending to 2028, includes succession planning, skills assurance, standardised job-specific induction and support for occupational wellbeing for all employees. The key goals of the Action Plan are described in more detail under 3. *Metrics and targets*. HKFoods seeks to promote positive cooperation and inclusion in its human resources management.

HKFoods annually reviews both its **Equality and non-discrimination plan** and its **Work Community Development Plan** and uses these reviews as a basis for defining action plans for managing material impacts, risks and opportunities. These action plans apply to HKFoods' employees, with the exception of the personnel of Kivikylän kotipalvaamo Oy, Lihatuokku Harri Tamminen Oy and HKFoods Poland Sp. z o.o.

The aim of the Equality and non-discrimination plan is to assess the implementation of equality and non-discrimination in the workplace and to develop workplace practices that are followed when making decisions concerning personnel. The aim of the Work Community Development Plan is to support the development, wellbeing and coping of the personnel and to ensure that the number, structure and competence of the personnel correspond to the implementation of the targets and plans set in the Company's strategy.

HKFoods, excluding HKFoods Poland Sp. z o.o., prepares an annual **Occupational Health Care Plan** and an **Occupational Safety and Health Action Plan** in cooperation with the staff and occupational health services. The Occupational Health Care Plan is discussed by the Company's National Negotiations Council, Working Committee and Health and Safety Committee as well as at local health and safety committee meetings and in a similar procedure with employee representatives, as required by the Occupational Health Care Act.

The Occupational Health Care Plan aims to manage pension risks and payment class impacts, which are addressed through the development of work ability management. This includes strengthening the use of the early support model and organising training for supervisors and elected representatives on occupational health negotiations. Work ability management is supported at the earliest possible stage.

The goals also include preventing and reducing harmful physical strain and promoting mental health in the workplace. The Occupational Health Care Plan supports business operations in terms of workforce availability and recruitment.

#### Actions to prevent material negative impacts and to enable positive impacts

Negative impacts on the health and safety of own workforce are managed through, e.g., the operating principles included in the Health & Safety Policy, occupational safety guidelines and standards, occupational health programmes and Occupational Health Care Plan and early support model.

At HKFoods, all employees starting permanent employment are subject to a pre-employment health check and all employees exposed to hazardous work have a health check in accordance with the Occupational Health Care Act.

Every two to five years, the Company conducts department-specific workplace surveys, which include a preliminary questionnaire for employees. The workplace surveys provide information on potential work stress factors and are conducted in collaboration with the occupational health service provider.

HKFoods conducts job-specific surveys to develop work processes and manage workload factors. According to the Finnish Occupational Safety and Health Act, employers must carry out a systematic investigation and identification of hazards and risks arising from work and the working environment, which are assessed and processed together with the staff. Risk management supports the continuity of operations.

The Company conducts regular surveys to assess employee experience and engagement as well as workload factors. The Company also supports employee performance and development through regular performance and development reviews. The positive effects on HKFoods' own workforce are promoted through company-specific wellbeing programmes, which create a framework for promoting wellbeing at work in all Group companies, countries of operation and personnel groups. By investing in staff training and skills development and increasing flexibility at work, the aim is to improve staff commitment and motivation, promote innovation and, through this, competitiveness and productivity.

## Actions in 2025

### Occupational health and wellbeing

HKFoods Finland supports the working ability and wellbeing of employees throughout the lifecycle of the employment by providing extensive occupational health care services, rehabilitation pathways and measures to prevent incapacity to work in cooperation with the occupational health care providers and pension insurers. The aim is to provide quick access to care and holistic support for physical, social and mental wellbeing.

In 2025, HKFoods continued the operating models supporting these objectives and developed the process of lighter work for employees whose work ability has declined.

A care pathway designed to prevent musculoskeletal disorders was introduced in all locations. In some locations, physiotherapist-led rehabilitation groups were launched and Kela's (The Social Insurance Institution of Finland) Kiila rehabilitation was organised to support impaired work ability.

Supervisors were trained on the use of early and enhanced support models to prevent prolonged sick leave. The occupational healthcare services provide supervisors with real-time information to support the management of sick leave.

Flexible work arrangements were in place to support the work-life balance, e.g., by providing employees in certain jobs with the opportunity for flexitime, hybrid work, part-time work and fixed-term positions.

To support mental wellbeing, the Company offered, among other things, low-threshold chat services and mood coaching in addition to the statutory occupational healthcare services. Psychosocial stress factors were monitored through workplace surveys. At the Rauma site, a pilot project was launched to support the mental health of young adults.

To promote wellbeing and enhance working ability, the Company organised occupational wellbeing card trainings and offered exercise benefits to employees, among other things. To support diversity, training and recruitment support, among others, were organised.

### Work safety

The focus of HKFoods' occupational safety work is on proactive occupational safety to prevent serious accidents, injuries and fatalities. Occupational safety expertise is developed by increasing staff awareness of occupational safety guidelines and through other safety training. Safety observations, near misses and accidents of varying degrees are systematically addressed. Based on these, practices, processes and the working environment are further developed to improve safety.

Employees' safety awareness is improved, e.g., by organising various safety campaigns, developing induction and performance review discussions from the perspective of occupational safety, organising safety card training and encouraging safety observations.

In 2025, HKFoods assessed the current state of occupational safety in all its Finnish and Polish production units against the requirements of the ISO 45001 standard. Based on this, an occupational safety management model compliant with occupational health and safety standards will be created. In addition, HKFoods developed its occupational safety and fire safety guidelines in the Finnish and Polish businesses. The Company continued the project it started in 2024, which involves reviewing all of the Company's production plants and inspecting their fire compartments and fire safety. Corrective measures at the sites were started during the reporting period. Data-driven occupational safety management was improved by introducing a new HESQ system and reporting model.

As part of the Group's risk management process, HKFoods regularly conducts risk assessments to identify and evaluate risks related to its own workforce. These assessments are used to prepare site-specific risk management plans and action plans, which are reviewed together with employees. In 2025, HKFoods introduced a new machine and line-specific risk assessment model to improve safety at work. Risk analyses based on the model were launched at all production plants, and the work will continue in 2026.

Kivikylän kotipalvaamo Oy and Lihatuokku Harri Tamminen Oy have their own action plans for occupational safety and wellbeing and for fire safety. Kivikylän kotipalvaamo Oy's occupational safety action plans are location-specific, and occupational safety is managed through occupational safety committees. The Company regularly

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organises fire extinguishing and first aid training for its personnel. In 2025, Kivikylän kotipalvaamo Oy's operational occupational safety activities focused on continuous improvement through workplace surveys, safety rounds and various inspections. In addition, defibrillators were acquired for all Kivikylän kotipalvaamo's sites and related user training was organised.

At Lihatuokku Harri Tamminen Oy, work safety and wellbeing are developed by the health and safety committee, which reviews key occupational safety indicators and necessary measures. In addition, regular risk assessments, workplace surveys and training are an essential part of occupational safety and health. Employees have access to a feedback channel where they can report issues that need improvement. In 2025, Lihatuokku Harri Tamminen Oy expanded its reporting of occupational accident data and set new indicators for this purpose. A separate occupational health and safety policy was created alongside the occupational safety and health programme.

## Training

HKFoods provides its staff with induction, training and coaching that focuses on safety, wellbeing and coping at work. Employees receive training in various internal and external courses, such as occupational wellbeing card training that aims to strengthen the wellbeing, work ability and productivity of work communities. The training provides concrete tools and a common understanding for promoting occupational wellbeing. Occupational wellbeing card training was organised again in 2025. In addition, HKFoods organises short training courses for supervisors on leadership and other topical issues, quality and safety training for employees and other training relevant to the industry.

To increase understanding of diversity, HKFoods trains its employees and supervisors through language training, as well as recruitment and prejudice awareness training, and provides support for succession planning and age management through its ageing programme, among other things.

## Monitoring the effectiveness of actions

Occupational safety matters and their progress are reported to the Group's Board of Directors annually. Action plans for wellbeing at work have been drawn up for each company, production unit and business unit, and their progress is monitored monthly and quarterly in accordance with the meeting practices of the locations. Staff sickness absences and employee turnover are monitored quarterly, and the results are analysed in cooperation with the occupational health service provider and the occupational pension and accident insurers. The results are reported to management, which uses them to support decision-making.

In 2025 HKFoods' insurance company conducted an insurance review related to accident risks at all HKFoods locations, focusing in particular on fire safety risks. The review did not cover Kivikylän kotipalvaamo Oy or Lihatuokku Harri Tamminen Oy.

HKFoods regularly monitors the effectiveness of measures also through employee surveys, feedback discussions and occupational health reports. Based on the results, the Company makes the necessary changes and improvements to its processes.

HKFoods conducts company-specific employee surveys at least every four years to assess the staff's employee experience and commitment to HKFoods. Supervisors are trained to process the results, and each supervisor reviews the results with their own team. Based on the results, the teams draw up action plans to systematically advance the identified areas for improvement. The results are reviewed with all employees and staff representatives.

During the reporting period, HKFoods Finland Ltd, HKFoods Poland Sp. z o.o. and Lihatuokku Harri Tamminen Oy conducted an employee satisfaction survey, and based on the results, an action plan for each company was drawn up for the strategy period 2026–2028. Kivikylän kotipalvaamo Oy did not conduct an employee satisfaction survey in 2025.

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## Resources to manage material impacts on own workforce

The HR departments of the HKFoods companies are responsible for implementing HR processes to support the business and developing processes to meet business needs. Health and safety managers and occupational safety representatives support staff in safety-related matters and provide training. HKFoods also works with external experts and organisations that provide expertise and support in the management of impacts.

## 3. Metrics and targets

### S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

#### Reducing occupational accidents

HKFoods aims to systematically improve occupational safety and reduce accidents towards the long-term goal of zero accidents. In its responsibility programme for 2026–2028, HKFoods’ goal is to reduce accidents so that the lost time injury rate (LTIR) is 8.19 by the end of 2028. The LTIR figure indicates the number of accidents leading to sick leave during the reporting period in relation to one million working hours. In 2025, LTIR was 8.2 (base year 2024: 16.9). The target covers HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o.

Lihatukku Harri Tamminen Oy and Kivikylän kotipalvaamo Oy have set their separate, similar targets where the LTIR is less than 20 by the end of 2028. In the base year 2025, the LTIR at Lihatukku Harri Tamminen Oy was 19.4 (2024: 19.6) and that of Kivikylän kotipalvaamo Oy was 34.9 (2024: 48.0).

HKFoods has not set a target for an accident frequency rate calculated in accordance with ESRS standards but uses the LTIR calculation method established in the industry to develop its own operations. The accident frequency calculated in accordance with ESRS standards includes accidents that have resulted in sick leave, accidents that have resulted in compensatory or lightened work and accidents that have resulted in medical treatment and are assessed as a significant risk. Calculated in accordance with ESRS standards, the Group’s accident frequency rate in 2025 was 15.3 (2024: 25.92). The actual figure also includes the figures for Kivikylän kotipalvaamo Oy, Lihatukku Harri Tamminen Oy and Jokisen Eväät Oy.

#### Reducing sickness absences

During the review year, the Company specified its sickness absence target reported in the Sustainability Statement 2024. In the Responsibility programme for 2026–2028, HKFoods’ target is to promote the occupational safety and wellbeing of personnel and consequently reduce sick leave rate to less than 4.9 per cent by the end of 2028. The previous target was 5.7 per cent by the end of 2027. The new target applies to HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o. In 2025, the sick leave rate was 6.2 per cent (comparison year 2024: 7).

Lihatukku Harri Tamminen Oy’s target is to have a sick leave rate of less than 4.9 per cent by the end of 2028. The actual figure for the base year 2025 was 5.3 per cent. Kivikylän kotipalvaamo Oy’s target is to have a sick leave rate of less than 5.0 per cent by the end of 2028. The actual figure for the base year 2025 was 5.0 per cent.

#### Improving the employee experience

HKFoods invests in increasing psychological safety and aims to improve the employee experience. The target for the Employee Net Promoter Score (eNPS) was also specified during the reporting period.

The target is for the Group’s eNPS to exceed 35 by the end of 2028. The old target was an eNPS of over 10. In the base year 2025, the eNPS was 22. In 2024, the Employee Net Promoter Score was not measured. The Group’s target includes HKFoods Plc, HKFoods Finland Ltd and HKFoods Poland Sp. z o.o. Lihatukku Harri Tamminen Oy’s target is to have an eNPS of over 30 (actual for the base year 2025: 17) and Kivikylän kotipalvaamo Oy’s target is to have an eNPS of over 30 by the end of 2028 (not measured for the base year 2025).

The targets are included in HKFoods’ responsibility programme for 2026–2028, which has been presented to employees. HKFoods has not used direct communication with its own employees and their representatives when setting the targets.

The achievement of targets is reported and monitored by HKFoods’ National Negotiations Council, Working Committee and EWC as well as through internal briefings, performance reviews and team meetings.

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### S1-6 Characteristics of the Company's employees

The gender distribution of HKFoods Group's own workforce

| Gender       | Number of employees (head count) |              |
|--------------|----------------------------------|--------------|
|              | 2025                             | 2024         |
| Female       | 1,322                            | 1,306        |
| Male         | 1,761                            | 1,813        |
| Other        | 0                                | 0            |
| Not reported | 0                                | 0            |
| <b>Total</b> | <b>3,083</b>                     | <b>3,119</b> |

HKFoods' employee head count in countries where the Company has at least 50 employees representing at least 10 per cent of its total number of employees

| Country | Number of employees (head count) |       |
|---------|----------------------------------|-------|
|         | 2025                             | 2024  |
| Finland | 2,890                            | 2,936 |
| Poland  | 193                              | 183   |

HKFoods' employees by type of contract and gender

|  | Female |       | Male  |       | Other |      | Not reported |      | Total |       |
|--|--------|-------|-------|-------|-------|------|--------------|------|-------|-------|
|  | 2025   | 2024  | 2025  | 2024  | 2025  | 2024 | 2025         | 2024 | 2025  | 2024  |
| Number of employees (by head count)                      | 1,322  | 1,306 | 1,761 | 1,813 | 0     | 0    | 0            | 0    | 3,083 | 3,119 |
| Number of permanent employees (by head count)            | 1,117  | 1,083 | 1,459 | 1,454 | 0     | 0    | 0            | 0    | 2,576 | 2,537 |
| Number of temporary employees (by head count)            | 117    | 133   | 217   | 260   | 0     | 0    | 0            | 0    | 334   | 393   |
| Number of non-guaranteed hours employees (by head count) | 88     | 90    | 85    | 99    | 0     | 0    | 0            | 0    | 173   | 189   |

HKFoods' employees by region

|  | Region A Finland |       | Region B Poland |      | Total |       |
|--|------------------|-------|-----------------|------|-------|-------|
|  | 2025             | 2024  | 2025            | 2024 | 2025  | 2024  |
| Number of employees (head count)                         | 2,890            | 2,936 | 193             | 183  | 3,083 | 3,119 |
| Number of permanent employees (head count)               | 2,428            | 2,397 | 148             | 140  | 2,576 | 2,537 |
| Number of temporary employees (head count)               | 289              | 350   | 45              | 43   | 334   | 393   |
| Number of non-guaranteed hours employees (by head count) | 173              | 189   | 0               | 0    | 173   | 189   |

The total number of permanent employees that left the Company during the reporting period was 205 (204) and the turnover rate of permanent employees during the reporting period was 6.7 (6.5) per cent.

Figures related to own workforce include all HKFoods Group companies.

The number of employees is disclosed as headcount at the end of the reporting period (31 Dec 2025).

The number of employees also includes non-active employees such as those on family and sick leave. The HKFoods Group employed an average of 590 (640) fixed-term employees during the year. The number of HKFoods Group employees varies throughout the year, peaking during the summer season.

The table in S1-6 Characteristics of the Company's employees shows the number of employees in the Group by country and gender. In this Sustainability Statement, the numbers are disclosed in head count. In the Financial Statements, the numbers are presented as an average FTE (Full Time Equivalent).

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### S1-8 Collective bargaining coverage and social dialogue

HKFoods complies with national legislation and local collective agreements to ensure that all workers' working terms and conditions meet minimum standards.

At HKFoods, employment relationships are, as a rule, open-ended and full-time. HKFoods aims to provide permanent, full-time employment when possible. Fixed-term contracts are used for justified reasons in accordance with the Employment Contracts Act. Part-time employment is used when appropriate and necessary for the organisation of work. Agency workers are subject to the same collective agreements as own permanent employees. The collective agreements determine the wages, working hours and holidays of agency workers, thus guaranteeing them the same conditions as permanent workers.

The social dialogue is described in more detail under *S1-2 Processes for engaging with own workers and workers' representatives about impacts*.

Information on the collective bargaining coverage and social dialogue within the HKFoods Group in 2024-2025

| Coverage rate | Collective bargaining coverage     | Social dialogue          |
|---------------|------------------------------------|--------------------------|
|               | Employees in Finland and in Poland | Workplace representation |
| 0-19%         | Poland                             |                          |
| 20-39%        |                                    |                          |
| 40-59%        |                                    |                          |
| 60-79%        |                                    |                          |
| 80-100%       | Finland                            | Finland, Poland          |

There have been no changes in the information on collective bargaining coverage and social dialogue since 2024.

Poland does not have a collective bargaining system similar to that in Finland, which is why the coverage rate of collective agreements in Poland differs from that in Finland. In the social dialogue, all employees are represented at their workplace.

For Poland, the 2024 data on collective bargaining coverage has been adjusted due to reinterpretation of the matter (in the Sustainability Statement 2024, coverage was reported as 20-39 per cent).

### S1-9 Diversity metrics

| Diversity of employees   | 2025  | 2024  |
|--|-------|-------|
| Number of employees (headcount) at top management level (prs)        | 6     | 6     |
| Number of female employees (headcount) at top management level (prs) | 1     | 1     |
| Number of male employees (headcount) at top management level (prs)   | 5     | 5     |
| Percentage of female employees at top management level (%)           | 17    | 17    |
| Percentage of male employees at top management level (%)             | 83    | 83    |
| Number of employees (headcount) under 30 years old (prs)             | 609   | 649   |
| Percentage of employees under 30 years old (%)                       | 19.7  | 21    |
| Number of employees (headcount) between 30 and 50 years old (prs)    | 1,442 | 1,446 |
| Percentage of employees between 30 and 50 years old (%)              | 46.8  | 46    |
| Number of employees (headcount) over 50 years old (prs)              | 1,032 | 1,024 |
| Percentage of employees over 50 years old (%)                        | 33.5  | 33    |

HKFoods' top management consists of the members of the Company's Executive Team: Chief Executive Officer (CEO), Chief Financial Officer (CFO), EVP Administration and Legal, EVP Poultry Business, EVP Meat Business and EVP Processed Foods Business. The definition of top management is based on strategy planning, business development, financial control and human resources management.

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### S1-13 Training and skills development metrics

| Hours spent on training and skills development   | 2025   | 2024   |
|--|--------|--------|
| Total training hours (h)   | 14,947 | 11,088 |
| Percentage of employees that participated in regular performance and career development reviews (%)        | 68     | 53     |
| Percentage of male employees that participated in regular performance and career development reviews (%)   | 67     | 51     |
| Percentage of female employees that participated in regular performance and career development reviews (%) | 69     | 55     |
| Average number of training hours per person for employees (h)  | 4.9    | 3.6    |
| Average number of training hours per person for male employees (h)   | 4.7    | 3.4    |
| Average number of training hours per person for female employees (h)                                       | 4.6    | 3.8    |

### S1-14 Health and safety metrics

|   | 2025      | 2024      |
|---|-----------|-----------|
| Percentage of persons in own workforce covered by the Company's occupational health and safety management system based on legal requirements and/or recognised standards or guidelines (%)* | 0         | 0         |
| Number of fatalities in own workforce as a result of work-related injuries and work-related ill health  | 0         | 0         |
| Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites   | 0         | 0         |
| Number of recordable work-related accidents for own workforce   | 75        | 128       |
| Rate of recordable work-related accidents for own workforce (accidents per million working hours)   | 15.3      | 25.92     |
| Number of working hours used in rate formula (h)  | 4,912,241 | 4,938,088 |

Own workforce covers only employees in an employment relationship.  
\*) 0% management systems based on recognised standards or guidelines

The accident frequency includes workplace accidents that led to sick leave, accidents that led to transfer to other duties or restricted work and accidents that led to medical treatment and were assessed as significant risks. The accident frequency rate is calculated per million hours worked.

In 2025, there were no fatal accidents at work in the HKFoods Group either to its own employees or employees of service providers working on the same premises, nor were there any such accidents in the comparison year 2024.

### S1-16 Remuneration metrics (pay gap and total remuneration)

During the reporting period, the Company's highest salary was 14.8 (2024: 19) times the median salary. When comparing the ratio of the total annual remuneration of the highest-paid person to the median of total annual remuneration, the median is calculated excluding persons who started in the middle of the reporting year and the salary of the highest-paid person. The 2024 calculation included all individuals in an employment relationship during the year, which is why the reported comparison figure (19) is not fully comparable with the 2025 figure.

The gender pay gap at the Group level in 2025 was 11.7 (12) per cent, taking into account gross hourly earnings and country-specific differences in the weighted average for the number of employees. The ratio of total pay for women and to total pay for men has been calculated as the average weighted by the number of persons.

The remuneration metrics are disclosed on the basis of active staff as at 31 December 2025.

HKFoods pays its employees' wages and benefits in accordance with national legal provisions or generally applicable industry standards, also with regard to minimum wages. Regarding wages and payment methods, HKFoods' employees are informed of the employment conditions prior to the start of their employment. These conditions are also recorded in the employment contracts.

## S2 Value chain workers

The health and wellbeing of employees in the value chain, as well as training and skills development, are key factors in maintaining HKFoods' productivity and competitiveness. HKFoods' safe, high-quality raw materials are produced by approximately 1,800 Finnish contract producers, who are the most significant employee group in the Company's upstream value chain. Developing a competitive and socially sustainable producer community is therefore an important part of HKFoods' strategy and responsibility programme.

HKFoods is closely involved in developing the production and quality of its contract producers and improving the profitability of their farms. The Company develops supply chain expertise, e.g., by offering advisory services, training programmes as well as primary production cooperation groups and network meetings. The satisfaction of both contract producers and other suppliers with the cooperation is measured through regular surveys.

### Targets and actions

| Responsibility programme 2026-2028 targets   | Actions and results in 2025  |
|--|--|
| <p><b>Competitive and socially sustainable producer community</b></p> <ul style="list-style-type: none"> <li>• Developing producer interaction, competence and satisfaction by organising meetings, training and other interaction in line with the plan drawn up for producer cooperation in 2026-2028</li> <li>• Measuring producer satisfaction and creating a feedback system by the end of 2027</li> </ul> <p>The targets apply to HKFoods Finland's contract production.</p> | <ul style="list-style-type: none"> <li>• HKFoods continued to provide production-line-specific advisory services and training for contract producers and organised meetings for cooperation groups.</li> <li>• Action plan for producer cooperation was drawn up for 2026-2028.</li> <li>• Two-year responsibility training programme for producers was launched in cooperation with the Pyhäjärvi Institute.</li> <li>• Coverage of the new supplier management system was expanded to include companies responsible for animal transport.</li> </ul> |

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## S2 Value chain workers: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic                                 | Sub-sub-topic                   | The greatest impact in the value chain | Impact type |          | Time horizon | HKFoods' environmental and social impacts  | Impact of the sustainability topic on HKFoods' business   | Management of impacts   |
|---|---------------------------------|--|-------------|----------|--------------|--|---|---|
| Working conditions                        | Health and safety               | Raw materials and suppliers            | potential   | negative | short        | <ul style="list-style-type: none"> <li>- Agriculture is generally an industry prone to occupational accidents.</li> <li>- Working conditions in the Company's value chain may potentially have negative impacts on employees in the value chain.</li> </ul>  | <ul style="list-style-type: none"> <li>- Structural changes in agriculture may expose supply chains to various disruptions.</li> <li>- Increasing regulation increases the pressure to identify risks.</li> </ul>                                     | <ul style="list-style-type: none"> <li>- The requirements set for suppliers regarding sustainable operations are based on HKFoods' Code of Conduct, responsibility targets and procurement criteria.</li> <li>- The Next Generation training programme develops the skills of new agricultural entrepreneurs.</li> <li>- Primary production cooperation groups and network meetings to increase the skills of contract producers</li> </ul> |
|   | Health and safety               | Raw materials and suppliers            | potential   | positive | short        | <ul style="list-style-type: none"> <li>- Compliance with terms of employment and occupational safety enables farmers to receive subsidies and adopt more sustainable operating models.</li> </ul>  |   |   |
| Equal treatment and opportunities for all | Training and skills development | Raw materials and suppliers            | potential   | positive | medium       | <ul style="list-style-type: none"> <li>- The greatest positive and potential impact on the climate and nature occurs in the supply chains.</li> <li>- The sustainability targets and requirements set by the Company require supply chain workers to have knowledge of related topics and to manage their impacts.</li> <li>- Increased awareness of the sustainability transition positively affects the development of sustainable value chains.</li> <li>- Competitive pricing and cooperation with contract producers maintain the operating conditions for meat production, increase awareness of the sustainability transition, and thus promote the development of sustainable operations.</li> </ul> | <ul style="list-style-type: none"> <li>- Dependent on climate and environmental protection measures implemented by suppliers</li> <li>- Sustainability requirements may cause changes in, e.g., supplier selection or raw material supply.</li> </ul> | <ul style="list-style-type: none"> <li>- Supplier management system and supplier surveys, contract producer surveys</li> <li>- Supplier audits</li> </ul>   |

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## S2 Value chain workers: HKFoods' risks and opportunities and their interaction with strategy and business model

SBM-3

| Sub-topic                                 | Sub-sub-topic                   | Part of the value chain     | Type        | Time horizon | Risk/Opportunity description and business and strategy dependencies on the sustainability topic  | Management  |
|---|---------------------------------|-----------------------------|-------------|--------------|--|---|
| Equal treatment and opportunities for all | Training and skills development | Raw materials and suppliers | opportunity | medium       | <ul style="list-style-type: none"> <li>- The terms of farmer subsidies are an essential economic incentive for climate and environmental protection work in agriculture.</li> <li>- Developing operating methods improves productivity and strengthens competitiveness.</li> </ul> | <ul style="list-style-type: none"> <li>- The requirements set for suppliers regarding sustainable operations are based on HKFoods' Code of Conduct and responsibility targets.</li> <li>- Procurement criteria</li> <li>- Next Generation programme to increase the skills of new agricultural entrepreneurs</li> </ul> |
|   | Training and skills development | Raw materials and suppliers | risk        | medium       | <ul style="list-style-type: none"> <li>- The risks to employees in the value chain are particularly related to occupational safety and the skills needed to achieve the Company's responsibility targets.</li> </ul>   | <ul style="list-style-type: none"> <li>- Primary production cooperation groups and network meetings</li> <li>- Supplier management system and supplier surveys, producer surveys</li> <li>- Supplier audits</li> </ul>  |

### 1. Strategy

SBM-3 **Material impacts, risks and opportunities related to value chain workers and their interaction with strategy and business model**

HKFoods procures most of the pigs, cattle and poultry for its production needs from the Finnish contract producers. In Finland, the Company is committed to using only domestic meat raw materials in its HK®, Kariniemen® and Via® brand products. Therefore, the business is dependent on the meat raw materials produced by the Company's Finnish contract producers and on the employees working in primary production.

Since the Company's animal procurement is based on long-term contracts and close cooperation with producers, the development of a competitive, socially sustainable producer community is part of HKFoods' strategy. A competitive and socially sustainable producer community ensures the wellbeing and operating conditions of producers and strengthens inclusion and adaptability in a changing operating environment.

The material impacts, key risks and opportunities affecting all value chain workers have been identified through the double materiality assessment based on the principles of the Company's risk management process. Based on the assessment results, the material sustainability topics related to value chain workers are the sub-sub-topic Health and safety under the theme Working conditions of value chain workers as well as the sub-sub-topic Training and skills development under the theme Equal treatment and equal opportunities for all. The health and safety of value chain employees, as well as training and skills development, are key factors in maintaining employee work ability, productivity and competitiveness. This, in turn, contributes to the long-term success of HKFoods and the companies within the value chain.

#### Types of workers in the value chain

HKFoods' key value chain worker group is its Finnish contract producers of meat raw material. Other value chain worker groups are:

- employees of contract manufacturing plants
- employees of plants manufacturing raw materials and packaging materials used in HKFoods' products
- employees of service providers working on HKFoods' own premises
- animal transport companies and their employees

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- employees of companies responsible for the storage and transport of raw materials used in products and of finished products, and
- other service providers and their employees at their sites.

The extent of the impact of a group of value chain workers has been assessed on the basis of relative procurement costs and supply chain risk factors.

### Types of value chain workers, broken down by phase of the value chain

The most significant group of workers in HKFoods' upstream value chain is contract producers, who are independent entrepreneurs and some also farm employers. In 2025, the total number of Finnish contract producers was around 1,800, of which 85 per cent are cattle farms, 11 per cent pig farms and 4 per cent broiler farms. Contract farms are located in Finland and some of them are limited liability companies jointly owned by several families. This group of workers is represented by the main owner of HKFoods, LSO Osuuskunta, a cooperative of some 560 Finnish meat producers.

Other upstream groups of workers identified as significant are employees of contract manufacturers and various suppliers who produce the raw materials and packaging materials used in HKFoods' products, including meat procured from outside HKFoods' own slaughterhouses. In contract manufacturing, a significant group of employees are the workers in the production plants that manufacture products for HKFoods' consumer brands, as well as employees in the outsourced processes.

HKFoods' own production plants and sites employ workers from service providers, such as cleaning companies, and workers from external maintenance companies who are not part of the Company's own workforce. Among the worker groups employed by service providers, the significant ones include the companies and their employees responsible for HKFoods' animal transport, as well as for the storage and contract transport of raw materials and finished products at both the upstream and downstream ends of the value chain.

Expertise and advisory services used throughout the value chain are an important part of HKFoods' collaborative network. These service providers help in areas such as increasing brand visibility, planning and implementing marketing campaigns and managing customer relationships. Contract production advisory and development activities are carried out in-house and also outsourced. Animal production experts

support farms by providing comprehensive advice on issues such as animal production, genetics, breeding and feeding. In addition, they carry out extensive research and product development work related to, e.g., animal welfare. Research related to HKFoods' nature goals and the reduction of climate impacts is also carried out as a purchased service.

Employees in the Company's value chain who are particularly vulnerable to negative impacts include seasonal workers, young workers and workers with a foreign background. In addition, some contract producers form a group that is vulnerable or at risk of vulnerability for various reasons and may be excluded from information that maintains operating conditions and supports development.

### Negative impacts related to the value chain workers in HKFoods' operating environment

The shift to more climate-neutral activities can affect value chain workers in many ways. Awareness of the climate impacts of food production has increased stakeholders' requirements for more sustainable production methods. Value chains face increasing pressure to reduce emissions and adopt more environmentally friendly practices.

The sustainability transition requires the introduction of new technologies and processes and can therefore significantly increase companies' costs. If food chain operators do not adapt quickly enough, competitiveness may be weakened and market position could even be jeopardised.

New sustainability regulations and standards can cause new risks and possible sanctions to business. They may also increase the requirements for receiving EU subsidies, which is particularly emphasised in the subsidy-dependent agricultural sector. Increased costs without corresponding compensation may lead to a readjustment of activities, which may affect the number of employees, the terms of employment and working conditions.

Agriculture is a sector particularly prone to risks. According to data published by the Accident Insurance Centre, the frequency of occupational accidents among farmers and forestry workers was 49 accidents per million hours worked in 2024. Figures for 2025 are not yet available.

The adaptability of the whole value chain and the capability to adopt new operating models play a key role in responding to major systemic challenges such as climate change. Value chain workers must also acquire new skills and develop themselves, which requires time, training and guidance.

All of the above negative impacts, if realized, may also be reflected in HKFoods' operating environment and its value chain.

## Positive impacts related to the value chain workers in HKFoods' operating environment

Competitive pricing, cooperation with contract producers and compliance with employment terms and occupational safety have a positive impact on HKFoods' operating environment:

- Competitive pricing and cooperation with contract producers help maintain the operating conditions for meat production, increase awareness of the sustainability transition, and thus promote the development of sustainable operations.
- Compliance with employment terms and occupational safety not only enables farmers to receive subsidies, but also leads to more sustainable operating models, where reducing occupational accidents and sick leave can improve employee wellbeing and achieve cost savings.
- Increased awareness of the sustainability transition has a positive impact on the development of sustainable value chains.

HKFoods organises production line-specific advisory services and various development programmes for its contract producers, with the aim of improving their competitiveness. In addition, feedback based on the results of supplier surveys improves contract producers' awareness of responsible sourcing requirements. These measures are described in more detail under *S2-4 Actions related to material risks and opportunities affecting value chain workers*.

## Material risks and opportunities related to value chain workers

In terms of HKFoods' value chain workers, the risks relate to occupational safety and the implementation of working practices, as well as to the value chain workers' ability to implement the climate actions and other measures linked to the Company's sustainability targets.

- Risks related to occupational safety and the implementation of working practices are affected by the possible lack of knowledge of occupational safety regulations and inadequate language skills among value chain workers.
- Risks related to working conditions also include possible underpayment and unhealthy working conditions if workers in the value chain do not have sufficient knowledge of their labour rights. Increasing workloads, social isolation, demographic changes and increased administrative work can add psychosocial risk factors related to the sustainability transition in agriculture, which in the long term can lead to problems with coping at work and even to closing down the business.
- The sustainability-related competence of value chain workers and thus their ability to implement measures related to the Company's sustainability targets involve both risks and opportunities: HKFoods' biggest environmental impacts occur outside the Company in primary production, so the possible inability of contract producers and suppliers to implement effective climate measures may hinder HKFoods' ability to achieve its strategic targets and thus have a negative impact on external sustainability assessments of HKFoods, for example. On the other hand, the ability of contract producers and suppliers to implement significant environmental measures positively affects the achievement of HKFoods' strategic targets, including a significant reduction in emissions.

## Material risks and opportunities affecting specific groups of value chain workers

The material risks associated with value chain workers focus particularly on seasonal workers on farms as well as foreign-language workers employed in food production facilities and by service providers.

Agricultural harvesting is highly seasonal, requiring a significant amount of workforce over a given period of time. Seasonal workers on farms typically require temporary accommodation and may also include workers of foreign origin who intend to permanently settle in the country.

Risks associated with seasonal workers include exploitation of working terms and conditions, such as underpayment or working conditions detrimental to health, if workers are not aware of their rights or are unable to defend them. Safety risks may also arise if seasonal workers are not familiar with safety regulations or do not understand instructions due to a lack of language skills. In the medium term, HKFoods aims to specify information on farm workers as part of the data collected from contract farms.

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With regard to animal care, the Company ensures that also seasonal workers care for animals appropriately.

Food production facilities and service providers are generally employing more and more foreign workers, who face similar risks to those in agriculture. Especially during the summer, production sites may also employ young workers who are subject to specific legal requirements.

In the food industry, workers handle, e.g., detergents, which pose significant occupational safety risks. In addition, the food industry is seasonal, and variations in labour demand are balanced by the use of fixed-term contracts. Although these contracts offer flexibility for employers, they are associated with uncertainty and financial instability for workers.

Supplier surveys used by HKFoods assess issues related to occupational safety, the use of young and temporary workers, and the terms and conditions of employment contracts. An understanding of the situation of specific value chain worker groups has been formed by examining factors and risks related to their working conditions and rights. The sources used are sectoral publications on health and safety at work.

## Risks related to child labour and forced labour

The risks of child labour and forced labour are linked both to specific agricultural commodities and geographical areas. During the reporting year, the Company was not aware of any cases involving child labour or forced labour. However, HKFoods purchases commodities whose primary production may involve child labour. In terms of purchase volume, the most significant of these commodities are spices and rice.

HKFoods applies the Country Risk Classification Concept of the Global G.A.P. Certification Programme in its risk assessments of geographical areas.

The Global G.A.P. is a globally recognised standard that promotes compliance with good agricultural practices. The risk classification concept used by the programme is based on indicators developed by the World Bank, the Worldwide Governance Indicators (WGI), which are updated annually. When necessary, the country-specific risk assessment is deepened by using, for example, commodity-specific risk maps maintained by international institutions, which are particularly suitable for assessing the risk associated with child and forced labour.

Meat raw material procured by HKFoods mainly comes from local contract producers in Finland, which is classified as a low-risk country according to the above-mentioned risk classification. Meat used in the Polish unit comes through Finnish contract farming and through other procurement from low- to medium-risk countries, according to the risk classification.

All HKFoods' contract manufacturing takes place in low- to medium-risk countries according to the risk classification. Most of the direct suppliers of raw materials and packaging materials procured by HKFoods are also located in low- to medium-risk countries, but some raw materials and packaging materials are made in high-risk countries as well. The investigation of supply chains continued in 2025, also covering the latest manufacturers of raw materials sourced through intermediaries and sales agents and their locations.

## 2. Impact, risk and opportunity management

### S2-1 Policies related to value chain workers

Material impacts, risks and opportunities related to value chain workers are managed as part of the supplier approval process and assessment. HKFoods' **Code of Conduct** and HKFoods' **Supplier Code of Conduct** contain requirements applicable to all value chain worker groups regarding, e.g., working conditions, occupational safety, equal treatment and other employment-related rights. The Code of Conduct and Supplier Code of Conduct are described in more detail under *G1 Good governance and corporate culture*. All policies are disclosed in the table *HKFoods' policies* under *ESRS 2 General disclosures*.

The HKFoods Supplier Code of Conduct outlines that the supplier must provide a safe working environment for its employees and take into account the industry and any associated risks. The supplier must appropriately prevent accidents and injuries at work or in the context of work by minimising hazards in the working environment as far as reasonably possible. Suppliers must have an appropriate, structured and systematic approach to managing their health and safety responsibilities. The supplier must ensure that all employees are treated fairly and equally in all situations, regardless of the type of employment contract they have.

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According to the HKFoods Supplier Code of Conduct, a supplier must not use forced labour or subcontractors or suppliers who use child or forced labour in their operations or supply chain. This includes all forms of slavery, including modern slavery and human trafficking. Workers must be free to leave the workplace after their shift and to resign from their jobs after a reasonable period of notice.

## Human rights policy commitments

In line with its Code of Conduct, HKFoods is committed to respecting and promoting internationally recognised human and labour rights through, e.g., the following commitments:

- the rights set out in the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights
- the fundamental rights of workers as defined by the International Labour Organisation (ILO), including the ILO Declaration on Fundamental Principles and Rights at Work, and
- the OECD Guidelines for Multinational Enterprises and the UN Sustainable Development Goals, the principles of which are reflected in the Company's operating principles.

The supplier is expected to respect the above internationally recognised human rights and to identify and address adverse human rights impacts in its supply chain. In agreeing to cooperate with HKFoods, the supplier confirms that the supplier and its subcontractors undertake to comply with the HKFoods Code of Conduct and principles that include respect for human and labour rights.

In the reporting year, HKFoods continued the implementation of a new supplier management system that assesses suppliers' practices in relation to human rights and labour rights using category-specific surveys. The surveys cover the Company's contract manufacturers, packaging material suppliers, and the Company's other raw material suppliers, with the exception of contract producers of meat raw materials.

## Measures to provide remedy for human rights impacts

HKFoods Group recognises its responsibility for managing the adverse human rights impacts of its operations, products and supply chain business relationships. HKFoods' human rights due diligence process consists of supplier screening, assessments and surveys as well as communication and grievance mechanisms. HKFoods is continuously developing its human rights due diligence programme so that the Company can identify and address potential risks in its own operations and supply chain and ensure that the programme complies with international human rights standards. In 2025, the Company participated in the Business & Human Rights training programme organised by UN Global Compact Network Finland, which aimed to further deepen the transition from commitments to concrete actions to promote human rights and labour rights.

Supply chain links to risk countries are assessed through supplier surveys and commodity-specific product specifications. This includes an assessment of whether HKFoods has procured raw materials from risk countries. Suppliers with manufacturing operations in a high-risk country must demonstrate adequate measures to implement human rights. If HKFoods becomes aware of human rights violations involving the value chain workers, further investigations will be initiated and appropriate corrective measures will be taken. This may include working with relevant stakeholders to resolve the situation.

In 2025, HKFoods did not become aware of any incidents involving value chain workers that did not comply with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

## Interaction with value chain workers

HKFoods has regular interaction with its contract producers through network meetings and in primary production cooperation groups, trainings and producer surveys and audits. The aim is to promote cooperation, improve operating conditions and jointly find the best production methods and operating models.

For other groups of value chain workers, direct interaction is possible when they work in HKFoods-owned production facilities. Interaction takes place through supplier management practices such as collaboration meetings, supplier surveys and supplier audits.

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### S2-2 Processes for engaging with value chain workers about impacts

The views of value chain workers are addressed in cooperation with contract producers and other suppliers, in line with established policies. At HKFoods' production facilities, value chain workers have access to the Company's various initiative systems that allow feedback to be taken into account in the development work. Feedback received through collaboration meetings, supplier surveys and supplier audits are taken into account in the process of updating the procurement criteria.

In addition to personal contact, contract producers' feedback and views are taken into account in species-specific cooperation groups, which mainly deal with production targets and achieved results and which also serve as channels for planning and evaluating various development measures. Sustainability topics defined as material (training and skills development, health and safety) are discussed in cooperation groups as necessary.

Communication with contract producers is part of supplier management and takes place through cooperation groups and network meetings, among others. In addition, separate farm visits are made if necessary. Contract production network meetings are more informal meetings that are held several times a year for each production line. During 2025, cooperation groups met 4-11 (2024: 6-11) times, depending on the production line and the scope of the issues to be discussed. More informal meetings were held 1-11 (6-13) times, depending on the production line. In 2025, common meetings for all production lines were held once (7). In 2025, primary production cooperation groups and network meetings reached around 80 (95) per cent of poultry farms, 66 (70) per cent of pig farms and 25 (20) per cent of cattle farms.

For other groups of value chain workers, contact is made through interviews with entrepreneurs, workers or their representatives involved in supplier audits. However, not all suppliers are audited: suppliers are selected for auditing on the basis of identified risk factors, the quality of deliveries, delivery capacity and strategic development needs. In 2025, 18 (16) supplier audits were carried out.

The primary production contact process is handled by HKFoods' animal procurement organisations in the poultry business (broiler) and the meat business (pig and cattle). This responsibility covers local meat procurement per animal species. Business directors responsible of animal procurement report to HKFoods' CEO. For other

procurement, the contact process is the responsibility of the Procurement Director, who reports to HKFoods' Supply Chain Director.

The Company does not have a general framework agreement or other agreement with trade unions concerning value chain workers. Commitment to respecting the human rights of value chain workers takes place through the Supplier Code of Conduct.

HKFoods assesses the effectiveness of its communication with value chain workers on a case-by-case basis and aims to improve the assessment of effectiveness through supplier surveys, for example. As part of the information collected from contract farms and suppliers and the overall communication processes, the Company will in future aim to refine its insights into workers that may be particularly vulnerable to impacts.

### S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Negative impacts on value chain workers are prevented and mitigated on a case-by-case basis according to general procurement practices. The approach is to give primary contract producers, suppliers and other value chain worker groups the opportunity to work together with HKFoods to remedy their conduct. If the contract producer or supplier is not willing or able to correct its conduct, the procurement relationship may be terminated.

Value chain workers may report directly any wrongdoing they have observed anonymously through HKFoods' whistleblowing reporting channel (Fair Way) or directly to HKFoods' contact person, who is responsible for taking appropriate action. In 2025, the Company increased its communication and awareness of the reporting channel also among contract producers. HKFoods requires its suppliers to use the HKFoods whistleblowing channel in accordance with the Group's Supplier Code of Conduct. The use of the channels is reviewed through supplier surveys, and information on the availability of the channels is also provided as part of supplier audits.

Issues raised through the reporting channel are treated confidentially. The principles governing the whistleblowing channel are described in sections *G1-1 Reporting suspected misconduct, the prevention of corruption and bribery and handling of suspected misconduct*.

Supplier audits have revealed that value chain workers are not very aware of the means available to them for raising concerns or needs and having them dealt with confidentially. Therefore, HKFoods aims to continuously develop interaction with value chain workers and increase their awareness of reporting channels and their confidence that it is possible to raise concerns through these channels.

## S2-4 Actions related to material risks and opportunities affecting value chain workers

The Company assesses the negative impacts on suppliers' employees and measures to manage them on a supplier-specific basis as part of its procurement practices. No systematic supplier-level risk assessment has been carried out for value chain workers.

In 2025, HKFoods had no ESRS-compliant Group-wide targets or action plan for managing risks and opportunities affecting value chain workers, but the Company has included targets concerning HKFoods Finland Ltd's meat raw material contract producer community in its responsibility programme for 2026–2028. The targets are described in section 3. *Metrics and Targets*. During the review period, the Company already implemented measures related to these targets to promote the skills, competitiveness and wellbeing of its value chain workers in contract farms.

Risks and opportunities related to primary production workers are primarily managed through interaction, such as primary production cooperation groups, face-to-face and network meetings, supplier meetings and requirements specified in procurement agreements. These requirements include the HKFoods Code of Conduct which is incorporated into the Supplier Code of Conduct. All suppliers must commit to the procurement terms and principles specified in procurement agreements or otherwise agreed upon at the start of the cooperation.

The level of contractual commitment to policies and principles is still low for the largest procurement categories, such as meat raw materials. As part of its responsibility programme for 2026–2028, the Company has set a target of committing its current suppliers to the Supplier Code of Conduct by the end of 2028. The target is described in more detail in section *G1 Business conduct - Metrics and targets related to corporate culture*.

The Supplier Code of Conduct and its principles were reviewed in 2025 in cooperation groups with producers of all animal species. In addition, the Company strengthened its expertise in social responsibility management and auditing. The goal is to include human rights responsibilities and employers' social obligations more comprehensively in supplier audits in the medium term. HKFoods also aims to increase suppliers' awareness of risks and to guide them in developing social responsibility management systems and related operating models based on feedback received through supplier surveys.

Occupational safety management policies, risk awareness and activities related to maintaining a safe working environment are assessed in particular as part of the electronic supplier survey and supplier audits. In addition, safety induction covering hazards and risks in the working environment is mandatory for service providers working at HKFoods' production plants.

In 2025, HKFoods Finland Ltd conducted a risk-based survey on the loading conditions in animal transport. Based on the results, drivers' working conditions and safety will be improved.

The expertise of contract producers is expanded through development groups and producer networks and by offering farm-specific advice to all contract producers. In 2025, HKFoods continued to provide contract producers with species-specific advice and various development programmes aimed at supporting and developing their competitiveness. The next development programme for producers is scheduled to start in 2027 at the latest.

In late 2025, the Pyhäjärvi Institute and HKFoods Finland Ltd launched a training programme on sustainability issues in livestock farming. The target group consists of pig, broiler and beef cattle producers, as well as other farmers in the regions of Southwest Finland, Satakunta, North Savo and North Karelia. This free training programme, which lasts around two years, is open to all contract farmers. The programme consists of five training sessions and covers climate and water emissions control, biodiversity promotion, soil fertility, water management, animal welfare and feed chain development, taking into account the economic and profitability aspects of the farm.

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Through its Next Generation programme, HKFoods provides young producers with up-to-date information, expertise and networking opportunities. The training programme covers topics such as strategic farm management and risk management, responsibility, employer obligations and communication. The first Next Generation training programme was held in 2019. The second took place in 2023–2024, with 37 farmers participating. A total of around 80 young farmers have completed the training. The next training programme is planned to be arranged in autumn 2026.

HKFoods' actions and the quality and effectiveness of its activities are assessed based on feedback received from value chain workers. With the new responsibility programme targets, a feedback system will be built for contract producers by the end of 2027 and made an integral part of the producer cooperation model.

For other suppliers, regular supplier surveys will be conducted on a risk-based manner to measure the development of operating models. Procurement category-specific surveys conducted using the supplier management system will be used to identify general risk factors related to suppliers and assess the level of current capabilities and operating models. HKFoods provides feedback to suppliers who respond to the survey with the aim of promoting the implementation of responsible procurement requirements and the development of suppliers' capabilities and operating models.

In 2025, HKFoods expanded its supplier management system, launched the previous year, to also cover companies responsible for animal transport. The supplier management system surveys covered contract manufacturing as well as suppliers of raw materials and packaging materials, and measurable targets were defined to improve the response rate.

HKFoods' procurement organisation, poultry and meat businesses, and quality and environmental organisation are responsible for managing the material impacts related to value chain workers. External expert services, training and other cooperation are sourced as purchased services.

## 3. Metrics and targets

### S2-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

During the reporting period, HKFoods Group set new targets for managing the material impacts, risks and opportunities related to value chain workers in its responsibility programme for 2026–2028.

- HKFoods' goal is to create a competitive and socially sustainable producer community, whose interaction, competence and satisfaction will be developed in line with a producer cooperation plan for 2026–2028. Progress will be monitored annually, starting in 2026. The three-year development plan was completed at the end of 2025, and its implementation is monitored regularly in accordance with livestock species-specific annual cycles as part of primary production management work.
- Producers' views and satisfaction with cooperation with HKFoods will be measured more closely in the coming years, and the goal is to create and implement a new feedback system for measuring producer satisfaction by the end of 2027. The new indicator will be introduced as part of ongoing producer cooperation.

Both goals apply to all HKFoods Finland's meat raw material contract production, including all animal species.

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## S4 Consumers and end-users

HKFoods is committed to improving consumer and customer satisfaction by offering high-quality, tasty, easy-to-use and safe products that promote wellbeing. The products have a high level of product safety and are produced in certified production facilities. The most significant food safety risks are related to improper handling or use of the products. These are managed, e.g., through comprehensive product information and user instructions.

In product development, HKFoods takes nutritional recommendations into account and renews its products by reducing the amount of salt and improving the quality of fat, for example. All product categories offer Heart Symbol products, or products meeting equivalent criteria, which are better choices in terms of salt and fat content within their product category.

### Targets and actions

| Responsibility programme 2026-2028 targets  | Actions and results in 2025  |
|---|--|
| <b>Healthy food supporting wellbeing</b>  |  |
| <p><b>Increasing the number of Heart Symbol products in all product categories:</b></p> <p>By the end of 2028, 30% of products in retail and food service channels will be Heart Symbol products or products that meet equivalent criteria.</p> <p>The target applies to HKFoods Finland Ltd's own brands only.</p> | <ul style="list-style-type: none"> <li>• HKFoods launched Flavoured Salt, innovation that makes it possible to reduce the sodium content of individual products by up to 25%.</li> <li>• At the end of 2025, HKFoods' product range included 200 Heart Symbol products or products that meet equivalent criteria, accounting for 27.9% of retail and food service products.</li> <li>• All Kariniemen® fillet products met the Heart Symbol criteria at the end of the year.</li> <li>• HKFoods Finland Ltd introduced nutritional value calculations in its recipes, enabling customers and consumers to make food choices that best suit their diets.</li> </ul> |
| <p><b>The products launched on the market are of high quality and safe and do not require recalls:</b></p> <p>0 public recalls / year</p>   | <ul style="list-style-type: none"> <li>• There were 0 public product recalls (2024: 3).</li> </ul>   |
| <p><b>All production units have valid food safety certificates:</b></p> <p>100% of the units are GFSI-certified (FSSC 22000 or BRC) by the end of 2028.</p>   | <ul style="list-style-type: none"> <li>• A certified food safety system was in use in 80% (2024: 80%) of production plants.</li> </ul>   |

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## S4 Consumers and end-users: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic                                     | Sub-sub-topic  | The greatest impact in the value chain | Impact type            |          | Time horizon        | HKFoods' environmental and social impacts   | Impact of the sustainability topic on HKFoods' business  | Management of impacts   |
|---|--|--|------------------------|----------|---------------------|---|--|---|
| Personal safety of consumers and/or end-users | Health and safety  | Customers and partners                 | actual                 | positive | short, medium, long | <ul style="list-style-type: none"> <li>- The products produced by the Company have a high level of product safety and are made in certified production facilities.</li> <li>- The Company takes domestic nutritional recommendations into account in its product development.</li> <li>- The products that support wellbeing have public health significance.</li> </ul>  | <ul style="list-style-type: none"> <li>- Tightening certification programme requirements lead to changes in production methods.</li> <li>- Nutritional recommendations can influence attitudes towards meat consumption and the use of meat products.</li> </ul>   | <ul style="list-style-type: none"> <li>- Commitment to safe products and healthy food supporting wellbeing in line with the responsibility programme</li> <li>- Certification of production plants in terms of food safety, internal audits</li> <li>- HACCP (Hazard Analysis and Critical Control Points) risk assessment</li> <li>- Category-specific product development projects to develop the product range</li> <li>- Nutrition commitments</li> <li>- Consumer service, other channels aimed at consumers and consumer surveys</li> </ul> |
|   | Health and safety  | Customers and partners                 | actual                 | negative | short, medium, long | <ul style="list-style-type: none"> <li>- HKFoods produces food products that are perishable by nature.</li> <li>- Harmful impacts may also be related to incomplete or incorrect product or packaging content information.</li> <li>- Large amounts of red meat have been found to increase the risk of certain diseases.</li> <li>- Consuming large quantities of fat and salt in products has negative health impacts.</li> </ul> | <ul style="list-style-type: none"> <li>- The share of products that promote wellbeing is increasing in the market. This requires renewal efforts as well as considering nutritional aspects in product development.</li> </ul>   | <ul style="list-style-type: none"> <li>- Product safety is continuously developed.</li> <li>- Health aspects, e.g. Heart Symbol criteria, are considered in recipes.</li> <li>- Communication aimed at consumers and end-users recommends a varied diet.</li> <li>- Product information clearly states instructions for use and nutritional content and e.g. the Heart Symbol.</li> </ul>   |
|   | Information-related impacts for consumers and/or end-users | Access to quality information          | Customers and partners | actual   | positive            | short, medium, long   | <ul style="list-style-type: none"> <li>- Product packaging provides comprehensive product and producer information. Some of the packaging labels exceed the legal requirements.</li> <li>- Consumers and end-users are provided with preparation instructions and recipes supporting a balanced diet.</li> </ul> | <ul style="list-style-type: none"> <li>- Tightening regulations increase the amount of verifiable information provided about products.</li> <li>- Increasing consumer interest and awareness also increases the need for product information.</li> </ul>  |

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## S4 Consumers and end-users: HKFoods' risks and opportunities and their interaction with strategy and business model

SBM-3

| Sub-topic                                      | Sub-sub-topic     | Part of the value chain | Type | Time horizon | Risk description / Business and strategy dependencies on the sustainability topic  | Management  |
|--|-------------------|-------------------------|------|--------------|--|---|
| Personal safety of consumers and/ or end-users | Health and safety | Customers and partners  | risk | medium       | <ul style="list-style-type: none"> <li>- Potential product recalls may result in costs and reputational damage.</li> <li>- Nutritional recommendations and changes in meat consumption habits may have an impact on meat product sales.</li> </ul> | <ul style="list-style-type: none"> <li>- Commitment to safe products and healthy food supporting wellbeing in line with the responsibility programme</li> <li>- Certification of production plants in terms of food safety, internal audits</li> <li>- HACCP (Hazard Analysis and Critical Control Points) risk assessment</li> <li>- Category-specific product development projects to develop the product range</li> <li>- Nutrition commitments</li> <li>- Consumer service, other channels aimed at consumers and consumer surveys</li> </ul> |

### 1. Strategy

SBM-2 Interests and views of stakeholders

Food safety and high product and process quality are strategically important focus areas for HKFoods and form the basis for its operational management. Consumers and end-users are key stakeholders whose expectations and requirements have also been taken into account in the Company's strategy, updated in 2025. The choice of strategic focus areas is strongly influenced by factors such as changes in consumer trends. High levels of product safety and quality aim to ensure customer and consumer satisfaction and to meet the needs and expectations of other internal and external stakeholders.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts, risks and opportunities related to HKFoods' consumers and end-users have been identified in the double materiality assessment, updated in 2025

and based on the principles of HKFoods' risk management process. The material sustainability topics related to consumers and end-users identified in the double materiality assessment are product information and health and safety. The material themes remained unchanged in terms of impacts, risks and opportunities, with no significant changes made compared to the previous year. The double materiality assessment has taken into account the products of the brands managed by HKFoods and their consumers and end-users.

#### Types of consumers and end-users affected

The main consumer and end-user groups of HKFoods' products represent Finnish households that use cooked ready meals and food components and prepare and cook their own meals containing meat products. End-users also include users of products resold and served by food service customers, e.g., in restaurants, service stations and schools. People who follow special diets are a user group that is particularly dependent on accurate product information and labelling.

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## Material negative impacts

HKFoods produces food products that are highly perishable. The Company has identified the associated food safety risks and established programmes to manage them. If there were any discrepancies in HKFoods' products or labelling, this could typically result in individual adverse health effects for consumers and end-users in the short, medium or long term. Potential adverse effects may be related to allergenic and hypersensitive ingredients, i.e. allergens, which may enter the product as a result of a manufacturing process error. Adverse effects may also be related to incomplete or incorrect product information on products or packaging.

The most significant food safety risks are related to inadequate handling or use of products in households or commercial kitchens. Risks related to improper use of products are managed through usage and cooking instructions on packaging labels and the Company's website.

Red meat contains nutritionally high-quality protein and a wide range of B vitamins and minerals, such as iron. However, large amounts of red meat have also been found to increase the risk of certain diseases. When consumed in large quantities, the fat and salt in products also have negative health impacts. According to the 2024 National Nutrition Recommendations, an environmentally sustainable diet can include moderate amounts of red meat. When choosing meat, the nutritional recommendations suggest low-fat options to reduce saturated fat intake. The nutritional recommendations classify poultry meat as neutral in terms of the risk of chronic diseases. Like red meat, it provides high-quality protein and a wide range of B vitamins. There is no evidence of the beneficial or harmful effects of poultry on the risk of chronic diseases. Poultry provides, e.g., high-quality protein and has a more favourable fatty acid composition than red meat.

## Material positive impacts

HKFoods systematically manages and controls quality and food safety risks related to its products. The product safety level of the products manufactured by the Company is high, and the products are manufactured in certified production plants. A food safety management system certified in accordance with GFSI (Global Food Safety Initiative) requirements promotes the implementation of product safety and quality requirements.

HKFoods' products that support wellbeing are of importance in terms of public health in the short, medium or long term, and the Company considers the domestic nutritional recommendations in its product development. HKFoods' strategic goal in product development is to increase the number of Heart Symbol products or products that meet equivalent criteria in all product categories. Nutrition communications aimed at consumers also encourage a varied diet. At the end of 2025, HKFoods Finland Ltd introduced a nutritional value calculation in its recipes, which enables food service and retail customers to create product selections that suit their needs and consumers to make food choices that best suit their diets. Product packaging includes extensive product and producer information. Some packaging labels exceed the legal requirements.

## Material risks and opportunities

Nutritional recommendations may in the medium term have an impact on consumption of meat products and attitudes toward eating meat, as well as on financial risk through a decline in meat product sales. Consumption of meat and meat products has remained stable so far. According to a study by TNS Kantar Agrin, 93 per cent of Finns eat meat, and the amount has remained stable since 2020 (the latest study was conducted in 2024). Pork consumption has declined slightly, while beef and poultry consumption has increased.

Deviations in food safety or compliance with legislation can pose a health risk to consumers or mislead them. In addition, any public product recalls due to incomplete packaging labels or manufacturing defects generate costs and can significantly affect HKFoods' reputation.

Investments in the development of the food safety management system promote the safety and quality of HKFoods' products throughout the supply chain. Quality management based on the principles of continuous improvement enables HKFoods to profile itself as a producer of safe and high-quality food products.

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## Material negative impacts and risks for specific consumer or end-user groups

HKFoods ensures the control of significant hazards to food safety by complying with the HACCP (hazard analysis and critical control points) process. In this process, HKFoods identifies the end-users of its products and any potential misuse of products according to the practices defined in the food safety system.

The products manufactured by HKFoods are designed for a wide range of consumer and end-user groups. HKFoods also manufactures products suitable for special dietary requirements (e.g. gluten-free, lactose-free) and Heart Symbol products, which are nutritionally better alternatives in their category. HKFoods also has customers in the baby food industry who have particularly strict quality requirements for the raw materials used in products. The end-users of these operators' products are particularly vulnerable to negative effects.

Any errors in the composition of products or packaging labels occurring during the manufacturing process pose a risk, particularly to consumers who suffer from hypersensitivity or follow a special diet. Deviations in microbiological food safety can particularly affect risk groups (e.g., children, the elderly and people with immunodeficiency).

## 2. Impact, risk and opportunity management

### S4-1 Policies related to consumers and end-users

The **HKFoods Group Food Safety and Quality Policy**, publicly available on the Company's website, sets out the food safety and quality management principles, regulations, rules and reference documents that must be followed at all times.

The Food Safety and Quality Policy is applied across the HKFoods Group and also covers the entire supply chain. The Policy is owned by the Director of Quality and Environment, and it is approved by the Board of Directors. The management of the Group and its companies is responsible for the operational planning and resourcing of activities in such a way that the principles of the Policy and the guidelines and instructions supporting them can be implemented and that food safety or agreed product quality is not compromised at any stage of the process.

The Food Safety and Quality Policy states that all HKFoods Group production units must be certified in accordance with the food safety standard approved by the Global Food Safety Initiative (GFSI).

The Group is committed to complying with the food safety and quality-related legal and regulatory requirements as well as any quality requirements separately agreed with customers. In product development, HKFoods takes into account nutritional recommendations and encourages following a varied diet. The Group ensures food safety and quality in close cooperation with its staff and other stakeholders. Every HKFoods employee is responsible for food safety and quality in accordance with their job description.

The Policy mentions ways in which commitment to food safety and quality can be improved. These include:

- professional and fair management
- induction and regular training
- clear objectives, regular monitoring and timely action
- ensuring the quality of staff competencies in food safety and hygiene
- ensuring that staff are aware of the risks of food fraud and deliberate damage
- complying with local food safety and quality management systems and ensuring that suppliers and subcontractors meet and comply with agreed food safety and quality requirements
- high traceability level, and
- ensuring animal welfare.

HKFoods complies with local legislation, which requires nutritional information to be included on product packaging. Food service contracts with public sector customers require products to comply with criteria in line with national nutritional recommendations. Allergen and packaging labelling errors are systematically prevented through the food safety management system.

HKFoods systematically strengthens its food safety culture, the organisation's food safety and quality-related expertise and awareness, technical skills as well as risk management through its extensive development programmes.

The Company is also committed to the quality and safety of its products in its **Code of Conduct**. In accordance with the Code of Conduct, HKFoods offers customers, consumers

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and end-users the opportunity to provide feedback on products and services and to report anonymously any concerns or suspicions of legal violations by the Company. The Company is committed to the fair handling of product complaints. The processes for approving, updating and training on HKFoods' Code of Conduct and policies (including Food Safety and Quality Policy) are described in more detail in sections *G-1 Business conduct* and *ESRS 2 General disclosures in the table HKFoods' policies*.

#### S4-2 Processes for engaging with consumers and end-users about impacts

HKFoods regularly addresses consumer and customer feedback and end-user concerns. The information obtained is used to improve HKFoods' processes and to assess product quality and food safety levels.

HKFoods provides consumers and end-users with a direct communication channel through its brand websites and social media channels. Consumers and end-users can also contact customer service by phone, provide feedback or file complaints about products. Consumer services are available on weekdays, providing personal service. HKFoods complies with consumer protection and product liability regulations when handling product complaints. Consumer and customer services operate in accordance with local legislation and therefore also comply with GDPR requirements. Social media channels are used to provide information about products and respond to comments from external stakeholders as necessary.

Direct communication with end-users of products takes place through consumer services, particularly in matters related to product quality and taste. Beyond the information obtained through consumer services, the Company obtains more extensive information on the views of consumers and end-users of HKFoods' products from its clients, who are in direct contact with consumers and end-users, and from research findings on national eating habits. In addition, the needs of consumers and end-users are taken into account based on the results of comprehensive food surveys.

HKFoods continuously monitors consumer and end-user preferences also based on information obtained from corporate customers. HKFoods' customers are companies and public entities that have direct contact with consumers and end-users of the products within their own processes. Interaction with customers is regular and based on need.

Customer interaction findings guide decision-making, as they are discussed in sales meetings and, when necessary, in business management or top management

meetings. Through insights and monitoring of sales volumes, market knowledge is increased, leading to the prioritisation of products and services and their development according to consumer and end-user preferences and needs.

As part of its product development process, HKFoods also conducts consumer tests on its products, which can be used to make changes to the recipes of products under development, for example. Testing and recipe changes ensure that the products appeal to consumers and that it is profitable to produce them on a larger scale.

Each business director is responsible for ensuring that the wishes and needs of customers, and therefore consumers and end-users, are taken into account in the decision making. As senior management representatives, the directors responsible for sales of HKFoods products, brands and marketing are in charge of the appropriate handling of complaints received by brand-specific consumer services and of informing the persons responsible for product deviations. Directors responsible for production are in charge of handling complaints and taking appropriate action in their units. The persons in charge of the quality organisations are responsible for ensuring that the results obtained on the basis of complaints are reflected in HKFoods' practices and that the necessary corrective measures are taken.

In accordance with HKFoods' Code of Conduct, the Company respects international agreements and is committed to continuously improving its processes and practices in order to identify, prevent and mitigate any human rights impacts that it may cause, contribute to or be directly linked to, both in its own operations and throughout its value chain. The international agreements respected by the Company include the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination against Women, the OECD Guidelines for Multinational Enterprises, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the Ten Principles of the UN Global Compact.

HKFoods' Code of Conduct includes human rights commitments that are relevant to consumers and end users. The Code of Conduct covers the right to healthy and safe food, comprehensive product information, and the right to give feedback. HKFoods uses risk assessments and due diligence processes to manage potential and actual adverse impacts. In 2025, the Company did not have more specific practical measures in place to enable the remediation of human rights impacts. In 2025, HKFoods

became aware of no cases involving consumers or end-users that failed to comply with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

#### S4-3 Processes to remedy negative impacts and channels for consumers and end-users to raise concerns

In situations where a product made by HKFoods has caused or may cause negative effects on consumers or customers, the Company's recall process is followed to remove defective products from the market. The severity of the product defect is assessed according to the recall process.

The need for and scope of the recall, as well as related communication, are determined in line with the Company's recall guidelines. In the case of a serious product defect, the Company always communicates via public information channels, such as newspaper advertisements, media releases, and customer notices. A defective product is a product that may pose a health risk to consumers and may damage the reputation of HKFoods or its trademarks, or which the authorities require to be withdrawn from the market.

A product defect is considered serious if it has caused or may cause a health hazard or an animal disease hazard (e.g. ASF) to its user. The hazard may be caused, e.g., by allergenic errors, a product contaminated with salmonella, listeria or any other food poisoning bacteria or virus, incorrect cooking, unsafe levels of contaminants or additives, foreign objects in the product, a labelling error or other serious error. Other product defects that do not pose a health risk to the user may also lead to the product being withdrawn from the market on a case-by-case basis.

In connection with a recall, a root cause analysis is always performed, and the adequacy of product safety risk management measures is assessed to prevent similar deviations in the future. The functionality of the recall process is tested at least once a year. As part of the functionality testing, the success of the process and any development needs are assessed. In addition, the Company carries out the necessary assessments of successes and development needs after each recall.

In 2025, HKFoods carried out 0 (2024: 3) public recalls of products due to product defects and incorrect packaging labels.

Negative impacts on individual consumers are addressed according to the consumer service compensation process. Every complaint is dealt with, and every consumer or end-user receives a response and, if necessary, compensation for any damage incurred.

The channels through which consumers or end-users can raise their concerns or needs directly with HKFoods and have them addressed are described in section *S4-2 Interaction with consumers and end-users and related processes*.

In addition to the product contents, HKFoods' product packaging also includes information on the manufacturer with contact details, place of manufacture and consumer service. Information on consumer services is also available at all times on the Company's website. HKFoods does not specifically assess the awareness of consumers or end-users regarding contact channels.

#### S4-4 Taking action on material risks and opportunities related to consumers and end-users

In accordance with HKFoods' Food Safety and Quality Policy, all HKFoods Group production units must be certified in accordance with the GFSI (Global Food Safety Initiative) food safety standard, which is used to manage and prevent negative impacts and risks to consumers and customers of products. The effectiveness of the management system is regularly assessed through external and internal audits, feedback from consumers and customers, and internal deviations and observations, among other things. The sites conduct external and internal audits in accordance with the annual plans required by the BRC and FSSC 22000 standards.

At the end of 2025, HKFoods Finland Ltd's Eura unit, Kivikylän kotipalvaamo's Lappi unit and Lihatuokku Harri Tamminen's Luumäki unit were not certified. HKFoods manages product safety and quality on a company-by-company basis and therefore does not have a Group-wide action plan for managing risks and utilising opportunities related to consumers and end-users. Each company prepares its own operating model and plans its development and monitoring measures in relation to risks and opportunities.

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## Actions to prevent, mitigate or remedy material negative impacts on consumers and end-users

HKFoods develops its food safety management systems to prevent negative impacts as a continuous process. The Company's management monitors the effectiveness of the customer and consumer feedback process.

In 2025, HKFoods Finland Ltd introduced a new product quality-related data and reporting system that aims to advance more rapid and higher-quality flow of information as well as to develop the prevention of product-related risks and hazards. During the reporting period, a consumer and customer feedback reporting system was also further developed to support the monitoring and processing of feedback and related trends. The systematic food safety and quality management system, compliant with the BRC and FSSC 22000 standards, aims to anticipate and manage risks and prevent recalls or other similar negative impacts on end-users of products.

In its product development, HKFoods takes into account nutritional recommendations and the impact of its products on consumer health. All HKFoods Finland Ltd's product categories include Heart Symbol products, which are better choices in terms of salt and fat content within their product category.

At the beginning of 2025, HKFoods launched the Flavoured Salt innovation, which makes it possible to reduce the amount of sodium harmful to health in HKFoods' products by up to 25 per cent. In 2025, Flavoured Salt was introduced in the highest-volume products of HK® brand's whole meat cold cuts, new beef and pork chips as well as new meat products, and in Kariniemen® brand's seasoned and marinated fillet products. The aim is to further expand the use of Flavoured Salt in products in the future.

### Nutrition-related commitments

The Group companies have separate food-related commitments of which the most significant during the reporting period were HKFoods Finland Ltd's nutrition-related commitments.

At the end of 2024, HKFoods Finland Ltd made four nutrition-related commitments aimed, among other things, at reducing the amount of salt in various product categories and increasing the number of plant-based products during 2025:

- **Increasing the number of Heart Symbol products:** HKFoods Finland Ltd committed to reducing the amount of salt in the Kariniemen® marinated and seasoned fillet products so that all such products would meet the Heart Symbol criteria by the end of 2025. The aim was to bring 17 Kariniemen fillet products to the market, and by the end of the year, 18 products meeting the target criteria were launched in the market.
- **Developing new plant-based products for the HoReCa sector:** In 2025, the aim was to launch 8 plant-based products for the HoReCa sector. By the end of the year, the company had launched 4 products in line with the target. The company will continue product development on the 4 remaining products, having them ready for launch during 2026. HoReCa plays a key role in providing more plant-based meals, and HKFoods can offer a range of ready-made plant-based products through this channel.
- **Developing Heart Symbol recipes for HoReCa customers:** The aim of the commitment was to develop 10 products meeting the criteria for a HoReCa customer during 2025. By the end of the year, the company had developed 11 products meeting the criteria. HKFoods Finland Ltd supports the menu planning of its HoReCa customers, public sector customers and staff restaurants, making it easier for customers to choose more healthy alternatives.
- **Reducing the amount of salt in whole meat cold cuts:** In 2025, the company further developed a total of 13 of the most well-known whole meat cold cut products of the HK® brand by reducing the amount of salt in them by 25 per cent with Flavoured Salt. In addition, the company launched 3 new whole meat cold cuts whose salt content was designedly 25 per cent lower than the average salt content in products on the market. Meat products form a significant source of salt in Finns' diet. 93 per cent of Finns have said that they eat meat and meat products, so reducing the salt content in these products is relevant to a large part of the population.

In cases where a product made by HKFoods has caused or may cause negative impacts on consumers or customers, the Company follows its recall process to withdraw the defective products from the market. The process is described in section *S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns*.

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HKFoods has a deviation process in place to address negative impacts on consumers and end-users. Contacts from consumers, end-users and customers are directed for processing and response according to the feedback process. Feedback is always responded to as comprehensively as possible. If necessary, feedback is referred for a more detailed root cause analysis.

The product development process includes procedures for preparing packaging labels, nutritional information and user instructions and thus preventing improper use.

HKFoods monitors and evaluates the effectiveness of its actions and initiatives through reputation surveys, customer questionnaires and consumer and customer feedback. HKFoods' certified production units carry out internal and external audits to verify compliance with the requirements of systems such as BRC, FSSC 22000 and ISO 14001 and to monitor the implementation of internal measures.

## Actions to mitigate material risks

Assessment of product safety risks is a material part of HKFoods' food safety management system. Risk assessment is carried out in accordance with HACCP principles and has resulted in the establishment of controls for each product group and a self-monitoring programme to monitor the effectiveness of the controls. Food moments in line with nutritional recommendations are supported by a diverse range of products and nutritional communication.

Reducing the amount of salt used in products and increasing the number of Heart Symbol products are essential ways to manage the risks related to the health of HKFoods' consumers and end-users. At the end of 2025, HKFoods' range included 200 (2024: 200) Heart Symbol products.

## Resources for managing material impacts

The quality organisations of HKFoods are, on a company-by-company basis, responsible for compliance with food safety system requirements in accordance with the BRC and FSSC 22000 standards, food risk assessment, as well as for preparation of self-monitoring plans, training and monitoring of implementation. All white-collar and blue-collar employees working in production are trained in quality and food

safety for their area of responsibility. The Company's Food Safety and Quality Policy defines everyone's responsibility and duty to respond to any non-conformities detected. The product development process operates in a centralised manner, in accordance with HKFoods' innovation process. External auditors regularly verify the process according to the food safety standard (e.g. BRC or FSSC).

## 3. Metrics and targets

### S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

HKFoods' targets for managing material impacts, risks and opportunities related to consumers or end-users take into account the key commitment in HKFoods' Code of Conduct to provide high-quality, tasty, easy-to-use, healthy and safe products. In addition, the targets related to product safety are linked to the objectives of the Company's Food Safety and Quality Policy, in particular the requirement for certification in accordance with food safety standards in all production units.

The responsibility programme set at the end of 2025 for 2026-2028 includes the following goals related to nutrition, product safety and quality:

- *Increasing the number of Heart Symbol products or products meeting equivalent criteria in all product categories:*  
The target is that 30 per cent of products in retail and food service channels will meet Heart Symbol criteria by the end of 2028. The share is calculated in proportion to sales volumes, reflecting the public health significance of the products. In the base year 2025, 27.9 per cent of the range in retail and food service channels consisted of Heart Symbol products or products meeting equivalent criteria. The target only applies to products produced under HKFoods Finland Ltd's own brand.

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- *All production units have valid food safety certificates:*  
The target is for 100 per cent of the units to be GFSI-certified (FSSC 22000 or BRC) by the end of 2028. In 2025, 80 per cent of production plants were certified. In the base year 2024, the actual figure was 80 per cent.
- *Products launched on the market are of high quality and safe and do not require recalls:*  
The target is 0 public recalls for products launched on the market during the year, including private label products. In 2025, there were 0 public recalls, and in the base year 2024, there were 3.

Both product safety and quality management targets apply to all Group companies.

In accordance with the food safety management system, food safety and quality targets are set for each production unit. These targets are approved by the directors responsible for production operations. The targets are set taking into account the results of previous years and feedback from consumers and customers.

HKFoods' targets for managing material impacts, risks and opportunities related to consumers or end-users are linked to the following management system areas:

- a certified, GFSI-compliant food safety system at all HKFoods production units
- the goal is zero recalls
- no pathogens in end products exceeding the food safety criteria set by legislation
- annual numerical target for the number of consumer complaints, proportional to the number of products sold, and
- handling of complaints within the agreed response time.

HKFoods systematically collects the latest information from consumers and customers in line with its feedback process. HKFoods also conducts annual customer and brand surveys, and the information obtained has been used to set targets related to consumers and end-users. In addition, the actual number of complaints was used as baseline data for target setting. In setting the targets, data obtained through HKFoods' customers, collected by wholesale and retail groups directly from consumers, was also utilized.

Information gathered from feedback and the achievement of targets are monitored regularly at different levels of the organisation.

Observations related to the targets and possible improvements will be assessed in more detail during the next reporting period, after the first year of operation set for the targets.

# Governance

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The material impacts of HKFoods' good governance and business conduct relate to animal welfare, corporate culture and relationships with suppliers of raw materials and services.

**85%** of all employees had completed the training on the Code of Conduct in 2025.

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## G1 Business conduct

A good corporate culture supports positive financial performance and attracts skilled people to join HKFoods. HKFoods has the opportunity to contribute to its creation through its values, policies and management. The Company expects its employees, suppliers and other partners to commit to its Code of Conduct, Supplier Code of Conduct and Animal Welfare Policy.

Health, welfare and good treatment of production animals are the requirements for the Group's sustainable operations, which HKFoods is committed to promoting at all stages of the value chain. Contract farms are responsible for animal welfare during rearing, while HKFoods is responsible for animal welfare during transport and slaughtering operations. Through producer contracts, HKFoods can influence animal welfare and conditions on farms. In addition to legislation, the Company complies with the World Organisation for Animal Health's (WOAH) Five Freedoms for animals in its own operations.

### Targets and actions

| Responsibility programme 2026-2028 targets  | Actions and results in 2025 (2024)   |
|---|--|
| <p><b>Good governance and corporate culture</b></p> <ul style="list-style-type: none"> <li>100% of white-collar and blue-collar employees complete the Code of Conduct training every two years.</li> <li>All white-collar employees will complete the trainings on policies and guidelines in accordance with the training plan by the end of 2026 and all blue-collar employees by the end of 2027.</li> <li>HKFoods' suppliers are committed to the Supplier Code of Conduct*: 100% of poultry farms, 100% of pig farms, 40% of cattle farms (100% of HKFoods' quality-assured cattle farms) and 70% of other suppliers have signed the Supplier Code of Conduct by the end of 2028.</li> </ul> <p>*) The target applies to HKFoods Finland Ltd. Lihatuokku Harri Tamminen Oy is subject to the same target as other suppliers.</p>  | <ul style="list-style-type: none"> <li>85% of all employees, 86% of white-collar employees and 85% of blue-collar employees in Finland and Poland had completed the Code of Conduct training.</li> <li>A plan drawn up for the management and training of the Code of Conduct, policies and guidelines in subsidiaries.</li> <li>Supplier Code of Conduct reviewed in cooperation groups for producers of all animal species. Commitment to the Supplier Code of Conduct and signings by primary producers began in the autumn.</li> <li>72.3% of pig farms, 7.4% of cattle farms (18.7% of HKFoods' quality-assured farms), 51.3% of poultry farms and 26.5% of other suppliers had signed the Supplier Code of Conduct.</li> </ul> |
| <p><b>Welfare of production animals</b></p> <ul style="list-style-type: none"> <li>Promoting broiler welfare, using footpad health as an indicator: Footpad scores of broiler flocks max. 4 / month (monthly average for all flocks) *</li> <li>Continuous care of broiler health so that they can be raised without the use of antibiotics: 0 antibiotics treatment / flock (monthly average for all flocks) *</li> <li>100% of cattle covered by the national health care system Naseva by the end of 2027 **</li> <li>100% of pigs covered by the national health care system Sikava every year and meet the requirements of the Sikava quality-assured label</li> <li>100% of pig farms achieve an acceptable rating in the Sikava welfare index by the end of 2026 ***</li> <li>100% of audits and inspections to ensure animal welfare during transport and at slaughterhouses are carried out in accordance with the plan in 2026-2028 *</li> </ul> <p>*) The targets apply to HKFoods Finland Ltd's contract production only.<br/>                 **) The target applies to contract production of HKFoods Finland Ltd and Lihatuokku Harri Tamminen Oy.<br/>                 ***) The target applies to contract production of HKFoods Finland Ltd and Kivikylän kotipalvaamo Oy.</p> | <ul style="list-style-type: none"> <li>Broiler footpad scores: 2.5/month (2024: 2.5)</li> <li>0 broiler antibiotic treatments in 2025 (2024: 0)</li> <li>96.6% of cattle covered by Naseva</li> <li>100% of pigs covered by Sikava, meeting the requirements of the Sikava quality-assured label.</li> <li>94.0% of pig farms achieved an acceptable rating in the Sikava welfare index in 2025.</li> <li>The plan for animal transport and own slaughterhouse operations was drawn up for 2026-2028. Monitoring will start in 2026.</li> </ul>  |

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## G-1 Business conduct: HKFoods' material impacts and their interaction with strategy and business model

SBM-3

| Sub-topic                                  | The greatest impact in the value chain | Impact type |          | Time horizon | HKFoods' environmental and social impacts   | Impact of the sustainability topic on HKFoods' business   | Management of impacts  |
|--|--|-------------|----------|--------------|---|---|--|
| Corporate culture                          | own operations                         | potential   | positive | medium       | - The Company potentially has a positive impact on corporate culture through its values, leadership and policies.   | - Stakeholders and tightening legislation require compliance with a responsible corporate culture.  | - Corporate culture is guided by the Code of Conduct and other policies.<br>- Internal efforts to promote corporate culture through various projects, programmes included in the responsibility programme and by developing leadership-related operating models<br>- Training for supervisors and other personnel  |
| Animal welfare                             | raw materials and suppliers            | potential   | positive | medium       | - Contract farms are mainly responsible for the welfare of production animals throughout their life cycle. Measures taken in accordance with the Company's animal welfare requirements may have a positive impact on the conditions and health of production animals.   | - Tightening legislation increases actions supporting animal welfare.<br>- The Company is dependent on contract producers' measures to promote the welfare of production animals.<br>- Animal welfare interests are shared widely among the Company's various stakeholders for environmental and ethical reasons. | - Commitment to animal welfare in line with the responsibility programme<br>- HKFoods' Animal Welfare Policy and guidelines, the guidelines and regulations of the relevant authorities and the guidelines under the Regulation on the protection of animals at the time of killing or slaughter, in addition to general compliance with legislation<br>- Veterinary and other expert advice to contract producers<br>- Contract terms, membership of animal welfare schemes (such as Naseva and Sikava)<br>- External and internal audits |
|  | raw materials and suppliers            | potential   | negative | medium       | - If the Company were not to comply with animal welfare requirements, this could have adverse effects on animal health.   | - The Company is dependent on contracts producers' measures to promote the welfare of production animals.   | - Veterinary and other expert advice to contract producers<br>- Contract terms, membership of animal welfare schemes (such as Naseva and Sikava)<br>- External and internal audits   |
| Management of relationships with suppliers | raw materials and suppliers            | actual      | positive | short        | - Suppliers are expected to comply with the Supplier Code of Conduct in business relationships.<br>- Written supply agreements are generally used, with payment practices agreed upon in separate agreements.<br>- Suppliers are aware of the Company's requirements, and the Company monitors how many producers have committed to the requirements. | - Suppliers' responsibility efforts may increase costs and require new contract negotiations.<br>- Challenges related to the profitability of food production keep pricing issues at the centre of the debate.<br>- Growing demands and increasing regulation require new operating models and new skills.        | - Committing suppliers to the Supplier Code of Conduct<br>- Supply contracts and compliance with agreed payment terms<br>- Supplier management system and supplier surveys, producer surveys<br>- Supplier audits  |

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## G-1 Business conduct: HKFoods' risks and opportunities and their interaction with strategy and business model

SBM-3

| Sub-topic         | Impacted part of value chain                | Type        | Time horizon | Risk/opportunity description, and business and strategy dependencies on the sustainability topic   | Management   |
|-------------------|---|-------------|--------------|--|--|
| Corporate culture | Own operations                              | opportunity | medium       | <ul style="list-style-type: none"> <li>- A competent organisation has the potential to create a good corporate culture that supports better management and good financial performance and attracts talented people to work.</li> </ul>   | <ul style="list-style-type: none"> <li>- Corporate culture is guided by the Code of Conduct and other policies.</li> <li>- Internal efforts to promote corporate culture through various projects, programmes included in the responsibility programme and by developing leadership-related operating models</li> <li>- Training for supervisors and other personnel</li> </ul>  |
| Animal welfare    | Raw materials and suppliers, own operations | risk        | medium       | <ul style="list-style-type: none"> <li>- New customer and regulatory requirements cause additional costs, which poses a risk to the Company.</li> <li>- Increased animal diseases pose risks to the business and increase costs.</li> <li>- The Company is dependent on the animal welfare work carried out by contract producers, which may increase costs.</li> <li>- Profitability and reputation of the meat business depends on the welfare of production animals and the management of animal diseases.</li> </ul> | <ul style="list-style-type: none"> <li>- Commitment to animal welfare in line with the responsibility programme</li> <li>- Acting in compliance with legislation</li> <li>- Providing advice to producers from veterinarians and other experts</li> <li>- Contract terms, membership of animal welfare schemes (such as Naseva and Sikava)</li> <li>- External and internal audits</li> <li>- Animal disease management reducing exposure to supply chain disruption and price volatility</li> </ul> |

The material impacts, risks and opportunities related to HKFoods' business conduct have been identified in the double materiality assessment, updated in 2025 and based on the principles of HKFoods' risk management process.

Based on the assessment, the material sustainability themes are corporate culture, animal welfare and relationships with raw material and service suppliers. Based on the updated double materiality assessment, the protection of whistleblowers is no longer a material sustainability theme for the Company: As a result of restructuring, the size of the Group has decreased, and it is now mainly focused on Finland. The whistleblowing channel is in place as required by law, and no deviations have been observed in this regard. Similarly, political engagement and payment practices of goods and service suppliers are no longer material themes, as their impact was assessed to be smaller than in 2024.

The process of identifying and assessing material impacts, risks and opportunities has taken into account the geographical location of the business in Finland and Poland, industry-specific characteristics and business structure. HKFoods operates in a region with comprehensive national legislation on business conduct and basically a good compliance culture. In addition, HKFoods' policies ensure legal compliance.

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## CORPORATE CULTURE

### G1-1 Corporate culture and business conduct policies

HKFoods ensures ethical business practices and compliance by following legislation, international agreements and HKFoods Group's Code of Conduct. These apply to the entire Group and define the general framework for HKFoods' guidelines on appropriate conduct and behaviour. The Code of Conduct is publicly available on the Company's website.

**HKFoods' Code of Conduct** includes general operating principles for the following sub-topics:

- human rights impact management
- prohibitions of forced labour and child labour
- prohibition of discrimination
- prohibition of cruel and inhuman treatment
- principles of respect for freedom of opinion and expression
- key principles on workers' rights, such as policies on collective bargaining, non-discrimination, pay practices, working hours, occupational health and safety, the right to organise and disciplinary action
- reducing environmental impacts, and
- quality and safety of products.

The policies related to these sub-topics are described in the topical sections *E1 Climate change*, *E4 Biodiversity and ecosystems*, *E5 Circular economy*, *S1 Own workforce*, *S2 Value chain workers* and *S4 Consumers and end-users* as well as in the summary table under *ESRS 2 General disclosures*.

For good governance, corporate culture and business conduct, HKFoods' Code of Conduct includes the following key principles:

- ensuring animal health and welfare
- compliance with laws and regulations
- compliance with competition rules and regulations
- anti-corruption and anti-bribery
- avoidance of conflict of interests and preventing fraud, and
- principles of open and fact-based communication, protection of confidential information, data security and data protection.

Furthermore, HKFoods' Code of Conduct describes the Company's relationships with stakeholders, the process for reporting suspected misconduct and its commitment to international agreements, which are described in more detail under *S1 Own workforce*. HKFoods is committed to, e.g., the UN Global Compact initiative, whose principles of responsibility have been incorporated into Code of Conduct. In addition, HKFoods supports the UN Sustainable Development Goals.

HKFoods requires all its workers and white-collar employees to comply with the Company's Code of Conduct. Moreover, HKFoods requires all its producers, suppliers, subcontractors and business partners to comply with the HKFoods Group Supplier Code of Conduct when supplying goods and services to HKFoods. The Supplier Code of Conduct describes the principles that guide the Company's operations throughout its value chain.

**The Supplier Code of Conduct** contains operating principles for the following sub-topics:

- incorporation of the UN Global Compact principles of responsibility and support for the UN Sustainable Development Goals
- suppliers' commitment to complying with national and international laws and regulations regarding human rights, workers, the environment, food safety and animal welfare, among others
- compliance with sanction regulations
- prohibition of corruption and bribery
- compliance with competition law
- respect for workers' rights
- prohibition of child and forced labour
- compliance with terms of employment (including remuneration)
- freedom of association and the right to collective bargaining
- prohibition of discrimination
- provision of a healthy and safe working environment
- product quality and safety
- reducing environmental impacts, and
- ensuring animal health and welfare.

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By agreeing to cooperate with HKFoods, the supplier confirms that the supplier and its affiliated companies, employees and subcontractors will comply with HKFoods' Supplier Code of Conduct. To ensure compliance with the Supplier Code of Conduct, HKFoods reserves the right to conduct inspections and request additional information from suppliers as agreed in the Supplier Code of Conduct. If the Company becomes aware of any violations of the Supplier Code of Conduct, it may demand corrective measures, which the supplier must implement without delay. HKFoods may terminate cooperation with a supplier who does not comply with the HKFoods Group Supplier Code of Conduct. The Supplier Code of Conduct is described in more detail in the section *Relationships with suppliers*.

HKFoods has a public Animal Welfare Policy, which is described in more detail below in the section *Animal welfare policies*.

HKFoods Plc's Board of Directors approves the Code of Conduct and policies as well as any revisions to their content. HKFoods' CEO approves the HKFoods Group Supplier Code of Conduct and the procurement organisation is primarily responsible for its implementation. The Group Executive Team or HKFoods' CEO approves other guidelines as well as changes to the Code of Conduct and policies that do not involve changes to their content. If necessary, HKFoods' CEO grants subsidiaries an exemption from the Group's policies if there is a need to guide the subsidiaries' operations with company-specific guidelines. The Code of Conduct as well as policies and guidelines are updated when necessary. Since the beginning of 2025, it has been common practice to assess the need for updates on an annual basis.

## G1 Policy training

The Company's staff training programme includes the HKFoods Code of Conduct online training course, which all blue-collar and white-collar employees must complete every two years. The training mainly covers the topics addressed in HKFoods' Code of Conduct. Data protection training is also provided every two years for all employees. In addition, short information sessions on data security are regularly organised for white-collar employees.

The goal is to provide training on all other policies and guidelines in accordance with the training plan to white-collar employees by the end of 2026 and to blue-collar employees by the end of 2027. After this, all policies and guidelines will be trained at

regular intervals, usually every two years and in connection with the induction of new employees. Training on policies and guidelines considered particularly important, such as the policy related to occupational safety and wellbeing at work, will be held annually. As a rule, the director owning the policy is in charge of planning and implementing training on the policy and related guidelines. The first trainings were launched during the review period.

For Kivikylän kotipalvaamo Oy and Lihatukku Harri Tamminen Oy, the preparation of the policy management process and the planning of trainings were completed in 2025. Lihatukku Harri Tamminen Oy launched its training process in 2025 and Kivikylän kotipalvaamo Oy will launch its process at the beginning of 2026.

## Promoting corporate culture at HKFoods

HKFoods' Code of Conduct reflects the Group's values: Inspire, Lead, Care and Deliver. HKFoods monitors the implementation of its corporate culture within the Group through various surveys and studies, such as market research and the Voice employee survey. Decisions on the implementation of these are made separately.

Corporate culture is created in everyday activities - in how people meet each other, cooperate and lead each other. The values guide these activities:

- **Inspire** is reflected in how we create meaning and an inspiring atmosphere.
- **Care** is shown by paying attention and listening to others and supporting them.
- **Lead** means showing the way, leading by example and enabling joint action.
- **Deliver** emphasised in everyday decisions, commitment and everyone taking responsibility for shared goals.

Corporate culture is strengthened through continuous dialogue, the development of supervisory work, value-based management and structures supporting cooperation and shared learning. Operating models promoting wellbeing and safety at work, such as the Zero Accidents model that strengthens occupational safety, support the building of culture as part of daily operations.

In the review period, the Company continued its quality culture project launched in 2024, which focuses in particular on developing existing processes, employee experience and management skills as well as improving product quality by involving personnel.

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# HKFOODS

Kivikylän kotipalvaamo Oy and Lihatuokku Harri Tamminen Oy, part of HKFoods Group, have their own corporate cultures, which are broadly in line with the HKFoods Group's corporate culture. HKFoods monitors their development through its Board work.

## Reporting suspected misconduct and prevention of corruption and bribery

HKFoods' Code of Conduct includes guidelines for reporting suspected misconduct using HKFoods' Fair Way channel. Fair Way is a whistleblowing reporting system provided by an external service provider that allows employees and partners to report their concerns confidentially and anonymously. It can be used to report observations where, in the opinion of the reporter, the activities related to the Company, do not comply with the law or HKFoods' values, ethical principles or other guidelines. HKFoods' subsidiaries Kivikylän kotipalvaamo Oy and Lihatuokku Harri Tamminen Oy have their own reporting channels for their employees to report misconduct.

HKFoods Group has prepared an action plan for the implementation of its Code of Conduct. The trainings are held in every other year, and they were also held in 2025. The online training on Code of Conduct also covers aspects of corruption and bribery in accordance with the UN Convention. HKFoods does not have separate policies for preventing corruption and bribery in accordance with the UN Convention; instead, these aspects will continue to be included in the HKFoods Code of Conduct.

HKFoods has identified that the functions most susceptible to corruption and bribery within its internal operations are those involved in the procurement of materials, supplies and services as well as sales functions.

## Metrics and targets related to corporate culture

The responsibility programme for 2026–2028 has set the following targets related to corporate culture:

- 100 per cent of white-collar and blue-collar employees will complete the training on HKFoods' Code of Conduct every two years.

In 2025, 86 per cent of white-collar employees, 85 per cent of blue-collar employees and 85 per cent of the whole personnel had completed the Code of Conduct training. Going forward, progress will be compared to the base year 2025.

- All white-collar employees will complete training on policies and guidelines in accordance with the training plan by the end of 2026, and all blue-collar employees by the end of 2027.

In the base year 2025, 24 per cent of white-collar employees and 31 per cent of blue-collar employees had completed the training.

In addition, HKFoods has set a separate target to commit its suppliers to the Group Supplier Code of Conduct. This target is described in more detail in the section *Targets and metrics related to supplier relationships*.

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## ANIMAL WELFARE

### Policies related to animal welfare

Animal welfare is taken into account in HKFoods' Animal Welfare Policy, Code of Conduct and Supplier Code of Conduct. The key content and scope of the Code of Conduct is described in the section *Corporate culture and business conduct policies*. The implementation of animal welfare-related policies and the systematic monitoring of actions in the value chain were ongoing in 2025.

The **Animal Welfare Policy** contains the main principles of animal welfare within the HKFoods Group. The health, welfare and good treatment of production animals are requirements for the Group's sustainable operations. HKFoods is committed to promoting these aspects throughout the value chain. HKFoods' animal welfare commitment applies to all animal species in contract production. It covers genetics, feeding, rearing conditions and animal care on farms, transport of live animals and slaughtering operations throughout the value chain.

The Animal Welfare Policy is publicly available on HKFoods' website and internally on intranet for employees. The Policy is Group-wide and also applies to the supply chains of HKFoods Group companies.

HKFoods' Board of Directors approves the Animal Welfare Policy and any changes to it. Purely technical changes can also be approved by the Policy owner, EVP, Meat Business, who informs the Board on the changes. The Board regularly reviews the content of the Policy and evaluates the management and effectiveness of its implementation. EVPs of the meat and poultry business units and the head of the order-supply chain are responsible for the planning and resourcing of activities and the actual implementation of the Policy. Compliance with animal welfare requirements is reported to the business units. The animal procurement organisation is responsible for the communication, training and practical implementation of the Policy throughout the Group to ensure that all employees have a clear and consistent understanding of the Policy.

### Taking animal welfare into account in HKFoods' operations and value chain

According to the Animal Welfare Policy, animal health and welfare are based on good animal care, appropriate care conditions and the fulfilment of key behavioural needs. HKFoods' animal welfare-related work is based on the European Union and national legislation, which HKFoods follows in its own processes.

HKFoods requires all its contract farms and partners to comply with animal welfare regulations and HKFoods' contract conditions. These conditions describe in more detail the criteria and procedures related to animal welfare. The guiding principles are the Five Freedoms of the World Organisation for Animal Health (WOAH). Welfare and quality of animals for slaughter and trade at HKFoods' contract farms is constantly monitored during animal transport and on the basis of slaughter and production results. Any deviations in these will trigger corrective actions in collaboration with the farm.

Continuous guidance and counselling are a key part of the job description of advisors and procurement personnel working with contract producers. This is done through advisory and training sessions in addition to farm visits.

HKFoods requires its cattle and pig producers to be members of the national health care systems for cattle and pigs, Naseva and Sikava. Sikava is a health care system for pig farms maintained by Animal Health Association (ETT), which aims to promote animal health and welfare on farms. Naseva is a health monitoring system for cattle farms that monitors and supports the health and welfare of cattle. If a producer does not meet the conditions of Naseva or Sikava, the price paid to the producer for the animals will be reduced. In 2025, all HKFoods' pig farms were in the Sikava system and 96.6 per cent of cattle farms were in the Naseva system.

Kivikylän kotipalvaamo Oy requires its producers to be members of Sikava and regularly monitors Sikava's classification data. No animals are picked up from or delivered to a farm that is not at or above Sikava's national standards. The company's own staff drivers handle the company's animal transport and their regular farm visits complete the overall understanding of the situation on each farm and allow for the intervention of nonconformities if necessary. The company's producers procure

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advisory services from the service provider of their choice. In addition, the company has entered into an agreement with an external service provider to provide advisory services to its contract producers.

Lihatukku Harri Tamminen Oy requires its raw material suppliers to be members of Naseva and Sikava.

The Sikava and Naseva systems include health care visits to farms. The data collected during these visits and animal welfare are monitored continuously.

HKFoods' animal procurement regularly carries out advisory and procurement visits to farms to assess animal welfare and conditions on the farm and agree with the farmer on any necessary improvements. Each animal species has its own veterinarian, who monitors animal health and welfare on the contract farms.

In addition, seven experts provide advice and development support to the farms, offering guidance on issues such as animal feeding, conditions, genetics and management. Moreover, the advisory experts work with health veterinarians on Sikava and Naseva farms. Three procurement managers and 11 field representatives are responsible for managing producer relations in their respective regions. Animal welfare and monitoring of conditions and production quality are also part of the field representatives' remit. If necessary, they initiate measures on the farm together with the producer, the expert and the veterinarian. In 2025, some 800 reported farm visits were made by the field representatives and experts to all farms. In 2025, HKFoods conducted an assessment of its animal welfare practices together with an external assessor. The assessment covered a total of 25 visits to broiler, pig and cattle farms as well as an assessment of animal transport and slaughtering processes at its own units and those of its service providers.

## Metrics and targets related to animal welfare

The responsibility programme for 2026–2028, set at the end of 2025, includes the following animal welfare targets for the Company's contract production:

- *Promoting broiler welfare, using footpad health as an indicator:*  
The monthly average footpad score for broiler flocks is a maximum of 4 footpad points calculated from all broiler flocks. In 2025, the footpad score was 2.5 (base year 2024: 2.5). The target applies to HKFoods Finland Ltd.  
Footpad scores are one of the most important indicators of broiler welfare. Flocks with less than 40 points have good footpad health. In international comparisons, the classification used is < 40 points (good footpad health), 40-80 points (inflammation observed) and > 80 points (severe inflammation). Most of the broiler flocks slaughtered in Finland fall into the group scoring less than 40 points. The inspecting veterinarian assesses footpad inflammation in broilers by examining one of the footpads of at least 100 birds from the flock during slaughter (Government Decree 375/2011). The severity of skin inflammation on the footpad is scored based on the depth of the lesion. According to Section 41 a(3) of the Animal Welfare Act, the inspecting veterinarian must report if the flock's footpad inflammation assessment score exceeds 80 points.
- *Continuous care of broiler health so that they can be raised without the use of antibiotics:*  
The target is 0 antibiotic treatments per flock, calculated as a monthly average for all broiler flocks. In 2025, the actual figure was 0 (comparison figure for 2024: 0). The target applies to HKFoods Finland Ltd.
- *Pig and cattle welfare promoted in line with the standards of the national animal healthcare systems Sikava and Naseva:*
  - 100 per cent of cattle will be covered by the Naseva cattle health monitoring system by the end of 2027. In the base year 2025, 96.6 per cent of cattle were covered by Naseva. The target applies to HKFoods Finland Ltd and Lihatukku Harri Tamminen Oy.
  - 100 per cent of pigs will be covered by the Sikava pig healthcare system and meet the requirements of the Sikava quality-assured label. In the base year 2025, 100 per cent of pigs were covered by Sikava. The target applies to HKFoods Finland Ltd, Lihatukku Harri Tamminen Oy and Kivikylän kotipalvaamo Oy.

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- o 100 per cent of pig farms will achieve an acceptable level (yellow and green) in the Sikava welfare index by the end of 2026. In the base year 2025, 94.0 per cent of pig farms achieved an acceptable level. The target applies to HKFoods Finland Ltd and Kivikylän kotipalvaamo Oy.

Sikava Quality Assurance received national quality system status from the Finnish Food Authority in 2013. Meat production methods can obtain this status when they significantly exceed legal requirements in areas such as animal welfare, animal health or public health. The Quality Assurance has been found to exceed legal requirements in terms of animal health and meat raw material product safety. Sikava and Naseva's national animal healthcare services as well as their activities to promote the health and welfare of production animals and food safety are certified in accordance with ISO 9001:2015.

- *Animal welfare during transports and at slaughterhouses ensured in accordance with an internal development plan:*

The target is for 100 per cent of audits and inspections to ensure animal welfare to be carried out according to plan in 2026-2028. Monitoring of this target will start in 2026. The development plan was drawn up at the end of 2025, so no comparison data is available for 2025. The target applies to HKFoods Finland Ltd.

Veterinarians specialising in livestock and experts responsible for primary production procurement have participated in the development of the targets.

## RELATIONSHIPS WITH SUPPLIERS

### G1-2

#### Management of relationships with suppliers

HKFoods Group has classified its suppliers of goods and services (suppliers) into primary producers (animal procurement) and suppliers of services and other raw materials.

HKFoods' Group companies and suppliers generally sign written supply agreements that seek to take into account the risks and impacts associated with the sustainability aspects of each supply chain. The suppliers' business activities are regularly monitored in cooperation meetings between the HKFoods Group company and the supplier.

In addition, the assessment of suppliers' business responsibility is supported by the new supplier management system introduced by HKFoods in 2024. The supplier management system includes supplier surveys that assess suppliers' practices in relation to animal welfare, product safety, quality, environment and social responsibility management, as well as occupational health, safety, data protection, information security and business continuity management. In 2025, the supplier surveys covered the Company's direct suppliers (tier 1), representing at least 80 per cent of procurement costs in the raw materials and packaging materials procurement categories and at least 90 per cent of direct suppliers in the procurement categories of contract manufacturing and meat procurement. During 2025, all end manufacturers behind traders in the raw materials procurement category were also surveyed.

The need for auditing new suppliers is determined in connection with supplier approval. In addition, existing suppliers are audited as necessary based on the results of the annual assessment and supplier survey. In 2025, audits were carried out on four new suppliers and 14 existing suppliers.

The management of supplier relationships is also described in more detail in section S2 *Workers in the value chain*.

## HKFoods Group Procurement Policy and Supplier Code of Conduct

HKFoods' internal **Procurement Policy** defines the main principles for sustainable procurement at HKFoods. The Policy is extended to the supply chain through the HKFoods Group's Supplier Code of Conduct.

HKFoods requires the Group employees to comply with the Procurement Policy approved by the Board of Directors. This applies to all Group procurement activities, excluding live animal procurement, which is covered by its own policy. The Procurement Policy was last updated in 2024. Procurement Director is responsible for the content and updating of the Procurement Policy and for monitoring its compliance. Those working in the Procurement function are responsible, together with the business, for supplier selection and the contracting process for suppliers in accordance with the Procurement Policy. The Procurement Policy is available for employees on the Company's intranet site.

The key principles of HKFoods' Procurement Policy:

- The target is that all approved suppliers sign the HKFoods Group Supplier Code of Conduct.
- Subcontractors and suppliers should respond to category-specific supplier surveys as part of the supplier selection process to determine supplier compliance and assess potential supply chain impacts and risk factors.
- In selections and throughout the cooperation, suppliers are assessed in relation to criteria concerning animal welfare, product safety, quality, environment, social responsibility, occupational health, safety, information security and continuity management.
- To ensure risk management and continuous improvement, procurement is made from approved suppliers whose compliance with the criteria is monitored. Suppliers are treated equally and in the spirit of fair competition.
- Contractual terms agreed with suppliers are respected and purchase orders must be based on mutually agreed specifications and conditions.
- HKFoods has zero tolerance for corruption or bribery, and all reported cases are investigated and reported further as appropriate.
- HKFoods encourages its stakeholders to report their concerns through HKFoods' whistleblowing channel (HKFoods Fair Way).

In addition to its Procurement Policy, HKFoods has drawn up **principles for responsible procurement**. These guide the Group's procurement units to take into account risk factors in accordance with their due diligence requirements when selecting suppliers and to commit suppliers to the HKFoods Group Supplier Code of Conduct.

The principles for responsible procurement include more detailed requirements relating to animal welfare, product safety, quality, environment and social responsibility management, occupational health, safety, data protection, information security and business continuity management. The principles approved in 2025 by the Group's Executive Team will initially apply to suppliers with a significant impact, i.e., contract manufacturing, the manufacture of raw materials and packaging materials and the procurement of meat raw materials (other than meat raw materials procured through HKFoods' own animal procurement). The aim is to expand the coverage in the coming years.

The principles for responsible procurement are available on the Company's supplier management system. The procurement organisation is responsible for their implementation. The principles of responsible procurement have been included in the supplier management system surveys.

In order to become an approved supplier in HKFoods' supplier network, a supplier must commit to the HKFoods Group **Supplier Code of Conduct**, which forms part of the supply agreements between HKFoods Group companies and suppliers. The Supplier Code of Conduct contains requirements related to, e.g., good governance and practices, workers' rights and human rights, product safety and quality and the environment. It refers to the HKFoods Group's publicly available policies, such as its Environmental Policy, Occupational Health and Safety Policy, Food Safety and Quality Policy and Animal Welfare Policy, to which suppliers must commit through the Supplier Code of Conduct.

HKFoods' Group companies primarily cooperate with operators who are committed to the Supplier Code of Conduct. In 2025, some goods and service providers did not have such a commitment. In addition, the Company has not committed all of its primary production contract producers to the Supplier Code of Conduct. HKFoods is working to have the missing commitments and to commit goods and service providers and primary production contract producers to the Supplier Code of Conduct. To achieve this, the Company developed its primary production contract management system in 2025 to include a process for signing the Supplier Code of Conduct.

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## Policy on payment practices for suppliers and partners

HKFoods does not have a separate written policy on late payments to SMEs. The general practice within the Group is that invoices are paid in order of their due dates according to the payment dates specified by the Company. Payment practices are expressly agreed upon in separate agreements with suppliers and partners.

### Metrics and targets related to supplier relationships

The responsibility programme for 2026-2028 includes targets for committing HKFoods' suppliers to the Group Supplier Code of Conduct. The goal is that 100 per cent of pig farms, 40 per cent of cattle farms (100 per cent of HKFoods' quality-assured cattle farms), 100 per cent of poultry farms and 70 per cent of other suppliers will have signed the Supplier Code of Conduct by the end of 2028. In terms of farms, the target applies to HKFoods Finland Ltd. As regards other suppliers, the target applies to the Company as a whole.

The monitoring of the targets started from 2025, when 72.3 per cent of pig farms, 7.4 per cent of cattle farms (18.7 per cent of HKFoods' quality farms), 51.3 per cent of poultry farms and 26.5 per cent of other suppliers had signed the Supplier Code of Conduct.

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## Financial Statements 2025

### Consolidated income statement for 1 January - 31 December

| (EUR million)                                     | Note   | 2025        | 2024         |
|---|--------|-------------|--------------|
| Continuing operations                             |        |             |              |
| Net sales   | 1.     | 996.4       | 1,001.8      |
| Other operating income                            | 2.     | 4.6         | 6.8          |
| Materials and services                            | 3.     | -662.6      | -679.2       |
| Employee benefits expenses                        | 4.     | -173.6      | -171.8       |
| Depreciation and amortisation                     | 5.,13. | -29.5       | -33.9        |
| Other operating expenses                          | 6.     | -102.3      | -101.3       |
| <b>Operating profit</b>                           |        | <b>32.9</b> | <b>22.4</b>  |
| Financial income                                  | 7.     | 4.5         | 4.6          |
| Financial expenses                                | 7.,13. | -19.4       | -24.1        |
| Share of associates' and joint ventures' results  |        | 0.7         | 1.2          |
| <b>Profit/loss before taxes</b>                   |        | <b>18.7</b> | <b>4.2</b>   |
| Income tax  | 8.     | -4.5        | -6.0         |
| Profit/loss for the period, continuing operations |        | 14.2        | -1.8         |
| Profit/loss for discontinued operations           | 20.    | -11.4       | -24.0        |
| <b>Profit/loss for the period</b>                 |        | <b>2.8</b>  | <b>-25.8</b> |
| Profit/loss for the period attributable to:       |        |             |              |
| Equity holders of the parent                      |        | -1.1        | -29.2        |
| Non-controlling interests                         |        | 3.8         | 3.4          |
| <b>Total</b>                                      |        | <b>2.8</b>  | <b>-25.8</b> |

| (EUR million)   | Note | 2025  | 2024  |
|---|------|-------|-------|
| Earnings per share calculated on profit attributable to equity holders of the parent: |      |       |       |
| EPS, undiluted, continuing operations, EUR/share                                      | 9.   | 0.08  | -0.09 |
| EPS, diluted, continuing operations, EUR/share  | 9.   | 0.08  | -0.09 |
| EPS, undiluted, discontinued operations, EUR/share                                    | 9.   | -0.13 | -0.26 |
| EPS, diluted, discontinued operations, EUR/share                                      | 9.   | -0.13 | -0.26 |
| EPS, undiluted, EUR/share   | 9.   | -0.05 | -0.36 |
| EPS, diluted, EUR/share   | 9.   | -0.05 | -0.36 |

The notes 1-29 form an integral part of the consolidated financial statements.

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## Consolidated statement of comprehensive income 1 January - 31 December

| (EUR million)   | 2025       | 2024         |
|---|------------|--------------|
| Profit/loss for the period  | 2.8        | -25.8        |
| OTHER COMPREHENSIVE INCOME (after taxes):   |            |              |
| Items that may be subsequently reclassified to profit or loss   |            |              |
| Exchange differences on translating foreign operations, continuing operations   | 0.4        | 0.3          |
| Exchange differences on translating foreign operations, discontinued operations   | -          | -2.0         |
| Sweden translation difference transfer to profit and loss, discontinued operations  | -          | 21.1         |
| Cash flow hedging, continuing operations  | -0.1       | -2.1         |
| Cash flow hedging, discontinued operations  | -          | -0.9         |
| Transfer of the value of Sweden's electricity derivatives to the result for the financial period, discontinued operations | -          | -1.1         |
| <b>Total other comprehensive income</b>   | <b>0.3</b> | <b>15.4</b>  |
| <b>Total comprehensive income for the period</b>  | <b>3.0</b> | <b>-10.4</b> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:  |            |              |
| Equity holders of the parent  | -0.8       | -13.8        |
| Non-controlling interests   | 3.8        | 3.4          |
| <b>Total</b>  | <b>3.0</b> | <b>-10.4</b> |

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## Consolidated balance sheet on 31 December

| (EUR million)                                       | Note    | 31 Dec. 2025 | 31 Dec. 2024 |
|---|---------|--------------|--------------|
| Intangible assets                                   | 10.     | 15.3         | 16.1         |
| Goodwill  | 11.     | 28.1         | 28.0         |
| Tangible assets                                     | 12.,13. | 251.7        | 251.6        |
| Shares in associates and joint ventures             | 14.     | 21.2         | 20.8         |
| Other receivables                                   | 15.     | 3.9          | 12.4         |
| Other shares and holdings                           | 15.     | 1.1          | 1.0          |
| Deferred tax asset                                  | 16.     | 18.9         | 21.2         |
| <b>Non-current assets</b>                           |         | <b>340.1</b> | <b>351.0</b> |
| Inventories   | 17.     | 63.1         | 59.6         |
| Trade receivables                                   | 18.     | 50.7         | 58.4         |
| Other receivables                                   | 18.     | 7.0          | 21.7         |
| Income tax receivable                               | 18.     | 0.5          | 0.2          |
| Cash and bank                                       | 19.     | 51.1         | 36.7         |
| <b>Current assets</b>                               |         | <b>172.4</b> | <b>176.6</b> |
| <b>Assets</b>                                       |         | <b>512.6</b> | <b>527.7</b> |
| Share capital                                       | 21.     | 66.8         | 66.8         |
| Share premium reserve                               | 21.     | 72.9         | 72.9         |
| Treasury shares                                     | 21.     | -            | -9.1         |
| Hybrid loan   | 21.     | 20.0         | 25.9         |
| Fair value reserve and other reserves               | 21.     | 201.9        | 223.7        |
| Translation differences                             | 21.     | 1.2          | 0.8          |
| Retained earnings                                   | 21.     | -199.7       | -194.2       |
| Equity attributable to equity holders of the parent |         | 163.1        | 186.9        |
| Non-controlling interests                           | 22.     | 30.7         | 28.6         |
| <b>Equity</b>                                       |         | <b>193.8</b> | <b>215.4</b> |

| (EUR million)                                | Note    | 31 Dec. 2025 | 31 Dec. 2024 |
|--|---------|--------------|--------------|
| Deferred tax liability                       | 16.     | 2.7          | 3.0          |
| Non-current interest-bearing liabilities     | 13.,24. | 168.1        | 172.4        |
| Non-current non-interest-bearing liabilities | 24.     | -0.1         | -0.1         |
| Pension obligations                          | 23.     | 2.4          | 2.6          |
| <b>Non-current liabilities</b>               |         | <b>173.1</b> | <b>177.8</b> |
| Current interest-bearing liabilities         | 13.,24. | 25.5         | 14.0         |
| Trade and other payables                     | 24.     | 117.7        | 117.6        |
| Refund liabilities                           | 24.     | 2.4          | 2.8          |
| Income tax liability                         | 24.     | 0.1          | 0.0          |
| <b>Current liabilities</b>                   |         | <b>145.7</b> | <b>134.5</b> |
| <b>Equity and liabilities</b>                |         | <b>512.6</b> | <b>527.7</b> |

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## Consolidated cash flow statement

| (EUR million)                                     | 2025         | 2024        |
|---|--------------|-------------|
| Profit/loss for the period, continuing operations | 14.2         | -1.8        |
| Profit/loss for discontinued operations           | -11.4        | -24.0       |
| Adjustments                                       | 60.8         | 88.4        |
| Cash flow before change in net working capital    | 63.6         | 62.6        |
| Change in trade receivables                       | 7.5          | -5.6        |
| Change in inventories                             | -4.1         | 2.2         |
| Change in trade payables                          | 0.2          | 13.1        |
| Changes in other receivables and liabilities      | 0.6          | 14.5        |
| Interest paid                                     | -17.5        | -23.8       |
| Other financial expenses paid                     | -2.0         | -4.5        |
| Interest received                                 | 4.1          | 4.1         |
| Other financial income received                   | 0.7          | 1.9         |
| Dividends received                                | 0.4          | 0.6         |
| Income taxes paid                                 | -2.5         | -4.1        |
| <b>Cash flow from operating activities (A)</b>    | <b>51.0</b>  | <b>60.8</b> |
| Total investments                                 | -25.7        | -30.8       |
| Total sales of assets                             | 0.4          | 0.5         |
| Disposal of subsidiary, net of cash               | 9.3          | 111.1       |
| Loan receivables, borrowings and repayments       | 1.1          | 0.1         |
| <b>Cash flow from investing activities (B)</b>    | <b>-14.9</b> | <b>80.9</b> |

| (EUR million)                                  | 2025         | 2024          |
|--|--------------|---------------|
| Hybrid loan, interest                          | -4.1         | -4.1          |
| Hybrid loan, redemption                        | -25.9        | -             |
| Hybrid loan, issue                             | 19.3         | -             |
| Proceeds from external borrowings              | 13.8         | 90.0          |
| Repayment of external borrowings               | -3.6         | -209.1        |
| Payment of lease liabilities                   | -7.2         | -9.2          |
| Dividend / funds distribution                  | -13.9        | -1.7          |
| <b>Cash flow from financing activities (C)</b> | <b>-21.6</b> | <b>-134.2</b> |
| <b>Net cash flow (A+B+C)</b>                   | <b>14.4</b>  | <b>7.5</b>    |
| Cash and cash equivalents, end balance         | 51.1         | 36.7          |
| Cash and cash equivalents, opening balance     | 36.7         | 29.0          |
| Effect of changes in exchange rates            | 0.0          | 0.2           |
| <b>Change</b>                                  | <b>14.4</b>  | <b>7.5</b>    |

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## Statement of changes in consolidated equity

| (EUR million)                                    | Share capital | Share premium reserve | Revaluation reserve | Reserve for invested unrestricted equity (RIUE) | Hybrid loan | Other reserves | Translation differences | Treasury shares | Retained earnings | Equity holders of the parent | Non-controlling interests | Total        |
|--|---------------|-----------------------|---------------------|---|-------------|----------------|-------------------------|-----------------|-------------------|------------------------------|---------------------------|--------------|
| <b>EQUITY ON 1 Jan. 2025</b>                     | <b>66.8</b>   | <b>72.9</b>           | <b>0.0</b>          | <b>215.4</b>                                    | <b>25.9</b> | <b>8.3</b>     | <b>0.8</b>              | <b>-9.1</b>     | <b>-194.2</b>     | <b>186.9</b>                 | <b>28.5</b>               | <b>215.4</b> |
| Result for the financial period                  | -             | -                     | -                   | -   | -           | -              | -                       | -               | -1.1              | -1.1                         | 3.8                       | 2.8          |
| Other comprehensive income (+) / expense (-)     |               |                       |                     |   |             |                |                         |                 |                   |                              |                           |              |
| Translation difference                           | -             | -                     | -                   | -   | -           | -              | 0.4                     | -               | -                 | 0.4                          | -                         | 0.4          |
| Cash flow hedging                                | -             | -                     | -0.1                | -   | -           | -              | -                       | -               | -                 | -0.1                         | -                         | -0.1         |
| Total other comprehensive income / expense       | -             | -                     | -0.1                | -   | -           | -              | 0.4                     | -               | -                 | 0.3                          | -                         | 0.3          |
| <b>Total comprehensive income for the period</b> | <b>-</b>      | <b>-</b>              | <b>-0.1</b>         | <b>-</b>  | <b>-</b>    | <b>-</b>       | <b>0.4</b>              | <b>-</b>        | <b>-1.1</b>       | <b>-0.8</b>                  | <b>3.8</b>                | <b>3.0</b>   |
| Direct recognitions                              | -             | -                     | -                   | -   | -           | 0.0            | -                       | -               | 0.3               | 0.3                          | -                         | 0.3          |
| Cancellation of own shares                       | -             | -                     | -                   | -9.1  | -           | -              | -                       | 9.1             | -                 | 0.0                          | -                         | 0.0          |
| Distribution of the funds                        | -             | -                     | -                   | -12.6   | -           | -              | -                       | -               | -                 | -12.6                        | -                         | -12.6        |
| Dividend distribution                            | -             | -                     | -                   | -   | -           | -              | -                       | -               | -                 | -                            | -1.7                      | -1.7         |
| Hybrid loan, interest                            | -             | -                     | -                   | -   | -           | -              | -                       | -               | -4.1              | -4.1                         | -                         | -4.1         |
| Hybrid loan, redemption                          | -             | -                     | -                   | -   | -25.9       | -              | -                       | -               | -                 | -25.9                        | -                         | -25.9        |
| Hybrid loan, issue                               | -             | -                     | -                   | -   | 20.0        | -              | -                       | -               | -0.5              | 19.5                         | -                         | 19.5         |
| <b>EQUITY ON 31 Dec. 2025</b>                    | <b>66.8</b>   | <b>72.9</b>           | <b>-0.1</b>         | <b>193.7</b>                                    | <b>20.0</b> | <b>8.3</b>     | <b>1.2</b>              | <b>0.0</b>      | <b>-199.7</b>     | <b>163.1</b>                 | <b>30.7</b>               | <b>193.8</b> |

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| (EUR million)  | Share capital | Share premium reserve | Revaluation reserve | Reserve for invested unrestricted equity (RIUE) | Hybrid loan | Other reserves | Translation differences | Treasury shares | Retained earnings | Equity holders of the parent | Non-controlling interests | Total        |
|--|---------------|-----------------------|---------------------|---|-------------|----------------|-------------------------|-----------------|-------------------|------------------------------|---------------------------|--------------|
| <b>EQUITY ON 1 Jan. 2024</b>   | <b>66.8</b>   | <b>72.9</b>           | <b>5.9</b>          | <b>215.4</b>                                    | <b>25.9</b> | <b>8.1</b>     | <b>-18.6</b>            | <b>-3.8</b>     | <b>-161.5</b>     | <b>211.1</b>                 | <b>26.9</b>               | <b>238.0</b> |
| Result for the financial period  | -             | -                     | -                   | -   | -           | -              | -                       | -               | -29.2             | -29.2                        | 3.4                       | -25.8        |
| Other comprehensive income (+) / expense (-)   |               |                       |                     |   |             |                |                         |                 |                   |                              |                           |              |
| Translation difference   | -             | -                     | -0.1                | -   | -           | -              | 19.6                    | -               | -                 | 19.5                         | -                         | 19.5         |
| Cash flow hedging  | -             | -                     | -3.0                | -   | -           | -              | -                       | -               | -                 | -3.0                         | -                         | -3.0         |
| Transfer of the value of Sweden's electricity derivatives to the result for the financial period | -             | -                     | -1.1                | -   | -           | -              | -                       | -               | -                 | -1.1                         | -                         | -1.1         |
| Associates' and joint ventures' other comprehensive income items transfer to profit and loss     | -             | -                     | -0.5                | -   | -           | -              | -                       | -               | 0.5               | 0.0                          | -                         | 0.0          |
| Total other comprehensive income / expense   | -             | -                     | -4.7                | -   | -           | -              | 19.6                    | -               | 0.5               | 15.4                         | -                         | 15.4         |
| <b>Total comprehensive income for the period</b>   | <b>-</b>      | <b>-</b>              | <b>-4.7</b>         | <b>-</b>  | <b>-</b>    | <b>-</b>       | <b>19.6</b>             | <b>-</b>        | <b>-28.7</b>      | <b>-13.8</b>                 | <b>3.4</b>                | <b>-10.4</b> |
| Direct recognitions  | -             | -                     | -                   | -   | -           | -              | -                       | -               | 0.0               | 0.0                          | -                         | 0.0          |
| Sweden and Denmark sale related transfer to result for the financial period                      | -             | -                     | -1.2                | -   | -           | 0.2            | -                       | -               | -                 | -1.0                         | -                         | -1.0         |
| Purchase of own shares   | -             | -                     | -                   | -   | -           | -              | -                       | -5.3            | -                 | -5.3                         | -                         | -5.3         |
| Dividend distribution  | -             | -                     | -                   | -   | -           | -              | -                       | -               | -                 | -                            | -1.7                      | -1.7         |
| Hybrid loan  | -             | -                     | -                   | -   | -           | -              | -                       | -               | -4.1              | -4.1                         | -                         | -4.1         |
| <b>EQUITY ON 31 Dec. 2024</b>  | <b>66.8</b>   | <b>72.9</b>           | <b>0.0</b>          | <b>215.4</b>                                    | <b>25.9</b> | <b>8.3</b>     | <b>0.8</b>              | <b>-9.1</b>     | <b>-194.2</b>     | <b>186.9</b>                 | <b>28.5</b>               | <b>215.4</b> |

The notes 1-29 form an integral part of the consolidated financial statements.

## Notes to the financial statements for 2025

### Basic information about the entity

HKFoods Plc is a Finnish public limited company operating in food industry. The Company is domiciled in Turku.

HKFoods Plc and its subsidiaries (together 'the Group') produce, sell and market high-quality and responsibly-produced pork, beef and poultry products, processed meats and convenience foods under strong brand names. Its customers are the retail, food service, industry and export sectors. The Group has operations in Finland and Poland. HKFoods Plc's A share has been quoted on Nasdaq Helsinki since 1997.

HKFoods Plc is a subsidiary of LSO Osuuskunta and part of the LSO Osuuskunta Group. LSO Osuuskunta is domiciled in Turku.

The Board of Directors of HKFoods Plc approved the publication of these financial statements at its meeting on 27 February 2026. Under the Finnish Companies Act, shareholders may approve or reject the financial statements at the Annual General Meeting held subsequent to their publication. The Annual General Meeting can also modify the financial statements.

A copy of the HKFoods Group's consolidated financial statements is available on the Company's website at [www.hkfoods.com](http://www.hkfoods.com) or in the parent company's head office at Lemminkäisenkatu 14-18 A, FI-20520 Turku, Finland. The LSO Osuuskunta Group's consolidated financial statements are also available at the same address.

### Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have consistently been applied to all the years presented, unless otherwise stated.

### Assumption of ability to continue as a going concern

The Financial Statements for financial year 2025 has been prepared on a going concern basis, assuming that HKFoods will be able to realise its assets and settle its liabilities in the foreseeable future in the ordinary course of business. In assessing the going concern basis, HKFoods' management has taken into account the uncertainties and risks associated with the business environment, available funding sources and the cash flow estimates of the Group companies. The management has also assessed the adequacy of liquidity, according to which the Company's liquidity is not at risk

### Basis of preparation

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) and the IAS standards and SIC and IFRIC interpretations effective on 31 December 2025. 'International Financial Reporting Standards' refers, in the Finnish Accounting Act and in the provisions given thereupon, to the standards approved for application within the EU according to the procedure as established in EU Regulation (EC) No. 1606/2002 and the interpretations thereof. The notes to the financial statements also conform to Finnish accounting and corporate legislation supplementing IFRS requirements.

The consolidated financial statements have been prepared under the historical cost convention except for some financial instruments, which have been measured at fair value.

The accounting policies in respect of subsidiaries have been changed to correspond to those of the parent Company if required.

Unless otherwise stated, the information in the consolidated financial statements is given in millions of euros. Consequently, some totals may not agree with the sum of their constituent parts.

The consolidated financial statements have been prepared in compliance with the same accounting policies as in 2024.

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## New and amended standards adopted by the group

There have been no new standards, amendments or interpretations, which are effective for the financial year beginning on 1 January 2025 that affect Group's accounting policies or any of the disclosures.

## Comparability with previous years

The years 2025 and 2024 are comparable with each other. Discontinued operations in the income statement include Danish operations until October 2024 and Swedish operations until March 2024.

## Consolidation subsidiaries

The consolidated financial statements include the accounts of the parent Company HKFoods Plc and its subsidiaries. Subsidiaries are entities over which the Group exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value, or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Recorded goodwill is originally the sum of consideration transferred, interest of non-controlling shareholders in the acquiree and previously held interest in the acquiree minus the fair value of the acquired net assets. If the consideration is smaller

than the fair value of the subsidiary's acquired net assets, the difference is recognised through profit or loss.

Subsidiaries acquired are consolidated from the date the Group acquires a controlling interest in them. All intragroup transactions, receivables and liabilities, and intragroup profit distribution, have been eliminated upon preparation of the consolidated financial statements.

A previous shareholding in a sequential acquisition is measured at the fair value and any profit or loss derived from this is recorded in the income statement as either profit or loss. When the Group loses control in a subsidiary, the remaining investment is measured at the fair value of the date of the expiry of control and the difference derived from this is recognised through profit and loss.

Distribution of profit for the period between holders of the parent and non-controlling interests is presented in the separate income statement, and the distribution of comprehensive income between holders of the parent and non-controlling interests is presented in the statement of comprehensive income. Comprehensive income is allocated to the parent Company shareholders and non-controlling interests, even if this should mean that the share held by non-controlling interests becomes negative. The share of equity owing to non-controlling interests is presented as a separate item on the balance sheet under equity. Changes in the parent Company's shareholding in a subsidiary, which do not lead to loss of control, are treated as equity-related transactions. The difference between fair value of any consideration paid, and the relevant share acquired of the carrying value of net assets of the subsidiary, is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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## Associates

Associates are companies over which the Group exercises a significant influence which usually arises when the Group holds 20-50 per cent of a company's voting rights. Associates have been consolidated using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. If the Group's share of the losses of an associate exceeds the investment's carrying amount, the investment is recognized as having no value and, unless the Group is committed to meeting the obligations of associates, no losses exceeding the carrying amount are consolidated. Investments in associates include the goodwill arising on their acquisition. Dividends received from associates have been eliminated in the consolidated financial statements. The associates mentioned below in Note 28, 'Related Party Transactions' have been consolidated into the consolidated financial statements. Share of associates' results is presented below EBIT.

The Group's share in associates' changes recognised in other items of comprehensive income are recognised in the Group's other items of comprehensive income.

## Joint ventures

A joint venture is a company in which the Group exercises joint control with another party. Joint ventures are consolidated using the equity method.

More detailed information about holdings in Group companies and associates and joint ventures is presented in Note 28, 'Related party transactions'.

## Foreign Currency Translation

The items included in the financial statements of the Group companies are valued in the currency of the main operating environment for that company (functional currency). The consolidated financial statements are presented in euros, the parent company's functional and reporting currency.

The assets and liabilities of foreign subsidiaries, and the foreign joint venture, are translated into euros at the closing exchange rates confirmed by the European Central Bank on the balance sheet date. The income statements are translated into euros using the average rate for the period. A translation difference arises from translating the result for the period and the comprehensive result at different rates in the income statement and comprehensive income statement and the balance sheet. The difference is recognised under equity. The change in the translation difference is recognised in other comprehensive income. The translation differences arising from eliminating the acquisition cost of foreign subsidiaries, and the joint venture, and from the translation of equity items accrued after the acquisition, are recognised in translation differences in the Group's equity, and the change is recognised in items of comprehensive income.

Group companies recognise transactions in foreign currencies at the rate prevailing on the day of the transaction. Trade receivables, trade payables, and loan receivables denoted in foreign currencies, and foreign currency bank accounts, have been translated into the operational currency at the exchange rates quoted on the balance sheet date. Exchange rate gains and losses on loans denoted in foreign currencies are included in financial income and expenses below EBIT. As a rule, exchange rate gains and losses related to business operations are included in the corresponding items above EBIT.

## Property, plant and equipment

Property, plant and equipment have been measured at cost less accumulated depreciation and any impairment. Depreciation of assets is made on a straight-line basis over the expected useful life. No depreciation is made on land.

The expected useful lives are as follows:

|                                  |              |
|----------------------------------|--------------|
| Buildings and structures         | 25-50 years  |
| Building machinery and equipment | 8-12.5 years |
| Machinery and equipment          | 2-15 years   |

The residual value and useful life of assets are reviewed in each financial statement and if necessary adjusted to reflect changes taking place in expected useful life.

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Depreciation on property, plant and equipment ends when an item is classified as being for sale. Gains and losses arising on the disposal and discontinuation and assignment of property, plant and equipment are included either in other operating income or expenses.

Maintenance and repair costs arising from normal wear and tear are recognized as an expense when they occur. Major refurbishment and improvement investments are capitalised and depreciated over the remaining useful life of the main asset to which they relate.

## Government grants

Government grants, such as grants from the State or the EU relating to PPE acquisitions, have been recognized as deductions in the carrying amounts of PPE when receipt of the grants and the Group's eligibility for them is reasonably certain. The grants are recognised as income in the form of lower depreciations over the useful life of the item. Grants received in reimbursement of expenses incurred are recognised as income in the income statement at the same time as the costs relating to the object of the grant are recognised as an expense. Grants of this kind are reported under other operating income

## Intangible assets

### Goodwill

Goodwill arises on the acquisition of subsidiaries or business operations and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree, and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually, or more frequently, if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Goodwill and other intangible items that have an unlimited useful life are not subject to regular depreciation, being instead tested yearly for impairment. For this reason, goodwill is allocated to CGUs or, in the case of an associate, included in the acquisition cost of the associate concerned. Goodwill is measured according to the historical cost convention less impairments. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of goodwill are not reversed. See, 'Impairment' and 'Impairment testing'.

### Research and development costs

Research and development costs are charged as incurred.

### Other intangible rights and assets

An intangible asset is recognised on the balance sheet only if its acquisition cost can be reliably determined and it is likely that the Company will reap the expected economic benefit of the asset. Intangible rights include trademarks and patents, while items such as software licenses are included in other intangible assets. Patents and software licenses are recognised on the balance sheet at cost and are depreciated on a straight-line basis during their useful life, which varies from three to 10 years. No depreciation is made on intangible assets with an unlimited useful life.

Brands have been estimated to have an unlimited useful life. The good recognition of the brands and analyses performed support the view of management that the brands will affect cash flow generation for an indeterminate period of time.

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## Impairment of non-financial assets

Intangible assets that have an indefinite useful life, or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

See 'Critical accounting estimates and judgements' and 'Goodwill'.

## Inventories

Raw materials are measured at weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labor costs, other direct costs and a systematically allocated proportion of variable and fixed production overheads. In determining the acquisition cost, standard cost accounting is applied and standard costs are reviewed regularly and changed if necessary. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Inventories are shown net of a reserve for obsolete and slow-moving inventories. A reserve is established and a corresponding charge is taken to profit and loss in the period in which the loss occurs based upon an assessment of obsolescence and related factors.

## Leases

### The Group as lessee

The Group recognises a right-of-use asset and related lease liability from all lease for all leases with term of more than 12 months. Less than 12 months agreements and assets of low value are excluded by the Group. Office equipment such as printers, coffee machines, phones and computers are considered assets of low value. Initial recognition is based on discounted present value of the lease payments. The discount rate is a rate from the agreement, or if not available, the interest rate for additional loan. Discounted present value of the lease payments include expected payable residual value guarantee, price of purchase or continuation option if likely that the Group will utilise option and expected payments from the ending of the agreement. Lease agreements without end date (with short notice period) are based on management judgement considered with two years duration which is renewed when the time expires. Also, other justified duration based on management judgment can be used. Depreciations from right-of-use assets and interest expense on lease liability are recorded to income statement instead of the lease expense. Right-of-use assets are depreciated with straight-line method during the lease period. Lease payments are divided into interest expense and lease liability amortisation with effective interest rate method. Right-of-use assets are included in tangible assets and lease liabilities in interest bearing debts in the balance sheet.

When an arrangement enters into force, the Group uses its factual content to determine whether the arrangement is a lease agreement or whether it includes one. A lease agreement exists if the following conditions are met: there is an identified asset, customer has the right to obtain substantially all of the economical benefits from the use of the asset throughout the period of use, customer has the right to direct how and for what purpose the asset is used throughout the period of use, or if the use is predetermined, customer operates the asset or has designed the asset.

### The Group as lessor

The Group's leased assets whose risks and rewards of ownership have essentially been transferred to the lessee are recognised as receivables on the balance sheet. Receivables are initially recognised at their present value. Financing income is

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recognised during the term of the lease so as to achieve a constant rate of return on the outstanding net investment over the term of lease.

Other assets leased under other operating leasing agreements are included in property, plant and equipment on the balance sheet. They are depreciated over their useful lives in the same way as corresponding property, plant and equipment in the Company's own use are. Rental income is recognised in the income statement on a straight-line basis over the lease term.

## Employee benefits

### Pension obligations

Pension plans are classified as defined benefit plans and defined contribution plans. In defined contribution plans, the Group makes fixed payments to a separate entity. The Group is under no legal or actual obligation to make additional payments in the event that the entity collecting pension payments is unable to meet its obligations to pay the pension benefits in question. Any pension plan that does not meet these criteria is a defined benefit plan.

Statutory pension cover for Finnish Group companies has been arranged through pension insurance. Pension plans in respect of companies outside Finland have been made in accordance with local practice.

In defined contribution plans, such as the Finnish employment pension scheme (TyEL), pension plan contributions are recognised in the income statement during the financial period in which they are incurred.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, curtailments and settlements.

Past-service costs are recognised immediately in the income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are charged or credited to equity in other comprehensive income in the period in which they arise.

### Share based payments

Based on IFRS 2, the fair value of share based incentives is determined at the grant date and the fair value is expensed until vesting. The fair value is booked to equity and possible social security contributions to liability. The fair value of equity-settled portion is the fair value of Company share at the grant date deducted with expected dividends to be paid before the reward payment. The fair value of the liability is recalculated on each reporting date until reward payment.

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## Provisions

A provision is recognised when the Group has a legal or actual obligation as the result of a past event, it is likely that the payment obligation will be realised and the magnitude of the obligation can be reliably estimated.

A restructuring provision is made when the Group has compiled a detailed restructuring plan and launched its implementation or announced the plan. No provision is made for expenses relating to the Group's continuing operations.

A provision for environmental obligations is made when the Group has an obligation, based on environmental legislation and the Group's environmental responsibility policies, which relates to site decommissioning, repairing environmental damage or moving equipment from one place to another.

## Taxes and deferred taxes based on taxable income for the period

The income tax expense in the income statement consists of tax based on taxable income and deferred tax. Taxes are recognised in the income statement, except when related to items recognised directly in equity, or the statement of comprehensive income, in which event the tax is also recognised in the said items. Tax based on taxable income in the financial period is calculated from taxable income on the basis of the tax law of the domicile of each company. Taxes are adjusted with any taxes relating to previous financial periods.

Deferred tax assets and liabilities are calculated on temporary differences in bookkeeping and taxation using the tax rate valid at the balance sheet date or expected date the tax is paid. The most significant temporary differences arise from measurement to fair value of derivative instruments, defined benefit pension plans, unclaimed tax losses and measurements to fair value in connection with acquisitions. No deferred tax is recognised on non-deductible goodwill. Deferred tax assets are recognised for the amount which it is likely that taxable profit will be generated in the future, against which the temporary difference can be utilised.

Deferred taxes are calculated using the tax rates which have been enacted or which in practice have been adopted by the reporting date

## Revenue recognition policies

Net sales is presented as revenue from the sales of products and services measured at fair value and adjusted for indirect taxes, discounts and translation differences resulting from sales in foreign currencies.

The Group sells food products, feed, animals and to a small extent slaughtering and transport services. The Group fulfils its performance obligation and recognises revenue when the product is delivered, and service is performed. Food products have limited shelf life, so quality and warranty issues realise quickly. There is no additional warranty provision recorded for the delivered products. Product and service prices and quantities do not include significant judgement. Variable discount periods are typically short, value is low, and usually end at year end so they can be reliably estimated. The Group does not adjust the promised amount of consideration for the effects of a significant financing component as the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service is short.

## Non-current assets held for sale and discontinued operations

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets need to be disposable in their current condition immediately with conventional conditions, management needs to be committed to the sale and the sale can be expected to realise within one year from classification. Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. After classification depreciations are no longer booked. Assets held for sale and related liabilities are presented as separate line item in the Group balance sheet. Comparison year is not restated.

Discontinued operation is a material part of the Group that has been disposed of or classified as held for sale. Profit from discontinued operations is disclosed as a separate item in the income statement and comparison year figures have been restated respectively.

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## Financial assets and liabilities

### Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

#### Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables and loan receivables under current and non-current financial assets

#### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as financial income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value

through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

#### Derecognition

Financial assets are derecognised from the balance sheet when the Group's contractual right to the cash flows has expired or when the risks and rewards of ownership have to a significant degree been transferred outside the Group.

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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## Cash and cash equivalents

Cash and cash equivalents comprise cash, demand deposits and other highly liquid short-term investments which are easily exchangeable for a previously known amount of cash assets, and whose risk of a change in value is minimal. Items classified in cash and cash equivalents have a maturity of less than three months from the date of acquisition. Credit accounts relating to the Group accounts are included in current financial liabilities, and they are recognized as setoffs, as the Group has an agreement-based legal right to settle or otherwise eliminate the amount to be paid to the creditor in full or in part.

## Financial liabilities

The Group's financial liabilities are classified into the following categories: financial liabilities recognised at fair value through profit or loss, and other financial liabilities at amortised cost.

Financial liabilities recognised at fair value through profit or loss are initially and subsequently measured at fair value with the same principles as corresponding financial assets. Derivative financial liabilities are included in this category. Other financial liabilities are initially recognised at fair value and transaction costs are included in the original carrying amount. Financial liabilities, except for derivative contract liabilities, are subsequently measured at amortised cost using the effective interest method. Financial liabilities are included in current and non-current liabilities. Financial liabilities are classified as current unless the Group has an unconditional right to defer payment for at least 12 months from the reporting date.

Borrowing costs directly attributable to the acquisition, construction or manufacture of a qualifying asset are capitalised as a part of the cost of the said asset when it is likely that these will generate future economic benefits, and when the costs can be measured reliably. During the financial years presented, the Group did not have any qualifying investments.

Other borrowing costs are recognised as an expense in the period in which they are incurred. Credit fees related to loan commitments are recognised as transaction costs in proportion to the extent that it is probable that the total loan commitment or a part of it will be raised. Credit fees are recognised on the balance sheet until the loan is

raised. In connection with the drawdown, the credit fee related to loan commitments is recognised as part of the transaction costs. To the extent that it is probable that the loan commitment will not be raised, the credit fee is recognised as a prepaid expense in respect of the liquidity-related services and is accrued for the period of the loan commitment.

## Derivatives and hedge accounting

Derivative contracts are initially accounted for at fair value on the date on which the Group becomes a party to the contract and subsequently continue to be measured at fair value. Gains and losses arising from the measurement at fair value are treated in the income statement in the manner determined by the purpose of the derivative. The impacts on profit or loss arising from changes in the value of derivative contracts to which hedge accounting applies and which are effective hedges, are presented in a manner consistent with the hedged item. When derivative contracts are entered into, the Group treats the derivatives, as in the case of interest rate risk, as cash flow hedges, cash flow hedges of a highly probable forecast transaction, or derivatives that do not satisfy the criteria for applying hedge accounting. The Group documents the hedge accounting at the beginning of the relationship between the hedged item and the hedging instrument, as well as the objectives of the Group's risk management and the hedging strategy applied. When initiating the hedge and thereafter when publishing all financial statements, the Group documents and assesses the effectiveness of the hedging relationships by examining the ability of the hedging instrument to nullify changes in the fair value of the hedged item or changes in cash flows.

## Cash flow hedging

A change in the fair value of the effective portion of derivative instruments that satisfy the conditions for hedging cash flow are recognised under other comprehensive income and reported in the hedging reserve (included in Fair value reserve and other reserves). Gains and losses accrued from the hedging instrument are transferred to the income statement when the hedged item affects profit or loss. The ineffective portion of the hedging instrument's profit or loss is recognised as financial income or expenses (interest rate derivatives) or other operating expenses (commodity derivatives).

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When a hedging instrument acquired to hedge cash flow matures or is sold, or when the criteria for hedge accounting are no longer satisfied, the profit or loss accrued from the hedging instrument remains in equity until the forecast transaction is carried out. Nevertheless, if the forecast hedged transaction is no longer expected to be realised the profit or loss accrued in equity is recognised immediately in the income statement

## Other hedging instruments where hedge accounting is not applied

Despite the fact that some hedging relationships satisfy the Group's risk management hedging criteria, hedge accounting is not applied to them. Derivatives hedging against currency and interest risk fall into this category. In accordance with the Group's recognition policy, changes in the fair value of foreign exchange contracts hedging commercial flows are recognised in other operating income and expenses, and changes in the value of foreign exchange contracts hedging financial items are recognised in the income statement in foreign exchange gains and losses from financing operations. On the balance sheet, derivatives relating to currency-denominated trade receivables or trade payables are presented in other current receivables or liabilities. Changes in the fair value of interest rate derivatives are recognised in financial items. On the balance sheet the fair value of interest rate derivatives is presented in current and non-current liabilities according to maturity.

Changes in the hedging reserve are presented in Note 21. 'Notes relating to equity' under 'Revaluation reserve'.

## Equity

All company shares are reported as share capital. Any repurchase of its own shares by the company is deducted from equity.

## Dividend

The dividend proposed to the Annual General Meeting by the Board of Directors is not deducted from distributable equity until approved by the AGM.

## EBIT

The concept of EBIT is not defined in IAS 1: Presentation of Financial Statements. The Group employs the following definition: EBIT is the net sum arrived at by adding other operating income to net sales, deducting from this purchase costs as well employee benefit expenses, depreciation and impairment losses, if any, and other operating expenses. All other income statement items are presented below EBIT.

Where necessary, major gains and losses on disposal, impairment and recognitions of discontinuations, reorganisations of operations or significant compensations or penalties paid out due to the legal verdict or settlement, recorded as items affecting comparability, as well as comparable EBIT may be presented separately in interim reports and financial statement bulletins.

## Critical accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions affecting the content and to exercise judgement in applying the accounting policies. The most important of these estimates affect the possible impairment of goodwill and other assets as well as provisions. Actual results may differ from these estimates.

The estimates made in preparation of the financial statements are based on the best judgement of management on the reporting date. The estimates are based on historical experience and assumptions regarding the future seen as most likely on the balance sheet date. Such assumptions are related to the expected development of the Group's financial operating environment in terms of sales and cost levels. The estimations and judgements are reviewed regularly.

The most important areas in which the estimations and judgement have been used are presented below.

The assumptions made by the management regarding the taxable income of the Group companies in the coming reporting periods are taken into account when estimating the amount of recognised deferred tax assets.

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## Impairment testing

The Group tests goodwill annually for possible impairment. The recoverable amounts of cash generating units are determined in calculations based on value in use. The preparation of these calculations requires the use of estimates. Although the assumptions used are appropriate according to the Management, the estimated recoverable amounts may differ substantially from those realised in future. The assumptions used in the impairment calculation involve judgement that the Management has used in estimating the development of different factors. The sensitivity analysis emphasises that the factors related to revenue growth are the most central sources of uncertainty in the methods, assumptions and estimates used in the calculations. This sensitivity derives from the challenging estimation of the future development of the previously mentioned factors. More details on the matter are presented in note 11.

## Deferred tax

Deferred tax assets are recognised for the amount which it is likely that taxable profit will be generated in the future, against which the temporary difference can be utilised. The Group assesses the principles for recognising deferred tax in connection with the financial statements. To this end, it has assessed how likely subsidiaries are to have recoverable taxable income against which the unused tax losses or unused tax credits can be utilised. More details on the matter are presented in note 16.

## Valuation of inventories

Management's principle is to recognise an impairment loss for slowly moving and outdated inventories based on the management's best possible estimate of possibly unusable inventories in the Group's possession at the reporting date. The Group has valuation policy for inventories which is approved by the Management. Management bases its estimates on systematic and continuous monitoring and evaluations.

## Impact of climate related matters to financial statement

The Company has evaluated risks and opportunities and their financial impact related to climate change as part of the Company's double materiality analysis, which is presented in sustainability report. Key risks are timed mid or long term. Climate related matters in financial statements mainly impact management estimates on long term cash flows that are used in impairment testing and valuation of deferred tax assets.

## Assumption of ability to continue as a going concern

The financial statement has been prepared on the going concern basis. Should it prove in the future that the preparation of financial statements on the going concern principle is not justified, the carrying values and/or classification of the Company's assets and liabilities would have to be adjusted. This would result in an impairment of deferred tax assets and measurement of non-current assets at fair value. See "Assumption of ability to continue as going concern" in the beginning of accounting policies.

## Application of new and revised IFRS norms

IFRS 18 Presentation and Disclosure in Financial Statements standard is applicable starting from 1 January 2027. Standard will change for example the presentation of income statement. The Company has preliminary evaluated the impact of the new standard and it is not expected to have significant impact on the Company's comparable EBIT. There are no other new IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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## Notes to income statement

### 1. Business segments

The Group's operational activities are the responsibility of the Group's CEO assisted by the Group Management Team. The division into business segments is based on the reports used by the Group Management Team for the allocation of resources and assessment of performance.

The Group Management Team monitors business performance of business unit Finland and group administration costs. Finland and Poland are separate business segments, but they are combined to single business segment based on combination criteria. They have similar economical characteristics, and they are similar in products, production processes, customer types and distribution. In addition, long term profitability target is similar.

Business unit Finland manufactures, sells and markets meat products, processed meat products and convenience foods. In addition to this it sells to a small extent slaughtering and transport services. Business unit Finland has two customers which exceed 10% of group net sales. Sales to these customers is over half of the group net sales. Business unit Finland had sales to Sweden amounting to 40 million euros in 2025.

The net sales and EBIT for business unit Finland does not include intercompany sales and margins against the discontinued operations. A business unit reports external sales and cost of the external sales.

### 2. Other operating income

|   | 2025       | 2024       |
|---|------------|------------|
| Rental income   | 1.8        | 1.7        |
| Gain on disposal of non-current assets                      | 0.2        | 0.1        |
| Exchange rate gains related to foreign exchange derivatives | 0.4        | 0.5        |
| Insurance compensation                                      | 0.0        | 0.5        |
| Government grants   | 0.2        | 0.1        |
| Transitional service fee of disinvestment                   | 1.0        | 2.8        |
| Other operating income                                      | 1.0        | 1.0        |
| <b>Other operating income</b>                               | <b>4.6</b> | <b>6.8</b> |

### 3. Materials and services

|  | 2025          | 2024          |
|--|---------------|---------------|
| Purchases during the financial period      | -591.3        | -596.1        |
| Increase/decrease in inventories           | 5.7           | -4.1          |
| Work performed for own use and capitalised | 0.0           | 0.0           |
| <b>Materials and supplies</b>              | <b>-585.6</b> | <b>-600.2</b> |
| External services                          | -77.0         | -79.0         |
| <b>Materials and services</b>              | <b>-662.6</b> | <b>-679.2</b> |

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## 4. Employee benefit expenses

|  | 2025          | 2024          |
|--|---------------|---------------|
| Salaries and fees                            | -138.9        | -137.9        |
| Share-based payments                         | -0.3          | -0.1          |
| Pension expenses, defined contribution plans | -23.1         | -22.3         |
| Pension expenses, defined benefit plans      | -0.2          | -0.3          |
| Total pension expenses                       | -23.3         | -22.6         |
| Other social expenses                        | -11.2         | -11.1         |
| <b>Employee benefit expenses</b>             | <b>-173.6</b> | <b>-171.8</b> |

|   | 2025        | 2024        |
|---|-------------|-------------|
| <b>Key management personnel compensation:</b>     |             |             |
| Short-term employee benefits                      | -2.5        | -2.6        |
| Post-employment benefits                          | -0.2        | -0.4        |
| Termination benefits                              | -           | -0.9        |
| <b>Key management salaries, fees and benefits</b> | <b>-2.7</b> | <b>-3.9</b> |

|   | 2025         | 2024         |
|---|--------------|--------------|
| Average number of employees during financial year (FTE) |              |              |
| Clerical employees                                      | 554          | 552          |
| Workers   | 2,439        | 2,448        |
| <b>Total</b>  | <b>2,993</b> | <b>3,000</b> |

| Members of Board of Directors: | Salaries and fees | Post-employment benefits |
|--------------------------------|-------------------|--------------------------|
| Reijo Kiskola, Chairman        | 0.130             | -                        |
| Jari Mäkilä, Deputy Chairman   | 0.072             | -                        |
| Terhi Tuomi                    | 0.049             | -                        |
| Anne Koutonen                  | 0.016             | -                        |
| Ilkka Uusitalo                 | 0.070             | -                        |
| Niclas Diesen                  | 0.051             | -                        |
| Lauri Sipponen                 | 0.061             | -                        |
| Sami Yski                      | 0.051             | -                        |
| Outi Henriksson                | 0.047             | -                        |
| <b>Total</b>                   | <b>0.547</b>      | <b>-</b>                 |
| <b>CEO</b>                     |                   |                          |
| Juha Ruohola                   | 0.654             | 0.108                    |

## Share-based payments

### Long-term incentive scheme 2018-2020

On 7 February 2018, HKFoods announced that the Board of Directors had approved a share based incentive scheme for the Group's key management. It comprises a Performance Share Plan (also "PSP") as the main structure and a Restricted Share Plan (also "RSP") as a complementary structure. Each Plan covers a three-year period. The earning opportunity of the participants within these plans is capped.

In 2021 the Board of Directors decided that out of the total gross rewards earned based on initial performance criteria outcome approximately half will be paid during 2021-2023, subject to employment precondition. In order to ensure that the reward payments are aligned with long-term company performance and shareholder returns, the Board of Directors decided to defer and pay the remaining portion of the Group Executive Team rewards during 2024-2025, subject to employment precondition. The rewards for which payment is deferred, will be paid based on the minimum requirements set by the Board of Directors on the company's total shareholder return

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(TSR) and profitability. The Board of Directors has set a maximum limit for the cost of deferred reward.

From performance period 2019-2021 a total of 115,137 shares were delivered to 5 participants in spring 2023. In addition a cash portion was paid to cover taxes. The deferred payment for spring 2024 or in spring 2025 did not occur because the criteria were not met.

## PSP 2018-2020

The potential share rewards under PSP 2018-2020, performance period 2018-2020, will be paid partly in the Company's A series shares and partly in cash in during the years 2021-2025. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key personnel. As a main rule, no reward will be paid, if the key employee's employment or service ends before reward payment. The performance targets based on which the potential share reward under PSP 2018-2020 will be paid are the comparable EBIT (operating profit) and comparable EPS (earnings per share) of HKFoods for year 2018 and HKFoods operative cash flow for years 2019-2020.

The plan is directed to approximately 30 people. The rewards to be paid on basis of the performance period are a maximum approximate total of 910,400 HKFoods Plc series A shares, including the cash payment for taxes and tax-related costs. If the end value of the class A share of HKFoods within the three-year plan exceeds three times its start value, the exceeding value of the reward will be cut and will not be paid.

## PSP 2019-2021

The potential share rewards under PSP 2019-2021, performance period 2019-2021, will be paid partly in the Company's A series shares and partly in cash during 2022-2025. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key personnel. As a main rule, no reward will be paid, if the key employee's employment or service ends before reward payment. The performance criterion based on which the potential share rewards under PSP 2019-2021 will be paid is the operative cash flow of HKFoods.

Eligible to participate in PSP 2019-2021 are the Group Management Team members, in total maximum of 10 individuals. The rewards to be paid on basis of the performance period are a maximum approximate total of 1,322,200 HKFoods Plc series A shares,

including the cash payment for taxes and tax-related costs. If the end value of the class A share of HKFoods within the three-year plan exceeds four times its start value, the exceeding value of the reward will be cut and will not be paid.

## RSP 2019-2021

The potential share rewards under RSP 2019-2021 will be paid partly in the Company's A series shares and partly in cash during 2022-2025. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key personnel. No reward will be paid, if the key employee's employment or service ends before reward payment. In addition to the afore-mentioned employment precondition, the Board has for RSP 2019-2021 set a company level financial criterion, the fulfilment of which is a precondition for the payment of the share reward under the plan. This criterion is based on the average comparable ROCE (return on capital employed) before taxes.

Eligible to participate in RSP 2019-2021 are the Group Management Team members, in total maximum of 10 individuals. The rewards to be paid on basis of the performance period are a maximum approximate total of 881,500 HKFoods Plc series A shares, including the cash payment for taxes and tax-related costs. If the end value of the class A share of HKFoods within the plan exceeds four times its start value, the exceeding value of the reward will be cut and will not be paid.

## Performance Share Plan 2023-2027

On 3 April 2023 the Board of Directors of HKFoods Plc has decided to establish a new long-term share-based incentive plan for the CEO. The Performance Share Plan 2023-2027 comprises one (1) five-year (5) performance period covering the calendar years 2023-2027. In the plan, the CEO has the opportunity to earn HKFoods Plc series A shares based on the achievement of performance criteria. The potential rewards based on the plan will be paid in three instalments, by the end of May 2026, May 2027 and May 2028.

The rewards to be paid based on the performance period 2023-2027 correspond to the value of approximately 1.9 million HKFoods Plc shares in maximum total, also including the portion to be paid in cash. The reward to be paid on the basis of the Performance Share Plan will be capped if the limits set by the Board for the payable reward from the performance period 2023-2027 are reached.

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The reward of the Performance Share Plan is paid partly in HKFoods shares and partly in cash. The cash proportion of the reward is intended for covering taxes and tax-related expenses arising from the rewards to the participant. In general, the reward payment is not binding if the CEO contract terminates during the performance period.

More specific information of the performance share plan grants are presented in the tables below.

## Share based incentives during the reporting period 1 Jan. - 31 Dec. 2025

| Plan   | Performance Share Plan 2023-2027                          |   |  | LTI 2018  |  |   | TOT/WA  |               |
|--|---|---|--|---|--|---|---|---------------|
|  | Instrument  | PSP 2023-2027   | PSP 2019-2021 (2 tranche)  | RSP 2019-2021 (2 tranche)   | PSP 2019-2021 (1 tranche)  | RSP 2019-2021 (1 tranche)   |   | PSP 2018-2020 |
| 158 Consolidated income statement for 1 January - 31 December                  | Initial amount, pcs                                       | 1,944,445   | 661,100  | 440,750   | 661,100  | 440,750   | 910,400   | 5,058,545     |
| 159 Consolidated statement of comprehensive income 1 January - 31 December     | Initial allocation date                                   | 3.4.2023  | 26.6.2019  | 26.6.2019   | 26.6.2019  | 26.6.2019   | 5.3.2018  |               |
| 160 Consolidated balance sheet on 31 December                                  | Vesting date / payment approximately                      | 31.5.2026, 31.5.2027, 31.5.2028                           | 31.3.2023, 31.5.2024, 31.5.2025  | 31.3.2023, 31.5.2024, 31.5.2025   | 31.3.2022, 31.5.2024, 31.5.2025  | 31.3.2022, 31.5.2024, 31.5.2025   | 31.3.2021, 31.3.2022, 31.5.2024, 31.5.2025  |               |
| 161 Consolidated cash flow statement   | Maximum contractual life, yrs                             | 5   | 6  | 6   | 6  | 6   | 7   | 5.9           |
| 162 Statement of changes in consolidated equity                                | Remaining contractual life, yrs                           | 2,4   | Expired  | Expired   | Expired  | Expired   | Expired   |               |
| 164 Notes to the financial statements for 2025                                 | Vesting conditions  | EBIT, EPS, Debt service capacity, Employment precondition | Operative Cash flow, Employment precondition, in addition TSR and profitability for 2024-2025 payments | ROCE, Employment precondition, in addition TSR and profitability for 2024-2025 payments | Operative Cash flow, Employment precondition, in addition TSR and profitability for 2024-2025 payments | ROCE, Employment precondition, in addition TSR and profitability for 2024-2025 payments | 2018: EBIT (50%), EPS (50%); 2019-2020 Operative Cash flow, TSR and profitability for 2024-2025 payments, Employment precondition |               |
| 175 Notes to income statement  | Number of persons at the end of the reporting year        | 1   | -  | -   | -  | -   | -   |               |
| 182 Notes to the balance sheet   | Payment method  | Cash & Equity   | Cash & Equity  | Cash & Equity   | Cash & Equity  | Cash & Equity   | Cash & Equity   |               |
| 211 Parent company income statement for 1 January - 31 December                |   |   |  |   |  |   |   |               |
| 212 Parent company balance sheet 31 December                                   |   |   |  |   |  |   |   |               |
| 213 Parent company cash flow statement   |   |   |  |   |  |   |   |               |
| 214 Notes to the parent company's financial statements                         |   |   |  |   |  |   |   |               |
| 216 Notes to the parent company's income statement                             |   |   |  |   |  |   |   |               |
| 218 Notes to the parent company's balance sheet                                |   |   |  |   |  |   |   |               |
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|  | <b>Changes during the period 2025</b>                     | <b>PSP 2023-2027</b>                                      | <b>PSP 2019-2021 (2 tranche)</b>   | <b>RSP 2019-2021 (2 tranche)</b>  | <b>PSP 2019-2021 (1 tranche)</b>   | <b>RSP 2019-2021 (1 tranche)</b>  | <b>PSP 2018-2020</b>  | <b>Total</b>  |
|  | 1 Jan. 2025   |   |  |   |  |   |   |               |
|  | Outstanding at the beginning of the reporting period, pcs | 1,899,140   | 16,425   | 21,900  | 16,425   | 21,900  | 5,887   | 1,981,677     |
|  | Changes during the period                                 |   |  |   |  |   |   |               |
|  | Granted   | -   | -  | -   | -  | -   | -   | 0             |
|  | Forfeited   | 755,125   | -  | -   | -  | -   | -   | 755,125       |
|  | Excercised  | -   | -  | -   | -  | -   | -   | 0             |
|  | Expired   | -   | 16,425   | 21,900  | 16,425   | 21,900  | 5,887   | 82,537        |
|  | 31 Dec. 2025  |   |  |   |  |   |   |               |
|  | Outstanding at the end of the period                      | 1,144,015   | -  | -   | -  | -   | -   | 1,144,015     |

## Fair value determination

Based on IFRS2 standard, the fair value of share based incentives is determined at grant date and the fair value is expensed until vesting. The fair value is booked to equity and possible social security contributions to liability. The fair value of the equity is the fair value of Company share at grant date deducted with expected dividends to be paid before reward payment. Total shareholder return (TSR) is estimated using Monte-Carlo Simulation and included in the fair value. The fair value of the liability is recalculated on each reporting date until reward payment.

There were no new allocations during the period.

### Effect of share-based incentives on the result and financial position during the period

|  |         |
|--|---------|
| Expenses for the financial year, share-based payments, euros   | 265,390 |
| Expenses for the financial year, share-based payments, equity-settled, euros                                 | 265,390 |
| Liabilities arising from share-based payments 31 Dec. 2025, euros  | -       |
| Estimated amount of cash to be paid to the tax authorities under the plans which have not yet been delivered | 595,259 |

## 5. Depreciation and impairment

|   | 2025         | 2024         |
|---|--------------|--------------|
| Depreciation according to plan              | -20.7        | -21.4        |
| Depreciation expense of right-of-use assets | -8.5         | -9.0         |
| Impairment                                  | -0.4         | -3.6         |
| <b>Total</b>                                | <b>-29.5</b> | <b>-33.9</b> |

## 6. Other operating expenses

|  | 2025          | 2024          |
|--|---------------|---------------|
| Rents/leases   | -1.4          | -1.2          |
| Losses on disposal of non-current assets                     | -0.1          | -             |
| Non-statutory staff costs                                    | -6.8          | -7.1          |
| Energy   | -22.2         | -21.8         |
| Maintenance  | -21.4         | -21.8         |
| Advertising, marketing and entertainment costs               | -10.1         | -11.1         |
| Service, information management and office costs             | -18.4         | -20.6         |
| Exchange rate losses related to foreign exchange derivatives | -0.1          | -0.3          |
| Other expenses   | -21.9         | -17.5         |
| <b>Total other operating expenses</b>                        | <b>-102.3</b> | <b>-101.3</b> |

### Audit fees

The Group's audit fees paid to independent auditors are presented in the table below. The audit fees are in respect of the audit of the annual accounts and legislative functions closely associated therewith. Other expert services include tax consulting and advisory services in corporate arrangements.

|                                 | 2025        | 2024        |
|---------------------------------|-------------|-------------|
| Audit fees                      | -0.3        | -0.4        |
| Sustainability report audit fee | -0.1        | -0.1        |
| Other fees                      | 0.0         | 0.0         |
| <b>Audit fees, total</b>        | <b>-0.4</b> | <b>-0.5</b> |

Ernst & Young Oy was paid from non-audit services to entities of HKFoods in total 6 thousand euros during the financial year 2025.

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## 7. Financial income and expenses

| Financial income   | 2025         | 2024         |
|--|--------------|--------------|
| Dividend income  | 0.1          | 0.1          |
| Interest income  |              |              |
| Interest income from loans and receivables                 | 3.6          | 3.5          |
| Interest income from interest rate derivatives             | 0.8          | 0.9          |
| Other financial income                                     | 0.0          | 0.0          |
| <b>Total</b>   | <b>4.5</b>   | <b>4.6</b>   |
| <b>Financial expenses</b>                                  |              |              |
| Interest expenses  |              |              |
| Interest expenses from other liabilities at amortised cost | -12.1        | -15.2        |
| Interest expenses from interest derivatives                | -0.4         | -0.7         |
| Interest expenses from lease liabilities                   | -4.8         | -4.7         |
| Other financial expenses                                   |              |              |
| Change in fair value of interest rate derivatives          | -0.4         | -0.4         |
| Other financial expenses                                   | -1.3         | -2.9         |
| Exchange gains and losses from loans and other receivables | -0.5         | -0.3         |
| <b>Total</b>   | <b>-19.4</b> | <b>-24.1</b> |
| <b>Total financial income and expenses</b>                 | <b>-14.9</b> | <b>-19.5</b> |

## 8. Income taxes

| Income taxes  | 2025        | 2024        |
|---|-------------|-------------|
| Income tax on ordinary operations                             | -2.4        | -2.4        |
| Tax for previous financial periods                            | 0.0         | 0.0         |
| Change in deferred tax liabilities and assets                 | -2.1        | -3.6        |
| <b>Income tax on ordinary operations</b>                      | <b>-4.5</b> | <b>-6.0</b> |
| <b>Cumulative tax rate reconciliation</b>                     |             |             |
| Accounting profit/loss before taxes                           | 18.7        | 4.2         |
| Deferred tax at parent company's tax rate                     | -3.7        | -0.8        |
| Effect of different tax rates applied to foreign subsidiaries | 0.0         | 0.0         |
| Share of associates' results                                  | 0.1         | 0.2         |
| Tax-exempt income   | 0.0         | 0.0         |
| Non-deductible expenses                                       | -0.1        | -0.1        |
| Use of tax losses not recognised earlier                      | 3.3         | 0.0         |
| Unrecognised tax on the losses for the financial period       | -4.2        | -5.5        |
| Tax for previous financial periods                            | 0.0         | 0.0         |
| <b>Tax expenses in the income statement</b>                   | <b>-4.5</b> | <b>-6.0</b> |

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## 9. Earnings per share

|   | 2025        | 2024         |
|---|-------------|--------------|
| Profit for the period attributable to equity holders of the parent from continuing operations   | 10.3        | -5.2         |
| Profit for the period attributable to equity holders of the parent from discontinued operations | -11.4       | -24.0        |
| Hybrid loan calculational interest (after taxes) from continuing operations                     | -3.4        | -3.3         |
| <b>Total</b>  | <b>-4.5</b> | <b>-32.6</b> |
| Weighted average number of outstanding shares in thousands                                      | 89,910      | 91,166       |
| Weighted average number of outstanding shares adjusted for dilution effect                      | 89,910      | 91,166       |
| Undiluted earnings per share (EUR/share), continuing operations                                 | 0.08        | -0.09        |
| Earnings per share adjusted for dilution effect (EUR/share), continuing operations              | 0.08        | -0.09        |
| Undiluted earnings per share (EUR/share), discontinued operations                               | -0.13       | -0.26        |
| Earnings per share adjusted for dilution effect (EUR/share), discontinued operations            | -0.13       | -0.26        |
| Undiluted earnings per share (EUR/share)  | -0.05       | -0.36        |
| Earnings per share adjusted for dilution effect (EUR/share)                                     | -0.05       | -0.36        |

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## Notes to the balance sheet

### 10. Intangible assets

|   | 2025        | 2024        |
|---|-------------|-------------|
| Opening balance, cumulative acq cost                        | 57.3        | 59.3        |
| Translation differences                                     | 0.0         | 0.0         |
| Additions   | 1.6         | 1.1         |
| Disposals   | -0.5        | -0.2        |
| Disposals, business disposals                               | -           | -5.4        |
| Reclassification between items                              | 0.6         | 2.4         |
| Closing balance, cumulative acq cost                        | 59.1        | 57.3        |
| Opening balance, cumulative depreciations                   | -41.3       | -43.2       |
| Translation differences                                     | 0.0         | 0.0         |
| Accumulated depreciation on disposals and reclassifications | 0.5         | 0.2         |
| Accumulated depreciation on business disposals              | -           | 4.9         |
| Depreciation for the financial period                       | -3.0        | -3.2        |
| Closing balance, cumulative depreciations                   | -43.8       | -41.3       |
| <b>Intangible assets on 31 Dec.</b>                         | <b>15.3</b> | <b>16.1</b> |

The balance includes IT-software, trademarks and connection fees.

### 11. Goodwill

|                         | 2025        | 2024        |
|-------------------------|-------------|-------------|
| Opening balance         | 28.0        | 27.8        |
| Translation differences | 0.1         | 0.1         |
| <b>Closing balance</b>  | <b>28.1</b> | <b>28.0</b> |

#### Allocation of goodwill

All acquisitions resulting in the Group recognizing goodwill have concerned the acquisition of net assets or business by an individual CGU and goodwill has been allocated to said CGU separately in respect of each acquisition. Goodwill in the Group is allocated to Finland and Poland.

| Specification of goodwill | 2025        | 2024        |
|---------------------------|-------------|-------------|
| Finland                   | 19.9        | 19.9        |
| Poland                    | 8.2         | 8.1         |
| <b>Total</b>              | <b>28.1</b> | <b>28.0</b> |

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## Impairment testing

The company tests for impairment each year. The key assumptions in testing are the growth prospects of the business, cost trends, and the discount rate employed.

Management reviews the business performance based on business segments and it has identified Finland and Poland as cash generating units. Goodwill is monitored by the management at CGU level.

In impairment testing all the CGU's assets are tested against the recoverable amounts in the future. The recoverable amounts of the CGUs' are based on value-in-use calculations. The cash flow estimates employed are based on management's financial plans. Group administration costs are allocated in testing to CGU Finland. Net sales of continuing operations is expected to increase by 7.2 per cent in 2026. Plans include EBITDA improvement in 2026. Subsequent terminal period after 2026 does not include other profit improvement other than terminal residual growth rate. HKFoods' long term financial target of over 5 per cent EBIT percentage has not been used as assumption in the calculation as current EBIT percentage is clearly below target level. Assumption is that sales mix and operational efficiency improve. Cost inflation is expected to be moderate. Discount rate includes a risk component related to uncertainty of future cash flows. The cash flow for terminal period is extrapolated using a growth factor (2.0 per cent).

The interest rate has been defined as the weighted average cost of capital (WACC). Calculation of the interest rate is based on market information on companies operating in the same field (control group). In addition, a company specific risk based on management judgment, which is 3.0 per cent, been considered in the calculation. This includes the uncertainty related to consumer behaviour and future cash flows. The interest rates used before taxes are 10.4 (10.5) per cent in Finland and 14.1 (14.6) per cent in Poland.

The sensitivity of each CGU to impairment is tested by varying the discount rate and future cash flow. Based on the sensitivity analyses conducted, an increase of 1 percentage point in WACC or reduction of EBITDA by 10% would not result in impairment in the CGUs. Following discount rate increases in percentage points would not cause any impairment, provided that other factors remained unchanged: Finland 3.5, Poland 3.3. Following decreases in EBITDA would not cause any impairment, provided that other factors remained unchanged: Finland EUR 9 million and Poland EUR 1 million. If EBITDA would at 2025 level there would be no impairment, provided that other factors remained unchanged.

As far as management is aware, reasonable changes in assumptions used in respect of other factors do not necessitate impairment for the goodwill of Finland or Poland. Sudden, and other than reasonably possible changes in the business environment of cash generating unit, may result in an increase in capital costs or in a situation where a cash generating unit is forced to assess clearly lower cash flows. Recognition of an impairment loss is probable in such situations.

No impairment has been recorded based on impairment testing in 2025 and 2024.

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## 12. Tangible assets

| <b>Tangible assets 2025</b>                                 | <b>Land and water</b> | <b>Buildings and structures</b> | <b>Machinery and equipment</b> | <b>Other property, plant and equipment</b> | <b>Pre-payments and work in progress</b> | <b>Total</b> |
|---|-----------------------|---------------------------------|--------------------------------|--|--|--------------|
| Opening balance, cumulative acq cost                        | 6.5                   | 217.8                           | 396.2                          | 3.0  | 12.0                                     | 635.4        |
| Translation differences                                     | 0.0                   | 0.1                             | 0.2                            | -  | 0.0                                      | 0.4          |
| Additions   | 0.8                   | 2.9                             | 13.1                           | 0.5  | 6.7                                      | 24.0         |
| Disposals   | -                     | 0.0                             | -4.3                           | -  | -  | -4.4         |
| Reclassification between items                              | -                     | 2.9                             | 5.9                            | 0.0  | -9.4                                     | -0.6         |
| Closing balance, cumulative acq cost                        | 7.3                   | 223.7                           | 411.1                          | 3.5  | 9.3                                      | 654.9        |
| Opening balance, cumulative depreciations                   | 0.0                   | -136.5                          | -324.2                         | -2.4                                       | -  | -463.2       |
| Translation differences                                     | -                     | -0.1                            | -0.2                           | -  | -  | -0.3         |
| Accumulated depreciation on disposals and reclassifications | -                     | 0.0                             | 3.9                            | -  | -  | 3.9          |
| Depreciation for the financial period                       | -                     | -6.0                            | -11.6                          | -0.1                                       | -  | -17.7        |
| Impairment losses   | -                     | -                               | -0.4                           | -  | -  | -0.4         |
| Closing balance, cumulative depreciations                   | 0.0                   | -142.6                          | -332.5                         | -2.6                                       | -  | -477.7       |
| <b>Tangible assets on 31 Dec. 2025</b>                      | <b>7.3</b>            | <b>81.1</b>                     | <b>78.6</b>                    | <b>0.9</b>                                 | <b>9.3</b>                               | <b>177.2</b> |
| Right-of-use assets (Note 13)                               | 0.1                   | 66.1                            | 8.3                            | -  | -  | 74.5         |
| <b>Tangible assets total on 31 Dec. 2025</b>                | <b>7.4</b>            | <b>147.2</b>                    | <b>86.9</b>                    | <b>0.9</b>                                 | <b>9.3</b>                               | <b>251.7</b> |

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|   | Land and water | Buildings and structures | Machinery and equipment | Other property, plant and equipment | Pre-payments and work in progress | Total        |
|---|----------------|--------------------------|-------------------------|-------------------------------------|-----------------------------------|--------------|
| <b>Tangible assets 2024</b>                                 |                |                          |                         |                                     |                                   |              |
| Opening balance, cumulative acq cost                        | 6.4            | 267.6                    | 497.7                   | 5.3                                 | 20.3                              | 797.3        |
| Translation differences                                     | 0.0            | 0.1                      | 0.2                     | -                                   | 0.0                               | 0.3          |
| Additions   | 0.2            | 0.4                      | 11.1                    | 0.1                                 | 14.7                              | 26.6         |
| Disposals   | -0.1           | -0.1                     | -15.8                   | -0.1                                | -                                 | -16.0        |
| Disposals, business disposals                               | -              | -52.2                    | -114.3                  | -2.4                                | -1.4                              | -170.3       |
| Reclassification between items                              | -              | 2.0                      | 17.2                    | -                                   | -21.6                             | -2.4         |
| Closing balance, cumulative acq cost                        | 6.5            | 217.8                    | 396.2                   | 3.0                                 | 12.0                              | 635.4        |
| Opening balance, cumulative depreciations                   | 0.0            | -168.8                   | -421.7                  | -4.8                                | -                                 | -595.2       |
| Translation differences                                     | -              | 0.0                      | -0.1                    | -                                   | -                                 | -0.2         |
| Accumulated depreciation on disposals and reclassifications | -              | 0.0                      | 14.9                    | 0.1                                 | -                                 | 15.1         |
| Accumulated depreciation on business disposals              | -              | 42.0                     | 95.5                    | 2.3                                 | -                                 | 139.7        |
| Depreciation for the financial period                       | -              | -6.9                     | -12.0                   | 0.0                                 | -                                 | -19.0        |
| Impairment losses   | -              | -2.8                     | -0.8                    | -                                   | -                                 | -3.6         |
| Closing balance, cumulative depreciations                   | 0.0            | -136.5                   | -324.2                  | -2.4                                | -                                 | -463.2       |
| <b>Tangible assets on 31 Dec. 2024</b>                      | <b>6.5</b>     | <b>81.3</b>              | <b>72.0</b>             | <b>0.5</b>                          | <b>12.0</b>                       | <b>172.3</b> |
| Right-of-use assets (Note 13)                               | 0.3            | 70.7                     | 8.4                     | -                                   | -                                 | 79.3         |
| <b>Tangible assets total on 31 Dec. 2024</b>                | <b>6.7</b>     | <b>151.9</b>             | <b>80.4</b>             | <b>0.5</b>                          | <b>12.0</b>                       | <b>251.6</b> |

## 13. Right-of-use assets and lease liabilities

The Company leases land, premises, machinery and equipment. Lease durations vary from few years for machinery and equipment up to decades for land. An expense amounting to EUR -1.8 (-1.9) million has been recognised in other operating expenses from short term and items of low value leases.

|  | Land and Water | Buildings and structures | Machinery and equipment | Total       | Lease liabilities |
|--|----------------|--------------------------|-------------------------|-------------|-------------------|
| Opening balance on 1.1.2025            | 0.3            | 70.7                     | 8.4                     | 79.3        | 87.6              |
| Additions                              | -0.4           | 1.8                      | 2.2                     | 3.6         | 3.6               |
| Depreciation for the financial period  | 0.2            | -6.3                     | -2.3                    | -8.5        | -                 |
| Payments                               | -              | -                        | -                       | -           | -7.2              |
| <b>Closing balance on 31 Dec. 2025</b> | <b>0.1</b>     | <b>66.1</b>              | <b>8.3</b>              | <b>74.5</b> | <b>84.0</b>       |

|  | Land and Water | Buildings and structures | Machinery and equipment | Total       | Lease liabilities |
|--|----------------|--------------------------|-------------------------|-------------|-------------------|
| Opening balance on 1.1.2024            | 0.0            | 70.3                     | 12.7                    | 82.9        | 89.6              |
| Translation differences                | -              | -                        | 0.0                     | 0.0         | 0.0               |
| Additions                              | 0.4            | 7.8                      | 2.0                     | 10.1        | 10.1              |
| Disposals, business disposals          | -              | -0.7                     | -2.8                    | -3.5        | -3.6              |
| Depreciation for the financial period  | 0.0            | -6.7                     | -3.4                    | -10.2       | -                 |
| Payments                               | -              | -                        | -                       | -           | -8.5              |
| <b>Closing balance on 31 Dec. 2024</b> | <b>0.3</b>     | <b>70.7</b>              | <b>8.4</b>              | <b>79.3</b> | <b>87.6</b>       |

|   | 2025         | 2024         |
|---|--------------|--------------|
| Depreciation expense of right-of-use assets       | -8.5         | -9.0         |
| Interest expense on lease liabilities             | -4.8         | -4.7         |
| <b>Total amounts recognised in profit or loss</b> | <b>-13.2</b> | <b>-13.7</b> |

Maturity of lease liabilities is disclosed in note 25 regarding interest bearing loans.

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## 14. Shares in associates and joint ventures

|  | 2025        | 2024        |
|--|-------------|-------------|
| Opening balance                                  | 20.8        | 23.6        |
| Translation differences                          | -           | 0.0         |
| Disposals, business disposals                    | -           | -3.6        |
| Closing balance                                  | 20.8        | 20.0        |
| Share of associates' and joint ventures' results | 0.7         | 1.2         |
| Dividend from associates and joint ventures      | -0.3        | -0.4        |
| <b>Shares in associates on 31 Dec.</b>           | <b>21.2</b> | <b>20.8</b> |
| <b>Effect on the Group's earnings:</b>           |             |             |
| Associates                                       | 0.2         | 0.0         |
| Joint ventures                                   | 0.5         | 1.2         |
| <b>Total</b>                                     | <b>0.7</b>  | <b>1.2</b>  |
| <b>Book value in the Group's balance sheet:</b>  |             |             |
| Associates                                       | 2.5         | 3.1         |
| Joint ventures                                   | 18.7        | 17.7        |
| <b>Total</b>                                     | <b>21.2</b> | <b>20.8</b> |

Associated companies and joint ventures consolidated in the Group's financial statements are listed in note 28. The Group conducts business through the associates and joint ventures. The activities include slaughtering, cutting, meat processing, and the use of leasing, waste disposal, research and advisory services.

There are no contingent liabilities relating to the Group's interest in the associates and joint ventures.

## Significant investment to joint venture:

Honkajoki Oy is a recycling facility for animal-based raw materials. HKFoods Finland Oy owns 50% of the company and exercises joint control in it with Atria Oyj.

| Summary of Honkajoki Group's results: | 2025 | 2024 |
|---------------------------------------|------|------|
| Net sales                             | 56.1 | 58.2 |
| EBIT                                  | 2.8  | 3.6  |
| Profit before taxes                   | 1.4  | 2.9  |
| Profit for the period                 | 1.1  | 2.3  |

| Summary of Honkajoki Group's balance sheet: | 2025        | 2024        |
|---|-------------|-------------|
| <b>Assets</b>                               |             |             |
| Non-current assets                          | 68.1        | 51.5        |
| Current assets                              | 17.1        | 17.1        |
| <b>Total assets</b>                         | <b>85.2</b> | <b>68.5</b> |
| <b>Liabilities</b>                          |             |             |
| Non-current liabilities                     | 36.2        | 21.0        |
| Current liabilities                         | 12.2        | 11.4        |
| <b>Total assets</b>                         | <b>48.4</b> | <b>32.3</b> |
| <b>Net assets</b>                           | <b>36.8</b> | <b>36.2</b> |

| Reconciliation of the summary of financial information for Honkajoki Group: | 2025 | 2024 |
|---|------|------|
| Profit for the period   | 1.1  | 2.3  |
| Share of non-controlling interest   | 0.0  | 0.0  |
| Income from joint venture (50%)   | 0.5  | 1.2  |
| Net assets 1. Jan.  | 36.2 | 34.7 |
| Profit for the period   | 1.1  | 2.3  |
| Dividend distribution   | -0.6 | -0.8 |
| Net assets 31. Dec.   | 36.8 | 36.2 |
| Share of non-controlling interest   | 0.3  | 0.3  |
| Share of joint venture (50%)  | 18.2 | 18.0 |

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## 15. Financial assets and liabilities

### Financial instruments by category 2025

|   | Assets and liabilities at fair value through profit and loss | Financial assets at amortised cost | Equity instruments at fair value through OCI | Derivatives used for hedging | Other financial liabilities at amortised cost | Total        | Fair value | Fair value hierarchy |
|---|--|------------------------------------|--|------------------------------|---|--------------|------------|----------------------|
| <b>Assets as per balance sheet</b>      |  |                                    |  |                              |   |              |            |                      |
| Non-current trade and other receivables | -  | 3.8                                | -  | -                            | -   | 3.8          | -          | -                    |
| Other shares and holdings               | -  | -                                  | 1.1  | -                            | -   | 1.1          | 1.1        | 3                    |
| Trade and other receivables *           | -  | 54.4                               | -  | -                            | -   | 54.4         | -          | -                    |
| Derivative financial instruments        | -  | -                                  | -  | 0.2                          | -   | 0.2          | 0.2        | 2                    |
| Cash and bank                           | -  | 51.1                               | -  | -                            | -   | 51.1         | -          | -                    |
| <b>Total</b>                            | <b>0.0</b>   | <b>109.3</b>                       | <b>1.1</b>                                   | <b>0.2</b>                   | <b>0.0</b>                                    | <b>110.5</b> | <b>-</b>   | <b>-</b>             |

\* Trade and other receivables balance sheet amount of EUR 57.7 million euros includes derivative financial instruments amounting to EUR 0.2 million euros and prepayments and other items that are not financial instruments amounting to EUR 3.2 million euros.

|  |            |            |            |            |              |              |          |          |
|--|------------|------------|------------|------------|--------------|--------------|----------|----------|
| <b>Liabilities as per balance sheet</b>      |            |            |            |            |              |              |          |          |
| Non-current interest-bearing liabilities     | -          | -          | -          | -          | 168.1        | 168.1        | -        | -        |
| Non-current non-interest bearing liabilities | -          | -          | -          | -          | -0.1         | -0.1         | -        | -        |
| Current interest-bearing liabilities         | -          | -          | -          | -          | 25.5         | 25.5         | -        | -        |
| Derivative financial instruments *           | -          | -          | -          | 0.3        | -            | 0.3          | 0.3      | 2        |
| Trade and other payables *                   | -          | -          | -          | -          | 119.5        | 119.5        | -        | -        |
| <b>Total</b>                                 | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.3</b> | <b>313.0</b> | <b>313.3</b> | <b>-</b> | <b>-</b> |

\* Trade and other payables balance sheet amount of EUR 119.6 million euros includes derivative financial instruments amounting to EUR 0.3 million euros and advance payments that are not financial instruments amounting to EUR 0.4 million euros.

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## Financial instruments by category 2024

|  | Assets and liabilities at fair value through profit and loss | Financial assets at amortised cost | Equity instruments at fair value through OCI | Derivatives used for hedging | Other financial liabilities at amortised cost | Total        | Fair value | Fair value hierarchy |
|--|--|------------------------------------|--|------------------------------|---|--------------|------------|----------------------|
| <b>Assets as per balance sheet</b>   |  |                                    |  |                              |   |              |            |                      |
| Non-current trade and other receivables  | 6.9  | 5.4                                | -  | -                            | -   | 12.3         | 12.3       | 3                    |
| Other shares and holdings  | -  | -                                  | 1.0  | -                            | -   | 1.0          | 1.0        | 3                    |
| Trade and other receivables *  | 3.6  | 72.3                               | -  | -                            | -   | 75.9         | -          | -                    |
| Derivative financial instruments   | 0.3  | -                                  | -  | 0.3                          | -   | 0.6          | 0.6        | 2                    |
| Cash and bank  | -  | 36.7                               | -  | -                            | -   | 36.7         | -          | -                    |
| <b>Total</b>   | <b>10.8</b>  | <b>114.4</b>                       | <b>1.0</b>                                   | <b>0.3</b>                   | <b>0.0</b>                                    | <b>126.5</b> | <b>-</b>   | <b>-</b>             |
| * Trade and other receivables balance sheet amount of EUR 80.1 million euros includes derivative financial instruments amounting to EUR 0.6 million euros and prepayments and other items that are not financial instruments amounting to EUR 3.7 million euros. |  |                                    |  |                              |   |              |            |                      |
| <b>Liabilities as per balance sheet</b>  |  |                                    |  |                              |   |              |            |                      |
| Non-current interest-bearing liabilities   | -  | -                                  | -  | -                            | 172.4   | 172.4        | -          | -                    |
| Non-current non-interest bearing liabilities   | -  | -                                  | -  | -                            | -0.1  | -0.1         | -          | -                    |
| Current interest-bearing liabilities   | -  | -                                  | -  | -                            | 14.0  | 14.0         | -          | -                    |
| Derivative financial instruments *   | -0.2   | -                                  | -  | 0.3                          | -   | 0.1          | 0.1        | 2                    |
| Trade and other payables *   | -  | -                                  | -  | -                            | 120.1   | 120.1        | -          | -                    |
| <b>Total</b>   | <b>-0.2</b>  | <b>0.0</b>                         | <b>0.0</b>                                   | <b>0.3</b>                   | <b>306.4</b>                                  | <b>306.5</b> | <b>-</b>   | <b>-</b>             |
| * Trade and other payables balance sheet amount of EUR 120.4 million euros includes derivative financial instruments amounting to EUR 0.1 million euros and advance payments that are not financial instruments amounting to EUR 0.2 million euros.              |  |                                    |  |                              |   |              |            |                      |

Other shares and holdings consists of holdings in non-listed entities and are measured at cost as it is considered appropriate estimate of fair value. The balance sheet values best correspond to the amount of money which is the maximum amount of credit risk in the event that counterparties are unable to fulfil their obligations associated with the financial instruments. Fair value of financial instruments, other than those recorded at fair value (hierarchy 2), is close to the balance sheet value and therefore they are not separately disclosed. EUR 90.0 million bond that has balance sheet value of EUR 89.1 million has market value of EUR 96.0 million at the end of 2025.

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## 16. Deferred tax assets and liabilities

### Specification of deferred tax assets

|                                 | 1 Jan. 2025 | Translation difference | Recognised in income statement | Recognised in equity | 31 Dec. 2025 |
|---------------------------------|-------------|------------------------|--------------------------------|----------------------|--------------|
| Pension benefits                | 0.5         | -                      | 0.0                            | -                    | 0.4          |
| Other timing differences        | 1.1         | 0.0                    | -0.1                           | 0.1                  | 1.0          |
| Postponed tax depreciations     | 9.9         | -                      | -                              | -                    | 9.9          |
| Non-deductible interest expense | 4.5         | -                      | -                              | -                    | 4.5          |
| Adopted losses                  | 5.2         | -                      | -2.2                           | -                    | 3.0          |
| <b>Total</b>                    | <b>21.2</b> | <b>0.0</b>             | <b>-2.3</b>                    | <b>0.1</b>           | <b>18.9</b>  |

### Specification of deferred tax liabilities

|                               | 1 Jan. 2025 | Translation difference | Recognised in income statement | Recognised in equity | 31 Dec. 2025 |
|-------------------------------|-------------|------------------------|--------------------------------|----------------------|--------------|
| Depreciation difference       | 1.3         | -                      | -0.1                           | -                    | 1.2          |
| Other timing differences      | 2.0         | 0.0                    | -0.2                           | -                    | 1.8          |
| Arising from consolidation    | -0.3        | -                      | 0.0                            | -                    | -0.3         |
| Arising from hedge accounting | 0.0         | -                      | -                              | 0.0                  | 0.0          |
| <b>Total</b>                  | <b>3.0</b>  | <b>0.0</b>             | <b>-0.3</b>                    | <b>0.0</b>           | <b>2.7</b>   |

### Specification of deferred tax assets

|                                 | 1 Jan. 2024 | Translation difference | Recognised in income statement | Recognised in equity | 31 Dec. 2024 |
|---------------------------------|-------------|------------------------|--------------------------------|----------------------|--------------|
| Pension benefits                | 0.5         | -                      | 0.0                            | -                    | 0.5          |
| Other timing differences        | 0.7         | 0.0                    | 0.3                            | -                    | 1.1          |
| Postponed tax depreciations     | 9.9         | -                      | -                              | -                    | 9.9          |
| Non-deductible interest expense | 4.5         | -                      | -                              | -                    | 4.5          |
| Adopted losses                  | 9.4         | -                      | -4.3                           | -                    | 5.2          |
| <b>Total</b>                    | <b>25.1</b> | <b>0.0</b>             | <b>-3.9</b>                    | <b>-</b>             | <b>21.2</b>  |

### Specification of deferred tax liabilities

|                               | 1 Jan. 2024 | Translation difference | Recognised in income statement | Recognised in equity | 31 Dec. 2024 |
|-------------------------------|-------------|------------------------|--------------------------------|----------------------|--------------|
| Depreciation difference       | 1.3         | -                      | 0.0                            | -                    | 1.3          |
| Other timing differences      | 2.3         | 0.0                    | -0.3                           | 0.0                  | 2.0          |
| Arising from consolidation    | -0.3        | -                      | 0.0                            | -                    | -0.3         |
| Arising from hedge accounting | 0.5         | -                      | -                              | -0.5                 | 0.0          |
| <b>Total</b>                  | <b>3.9</b>  | <b>0.0</b>             | <b>-0.3</b>                    | <b>-0.5</b>          | <b>3.0</b>   |

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Out of the total EUR 18.9 million, EUR 17.7 million of the deferred tax asset arise from adopted losses, postponed depreciations, and non-deductible interest expenses in the Group's operations in Finland. The increased deferred tax asset arising from tax losses in Finland in 2018 resulted from losses incurred during the Rauma unit ramp up and was therefore temporary in nature.

Deferred tax assets are assumed to be used from losses in 2026 and postponed depreciations and non-deductible interest expenses to material respect by the end of the current decade. The estimate is based on management's plans for the near future. As plans contain uncertainties, these are mitigated in the estimate with a very conservative assumption on EBIT growth in 2027 and beyond. The utilisation of deferred tax asset is based on taxable profits in the future and the assumption that there are no significant adverse changes in tax legislation. In addition, postponing tax depreciations and deductibility restrictions of interest expense can be used to speed up the utilisation of losses before they expire. The utilisation of postponed tax depreciations and non-deducted interest expense does not have a time limit. Unrecognised Finnish deferred tax asset at the end of December 2025 was EUR 35.6 million.

The Company has utilised tax losses in Finland every year in 2019-2025, and no losses have expired. In 2025, the company has recorded to balance sheet previously unrecognised deferred tax asset from losses amounting to EUR 3.3 million. In 2025, the Company was able to utilise tax losses, and a EUR 5.3 (4.3) million deferred tax asset was used and recognised as a tax expense. The losses in taxation in Finland expire with the following schedule: EUR 3.0 million in 2028, EUR 10.0 million in 2029 and EUR 1.6 million in 2031.

Global 15 per cent minimum tax regulation Pillar 2 applies to HKScan. The company has evaluated the impact of Pillar 2 regulation. The regulation is not expected to have impact on Group's income taxes. The company will use temporary relief method to calculate minimum tax.

## 17. Inventories

|                             | 2025        | 2024        |
|-----------------------------|-------------|-------------|
| Materials and supplies      | 33.5        | 31.0        |
| Unfinished products         | 2.6         | 3.0         |
| Finished products           | 19.0        | 16.9        |
| Other inventories           | 6.0         | 5.5         |
| Prepayments for inventories | 2.0         | 3.3         |
| <b>Total inventories</b>    | <b>63.1</b> | <b>59.6</b> |

## 18. Trade and other current receivables

|  | 2025        | 2024        |
|--|-------------|-------------|
| Trade receivables from associates      | 0.4         | 0.7         |
| Current receivables from associates    | 0.4         | 0.7         |
| Trade receivables                      | 50.3        | 57.7        |
| Loan receivables                       | 0.7         | -           |
| Other receivables                      | 2.5         | 2.6         |
| Current receivables from others        | 53.4        | 60.3        |
| Current derivative receivables         | 0.1         | 0.5         |
| Interest receivables                   | 0.6         | 0.8         |
| Other prepayments and accrued income   | 3.2         | 17.8        |
| Current prepayments and accrued income | 3.8         | 18.6        |
| Trade and other receivables            | 57.7        | 80.1        |
| Tax receivables (income taxes)         | 0.5         | 0.2         |
| <b>Total current receivables</b>       | <b>58.1</b> | <b>80.3</b> |

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## Age breakdown of trade receivables and items recognised as impairment losses

|               | 2025        | Expected loss rate | Impairment losses | Net 2025    | 2024        | Expected loss rate | Impairment losses | Net 2024    |
|---------------|-------------|--------------------|-------------------|-------------|-------------|--------------------|-------------------|-------------|
| Unmatured     | 47.2        | 0.03%              | 0.0               | 47.2        | 54.6        | 0.03%              | 0.0               | 54.6        |
| Matured:      |             |                    |                   |             |             |                    |                   |             |
| Under 30 days | 2.7         | 0.03%              | 0.0               | 2.7         | 3.1         | 0.03%              | 0.0               | 3.1         |
| 30-60 days    | 0.5         | 23%                | -0.1              | 0.4         | 0.5         | 22%                | -0.1              | 0.4         |
| 61-90 days    | 0.1         | 37%                | -0.1              | 0.1         | 0.2         | 45%                | -0.1              | 0.1         |
| over 90 days* | 0.7         | 48%                | -0.4              | 0.3         | 0.3         | 54%                | -0.2              | 0.1         |
| <b>Total</b>  | <b>51.2</b> |                    | <b>-0.6</b>       | <b>50.7</b> | <b>58.8</b> |                    | <b>-0.4</b>       | <b>58.4</b> |

\* Comprise among other receivables to be set off against payments for animals

Expected loss rates used by the company represent long term average bad debt history adjusted with management judgment and estimate of the future. In addition, netting right related to animal sales receivables is considered. As result over 90 days old receivable are not fully written down.

### The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

|   | 2025 | 2024 |
|---|------|------|
| Opening loss allowance at 1 January                                     | 0.4  | 0.5  |
| Receivables written off during the year as uncollectible                | 0.0  | -0.2 |
| Increase in loss allowance recognised in profit or loss during the year | 0.6  | 0.4  |
| Unused amount reversed  | -0.4 | -0.3 |
| Closing loss allowance at 31 December                                   | 0.6  | 0.4  |

## 19. Cash and cash equivalents

The balance sheet values best correspond to the amount of money which is the maximum amount of credit risk in the event that counterparties are unable to fulfil their obligations associated with the financial instruments.

Cash and cash equivalents according to the cash flow statement are as follows:

|  | 2025        | 2024        |
|--|-------------|-------------|
| Cash and bank                          | 51.1        | 36.7        |
| Short-term money market investments    | -           | -           |
| Other financial instruments            | -           | -           |
| <b>Total cash and cash equivalents</b> | <b>51.1</b> | <b>36.7</b> |

There are no significant concentrations of credit risk associated with cash and cash equivalents.

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## 20. Assets and liabilities of disposal group classified as held for sale and discontinued operations

### Sale of operations in Baltics

HKFoods sold its Baltic operations to AS Maag Grupp of Estonia on 31 August 2023. The debt-free purchase price was EUR 90 million, of which EUR 20 million is conditional on the combined performance of the separately defined meat business subject to the transaction and AS Maag Grupp's Baltic meat business in the following three years. Of the EUR 70 million fixed purchase price, EUR 55 million was paid at the closing of the transaction and the remainder was paid in 2024 and 2025.

HKFoods has received the last EUR 10 million part of the fixed purchase price in 2025. The receivable was measured at amortised cost and discounted at 5 per cent. The conditional purchase price receivable (earn-out) is measured at fair value through profit and loss, and it includes management judgement and estimation. At the end of August 2025, African swine fever (ASF) was detected in AS Maag Grupp's largest pork production unit. The animal disease outbreak is expected to have a significant and long-term negative impact on AS Maag Grupp's performance, which is the basis for calculating the conditional purchase price. HKFoods' management has estimated that the receipt of the conditional purchase price will not materialise, for which reason the conditional purchase price has been written down in 2025. After the write-down, there is no conditional purchase price receivable on the Group's balance sheet. The write-down does not affect the comparable EBIT and has no impact on cash flow. The write-down is reported as a result of discontinued operations.

### Sale of operations in Sweden

On 27 March 2024, HKFoods and Lantmännen ek för closed the transaction announced on 29 December 2023, whereby HKFoods sold its Swedish business to the Swedish Lantmännen. The transaction concerned the shares in HKScan Sweden AB, the subsidiary that formed HKFoods' Business Unit Sweden.

The purchase price for the shares of HKScan Sweden Ab including the settlement of an internal loan amounted to EUR 83.7 million at closing. In addition, Lantmännen ek för transferred A shares (6,869,750) and K shares (665,000) in HKFoods Plc held by

Lantmännen. The calculated market value of the shares was EUR 5.5 million at the time of signing the agreement. A prepayment of EUR 25 million of the purchase price was made upon the signing of the agreement. The sold company had EUR 4.4 million in cash at the closing.

The Swedish business unit is presented in the income statement as discontinued operations. The Group's translation difference in equity has come almost entirely from the Swedish operations, and at closing it was recorded from the comprehensive income statement into the income statement.

The Group's significant internal transactions between continuing and discontinued operations included the sale and purchase of products between the Swedish operations and the rest of the Group, the Group's administrative service fee from Sweden and the Group's financial gain on the Swedish lending. The figures for continuing and discontinued operations reflect external sales and their costs in accordance with the Group's segment reporting. External financing costs for Sweden are shown as a financing cost of discontinued operations.

### Sale of operations in Denmark

On 2 May 2024, HKFoods signed an agreement to sell its Danish business to the Dutch Plukon Food Group B.V. The debt-free purchase price was EUR 44.6 million. The sale of the Danish business unit was completed on 31 October 2024. HKFoods received EUR 36.6 million in cash at the closing. The sold company had EUR 2.7 million in cash at the closing.

The Danish business unit it is presented in the income statement as discontinued operations.

The Group's significant internal transactions between continuing and discontinued operations included the sale and purchase of products between the Danish operations and the rest of the Group, the Group's administrative service fee from Denmark and the Group's financial gain on the Danish lending. The figures for continuing and discontinued operations reflect external sales and their costs in accordance with the Group's segment reporting. External financing costs for Denmark are shown as a financing cost of discontinued operations.

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The income statement and cash flow presented below include the Danish operations until October 2024 and the Swedish operations until March 2024.

| <b>Profit/loss for discontinued operations</b>                 | <b>2025</b>  | <b>2024</b>  |
|--|--------------|--------------|
| Net sales  | -            | 371.7        |
| Cost of goods sold   | -            | -351.6       |
| Other operating items  | -            | -15.7        |
| Operating profit   | -            | 4.4          |
| Financial income and expenses                                  | -            | -1.2         |
| Income tax   | -            | 0.8          |
| Profit/loss for the period                                     | -            | 3.9          |
| Impairment from fair-value measurement, Baltics                | -11.0        | 0.2          |
| Impairment from fair-value measurement, Sweden                 | -            | 5.9          |
| Impairment from fair-value measurement, Denmark                | -0.4         | -14.1        |
| Translation difference transfer to profit and loss, Sweden     | -            | -21.1        |
| Other equity items transfer to result for the period, Sweden   | -            | 1.1          |
| Other equity items transfer to result for the period, Denmark  | -            | 0.1          |
| <b>Profit/loss for the period from discontinued operations</b> | <b>-11.4</b> | <b>-24.0</b> |

| <b>Cash flow of discontinued operations</b> | <b>2025</b> | <b>2024</b>  |
|---|-------------|--------------|
| Cash flow from operating activities         | -           | 13.2         |
| Cash flow from investing activities         | 9.3         | 107.0        |
| Cash flow from financing activities         | -           | -1.9         |
| <b>Cash flow total</b>                      | <b>9.3</b>  | <b>118.3</b> |

## 21. Notes relating to equity

The effects of changes in the number of outstanding shares are presented below.

|              | <b>Number of outstanding shares (1,000)</b> | <b>Share capital (EUR million)</b> | <b>Share premium reserve (EUR million)</b> | <b>RIUE (EUR million)</b> | <b>Treasury shares (EUR million)</b> | <b>Total (EUR million)</b> |
|--------------|---|------------------------------------|--|---------------------------|--------------------------------------|----------------------------|
| 1 Jan. 2024  | 97,445                                      | 66.8                               | 72.9                                       | 215.4                     | -3.8                                 | 351.2                      |
| 31 Dec. 2024 | 89,910                                      | 66.8                               | 72.9                                       | 215.4                     | -9.1                                 | 346.0                      |
| 1 Jan. 2025  | 89,910                                      | 66.8                               | 72.9                                       | 215.4                     | -9.1                                 | 346.0                      |
| 31 Dec. 2025 | 89,910                                      | 66.8                               | 72.9                                       | 193.7                     | 0.0                                  | 333.4                      |

The shares have no nominal value. All issued shares have been paid up in full. The Company's stock is divided into Series A and K shares, which differ from each other in the manner set out in the Articles of Association. Each share gives equal entitlement to a dividend. K Shares produce 20 votes and A Shares 1 vote each. A Shares are numbered 85,175,373 and K Shares 4,735,000.

The equity reserves are described below:

### Share premium reserve

In share issues, decided while the earlier Finnish Companies Act (29.9.1978/734) was in force, payments in cash or kind obtained on share subscription, less transaction costs, were recognised under equity and the share premium reserve in accordance with the terms of the arrangements.

### Reserve for invested unrestricted equity

The reserve for invested unrestricted equity (RIUE) contains other investments of an equity nature and share issue price inasmuch as this is not recognised under equity pursuant to an express decision to that effect.

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## Treasury shares

At the beginning of the financial year 2025, HKFoods held 8,376,408 treasury A shares and 665,000 treasury B shares. In March 2025, HKFoods cancelled all own shares. At the end of the financial year, the Company did not have any own shares.

## Translation differences

The translation differences reserve includes exchange differences arising on the translation of foreign units' financial statements, as well as gains and losses arising on the hedging of net investments in foreign units, when hedge accounting requirements are satisfied.

## Revaluation reserve and other reserves

These reserves are for changes in the value of available-for-sale financial assets and changes in the fair value of derivative instruments used in cash flow hedging.

The following is an itemisation of events in the hedging instruments reserve during the financial period.

| <b>Hedging instruments reserve</b>   | <b>2025</b> | <b>2024</b> |
|--|-------------|-------------|
| Fair value reserve and hedging instruments reserve on 1 Jan.                                   | 0.0         | 4.1         |
| Amount recognised in equity in the financial period (effective portion), commodity derivatives | -0.1        | -4.2        |
| Share of deferred tax asset of changes in period   | 0.0         | 0.1         |
| Fair value reserve and hedging instruments reserve on 31 Dec.                                  | -0.1        | 0.0         |

Gains/losses reclassified from other comprehensive income to profit or loss amounted to EUR 0.0 (2.5) million from commodity derivatives.

## Distribution of unrestricted equity

Distribution of reserve of invested unrestricted equity of EUR 0.14 per share, totalling EUR 12.6 million, was distributed in 2025. Since the reporting date, the Board of Directors has proposed that the Annual General Meeting resolve to distribute EUR 0.08 per share (corresponding to a total of approximately EUR 7.2 million for all 89,910,373 shares currently outstanding) dividend from the financial year 2025. The Board of Directors further proposes the Annual General Meeting to authorise the Board of Directors to resolve, at its discretion, on the distribution of funds recorded in the reserve of unrestricted equity, up to a maximum of EUR 0.07 per share (corresponding to a total of approximately EUR 6.3 million for all 89,910,373 shares currently outstanding). Under the authorisation, it could be possible to resolve to distribute the funds in one or more instalments. The authorisation is valid until the beginning of the next Annual General Meeting. The Company will announce any decision of the Board of Directors on the equity repayment and, at the same time, confirm the record and payment dates for the equity repayment.

## Hybrid loan

In August 2025 the Group issued a new hybrid bond amounting to EUR 20.0 million. A hybrid bond is treated as equity in consolidated financial statements prepared in accordance with IFRS. The hybrid bond bears a fixed interest rate of 8.750 per cent per annum from the issue date to the reset date 21 August 2028. The hybrid bond does not have a specified maturity date, but the Group is entitled to redeem the hybrid bond at the nominal amount on the reset date of 21 August 2028 and subsequently, on each coupon interest payment date. An interest payment obligation is set up if the Annual Shareholders' Meeting decides to distribute dividends. If no dividend is distributed, the Company can decide upon the payment of interest separately. Hybrid loan has an off-balance sheet calculational accrued interest amounting to EUR 0.6. The payment of interest is recorded from retained earnings. In September 2025, the Group redeemed its outstanding hybrid bond issued in 2018 with a nominal amount of EUR 25.9 million. An interest of 16.0 per cent was paid on the redeemed hybrid loan, treated as equity, from retained earnings.

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## 22. Specification of significant non-controlling interests

|                             | Non-controlling interests owner% | Non-controlling interests |
|-----------------------------|----------------------------------|---------------------------|
| Kivikylän kotipalvaamo Oy   | 51.00                            | 25.2                      |
| Lihatukku Harri Tamminen Oy | 51.00                            | 3.7                       |

### Kivikylän kotipalvaamo Oy

| Income statement                            | 2025        | 2024        |
|---|-------------|-------------|
| Net sales                                   | 105.3       | 107.6       |
| Operating profit                            | 7.7         | 7.0         |
| Profit/loss before taxes                    | 8.7         | 7.9         |
| Profit/loss for the period                  | 7.0         | 6.3         |
| Non-controlling interests                   | 3.6         | 3.2         |
| Balance sheet                               | 2025        | 2024        |
| Non-current assets                          | 20.8        | 20.8        |
| Current assets                              | 45.1        | 41.6        |
| <b>Assets</b>                               | <b>65.9</b> | <b>62.4</b> |
| Non-current liabilities                     | 4.7         | 5.3         |
| Current liabilities, non interest-bearing   | 11.0        | 10.9        |
| <b>Liabilities</b>                          | <b>15.7</b> | <b>16.2</b> |
| Dividens paid to non-controlling interests  | -1.5        | -1.5        |
| Cash flow                                   | 2025        | 2024        |
| Cash flow from operating activities         | 10.0        | 11.3        |
| Cash flow from investing activities         | -2.5        | -1.1        |
| <b>Cash flow after investing activities</b> | <b>7.6</b>  | <b>10.2</b> |

|   | Non-controlling interests owner% | Non-controlling interests |
|---|----------------------------------|---------------------------|
| <b>Lihatukku Harri Tamminen Oy</b>          |                                  |                           |
| Income statement                            | 2025                             | 2024                      |
| Net sales                                   | 74.2                             | 70.5                      |
| Operating profit                            | 1.2                              | 0.9                       |
| Profit/loss before taxes                    | 0.6                              | 0.3                       |
| Profit/loss for the period                  | 0.5                              | 0.2                       |
| Non-controlling interests                   | 0.3                              | 0.1                       |
| Balance sheet                               | 2025                             | 2024                      |
| Non-current assets                          | 9.2                              | 9.0                       |
| Current assets                              | 10.7                             | 9.8                       |
| <b>Assets</b>                               | <b>20.0</b>                      | <b>18.8</b>               |
| Non-current liabilities                     | 3.7                              | 3.5                       |
| Current liabilities, non interest-bearing   | 9.2                              | 8.3                       |
| <b>Liabilities</b>                          | <b>12.8</b>                      | <b>11.8</b>               |
| Dividens paid to non-controlling interests  | -0.2                             | -0.2                      |
| Cash flow                                   | 2025                             | 2024                      |
| Cash flow from operating activities         | 0.7                              | 3.2                       |
| Cash flow from investing activities         | -0.7                             | -1.7                      |
| <b>Cash flow after investing activities</b> | <b>0.0</b>                       | <b>1.5</b>                |

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## 23. Pension obligations

|  | 2025       | 2024       |
|--|------------|------------|
| Pension liability/receivable in balance sheet                |            |            |
| Defined benefit plans  | 2.4        | 2.6        |
| <b>Pension liability (+)/receivable (-) in balance sheet</b> | <b>2.4</b> | <b>2.6</b> |

The Group's defined benefit plan consist of the pension liability for the former CEO of the parent company which is unfunded. Expected contribution into former CEO plan for 2026 is EUR 0.3 million.

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## 24. Liabilities

|   | 2025         | 2024         |
|---|--------------|--------------|
| <b>NON-CURRENT LIABILITIES</b>                      |              |              |
| Interest-bearing                                    |              |              |
| Bond  | 89.1         | 88.5         |
| Bank loans  | -            | 1.8          |
| Non-current lease liabilities                       | 77.4         | 80.4         |
| Other liabilities                                   | 1.6          | 1.7          |
| <b>Non-current interest-bearing liabilities</b>     | <b>168.1</b> | <b>172.4</b> |
| Non-interest-bearing                                |              |              |
| Other liabilities                                   | -0.1         | -0.1         |
| <b>Non-current non-interest-bearing liabilities</b> | <b>-0.1</b>  | <b>-0.1</b>  |
| Deferred tax liability                              | 2.7          | 3.0          |
| Pension obligations                                 | 2.4          | 2.6          |
| <b>Non-current liabilities</b>                      | <b>173.1</b> | <b>177.8</b> |
| <b>CURRENT INTEREST-BEARING LIABILITIES</b>         |              |              |
| Commercial paper                                    | 16.8         | 3.0          |
| Bank loans  | 1.8          | 3.6          |
| Current lease liabilities                           | 6.6          | 7.1          |
| Other liabilities                                   | 0.3          | 0.3          |
| <b>Current interest-bearing liabilities</b>         | <b>25.5</b>  | <b>14.0</b>  |

|   | 2025         | 2024         |
|---|--------------|--------------|
| <b>TRADE AND OTHER PAYABLES</b>               |              |              |
| Advances received                             | 0.3          | 0.1          |
| Trade payables                                | 69.5         | 69.3         |
| Refund liabilities                            | 2.4          | 2.8          |
| Accruals and deferred income                  |              |              |
| Short-term interest payable                   | 0.6          | 0.5          |
| Matched staff costs                           | 33.9         | 34.6         |
| Other short-term accruals and deferred income | 6.7          | 7.8          |
| Derivatives                                   | 0.3          | 0.1          |
| Other liabilities                             | 6.4          | 5.1          |
| <b>Trade and other payables</b>               | <b>120.1</b> | <b>120.4</b> |
| Income tax liability                          | 0.1          | 0.0          |
| <b>Current liabilities</b>                    | <b>145.7</b> | <b>134.5</b> |
| <b>Liabilities</b>                            | <b>318.8</b> | <b>312.2</b> |

Amounts of the Group's interest-bearing liabilities and their contractual re-pricing periods are as follows:

|                | 2025         | 2024        |
|----------------|--------------|-------------|
| Under 6 months | 107.7        | 96.9        |
| 6-12 months    | 0.2          | 0.2         |
| 1-5 years      | 1.8          | 1.8         |
| Over 5 years   | -            | -           |
| <b>Total</b>   | <b>109.6</b> | <b>98.9</b> |

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## Interest-bearing net debt reconciliation

|  | 2025          | 2024          |
|--|---------------|---------------|
| Cash and cash equivalents                            | 51.1          | 36.7          |
| Interest-bearing loan receivables                    | 0.7           | -             |
| Lease liabilities due within 1 year                  | -6.6          | -7.1          |
| Lease liabilities due after 1 year                   | -77.4         | -80.4         |
| Borrowings due within one year (including overdraft) | -18.9         | -6.9          |
| Borrowings due after one year                        | -90.7         | -92.0         |
| <b>Interest-bearing net debt</b>                     | <b>-141.8</b> | <b>-149.8</b> |

|   | Other assets        |                                   | Liabilities from financing activities |                                    |                              |                             | Total         |
|---|---------------------|-----------------------------------|---------------------------------------|------------------------------------|------------------------------|-----------------------------|---------------|
|   | Cash/bank overdraft | Interest-bearing loan receivables | Lease liabilities due within 1 year   | Lease liabilities due after 1 year | Borrowings due within 1 year | Borrowings due after 1 year |               |
| Interest-bearing net debt on 1 Jan 2024         | 29.0                | 4.1                               | -10.9                                 | -92.8                              | -9.5                         | -207.8                      | -287.9        |
| Cash flows                                      | 14.8                | -0.1                              | 9.2                                   | -                                  | 155.2                        | -36.7                       | 142.5         |
| Other changes                                   | -                   | -4.0                              | -                                     | -                                  | -                            | -                           | -4.0          |
| Acquisitions - leases                           | -                   | -                                 | -0.6                                  | -11.3                              | -                            | -                           | -12.0         |
| Disposals - leases                              | -                   | -                                 | 0.0                                   | -0.1                               | -                            | -                           | 0.0           |
| Reclassification between items - leases         | -                   | -                                 | -8.9                                  | 8.9                                | -                            | -                           | 0.0           |
| Reclassification between items - borrowings     | -                   | -                                 | -                                     | -                                  | -152.6                       | 152.6                       | -             |
| Foreign exchange adjustments                    | -                   | -                                 | 0.1                                   | 0.2                                | -                            | -                           | 0.3           |
| Sale of Sweden                                  | -4.4                | -                                 | 2.7                                   | 12.5                               | -                            | -                           | 10.7          |
| Sale of Denmark                                 | -2.7                | -                                 | 1.3                                   | 2.2                                | -                            | -                           | 0.7           |
| <b>Interest-bearing net debt on 31 Dec 2024</b> | <b>36.7</b>         | <b>0.0</b>                        | <b>-7.1</b>                           | <b>-80.4</b>                       | <b>-6.9</b>                  | <b>-92.0</b>                | <b>-149.8</b> |
| Cash flows                                      | 14.5                | 0.7                               | 7.2                                   | -                                  | -10.2                        | -0.6                        | 11.6          |
| Acquisitions - leases                           | -                   | -                                 | 0.5                                   | -4.2                               | -                            | -                           | -3.6          |
| Reclassification between items - leases         | -                   | -                                 | -7.2                                  | 7.2                                | -                            | -                           | -             |
| Reclassification between items - borrowings     | -                   | -                                 | -                                     | -                                  | -1.8                         | 1.8                         | -             |
| <b>Interest-bearing net debt on 31 Dec 2025</b> | <b>51.1</b>         | <b>0.7</b>                        | <b>-6.6</b>                           | <b>-77.4</b>                       | <b>-18.9</b>                 | <b>-90.7</b>                | <b>-141.8</b> |

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## 25. Financial risk management

The duty of Group Treasury in the HKFoods Group is to ensure cost-effective funding and financial risk management for Group companies and to attend to relations with financiers. The treasury policy approved by the Board provides the principles for financial risk management in the Group. The policy is supplemented by separate guidelines and instructions, as well as approval practices.

Financial risks mean unfavourable movements taking place in the financial markets that may erode accrual of the Company's result or reduce cash flows. Financial risk management aims to use financial means to hedge the Company's intended earnings performance and equity, and to safeguard the Group's liquidity in all circumstances and market conditions.

External funding of the Group's operations and financial risk management is centralised to the Group Treasury operating under the CFO. Group Treasury identifies and assesses the risks and acquires the instruments required for hedging against the risks, in close co-operation with the operational units.

Risk management may employ various instruments, such as currency forwards and options, interest-rate or currency swaps, foreign currency loans and commodity derivatives. Derivatives are used for the sole purpose of hedging, not for speculation. Funding of the Group's subsidiaries is managed mainly through the parent company. The subsidiaries may not accept new external funding, nor may they give guarantees or pledges without the permission of the Group Treasury in the parent company.

### Foreign exchange risk

The Group's domestic market consists of Finland. Customers are in retail, food service, industry and export sectors. Meat products are mainly produced for domestic markets which reduces the overall currency risk in the Group.

Transaction risk arises when the Group companies engage in foreign currency denominated import and export both outside and within the Group. The aim of

transaction risk management is to hedge the Group's business against foreign exchange rate movements and allow the business units time to react and adapt to fluctuations in exchange rates. Foreign exchange risk exposures, which include sales, purchases (balance sheet items and committed cash flows), financing related contractual cash flows, and highly probable forecasted cash flows, are hedged through forward contracts made with the parent company. The business units report their balance sheet risk exposures, forecasted foreign currency sales and purchases and hedging levels to the Group Treasury on a regular basis.

According to Treasury Policy, subsidiaries must hedge balance sheet items in full amount and committed cash flows from 50 to 100 per cent. In addition, forecasted, highly probable cash flows are hedged at 0 - 50 per cent for up to 12 months into the future. Group Treasury can use currency forwards, options and swaps as hedging instruments. Treasury targets to hedge fully its significant foreign exchange risk exposures. Those include commercial exposures, external financing and internal financing which is given in the subsidiary's home currency. All the forward contracts mature within one year. Hedge accounting is not applied currently. Nevertheless, all hedging instruments are done for hedging purposes.

Translation risk arises from the consolidation of equity into the basic currency in subsidiaries whose operational currency is not the euro. The only foreign currency denominated equity of the Group companies is in Polish zloty. Fluctuations of exchange rates affect the amount of consolidated equity, and translation differences are generated in connection with the consolidation of equity in accounting. Group Treasury identifies and manages foreign exchange translation risks according to Treasury Policy. HKFoods Group is not hedging translation risk currently.

The equities of the Group's non-euro-denominated subsidiaries and associates are presented in the following table in million euros.

|          | 2025     | 2024     |
|----------|----------|----------|
| Currency | Exposure | Exposure |
| PLN      | 28.4     | 26.4     |

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The parent company's functional currency is the euro. The following net positions (USD, NZD, SEK, JPY) include sales receivables, payables, interest bearing loans and receivables, cash reserves and committed commercial flows in the most significant foreign currencies. The reported amounts are translated into euros at the exchange rates of the reporting date:

|                                | 2025 |      |      |      | 2024 |      |      |      |
|--------------------------------|------|------|------|------|------|------|------|------|
|                                | USD  | NZD  | SEK  | JPY  | USD  | NZD  | SEK  | JPY  |
| Net position before hedging    | 1.9  | 2.0  | 0.4  | 1.8  | 1.0  | 2.9  | 0.4  | 0.4  |
| Hedging of balance sheet items | -1.0 | -1.7 | -0.1 | -0.2 | -0.6 | -1.7 | -0.1 | -0.1 |
| Hedging of committed items     | -0.9 | -0.3 | -0.1 | -1.1 | -0.4 | -1.3 | 0.0  | -0.2 |
| Open position                  | 0.0  | 0.0  | 0.2  | 0.5  | 0.1  | -0.1 | 0.2  | 0.0  |

The following table analyses the strengthening or weakening of the euro against the US dollar, New Zealand dollar, Swedish krona and Japanese yen, all other factors remaining unchanged. Sensitivity analysis is based on assets, liabilities and committed cash flows denominated in foreign currencies at the reporting date. The effects of currency derivatives, which offset the effects of changes in exchange rates, are also taken into account in sensitivity analysis. Net investments in foreign units and the instruments used to hedge these have been excluded from sensitivity analysis.

In respect of the foreign currencies, the effect would mainly be due to changes in the exchange rates applicable to foreign currency denominated trade receivables and payables.

|                               | 2025 |      |      |      | 2024 |      |      |      |
|-------------------------------|------|------|------|------|------|------|------|------|
|                               | USD  | NZD  | SEK  | JPY  | USD  | NZD  | SEK  | JPY  |
| Movement (+/-), %             | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Effect on profit before taxes | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |

The following assumptions were used in calculating sensitivity to currency risks: Forecast future cash flows have not been taken into account in the calculation except for committed cash flows. Financial instruments such as forward contracts used to cover these positions are included in the analysis.

The calculation and estimates of reasonably possible changes in exchange rates are based on the assumption of ordinary market and business conditions.

## Interest rate risk

The Group's main exposure to interest rate risk arises through interest-bearing liabilities. The goal of interest rate risk management is to reduce the fluctuation of interest expenses in the income statement, minimize debt servicing costs and improve the predictability. The Group's short-term money market investments expose it to cash flow interest rate risk, but the impact is not significant as these investments are targeted to keep in minimum. Group revenues and operative cash flows are mainly independent of fluctuations in market rates.

Interest rate risk is measured by the effect of interest rate movements on the total forecasted debt portfolio.

To manage interest rate risks, Group borrowings are spread across fixed and variable interest instruments. The Company may borrow at fixed or variable interest rates and use interest rate derivatives to achieve a result that is in line with the Treasury policy. The Group has determined sensitivity limits for interest rate movements. Sensitivity limits according to policy are +/- EUR 2.5 million. The sensitivity of net financial expenses on the balance sheet date to change of one per cent in interest rates, all other things being equal, was approximately EUR -0.8 (-1.1) million for interest increase and approximately EUR 0.8 (1.4) million for interest decrease before taxes over the next 12 months. The sensitivity analysis was prepared based on the amounts and maturities of interest-bearing liabilities and interest rate derivatives on the balance sheet date.

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## Counterparty risk

Financial counterparty risk refers to the risk that counterparty may fail to fulfill its contractual obligations. The risks are mostly related to investment activities and counterparty risks in derivative contracts. Banks that finance the Group are used as counterparties whenever possible, as well as a few other specified counterparties. Cash may be invested in bank deposits, certificates of deposit, municipal papers, and the commercial paper programmes of certain specified companies listed on the main list of the Nasdaq Helsinki, and to certain state-owned companies. Because of the limited extent of the investment activities, the resulting counterparty and price risks are not significant.

## Commodity risk

The Group is exposed to commodity risks that are related to the availability and price fluctuations of commodities. In addition to meat raw materials, physical electricity consumption is one of the most significant commodity risks in the Group companies. The subsidiaries can hedge against fluctuation in market prices for electricity and other commodities by procuring fixed-price products or through derivative contracts with the Group Treasury. The companies may use external parties to assist them in commodity risk management.

The Group uses electricity derivatives in Finland to level out energy costs. Electricity derivatives do not result in physical electricity delivery, but instead the difference between fixed and variable price is realised as cashflow. The price risk of electricity is analysed so that next year's hedge ratio is between 50-100 per cent. Subsequent years are hedged with reducing hedge ratio. Electricity derivatives' nominal value is 160 GWh and 116 GWh is allocated for the next 12 months. The value changes of derivatives hedging the price of electricity supplied during the period are included in the adjustment items of purchases. Hedge accounting is applied to contracts hedging future purchases. Maturity table for electricity derivatives is presented later in this note.

Sensitivity analysis has been made with expected annual consumption of continuing operations of 106 GWh. Change in electricity price and derivatives maturing in less than

12 months impact income statement and derivatives maturing after 12 months impact balance sheet. If the market price of electricity changed by +/-10 percentage points from the balance sheet date, the impact would be as follow, calculated before tax:

| EUR million                                  | 2025    | 2024    |
|--|---------|---------|
| Electricity - effect in income statement     | +/- 0.3 | +/- 0.0 |
| Electricity - effect in equity (price + 10%) | -0.2    | 0.0     |
| Electricity - effect in equity (price - 10%) | 0.3     | 0.0     |

## Credit risk

The Group's Treasury Policy and related guidelines specify the credit quality requirements and investment principles applied to customers and counterparties to investment transactions and derivative contracts. The Group Treasury is responsible for defining the principles for credit management within the Group and updating the Credit Policy as well as instructing the Group's subsidiaries in credit management.

Credit risk results from a customer's possible failure to fulfil its payment obligations. The Group's trade receivables are spread among a wide customer base, the most important customers being central retail organisations in the various market areas. The creditworthiness, payment behaviour and credit limits of the clients are monitored systematically. As a main principle some type of securing is needed for all credit granted. The security can be credit insurance, a bank guarantee, or a security deposit. In addition, the Group is exposed to minor credit risk in remaining financing investments of primary production contract producers.

The amount of impairment losses recognised through profit or loss in the financial period was EUR -0.2 (-0.2) million. The Group's maximum exposure to credit risk equals the carrying amount of financial assets at year-end. The age breakdown of trade receivables is presented in Note 18.

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## Liquidity and refinancing risk

The Group constantly assesses and monitors the amount of funding required for operations by means such as preparation and analysis of cash flow forecasts. The Group maintains adequate liquidity under all circumstances to cover its business and financing needs in the foreseeable future.

The availability of funding is ensured by spreading the maturity of the borrowing portfolio, financing sources and instruments. According to treasury policy target the average maturity of loans is minimum 12 months. In general, cash and cash equivalents are targeted to be kept at a minimum. The Group also has revolving credit facilities with banks, bank borrowings, current accounts with overdraft facilities and the short-term EUR 200 million Finnish commercial paper programme. Liquidity risk is managed by retaining long-term liquidity reserves and by exceeding short-term liquidity requirements. The Group's liquidity reserve includes cash and cash equivalents, money market investments, long-term unused committed credit facilities and available overdraft limit. Short-term liquidity requirements include the repayments of short- and long-term debt within the next 12 months, expected dividends as well as a specifically defined strategic liquidity requirement, which covers the operative funding needs.

The Group's liquidity together with funding profile and maturity structure remained satisfactory in 2025. Committed credit facilities on 31 December 2025 stood at EUR 20.0 (20.0) million and had been drawn to the amount of EUR 0.0 (0.0) million. In addition, the Group had other undrawn overdraft and other facilities of EUR 7.0 (7.0) million. The overdraft facility agreements are in force until further notice. At year end, the Company's EUR 200 million commercial paper programme had been drawn to the amount of EUR 17.0 (3.0) million. Cash and cash equivalents were EUR 51.1 (36.7) million.

The average rate of interest for outstanding loans (including commitment fees) paid by the Group was 7.9 (9.8) per cent at the balance sheet date.

HKFoods' covenants for bank loans and revolving credit facilities are the net gearing ratio and the ratio of net debt to EBITDA. The EBITDA includes the share of profits from associates and joint ventures.

The net gearing ratio limit is 105 per cent until the end of March 2026 and 100 per cent from 30 June 2026. The net gearing ratio limit for bond is 120 per cent. At the end of year 2025, the Company's net gearing ratio was 73.2 per cent. Covenant is evaluated on a quarterly basis.

The covenant limit for net debt to EBITDA ratio for bank loans is currently 3.25 and 3.0 starting from the end of June 2026. At the end of year 2025, the net debt to EBITDA ratio was 2.2. Covenant is evaluated on a monthly basis.

HKFoods' management has assessed the cash flow forecasts of the business over the next 12 months, which indicates that the covenants will not be breached.

## The number of the Group's commitments on the balance sheet date by type of credit

### 2025

| Credit type            | Size        | In use     | Available   |
|------------------------|-------------|------------|-------------|
| Overdraft facility     | 7.0         | -          | 7.0         |
| Committed credit limit | 20.0        | -          | 20.0        |
| <b>Total</b>           | <b>27.0</b> | <b>0.0</b> | <b>27.0</b> |

### 2024

| Credit type            | Size        | In use     | Available   |
|------------------------|-------------|------------|-------------|
| Overdraft facility     | 7.0         | -          | 7.0         |
| Committed credit limit | 20.0        | -          | 20.0        |
| <b>Total</b>           | <b>27.0</b> | <b>0.0</b> | <b>27.0</b> |

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# HKFOODS

The following table analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period on the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Maturity analysis only applies to financial instruments and statutory liabilities are therefore excluded. The amounts also include interest on financial liabilities and margin on loan.

## 31 Dec. 2025 Maturity of financial liabilities

| Credit type                | Balance sheet<br>31 Dec. 2025 | Cashflows<br>sum | Cashflows    |              |             |            |            | >2030       |
|----------------------------|-------------------------------|------------------|--------------|--------------|-------------|------------|------------|-------------|
|                            |                               |                  | 2026         | 2027         | 2028        | 2029       | 2030       |             |
| Bond                       | 89.1                          | 102.2            | 8.7          | 93.4         | -           | -          | -          | -           |
| Bank loans                 | 1.8                           | 1.8              | 1.8          | -            | -           | -          | -          | -           |
| Pension loans              | -                             | -                | -            | -            | -           | -          | -          | -           |
| Commercial paper programme | 16.8                          | 17.0             | 17.0         | -            | -           | -          | -          | -           |
| Lease liabilities          | 84.0                          | 122.0            | 11.2         | 10.5         | 10.0        | 9.1        | 8.1        | 73.1        |
| Other borrowing            | 1.9                           | 2.0              | 0.4          | 1.6          | -           | -          | -          | -           |
| Trade and other payables   | 120.1                         | 120.1            | 120.1        | -            | -           | -          | -          | -           |
| <b>Total</b>               | <b>313.7</b>                  | <b>365.1</b>     | <b>159.2</b> | <b>105.6</b> | <b>10.0</b> | <b>9.1</b> | <b>8.1</b> | <b>73.1</b> |

## 31 Dec. 2024 Maturity of financial liabilities

| Credit type                | Balance sheet<br>31 Dec. 2024 | Cashflows<br>sum | Cashflows    |             |              |            |            | >2029       |
|----------------------------|-------------------------------|------------------|--------------|-------------|--------------|------------|------------|-------------|
|                            |                               |                  | 2025         | 2026        | 2027         | 2028       | 2029       |             |
| Bond                       | 88.5                          | 111.8            | 9.4          | 9.4         | 93.2         | -          | -          | -           |
| Bank loans                 | 5.4                           | 5.6              | 3.8          | 1.8         | -            | -          | -          | -           |
| Pension loans              | -                             | -                | -            | -           | -            | -          | -          | -           |
| Commercial paper programme | 3.0                           | 3.0              | 3.0          | -           | -            | -          | -          | -           |
| Lease liabilities          | 87.6                          | 128.7            | 11.7         | 11.0        | 9.3          | 8.7        | 7.8        | 80.2        |
| Other borrowing            | 2.0                           | 2.1              | 0.2          | 0.8         | 1.0          | -          | -          | -           |
| Trade and other payables   | 120.4                         | 120.4            | 120.4        | -           | -            | -          | -          | -           |
| <b>Total</b>               | <b>306.8</b>                  | <b>371.6</b>     | <b>148.5</b> | <b>23.1</b> | <b>103.6</b> | <b>8.7</b> | <b>7.8</b> | <b>80.2</b> |

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The following table presents the nominal value and fair values (EUR million) of derivative instruments. The derivatives mature within the next 12 months except for interest rate derivatives and commodity derivatives, the maturity of which are presented separately.

|  | 2025                | 2025                | 2025           | 2024           | 2025          | 2024          |
|--|---------------------|---------------------|----------------|----------------|---------------|---------------|
|  | Positive fair value | Negative fair value | Fair value net | Fair value net | Nominal value | Nominal value |
| <b>Interest rate derivatives</b>                       | 0.0                 | -0.1                | -0.1           | -0.2           | 40.0          | 30.0          |
| matured in 2025  | -                   | -                   | -              | 0.0            | -             | 10.0          |
| matures in 2026  | -                   | -                   | -              | -              | -             | -             |
| matures in 2027  | 0.0                 | -0.1                | -0.1           | -0.2           | 30.0          | 20.0          |
| matures in 2028  | 0.0                 | -                   | 0.0            | -              | 10.0          | -             |
| matures in 2029  | -                   | -                   | -              | -              | -             | -             |
| matures in >2029                                       | -                   | -                   | -              | -              | -             | -             |
| of which defined as cash flow hedging instruments      | -                   | -                   | -              | -              | -             | -             |
| <b>Foreign exchange derivatives</b>                    | 0.0                 | -0.1                | 0.0            | -0.1           | 16.5          | 14.5          |
| of which defined as net investment hedging instruments | -                   | -                   | -              | -              | -             | -             |
| <b>Commodity derivatives</b>                           | 0.3                 | -0.3                | -0.1           | 0.7            | 3.3           | 2.5           |
| matured in 2025  | -                   | -                   | -              | 0.7            | -             | 2.5           |
| matures in 2026  | 0.2                 | -0.3                | -0.1           | -              | 2.9           | -             |
| matures in 2027  | 0.0                 | 0.0                 | 0.0            | -              | 0.4           | -             |
| matures in 2028  | -                   | -                   | -              | -              | -             | -             |
| matures in 2029  | -                   | -                   | -              | -              | -             | -             |
| of which defined as cash flow hedging instruments      | 0.3                 | -0.3                | -0.1           | 0.0            | 3.3           | 3.2           |

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## Derivatives to which hedge accounting applies

Changes in the fair values of the effective portions after taxes of commodity derivatives, designated as hedges of cash flow amounting to EUR -0.1 (-3.0) million, are recognised under other comprehensive income. The hedged highly probable transactions are estimated to occur at various dates during the next 60 months. Gains and losses accumulated in the hedging instruments reserve are included as reclassification adjustments in the income statement when the hedged transaction affects profit or loss. The ineffective portion of commodity risk hedge amounting to EUR 0.0 (0.0) million are recognised under other operating expenses in the income statement.

## Capital management

The purpose of capital management in the Group is to support business through an optimal capital structure by safeguarding a normal operating environment and enabling organic and structural growth. An optimal capital structure also generates lower costs of capital.

Capital structure is influenced by controlling the amount of working capital tied up in the business and through reported profit/loss, distribution of dividend and share issues. The Group may also decide on the disposal of assets to reduce liabilities.

The tools to monitor the development of the Group's capital structure are the equity ratio and net gearing ratio. Equity ratio refers to the ratio of equity to total assets. Net gearing ratio is measured as net liabilities divided by equity. Net liabilities include interest-bearing liabilities less interest-bearing short term receivables and cash and cash equivalents including discontinued operations.

On the balance sheet date the equity ratio is 37.8 per cent. The official financial target in respect of net gearing ratio is below 100 per cent. On the balance sheet date, the net gearing ratio was 73.2 per cent.

## Net gearing ratio

|                                   | 2025  | 2024  |
|-----------------------------------|-------|-------|
| Interest-bearing liabilities      | 193.6 | 186.4 |
| Interest-bearing loan receivables | 0.7   | -     |
| Cash and bank                     | 51.1  | 36.7  |
| Interest-bearing net liabilities  | 141.8 | 149.8 |
| Equity                            | 193.8 | 215.4 |
| Net gearing ratio                 | 73.2% | 69.5% |

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## 26. Fair values of financial assets and liabilities

The fair value determination principles applied by the Group on all financial instruments

When determining the fair values of the financial assets and liabilities, the following price quotations, assumptions and measurement models have been used.

### Other shares and holdings

Other shares and holdings consists of holdings in non-listed entities and are measured at cost as it is considered appropriate estimate of fair value.

### Derivatives

The fair values of currency forward contracts are determined by using the market prices for contracts of equal duration at the reporting date. The fair values of interest rate swaps are determined using the net present value method supported by the market interest rate or other market information at the reporting date. If the market value given by a counterparty is used, the Group also produces its own calculation using generally accepted valuation methods. The fair values of commodity derivatives are determined by using publicly quoted market prices. The fair values are equal to the prices which the Group would have to pay or would obtain if it were to terminate a derivative instrument.

### Bank loans

The fair values of liabilities are based on the discounted cash flows. The rate used for measurement is the rate at which the Group could obtain corresponding credit from a third party on the reporting date. The overall rate consists of a risk free rate and a risk premium (margin on loan) for the Company.

### Bonds

The fair values of bonds are based on the quoted market prices.

### Finance lease liabilities

The fair value is measured by discounting future cash flows by an interest rate which corresponds to the interest rate of future leases.

### Trade and other receivables

The original carrying amounts of non-derivative based receivables are equal to their fair values, as discounting has no material effect taking into account the maturity of the receivables. Fixed purchase price receivable related to sale of Baltics operations is measured at amortised cost discounted with 5%.

### Trade and other payables

The original carrying amounts of trade and other payables are equal to their fair values, as discounting has no material effect taking into account the maturity of the payables.

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Fair value hierarchy for financial assets and liabilities measured at fair value. Fair values at end of reporting period.

|  | 31 Dec. 2025 | Level 1    | Level 2     | Level 3    |
|--|--------------|------------|-------------|------------|
| Assets measured at fair value                                    |              |            |             |            |
| Financial assets recognised at fair value through profit or loss |              |            |             |            |
| Conditional purchase price receivable                            | -            | -          | -           | -          |
| Trading securities   | -            | -          | -           | -          |
| Trading derivatives  |              |            |             |            |
| Interest rate swaps  | 0.0          | -          | 0.0         | -          |
| Foreign exchange derivatives                                     | 0.0          | -          | 0.0         | -          |
| Commodity derivatives  | 0.3          | -          | 0.3         | -          |
| of which subject to cash flow hedging                            | 0.3          | -          | 0.3         | -          |
| <b>Total</b>   | <b>0.3</b>   | <b>0.0</b> | <b>0.3</b>  | <b>0.0</b> |
| Liabilities measured at fair value                               |              |            |             |            |
| Financial assets recognised at fair value through profit or loss |              |            |             |            |
| Trading derivatives  |              |            |             |            |
| Interest rate swaps  | -0.1         | -          | -0.1        | -          |
| Foreign exchange derivatives                                     | -0.1         | -          | -0.1        | -          |
| Commodity derivatives  | -0.3         | -          | -0.3        | -          |
| of which subject to cash flow hedging                            | -0.3         | -          | -0.3        | -          |
| <b>Total</b>   | <b>-0.5</b>  | <b>0.0</b> | <b>-0.5</b> | <b>0.0</b> |

|  | 31 Dec. 2024 | Level 1    | Level 2     | Level 3     |
|--|--------------|------------|-------------|-------------|
| Assets measured at fair value                                    |              |            |             |             |
| Financial assets recognised at fair value through profit or loss |              |            |             |             |
| Conditional purchase price receivable                            | 10.5         | -          | -           | 10.5        |
| Trading securities   | -            | -          | -           | -           |
| Trading derivatives  |              |            |             |             |
| Interest rate swaps  | 0.0          | -          | 0.0         | -           |
| Foreign exchange derivatives                                     | 0.1          | -          | 0.1         | -           |
| Commodity derivatives  | 1.1          | -          | 1.1         | -           |
| of which subject to cash flow hedging                            | 0.3          | -          | 0.3         | -           |
| <b>Total</b>   | <b>11.7</b>  | <b>0.0</b> | <b>1.2</b>  | <b>10.5</b> |
| Liabilities measured at fair value                               |              |            |             |             |
| Financial assets recognised at fair value through profit or loss |              |            |             |             |
| Trading derivatives  |              |            |             |             |
| Interest rate swaps  | -0.2         | -          | -0.2        | -           |
| Foreign exchange derivatives                                     | -0.2         | -          | -0.2        | -           |
| Commodity derivatives  | -0.3         | -          | -0.3        | -           |
| of which subject to cash flow hedging                            | -0.3         | -          | -0.3        | -           |
| <b>Total</b>   | <b>-0.7</b>  | <b>0.0</b> | <b>-0.7</b> | <b>0.0</b>  |

The fair values of Level 1 instruments are based on prices quoted on the market. The fair values of Level 2 instruments are to a significant degree based on inputs other than the quoted prices included in Level 1 but nonetheless observable for the relevant asset or liability either directly or indirectly (derived from prices). In determining the fair value of these instruments, the Group uses generally accepted measurement models, the inputs of which are nonetheless to a considerable degree based on observable market information. The fair values of Level 3 instruments are based on inputs which are not based on observable market information; rather to a significant degree on management estimates and measurement models generally acceptable for their use.

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## 27. Conditional assets and liabilities and purchase commitments

| <b>Commitments and contingent liabilities</b>    | <b>2025</b>  | <b>2024</b>  |
|--|--------------|--------------|
| Loans secured by mortgages                       |              |              |
| - loans from financial institutions              | 1.0          | 3.0          |
| - bonds  | 90.0         | 90.0         |
| - lease liabilities                              | 10.7         | 10.7         |
| <b>On own behalf</b>                             |              |              |
| Assets pledged                                   | 230.8        | 233.0        |
| <b>On behalf of others</b>                       |              |              |
| Guarantees                                       | 6.2          | 6.2          |
| <b>Leasing commitments</b>                       |              |              |
| Leasing commitments maturing in less than a year | 0.2          | 0.2          |
| Leasing commitments maturing in 1-5 years        | -            | -            |
| Leasing commitments maturing in over 5 years     | -            | -            |
| <b>Total</b>                                     | <b>237.2</b> | <b>239.4</b> |

## 28. Related party transactions

Parties are considered related parties if one of the parties is able to exercise control, or a significant influence, over the other in decisions affecting its finances and business. The Group's related parties include the associates and joint ventures. Related parties also include the Supervisory Board and Board of Directors of the Group parent's parent entity (LSO Osuuskunta), the members of the Group's Board of Directors, the Group's CEO, the deputy CEO and their immediate family members, as well as the members of the Group Management Team. The Group strives to treat all parties equally in its business.

HKFoods Plc's principal owner, LSO Osuuskunta, is a cooperative of 560 Finnish meat producers. The cooperative fosters its members' meat production and marketing by exercising its power of ownership in HKFoods. The HKFoods Group applies pure market price principles to the acquisition of meat raw material.

Lot lease amounting to 1 (104) thousand has been paid by the Group to LSO. Group has paid EUR 30 (30) from primary production related services. In addition, the Group charged from LSO EUR 40 (40) thousand from office services and EUR 29 (28) thousand from services related to LSO membership. There is EUR 5 million revolving credit facility to both directions between the parties. Related to this the Group had receivable amounting to EUR 3.1 (4.9) million at year end. The Group received interest income for the balance EUR 458 (389) thousand during the year. Interest rate for the credit facility is in line with HKFoods' financing cost. The sale of animals to the Group by members of the Group's Board of Directors and members of the Supervisory Board and Board of Directors of its parent entity LSO Osuuskunta totalled EUR 26.5 (25.4) million. Said persons purchased animals from the Group with EUR 5.4 (5.4) million. In January 2025, the Group has purchased Eura factory plot from LSO with EUR 760 thousand. The price was based on external estimate.

Information on employee benefits of management are presented in Note 4. More information on fees of the Board of Directors and management is available in the remuneration statement for 2025, which can be found on the Group's website [www.hkfoods.com](http://www.hkfoods.com). Related party individuals are not otherwise in a material business relationship with the company.

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| Shares in subsidiaries                     | Owner % | Share of votes % |
|--|---------|------------------|
| <b>Owned by the Group's parent company</b> |         |                  |
| HKFoods Finland Oy, Finland                | 100.00  | 100.00           |
| HKFoods Poland Sp.zo.o, Poland             | 100.00  | 100.00           |
| <b>Owned by HKFoods Finland Oy</b>         |         |                  |
| Kivikylän kotipalvaamo Oy, Finland         | 49.00*  | 49.00*           |
| Lihatukku Harri Tamminen Oy, Finland       | 49.00*  | 49.00*           |
| Paimion Teurastamo Oy, Finland             | 100.00  | 100.00           |
| Boltsi Oy, Finland                         | 48.00*  | 48.98*           |
| Jokisen Eväät Oy, Finland                  | 97.00   | 97.00            |

\* Control is based on shareholders' agreement / board selection.

| Shares and holdings in associated companies and joint ventures | Owner % | Share of votes % |
|--|---------|------------------|
| <b>Owned by HKFoods Finland Oy</b>                             |         |                  |
| Länsi-Kalkkuna Oy, Finland*                                    | 50.00   | 50.00            |
| Pakastamo Oy, Finland  | 50.00   | 50.00            |
| Honkajoki Oy, Finland*   | 50.00   | 50.00            |
| Finnpig Oy, Finland  | 50.00   | 50.00            |
| Oy LHP Bio-Carbon LTD, Finland**                               | 24.24   | 24.24            |
| DanHatch Finland Oy, Finland***                                | 10.00   | 10.00            |
| Mäkitalon Maistuvat Oy, Finland                                | 24.90   | 24.90            |

\* Joint venture

\*\* Dormant

\*\*\* Associated company status is based on board membership and business.

The Group conducts business through the associates and joint ventures. The activities include slaughtering, cutting, meat processing, and the use of leasing, waste disposal, research and advisory services. All commercial contracts are negotiated on market terms.

The following transactions were carried out with related parties

|   | 2025 | 2024 |
|---|------|------|
| Sales to associates                       | 6.5  | 8.5  |
| Sales of animals to related parties       | 5.4  | 5.4  |
| Purchases from associates                 | 48.6 | 48.6 |
| Purchases of animals from related parties | 26.5 | 25.4 |

| Open balances on 31 December                | 2025 | 2024 |
|---|------|------|
| Trade and other receivables from associates | 0.4  | 0.7  |
| Trade and other payables to associates      | 3.8  | 4.3  |

## 29. Events after the reporting date

There are no events after the reporting period that would impact financial statement.

## Parent company income statement for 1 January-31 December

(EUR)

|  | Note | 2025                  | 2024                  |
|--|------|-----------------------|-----------------------|
| Other operating income                             | 1.   | 13,453,997.90         | 18,794,476.94         |
| Employee costs                                     | 2.   | -4,143,794.48         | -7,283,130.14         |
| Depreciation and impairment                        | 3.   | -98,130.00            | -91,686.68            |
| Other operating expenses                           | 4.   | -28,381,744.22        | -50,731,788.25        |
| <b>EBIT</b>  |      | <b>-19,169,670.80</b> | <b>-39,312,128.13</b> |
| Financial income and expenses                      | 5.   | -1,040,745.32         | -1,461,250.28         |
| <b>Profit/loss before appropriations and taxes</b> |      | <b>-20,210,416.12</b> | <b>-40,773,378.41</b> |
| Appropriations                                     | 6.   | 28,992,416.00         | 19,999,936.00         |
| Income taxes                                       | 7.   | -1,443,410.97         | -2,371,572.95         |
| <b>Profit/loss for the period</b>                  |      | <b>7,338,588.91</b>   | <b>-23,145,015.36</b> |

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## Parent company balance sheet 31 December

(EUR)

|                           | Note | 2025                  | 2024                  |
|---------------------------|------|-----------------------|-----------------------|
| <b>Assets</b>             |      |                       |                       |
| Intangible assets         | 8.   | 391,414.00            | 480,239.00            |
| Tangible assets           | 8.   | 27,573.80             | 207,756.32            |
| Financial assets          | 8.   | 310,718,804.62        | 260,658,817.23        |
| <b>Non-current assets</b> |      | <b>311,137,792.42</b> | <b>261,346,812.55</b> |
| Non-current receivables   | 9.   | 117,540,878.82        | 168,204,058.52        |
| Deferred tax asset        | 9.   | 3,431,342.88          | 5,015,971.44          |
| Current receivables       | 10.  | 32,164,154.45         | 39,623,364.67         |
| Cash and cash equivalents |      | 48,233,847.89         | 32,318,490.42         |
| <b>Current assets</b>     |      | <b>201,370,224.04</b> | <b>245,161,885.05</b> |
| <b>Assets</b>             |      | <b>512,508,016.46</b> | <b>506,508,697.60</b> |

|  | Note | 2025                  | 2024                  |
|--|------|-----------------------|-----------------------|
| <b>Equity and liabilities</b>                |      |                       |                       |
| Share capital                                | 11.  | 66,820,528.10         | 66,820,528.10         |
| Share premium reserve                        | 11.  | 73,420,363.20         | 73,420,363.20         |
| Treasury shares                              | 11.  | -                     | -9,098,412.16         |
| RIUE   | 11.  | 194,540,913.41        | 216,226,777.79        |
| Other reserves                               | 11.  | 4,935,489.14          | 4,931,656.91          |
| Retained earnings                            | 11.  | -40,579,938.58        | -17,434,923.22        |
| Profit/loss for the period                   | 11.  | 7,338,588.91          | -23,145,015.36        |
| <b>Equity</b>                                |      | <b>306,475,944.18</b> | <b>311,720,975.26</b> |
| Accumulated appropriations                   | 12.  | 7,822.00              | 238.00                |
| Provisions                                   | 13.  | 2,208,588.00          | 2,397,691.00          |
| Deferred tax liability                       | 14.  | -                     | 141,217.59            |
| Non-current interest-bearing liabilities     | 14.  | 110,000,000.00        | 117,728,423.32        |
| Non-current non-interest-bearing liabilities | 14.  | 495,508.00            | 1,293,798.00          |
| Current interest-bearing liabilities         | 15.  | 87,124,276.81         | 65,922,369.56         |
| Current non-interest-bearing liabilities     | 15.  | 6,195,877.47          | 7,303,984.87          |
| <b>Liabilities</b>                           |      | <b>203,815,662.28</b> | <b>192,389,793.34</b> |
| <b>Equity and liabilities</b>                |      | <b>512,508,016.46</b> | <b>506,508,697.60</b> |

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## Parent company cash flow statement

(EUR 1,000)

|  | 2025          | 2024            |
|--|---------------|-----------------|
| EBIT   | -19,170       | -39,312         |
| Adjustments to EBIT                          | 14,210        | 34,144          |
| Depreciation and impairment                  | 98            | 92              |
| Change in provisions                         | -189          | 4               |
| Change in net working capital                | -194          | -4,517          |
| Interest income and expenses                 | -1,041        | -1,461          |
| Taxes  | -             | -27             |
| <b>Cash flow from operating activities</b>   | <b>-6,286</b> | <b>-11,078</b>  |
| Purchases of shares and holdings             | -60           | -397            |
| Disposals of shares in subsidiary            | 9,335         | 118,364         |
| Purchase of other fixed assets               | -75           | -305            |
| Disposals of other fixed assets              | 246           | 320             |
| Repayments of loans receivable               | 11,307        | 20,431          |
| <b>Cash flow from investing activities</b>   | <b>20,753</b> | <b>138,412</b>  |
| <b>Cash flow before financing activities</b> | <b>14,467</b> | <b>127,335</b>  |
| Proceed from external borrowings             | 13,809        | 90,000          |
| Group contribution                           | 10,000        | -               |
| Hybrid loan, redemption                      | -25,924       | -               |
| Hybrid loan, issue                           | 19,322        | -               |
| Repayment of external borrowings             | -3,616        | -209,025        |
| Fund distribution                            | -12,143       | -               |
| <b>Cash flow from financing activities</b>   | <b>1,448</b>  | <b>-119,025</b> |
| <b>Change in cash and cash equivalents</b>   | <b>15,916</b> | <b>8,310</b>    |
| Cash and cash equivalents on 1 Jan.          | 32,318        | 24,009          |
| <b>Cash and cash equivalents on 31 Dec.</b>  | <b>48,234</b> | <b>32,318</b>   |

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## Notes to the parent company's financial statements

### Basic information about the entity

HKFoods Plc is a Finnish public limited company established under the law of Finland. The Company is domiciled in Turku.

HKFoods Plc comprises Group management and Group administration.

HKFoods Plc's A Share has been quoted on the Nasdaq Helsinki since 1997.

HKFoods Plc is a subsidiary of LSO Osuuskunta and part of the LSO Osuuskunta Group. LSO Osuuskunta is domiciled in Turku.

Copies of HKFoods Plc's financial statements are available at the Company's registered office at Lemminkäisenkatu 14-18 A, 20520 Turku.

### Accounting policies

#### Basis of preparation

The parent company's financial statements have been prepared in compliance with valid Finnish Accounting Standards (FAS). The HKFoods Group's consolidated financial statements have been prepared in compliance with the IFRS (International Financial Reporting Standards) and the IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2025.

The amounts in the parent company's income statement and balance sheet are in euros and the amounts in the cash flow statement and notes are in thousands of euros.

### Non-current assets

Intangible and tangible assets have been measured at cost less accumulated depreciation and any impairment. Depreciation of assets is made on a straight-line basis over the expected useful life. Intangible assets are depreciated over 3-10 years and tangible assets over 2-10 years. Holdings in subsidiaries and associated companies as well as other shares and holdings are measured at cost less any impairment.

### Transactions in foreign currency

Foreign currency denominated transactions are recognised at the exchange rates valid on the transaction date. Trade receivables, trade payables and loan receivables denoted in foreign currencies, and foreign currency bank accounts have been translated into the functional currency at the closing rate quoted by the European Central Bank on the balance sheet date. Gains and losses arising from business transactions in foreign currencies, and from the translation of monetary items, have been recognised in financial income and expenses in the income statement.

### Derivative contracts

HKFoods Plc makes all external derivative contracts for the Group. Derivatives that are made for subsidiaries are handled with intercompany derivative contracts. Because of this HKFoods Plc has all the external derivatives of the Group and these are partly for the parent company and partly for subsidiaries.

Outstanding derivatives in foreign currencies are measured at the forward exchange rate quoted on the balance sheet date. Hedge accounting is not applied and changes in the value of foreign exchange contracts hedging commercial flows are recognised through profit or loss in other operating income or expenses, and changes in the value of foreign exchange contracts hedging financial items are recognised in the income statement in foreign exchange gains and losses from financing operations.

Commodity derivatives all relate to subsidiaries and intercompany derivatives have been made. There is no income statement effect as the cash flows from the derivatives are eliminated by the intercompany derivative contracts with subsidiaries. Hedge accounting is not applied. Fair values of these derivatives are netted in the balance sheet and they are reported in the notes.

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Hedge accounting is not applied on interest rate swaps for the part that they hedge parent company's interest risk. The fair values of the derivatives are recorded in the balance sheet and changes in the fair values are recorded in the income statement in financial items. Realised gains or losses on interest rate swaps hedging variable-interest loans are presented under financial items in the income statement. Hedge accounting is also not applied on external interest rate swaps that relate to subsidiaries and intercompany derivatives. Income statement effect is eliminated by the intercompany derivative contract with subsidiaries. Fair values of these derivatives are netted in the balance sheet and they are reported in the notes.

The fair values of currency forward contracts are determined by using the market prices for contracts of equal duration at the reporting date. The fair values of interest rate swaps are determined using the net present value method supported by the market interest rate or other market information at the reporting date. If the market value given by a counterparty is used, the Company also produces its own calculation using generally accepted valuation methods. The fair values of commodity derivatives are determined by using publicly quoted market prices. The fair values are equal to the prices which the Company would have to pay, or would obtain, if it were to terminate a derivative instrument.

## Pension plans

HKFoods Plc employees' statutory pension provision has been organised through insurance in a pension insurance company. Statutory pension expenses have been charged in the year to which the contributions relate.

## Management retirement benefit obligations and severance payments

The remuneration of the CEO consists of a fixed monthly salary, benefits, supplementary pension benefits and possible incentive awards under the Company's incentive scheme. Under the terms of the CEO's executive agreement, the CEO's employment may be terminated by the Company and the CEO at six months' notice. In the event that the Company terminates the CEO's executive agreement, the CEO will receive an amount that equals 12 months' salary, in addition to the salary for the period of notice.

Detailed information about management compensation is available in group financial statement note 4.

## Income taxes

Consolidated accounting principles are applied to income taxes and deferred tax assets and liabilities when allowed under Finnish accounting principles. The deferred tax liability on depreciation difference is disclosed as a Note.

## Leases

All leasing payments have been treated as rent. Leasing payments based on unpaid leasing agreements are shown in contingent liabilities in the financial statements.

## Accumulated appropriations

Accumulated appropriations consist of change in depreciation difference. The difference in depreciation according to plan and accounting depreciation, is shown as an appropriation in the income statement, and the accumulated difference in depreciation according to plan and accounting depreciation, is shown in the balance sheet as accumulated appropriations.

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## Notes to the parent company's income statement

(EUR 1,000)

### 1. Other operating income, total

|                                      | 2025          | 2024          |
|--------------------------------------|---------------|---------------|
| Group service fee                    | 11,488        | 14,981        |
| Other income                         | 1,966         | 3,813         |
| <b>Other operating income, total</b> | <b>13,454</b> | <b>18,794</b> |

### 2. Staff costs

|   | 2025          | 2024          |
|---|---------------|---------------|
| Salaries and fees                             | -3,384        | -6,087        |
| Pension expenses                              | -647          | -1,153        |
| Other social expenses                         | -113          | -43           |
| <b>Staff costs</b>                            | <b>-4,144</b> | <b>-7,283</b> |
| Managing directors and their deputies         | 654           | 719           |
| Members of the Board of Directors             | 547           | 544           |
| <b>Management salaries, fees and benefits</b> | <b>1,201</b>  | <b>1,263</b>  |
| Employees, average                            | 42            | 50            |

### 3. Depreciation and impairment

|   | 2025       | 2024       |
|---|------------|------------|
| Depreciation according to plan on non-current assets and goodwill | -98        | -92        |
| <b>Total depreciation and impairment</b>                          | <b>-98</b> | <b>-92</b> |

### 4. Other operating expenses

|   | 2025           | 2024           |
|---|----------------|----------------|
| Rents/leases  | -1,521         | -1,736         |
| Losses on disposal of fixed assets, tangible assets total | -14,210        | -34,144        |
| <b>Losses on disposal of non-current assets</b>           | <b>-14,210</b> | <b>-34,144</b> |
| Audit fees, ordinary audit                                | -139           | -206           |
| Audit fees, other expert services                         | -84            | -60            |
| <b>Audit fees</b>   | <b>-223</b>    | <b>-266</b>    |
| Non-statutory staff costs                                 | -761           | -775           |
| Energy  | -82            | -44            |
| Maintenance   | -42            | -53            |
| Advertising, marketing and entertainment costs            | -156           | -159           |
| Service, information management and office costs          | -8,681         | -12,000        |
| Other expenses  | -2,706         | -1,555         |
| <b>Total other operating expenses</b>                     | <b>-28,382</b> | <b>-50,732</b> |

Losses on disposal of fixed assets in 2025 results from the impairment of conditional purchase price receivable related to sale of Baltics business and in 2024 from the sales of Swedish and Danish business. More information on the subject is in Group's note 20 Assets and liabilities of disposal group classified as held for sale and discontinued operations.

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## 5. Financial income and expenses

|  | 2025           | 2024           |
|--|----------------|----------------|
| <b>Financial income</b>                            |                |                |
| Interest income from Group companies               | 16,176         | 19,364         |
| Interest income from others                        | 694            | 403            |
| <b>Interest income</b>                             | <b>16,870</b>  | <b>19,767</b>  |
| Other financial income from others                 | 1,543          | 2,224          |
| <b>Other financial income</b>                      | <b>1,543</b>   | <b>2,224</b>   |
| <b>Total financial income</b>                      | <b>18,413</b>  | <b>21,991</b>  |
| <b>Financial expenses</b>                          |                |                |
| Interest expenses payable to Group companies       | -2,159         | -1,885         |
| Interest expenses payable to others                | -14,818        | -17,218        |
| <b>Total other interest and financial expenses</b> | <b>-16,977</b> | <b>-19,103</b> |
| <b>Unrealised losses on fair value assessment</b>  | <b>96</b>      | <b>-363</b>    |
| Other financial expense from others                | -2,573         | -3,986         |
| <b>Other financial expense</b>                     | <b>-2,573</b>  | <b>-3,986</b>  |
| <b>Total financial expenses</b>                    | <b>-19,454</b> | <b>-23,452</b> |
| <b>Financial income and expenses, total</b>        | <b>-1,041</b>  | <b>-1,461</b>  |

## 6. Appropriations

|                             | 2025          | 2024          |
|-----------------------------|---------------|---------------|
| Group contribution income   | 29,000        | 20,000        |
| <b>Total appropriations</b> | <b>29,000</b> | <b>20,000</b> |

## 7. Direct taxes

|   | 2025          | 2024          |
|---|---------------|---------------|
| Change in deferred tax liabilities and assets | -1,443        | -2,345        |
| Other direct taxes                            | -             | -27           |
| <b>Income tax on ordinary operations</b>      | <b>-1,443</b> | <b>-2,372</b> |

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(EUR 1,000)

### 8. Non-current assets

| Intangible assets 2025                     | Intellectual property rights | Other long-term expenditure | Total         |
|--|------------------------------|-----------------------------|---------------|
| Acquisition cost on 1 Jan.                 | 4,515                        | 661                         | 5,176         |
| <b>Acquisition cost on 31 Dec.</b>         | <b>4,515</b>                 | <b>661</b>                  | <b>5,176</b>  |
| Accumulated depreciation on 1 Jan.         | -4,035                       | -661                        | -4,696        |
| Depreciation for the financial period      | -89                          | -                           | -89           |
| <b>Accumulated depreciation on 31 Dec.</b> | <b>-4,124</b>                | <b>-661</b>                 | <b>-4,785</b> |
| <b>Carrying amount on 31 Dec.</b>          | <b>391</b>                   | <b>0</b>                    | <b>391</b>    |

| Intangible assets 2024                     | Intellectual property rights | Other long-term expenditure | Total         |
|--|------------------------------|-----------------------------|---------------|
| Acquisition cost on 1 Jan.                 | 4,400                        | 661                         | 5,061         |
| Decrease                                   | -178                         | -                           | -178          |
| Transfers between items                    | 293                          | -                           | 293           |
| <b>Acquisition cost on 31 Dec.</b>         | <b>4,515</b>                 | <b>661</b>                  | <b>5,176</b>  |
| Accumulated depreciation on 1 Jan.         | -3,953                       | -661                        | -4,614        |
| Depreciation for the financial period      | -82                          | -                           | -82           |
| <b>Accumulated depreciation on 31 Dec.</b> | <b>-4,035</b>                | <b>-661</b>                 | <b>-4,696</b> |
| <b>Carrying amount on 31 Dec.</b>          | <b>480</b>                   | <b>0</b>                    | <b>480</b>    |

| Tangible assets 2025                       | Machinery and equipment | Other tangible assets | Pre-payments | Total         |
|--|-------------------------|-----------------------|--------------|---------------|
| Acquisition cost on 1 Jan.                 | 1,161                   | 427                   | 170          | 1,758         |
| Decrease                                   | -                       | -                     | -170         | -170          |
| <b>Acquisition cost on 31 Dec.</b>         | <b>1,161</b>            | <b>427</b>            | <b>0</b>     | <b>1,588</b>  |
| Accumulated depreciation on 1 Jan.         | -1,154                  | -397                  | 0            | -1,551        |
| Depreciation for the financial period      | -3                      | -7                    | -            | -9            |
| <b>Accumulated depreciation on 31 Dec.</b> | <b>-1,157</b>           | <b>-404</b>           | <b>0</b>     | <b>-1,560</b> |
| <b>Carrying amount on 31 Dec.</b>          | <b>4</b>                | <b>23</b>             | <b>0</b>     | <b>28</b>     |

| Tangible assets 2024                       | Machinery and equipment | Other tangible assets | Pre-payments | Total         |
|--|-------------------------|-----------------------|--------------|---------------|
| Acquisition cost on 1 Jan.                 | 1,159                   | 427                   | 303          | 1,889         |
| Increase                                   | -                       | -                     | 163          | 163           |
| Transfers between items                    | 2                       | -                     | -296         | -294          |
| <b>Acquisition cost on 31 Dec.</b>         | <b>1,161</b>            | <b>427</b>            | <b>170</b>   | <b>1,758</b>  |
| Accumulated depreciation on 1 Jan.         | -1,152                  | -390                  | 0            | -1,542        |
| Depreciation for the financial period      | -2                      | -7                    | -            | -9            |
| <b>Accumulated depreciation on 31 Dec.</b> | <b>-1,154</b>           | <b>-397</b>           | <b>0</b>     | <b>-1,551</b> |
| <b>Carrying amount on 31 Dec.</b>          | <b>7</b>                | <b>30</b>             | <b>170</b>   | <b>207</b>    |

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| Financial assets 2025             | Holdings in Group companies | Holdings in associates | Receivables from associates | Other shares and holdings | Total          |
|-----------------------------------|-----------------------------|------------------------|-----------------------------|---------------------------|----------------|
| Acquisition cost on 1 Jan.        | 259,763                     | 0                      | 0                           | 896                       | 260,659        |
| Increase                          | 50,000                      | -                      | -                           | 60                        | 50,060         |
| <b>Carrying amount on 31 Dec.</b> | <b>309,763</b>              | <b>0</b>               | <b>0</b>                    | <b>956</b>                | <b>310,719</b> |

| Financial assets 2024             | Holdings in Group companies | Holdings in associates | Receivables from associates | Other shares and holdings | Total          |
|-----------------------------------|-----------------------------|------------------------|-----------------------------|---------------------------|----------------|
| Acquisition cost on 1 Jan.        | 340,897                     | 0                      | 0                           | 499                       | 341,396        |
| Increase                          | 36,240                      | -                      | -                           | 397                       | 36,637         |
| Decrease                          | -117,374                    | -                      | -                           | -                         | -117,374       |
| <b>Carrying amount on 31 Dec.</b> | <b>259,763</b>              | <b>0</b>               | <b>0</b>                    | <b>896</b>                | <b>260,659</b> |

In 2025 the company has made EUR 50 million investment into HKFoods Finland Oy reserve of invested unrestricted equity by converting interest bearing loan receivable. Company has sold Swedish and Danish business in 2024. More information on the subject is in Group's note 20 Assets and liabilities of disposal group classified as held for sale and discontinued operations.

|   | 2025           | 2024           |
|---|----------------|----------------|
| <b>Intangible assets</b>  |                |                |
| Intellectual property rights  | 391            | 480            |
| <b>Intangible assets</b>  | <b>391</b>     | <b>480</b>     |
| <b>Tangible assets</b>  |                |                |
| Machinery and equipment   | 4              | 7              |
| Other tangible assets   | 23             | 30             |
| Payments on account and tangible assets in the course of construction | -              | 170            |
| <b>Tangible assets</b>  | <b>28</b>      | <b>207</b>     |
| <b>Financial assets</b>   |                |                |
| Holdings in Group companies   | 309,763        | 259,763        |
| Other shares and holdings   | 956            | 896            |
| <b>Financial assets</b>   | <b>310,719</b> | <b>260,659</b> |
| <b>Total non-current assets</b>                                       | <b>311,137</b> | <b>261,346</b> |

## 9. Non-current receivables

|                                    | 2025           | 2024           |
|------------------------------------|----------------|----------------|
| Non-current loan receivables       | 181            | 181            |
| Non-current Group loan receivables | 117,252        | 158,721        |
| Other receivables                  | -              | 9,200          |
| Prepayments and accrued income     | 108            | 102            |
| <b>Total</b>                       | <b>117,541</b> | <b>168,204</b> |
| Deferred tax assets                | 3,431          | 5,016          |

In 2024 non-current other receivables included EUR 9.2 million conditional purchase price receivable from the sale of Baltic operations. In addition, current receivables included EUR 4.1 million current portion of the conditional purchase price receivable and EUR 10.0 million fixed purchase price receivable. In 2025 the company has received the fixed purchase price receivable and written down the conditional purchase price receivable. More information on the subject is in Group's note 20 Assets and liabilities of disposal group classified as held for sale and discontinued operations.

In 2025 the company has recorded deferred tax asset from previously unrecorded losses EUR 2.8 million. On 31 December 2025, the Company had EUR 0 (14) million of losses, of which no deferred tax receivable has been recognized. The losses in taxation expire with the following schedule: EUR 2.7 million in 2028, EUR 10.0 million in 2029 and EUR 1.6 million in 2031. Utilisation of deferred tax asset from losses is based on the same assumptions that are used in group note 16.

## 10. Current receivables

|  | 2025          | 2024          |
|--|---------------|---------------|
| Trade receivables  | 13            | 330           |
| Short-term receivables (from others)                         | 260           | -             |
| Short-term prepayments from accrued income (from others)     | 1,403         | 18,226        |
| <b>Total</b>   | <b>1,676</b>  | <b>18,556</b> |
| <b>Receivables from Group companies</b>                      |               |               |
| Trade receivables  | 684           | 632           |
| Loan receivables   | 740           | 399           |
| Other receivables  | 63            | 36            |
| Group contribution receivables                               | 29,000        | 20,000        |
| <b>Total</b>   | <b>30,488</b> | <b>21,067</b> |
| <b>Total current receivables</b>                             | <b>32,164</b> | <b>39,623</b> |
| <b>Main items included in prepayments and accrued income</b> |               |               |
| Accrued financial items                                      | 51            | 469           |
| Accrued interest receivables                                 | -             | 241           |
| Accrued staff costs  | 14            | 14            |
| Other prepayments and accrued income                         | 1,338         | 17,502        |
| <b>Total</b>   | <b>1,403</b>  | <b>18,226</b> |

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## 11. Equity

| Equity in 2025             | Share capital | Share premium reserve | Treasury shares | Fair value reserve | RIUE           | Other reserves | Retained earnings | Total          |
|----------------------------|---------------|-----------------------|-----------------|--------------------|----------------|----------------|-------------------|----------------|
| Equity on 1 Jan.           | 66,820        | 73,420                | -9,098          | 0                  | 216,227        | 4,931          | -40,579           | 311,721        |
| Increase                   | -             | -                     | -               | -                  | -              | 4              | -                 | 4              |
| Cancellation of own shares | -             | -                     | 9,098           | -                  | -9,098         | -              | -                 | 0              |
| Distribution of the funds  | -             | -                     | -               | -                  | -12,587        | -              | -                 | -12,587        |
| Profit for the period      | -             | -                     | -               | -                  | -              | -              | 7,339             | 7,339          |
| <b>Equity on 31 Dec.</b>   | <b>66,820</b> | <b>73,420</b>         | <b>0</b>        | <b>0</b>           | <b>194,541</b> | <b>4,935</b>   | <b>-33,240</b>    | <b>306,476</b> |

| Equity in 2024           | Share capital | Share premium reserve | Treasury shares | Fair value reserve | RIUE           | Other reserves | Retained earnings | Total          |
|--------------------------|---------------|-----------------------|-----------------|--------------------|----------------|----------------|-------------------|----------------|
| Equity on 1 Jan.         | 66,820        | 73,420                | -3,831          | 0                  | 216,227        | 4,931          | -17,434           | 340,133        |
| Increase                 | -             | -                     | -5,267          | -                  | -              | -              | -                 | -5,267         |
| Profit for the period    | -             | -                     | -               | -                  | -              | -              | -23,145           | -23,145        |
| <b>Equity on 31 Dec.</b> | <b>66,820</b> | <b>73,420</b>         | <b>-9,098</b>   | <b>0</b>           | <b>216,227</b> | <b>4,931</b>   | <b>-40,579</b>    | <b>311,721</b> |

| Distributable equity                     | 2025           | 2024           |
|--|----------------|----------------|
| Contingency reserve                      | 657            | 653            |
| Treasury shares                          | -              | -9,098         |
| Reserve for invested unrestricted equity | 194,541        | 216,227        |
| Retained earnings                        | -40,580        | -17,436        |
| Profit/loss for the period               | 7,339          | -23,145        |
| <b>Distributable equity</b>              | <b>161,957</b> | <b>167,201</b> |

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## 12. Accumulated appropriations

|                             | 2025     | 2024     |
|-----------------------------|----------|----------|
| Depreciation difference     | 8        | -        |
| <b>Total appropriations</b> | <b>8</b> | <b>0</b> |

The unrecognised deferred tax liability on depreciation difference is EUR 0.

## 13. Statutory provisions

|                                    | 2025         | 2024         |
|------------------------------------|--------------|--------------|
| Provisions for pensions            | 2,209        | 2,398        |
| <b>Statutory provisions, total</b> | <b>2,209</b> | <b>2,398</b> |

## 14. Non-current liabilities

|   | 2025           | 2024           |
|---|----------------|----------------|
| Deferred tax liability                              | -              | 141            |
| Hybrid loan   | 20,000         | 25,920         |
| Bond  | 90,000         | 90,000         |
| Loans from financial institutions                   | -              | 1,808          |
| Other liabilities                                   | 496            | 1,294          |
| <b>Total</b>  | <b>110,496</b> | <b>119,163</b> |
| <b>Total non-current liabilities</b>                | <b>110,496</b> | <b>119,163</b> |
| Interest-bearing                                    |                |                |
| Amounts owed to others                              | 110,000        | 117,728        |
| <b>Non-current interest-bearing liabilities</b>     | <b>110,000</b> | <b>117,728</b> |
| Non-interest-bearing                                |                |                |
| Amounts owed to others                              | 496            | 1,435          |
| <b>Non-current non-interest-bearing liabilities</b> | <b>496</b>     | <b>1,435</b>   |
| <b>Total non-current liabilities</b>                | <b>110,496</b> | <b>119,163</b> |

In 2024 the Company issued EUR 90.0 million bond maturing in June 2027 with 3 month Euribor + 7.5 per cent coupon interest. In addition, in August 2025 the Group issued a new hybrid bond amounting to EUR 20.0 million. A hybrid bond is treated as equity in consolidated financial statements prepared in accordance with IFRS. The hybrid bond bears a fixed interest rate of 8.750 per cent per annum from the issue date to the reset date 21 August 2028. The hybrid bond does not have a specified maturity date, but the Group is entitled to redeem the hybrid bond at the nominal amount on the reset date of 21 August 2028 and subsequently, on each coupon interest payment date. An interest payment obligation is set up if the Annual Shareholders' Meeting decides to distribute dividends. If no dividend is distributed, the Company can decide upon the payment of interest separately. In September 2025, the Group redeemed its outstanding hybrid bond issued in 2018 with a nominal amount of EUR 25.9 million. An interest of 16.0 per cent was paid on the redeemed hybrid loan.

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## 15. Current liabilities

|   | 2025          | 2024          |
|---|---------------|---------------|
| Loans from financial institutions               | 18,598        | 6,597         |
| Trade payables                                  | 2,315         | 2,963         |
| Accruals and deferred income                    | 2,790         | 4,892         |
| Other liabilities                               | 3,406         | 2,412         |
| <b>Total</b>                                    | <b>27,109</b> | <b>16,864</b> |
| <b>Amounts owed to group companies</b>          |               |               |
| Trade payables                                  | 35            | 46            |
| Accruals and deferred income                    | 48            | 87            |
| Other liabilities                               | 66,128        | 56,229        |
| <b>Total</b>                                    | <b>66,211</b> | <b>56,362</b> |
| <b>Total current liabilities</b>                |               |               |
|   | <b>93,320</b> | <b>73,226</b> |
| <b>Interest-bearing</b>                         |               |               |
| Current amounts owed to Group companies         | 66,128        | 56,228        |
| Amounts owed to others                          | 18,598        | 6,597         |
| <b>Current interest-bearing liabilities</b>     | <b>84,726</b> | <b>62,825</b> |
| <b>Non-interest-bearing</b>                     |               |               |
| Current amounts owed to Group companies         | 84            | 134           |
| Amounts owed to others                          | 8,511         | 10,267        |
| <b>Current non-interest-bearing liabilities</b> | <b>8,595</b>  | <b>10,401</b> |
| <b>Total current liabilities</b>                |               |               |
|   | <b>93,321</b> | <b>73,226</b> |

|  | 2025         | 2024         |
|--|--------------|--------------|
| <b>Main items (non-current and current) included in accruals and deferred income</b> |              |              |
| Accrued staff costs  | 1,185        | 2,015        |
| Accrued interest expenses  | 1,129        | 1,657        |
| Accrued changes in value of derivatives  | 251          | 145          |
| Other accruals and deferred income   | 224          | 1,075        |
| <b>Total</b>   | <b>2,789</b> | <b>4,892</b> |
| <b>Liabilities due in five years or more</b>   |              |              |
| <b>Liabilities due in more than five years</b>                                       | <b>0</b>     | <b>0</b>     |

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## 16. Commitments and contingent liabilities

|   | 2025           | 2024           |
|---|----------------|----------------|
| <b>Debts secured by mortgages and shares</b>                        |                |                |
| Loans from financial institutions                                   | 985            | 2,955          |
| Bonds   | 90,000         | 90,000         |
| Lease liabilities   | 10,730         | 10,730         |
| <b>Total</b>  | <b>101,715</b> | <b>103,685</b> |
| <b>Real estate pledges and mortgages</b>                            |                |                |
|   | 387,332        | 377,332        |
| <b>Total</b>  | <b>387,332</b> | <b>377,332</b> |
| <b>Security for debts of subsidiaries and other group companies</b> |                |                |
| Guarantees  | 535            | 535            |
| <b>Total</b>  | <b>535</b>     | <b>535</b>     |
| <b>Security for debts of others</b>                                 |                |                |
| Guarantees  | 6,138          | 6,197          |
| <b>Total</b>  | <b>6,138</b>   | <b>6,197</b>   |
| <b>Leasing and rental commitments</b>                               |                |                |
| Maturing in less than a year  | 608            | 1,447          |
| Maturing in 1-5 years   | 1,589          | 1,227          |
| Maturing in over 5 years  | 32             | -              |
| <b>Total</b>  | <b>2,229</b>   | <b>2,674</b>   |
| <b>Total other contingencies</b>                                    | <b>2,229</b>   | <b>2,674</b>   |

## 17. Derivative instruments

|  | 2025                | 2025                | 2025           | 2024           | 2025          | 2024          |
|--|---------------------|---------------------|----------------|----------------|---------------|---------------|
|  | Positive fair value | Negative fair value | Fair value net | Fair value net | Nominal value | Nominal value |
| <b>Interest rate derivatives</b>                       | 17                  | -93                 | -76            | -166           | 40,000        | 30,000        |
| matured in 2025  | -                   | -                   | -              | 1              | -             | 10,000        |
| matures in 2026  | -                   | -                   | -              | -              | -             | -             |
| matures in 2027  | 16                  | -93                 | -77            | -167           | 30,000        | 20,000        |
| matures in 2028  | 1                   | -                   | 1              | -              | 10,000        | -             |
| matures in 2029  | -                   | -                   | -              | -              | -             | -             |
| matures in >2029                                       | -                   | -                   | -              | -              | -             | -             |
| of which defined as cash flow hedging instruments      | -                   | -                   | -              | -              | -             | -             |
| <b>Foreign exchange derivatives</b>                    | 51                  | -96                 | -45            | -184           | 10,211        | 10,082        |
| of which defined as net investment hedging instruments | -                   | -                   | -              | -              | -             | -             |
| <b>Commodity derivatives</b>                           | 77                  | -77                 | -              | -              | -             | -             |
| matured in 2025  | -                   | -                   | -              | -              | -             | -             |
| matures in 2026  | 71                  | -71                 | -              | -              | -             | -             |
| matures in 2027  | 6                   | -6                  | -              | -              | -             | -             |
| matures in 2028  | -                   | -                   | -              | -              | -             | -             |
| matures in 2029  | -                   | -                   | -              | -              | -             | -             |
| of which defined as cash flow hedging instruments      | -                   | -                   | -              | -              | -             | -             |

Nominal values of external derivatives that are eliminated due to intercompany derivatives are netted to zero in the table above. The nominal values are EUR 6 332 (4 425) thousand foreign exchange derivatives, EUR 3 291 (3 227) thousand commodity derivatives, EUR 0 (0) thousand interest rate derivatives.

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## Fair value hierarchy

|                                  | 2025        | Level 1  | Level 2     | Level 3  |
|----------------------------------|-------------|----------|-------------|----------|
| Derivatives, positive fair value |             |          |             |          |
| Interest rate swaps              | 17          | -        | 17          | -        |
| Foreign exchange derivatives     | 51          | -        | 51          | -        |
| Commodity derivatives            | 77          | -        | 77          | -        |
| <b>Total</b>                     | <b>145</b>  | <b>-</b> | <b>145</b>  | <b>-</b> |
| Derivatives, negative fair value |             |          |             |          |
| Interest rate swaps              | -93         | -        | -93         | -        |
| Foreign exchange derivatives     | -96         | -        | -96         | -        |
| Commodity derivatives            | -77         | -        | -77         | -        |
| <b>Total</b>                     | <b>-266</b> | <b>-</b> | <b>-266</b> | <b>-</b> |

|                                  | 2024          | Level 1  | Level 2       | Level 3  |
|----------------------------------|---------------|----------|---------------|----------|
| Derivatives, positive fair value |               |          |               |          |
| Interest rate swaps              | 1             | -        | 1             | -        |
| Foreign exchange derivatives     | 93            | -        | 93            | -        |
| Commodity derivatives            | 742           | -        | 742           | -        |
| <b>Total</b>                     | <b>836</b>    | <b>-</b> | <b>836</b>    | <b>-</b> |
| Derivatives, negative fair value |               |          |               |          |
| Interest rate swaps              | -167          | -        | -167          | -        |
| Foreign exchange derivatives     | -276          | -        | -276          | -        |
| Commodity derivatives            | -742          | -        | -742          | -        |
| <b>Total</b>                     | <b>-1,186</b> | <b>-</b> | <b>-1,186</b> | <b>-</b> |

The fair values of Level 1 instruments are based on prices quoted on the market. The fair values of Level 2 instruments are, to a significant degree, based on inputs other than the quoted prices included in Level 1 but nonetheless observable for the relevant asset or liability either directly or indirectly (derived from prices). In determining the fair value of these instruments, the company uses generally accepted measurement models, the inputs of which are nonetheless to a considerable degree based on observable market information. The fair values of Level 3 instruments are based on inputs which are not based on observable market information; rather to a significant degree on Management estimates and measurement models generally acceptable for their use.

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## Signatures to the financial statement and report of the Board of Directors

Financial statements prepared according to applicable accounting standards give true and fair view of the Company and group assets, liabilities, financial position and profit/loss for the period.

The report of the board of directors gives true view of the Company's and group's business development and result and description of the most significant risks and uncertainties and other status of the Company.

Sustainability report included in the report of the board of directors has been prepared according to accounting act chapter 7 reporting standards and article 8 of the taxonomy act.

Vantaa, 27 February 2026

**Reijo Kiskola**  
Chairman of the Board

**Lauri Sipponen**  
Member of the Board

**Terhi Tuomi**  
Member of the Board

**Ilkka Uusitalo**  
Member of the Board

**Juha Ruohola**  
CEO

**Jari Mäkilä**  
Deputy chairman of the Board

**Niclas Diesen**  
Member of the Board

**Sami Yski**  
Member of the Board

## Auditor's note

A report on the audit carried out has been submitted today.  
Helsinki, 27 February 2026

**Ernst & Young Oy**  
Authorized Public Accountants

**Maria Onnisekka**  
APA

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## Auditor's Report

(Translation of the Finnish original)

To the Annual General Meeting of HKFoods Plc

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of HKFoods Plc (business identity code 0111425-3) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

#### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

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### Key Audit Matter

#### Revenue recognition

We refer to the group's accounting policies and the note 1.

HKFoods sells food products, feed, animals and minor amount of services. Revenue consists of product and service sales, which is adjusted with discounts and translation differences resulting from sales in foreign currencies. The Group fulfils its performance obligation and recognises revenue when the control over product or service has been transferred to the buyer.

Correct timing of revenue recognition and discounts was considered a key audit matter, because revenues are a key performance measure which could create an incentive for revenue to be recognized prematurely.

This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

### How our audit addressed the Key Audit Matter

Our audit procedures to address the risk of material misstatement in respect of revenue recognition included among others:

- We assessed the compliance of the group's accounting policies over revenue recognition with applicable accounting standards.
- We assessed the group's processes and controls over timing of revenue recognition and over the calculation of discounts and credits.
- We tested using analytical procedures and transaction level testing the underlying calculations of discounts and credits and their compliance with the contract terms.
- We tested the timing of revenue recognition with analytical procedures and also by testing transactions on either side of the balance sheet date as well as credit notes prepared after the balance sheet date.
- We considered the appropriateness of the group's disclosures in respect of revenues.

#### Valuation of goodwill, intangible and tangible assets

We refer to the group's accounting policies and the notes 5, 10, 11, 12 and 13.

At the balance sheet date, the value of tested goodwill, intangible and tangible assets amounted to 295 M€ representing 58% of the total assets and 152% of the total equity.

Valuation of goodwill, intangible and tangible assets was a key audit matter because the impairment testing includes estimates and judgment. The group management uses assumptions in respect of determining discount rate as well as future market and economic conditions such as economic growth, expected market share as well as revenue and profitability developments.

This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

Our audit procedures to address the risk of material misstatement in respect of valuation of goodwill, intangible and tangible assets included among others:

- We compared the principles applied in the impairment testing with the requirements of IAS 36 Impairment of Assets;
- We assessed the basis and appropriateness of the estimates used in the impairment testing calculations, such as revenue growth, EBITDA and the discount rate. We focused on analysing how the profitability has been derived from the historical performance and the budget prepared by the management.
- We involved our valuation specialists to assist us in evaluating the assumptions and methodologies, such as the discount rate, and in testing the mathematical accuracy of the calculations.
- We assessed the historical accuracy of the management's estimates.
- We assessed the appropriateness of the group's disclosures in respect of impairment testing.

### Key Audit Matter

#### Valuation of deferred tax assets

We refer to the group's accounting policies and the notes 8 and 16.

At the balance sheet date, the deferred tax assets amounted to 19 M€ representing 4% of the total assets and 10% of the total equity. The deferred tax assets primarily relate to tax losses carried forward, deferred tax depreciations and deferred interest expenses subject to the interest deduction limit.

Valuation of deferred tax assets was a key audit matter because the management's assessment regarding the utilization of the deferred tax assets involves management's assumptions and judgement.

This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

### How our audit addressed the Key Audit Matter

Our audit procedures to address the risk of material misstatement in respect of valuation of deferred tax asset included among others:

- We assessed the compliance of the group's accounting policies over the recording deferred tax assets with applicable accounting standards.
- We evaluated the estimates made by management with respect to utilization of the deferred tax assets, for example the projected profitability of the business.
- We assessed the appropriateness of the group's disclosures about the deferred tax assets.

### Valuation of inventory

We refer to the group's accounting policies and the note 17.

At the balance sheet date, the value of inventory amounted to 63 M€. Inventories are valued at the lower of cost or net realizable value and presented as net of an impairment loss recognized for obsolete and slow-moving inventories.

The valuation of the inventory was a key audit matter as the amount of inventory in the financial statements is material and valuation of inventories requires management judgment among others on future sales.

We performed, among others, the following audit procedures:

- We assessed the group's accounting principles related to the valuation of inventories.
- We evaluated the underlying analyses and calculations prepared by management relating to the costing of finished and semi-finished goods and determining the net realizable value as well as obsolete and slow moving inventories. We familiarized ourselves regarding the relevant processes and controls.
- We assessed the appropriateness of the group's disclosures in respect of valuation policies and balance sheet value of inventories.

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### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# HKFOODS

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 12 April 2018, and our appointment represents a total period of uninterrupted engagement of eight years.

### Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has

been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Other statements based on law

Our responsibility is to, based on our audit, express an opinion on the registration and publication of the income tax report required in Chapter 7 b of the Accounting Act.

The Board of Directors and the Managing Director are responsible for the registration and the publication of the income tax report.

In our opinion, the company has not been obliged to register and publish an income tax report referred to in Chapter 7 b of the Accounting Act for the financial year immediately preceding the financial year.

### Opinions based on assignment of the Annual General Meeting

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the distributable equity shown in the balance sheet for the parent company is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki 27.2.2026

Ernst & Young Oy  
Authorized Public Accountant Firm

Maria Onniselkä  
Authorized Public Accountant

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## Assurance Report on the Sustainability Statement

(Translation of the Finnish original)

### To the Annual General Meeting of HKFoods Oyj

We have performed a limited assurance engagement on the group sustainability statement of HKFoods Oyj (business identity code 0111425-3) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.-31.12.2025.

#### Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which HKFoods Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

#### Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of Authorized Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

We draw attention to the fact that the group sustainability statement of HKFoods Oyj, prepared in accordance with Chapter 7 of the Accounting Act, has been prepared and assured for the first time for the financial year January 1–December 31, 2024. Our opinion covers the comparative information that has been presented in the group sustainability statement for January 1–December 31, 2024, but not any other comparative information. Our opinion is not modified in respect of this matter.

#### Authorized Group Sustainability Auditor's Independence and Quality

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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The Authorized Group Sustainability Auditor applies International Standard on Quality Management ISQM 1, which requires the Authorized Sustainability Audit Firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of HKFoods Oyj are responsible for

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

### Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by the fact that reporting of this type of information involves estimates and assumptions, as well as measurement and assessment uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

When reporting future-related information in accordance with the ESRS standards, the company's management must present assumptions regarding possible future

events and disclose the company's potential future actions related to these events, as well as prepare future-related information based on these assumptions. The actual outcome is likely to differ, as predicted events often do not occur as expected.

### Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We have interviewed the management of group as well as key personnel responsible for collecting and reporting of the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided from the double materiality assessment is in material respects in accordance with the ESRS standards.
- We assessed whether the group sustainability statement in material respects meets the requirements of the ESRS standards regarding material sustainability topics:
  - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis to the documentation and records prepared by the company and assessed whether they support the information included in the group sustainability statement.
  - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculations and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- Regarding EU Taxonomy data, we gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided.

Helsinki 27.2.2026

Ernst & Young Oy  
Authorized Sustainability Audit Firm

Maria Onniselkä  
Authorized Sustainability Auditor

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# HKFOODS

Governance  
**2025**

A photograph of a woman with long brown hair, wearing a beige t-shirt and blue jeans, cooking in a kitchen. She is using a black spatula to stir green leafy vegetables in a black pan on a stove. In the background, a man in a grey t-shirt and blue apron is visible, holding a black camera. The kitchen has a white countertop and a white refrigerator. The text "HKFOODS" is overlaid in the top right corner.

**HKFOODS**

Corporate Governance  
Statement  
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# Corporate Governance Statement

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## Corporate Governance Statement 2025

### Compliance with the Corporate Governance Code

Corporate governance in HKFoods Plc (“HKFoods” or “Company”) is based on Finnish legislation, EU-level regulations, HKFoods’ Articles of Association, the Finnish Corporate Governance Code 2025 (the “Code”) issued by the Securities Market Association, as well as HKFoods Group’s Code of Conduct and Governance Policy. In addition, HKFoods complies with the rules and regulations of Nasdaq Helsinki Ltd and the Finnish Financial Supervisory Authority. This Corporate Governance Statement has been drafted in accordance with the CG Code, which entered into effect on 1 January 2025, and with Chapter 7 Section 7 of the Finnish Securities Markets Act. The Corporate Governance Statement is issued as part of the Report of the Board of Directors 2025.

HKFoods’ Corporate Governance Statement may be viewed on the Company’s website under Investors at [www.hkfoods.com](http://www.hkfoods.com). The website also gives access to a list of the Company’s largest shareholders, flagging notifications and Articles of Association. The Code is available on the website of the Securities Market Association at [www.cgfinland.fi/en/](http://www.cgfinland.fi/en/).

### Board of Directors

The Board of Directors (“Board”) is responsible for the administration and the proper organisation of the operations of the Company. The duties and responsibilities of the Board are determined primarily under the Articles of Association and the Finnish Limited Liability Companies Act. The Board’s meetings procedure and duties are described in the charter adopted by the Board for each year.

Board members are elected annually by the Annual General Meeting (“AGM”) based on a proposal put forward by the Shareholders’ Nomination Board. The Articles of Association contain no mention of any special order of Board member appointments.

Based on the Articles of Association, the Company’s Board comprises between five and eight (5-8) members. In addition, a maximum of three (3) deputy members may be elected to the Board. All Board members possess the competence and independence consistent

with the position. The Board members are proposed by the Shareholders’ Nomination Board taking into account the diversity and gender division principles determined by the Company in accordance with Recommendations 8 and 9 of the Code.

The Company has determined the following diversity principles:

- the Board should have a balanced gender composition,
- the Board members should have a versatile professional and educational background that benefits the Company’s business,
- the Board members should have experience of international tasks, and
- the Board members should represent a varied age range.

The composition of the Board in 2025 represented well the Company’s diversity principles and the Board’s gender division followed well the principles in Recommendation 8 of the 2020 version of Code, which is in force during a transitional period ending 30th June 2026. The Board had 25 per cent (2/8 members) of its members representing female gender and 75 per cent (6/8 members) of its members representing male gender during the year 2025.

The term of the Board members begins at the end of the General Meeting at which they were elected and ends at the end of the AGM first following their election. The Board elects a Chair and Deputy Chair from among its members.

There are no members of the Board who would be part of the operative management of the Company and none of the Board members are employed by the Company or its Group companies. The Board does not contain separate employee representatives elected from the Company’s employees.

The Board assesses the independence of its members annually in accordance with Recommendation 10 of the Code. A Board member is required to submit to the Company the information necessary to carry out the independence assessment. Board members are also obliged to report any changes in their independence. The assessment of each Board member’s independence is written under the Board member’s individual presentation texts.

Of the Board members that were elected at the AGM held on 23 April 2025 62.5 (5/8 members) per cent were independent of the Company and 62.5 (5/8 members) per cent were independent of its significant shareholders. Detailed information regarding individual members of the Board is presented together with the introductions of the Board members.

# HKFOODS

The AGM held on 23 April 2025 elected the following persons to the Board:



**Reijo Kiskola** (b. 1954), male

Chair of the Board since 11/2018,  
Dairy Engineer

Shareholding at HKFoods on  
31 December 2025: 65,209 shares

Independent of the Company and  
its significant shareholders



**Jari Mäkilä** (b. 1970), male

Member of the Board since 2018,  
Vice Chair of the Board since 2019,  
Agricultural Technician

Farm Entrepreneur

Shareholding at HKFoods on  
31 December 2025: 32,966 shares and  
127,499 shares through Mäkilän Tila Oy

Not independent of the Company due  
to his significant supplier relationship  
with the Company, not independent  
of significant shareholders due to  
his position in the LSO Cooperative's  
management



**Terhi Tuomi** (b. 1966), female

Member of the Board since 2019,  
Chair of the Audit Committee  
1 January 2026 onwards.  
M.Sc. (Econ.)

CFO, Boreal Plant Breeding Ltd

Shareholding at HKFoods on  
31 December 2025: 25,203 shares

Independent of the Company, but  
not independent of its significant  
shareholders due to her position in  
LSO Cooperative's management



**Niclas Diesen** (b.1980), male

Member of the Board since 2024,  
M.Sc. (Econ.)

K. Hartwall Invest Oy Ab CEO

Shareholding at HKFoods on  
31 December 2025: 13,446 shares

Independent of the Company and  
its significant shareholders

More detailed CVs of the Board members are available on the Company's website.

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**Lauri Sipponen** (b.1969), male

Member of the Board since 2024, M.Sc. (Econ.)

Board professional

Shareholding at HKFoods on 31 December 2025: 53,446 shares

Independent of the Company and its significant shareholders



**Ilkka Uusitalo** (b. 1968), male

Deputy member of the Board since 2019, Member of the Board since 2024.

Farm Entrepreneur

Shareholding at HKFoods on 31 December 2025: 182,377 shares

Not independent of the Company due to his significant supplier relationship with the Company, not independent of significant shareholders due to his position in the LSO Cooperative's management



**Sami Yski** (b.1971), male

Member of the Board since 2024, Engineer car technology

Board professional

Shareholding at HKFoods on 31 December 2025: 248,096 shares

Dependent of the company, independent of significant shareholders.

**Outi Henriksson** (b.1969), female

Member of the Board since 2025, Chair of the Audit Committee until 31 December 2025.

M.Sc. (Econ)

Board professional

Shareholding at HKFoods on 31 December 2025: 6,916 shares

Independent of the Company and its significant shareholders.

More detailed CVs of the Board members are available on the Company's website.

Until the AGM on 23 April 2025 the following persons were members and deputy members of the Board: Reijo Kiskola (Chair of the Board), Jari Mäkilä (Vice Chair of the Board), Anne Koutonen, Lauri Sipponen, Niclas Diesen, Ilkka Uusitalo, Sami Yski and Terhi Tuomi.

# HKFOODS

During 2025, the Board held 16 meetings. The average attendance rate of Board members and deputy members was 100 per cent. The Board constitutes a quorum when more than half of its members are present. Besides the members and deputy members, the Group's CEO, CFO and EVP Administration as secretary to the Board also regularly attended the Board meetings.

## Charter of the Board

According to the charter, HKFoods' Board of Directors has the following key matters to decide on:

- appointments and dismissals of the CEO and senior executives, and the principles governing the terms of employment
- terms of employment of Managing Directors of HKFoods Group companies and senior management
- incentive schemes and bonus criteria of HKFoods Group management and personnel
- HKFoods Group and organisation structure, commencement of new business, changes in and discontinuation of central business
- HKFoods Group strategy, business plan and performance targets for the following year, and related underlying assumptions
- HKFoods Group's strategic sustainability targets, including the material impacts, risks and opportunities of sustainability issues, and the monitoring of progress and results of these targets with the assistance of senior management and specialists
- HKFoods Group's significant investments, as well as company, business and real estate arrangements, and sales and outsourcing of significant equipment and machinery
- other significant contracts of HKFoods Group
- dividend policy and division proposal to the AGM
- principles of risk management and communication related to HKFoods Group's business as well as follow up of the legality of business operations
- approving of investment plans and approval of relevant investments deviating from the plan
- taking out HKFoods Group loans and giving securities
- giving procuration and other representative rights of the Company.

The Board meets according to a management calendar, which is agreed annually. Extra meetings may be convened if required. The chair of the Board convenes the Board meetings and prepares the meeting agenda together with the CEO.

## Performance Evaluation of the Board

The Board conducts periodically an evaluation of its performance and working methods in the interest of enhancing its operations. The evaluation addresses the composition and processes of the Board, the quality of the Board's performance, cooperation between the Board and operative management, and the expertise and participation of Board members.

## Board Committees

Four committees have been set up in HKFoods to streamline the preparation and management of matters for the Board's consideration. The Board selects the members and chairs of the Committees from among its members or deputy members.

## Audit Committee

The Board elects at least three members of the Audit Committee from among its members or deputy members. At least one of the members must possess expertise in the fields of accounting, bookkeeping or auditing. The majority of the Audit Committee members must be independent of the Company and at least one member must be independent of significant shareholders. The Company's CEO or other persons of the Company's Group Executive Team may not serve as Audit Committee members.

The Audit Committee assists the Board by preparing matters within its remit for the consideration of the Board and by submitting proposals or recommendations for Board resolution. The duties of the Audit Committee are defined in the charter adopted by the Board, in line with Recommendation 16 of the Code.

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The tasks of the Audit Committee of HKFoods' Board include, among other things, the following:

- to oversee the financial reporting process
- to oversee the sustainability reporting process and report about it to the Board
- to monitor the efficiency of the Company's internal control, internal auditing and risk management system
- to evaluate and review the corporate governance statement covering the internal control and risk management related to the financial reporting process
- to monitor and evaluate how the related party agreements and other transactions fulfil the requirements of belonging in the ordinary course of business and arms-length principle
- to monitor the statutory audit of the financial statements and consolidated financial statements
- to evaluate the independence of auditors and the provision of related ancillary services to the Company in particular
- to prepare the proposal for decision on the election of the auditors as well as the independent assurance service provider for sustainability reporting.

The Audit Committee reports on its work to the Board at the Board meeting first following the meeting of the Committee and submits the minutes of the Committee's meeting for the Board's information.

The Audit Committee was chaired by Outi Henriksson after the AGM held on 23 April 2025 until 31 December 2025. Its other members were Reijo Kiskola, Terhi Tuomi (Chair of the Audit Committee since 1 January 2026) and Niclas Diesen. Prior to the AGM held on 23 April 2025 the Committee was chaired by Anne Koutonen, and its other members were Reijo Kiskola, Terhi Tuomi and Ove Conradsson.

The Audit Committee held 6 meetings during 2025, with the average attendance rate of 100 per cent. Committee meetings were also regularly attended by the Company's CEO, CFO, internal auditor and external auditors.

The chair of the Audit Committee prepares the agenda for the meeting based on a proposal made by the CFO and convenes the meetings normally at least one week in advance.

## Compensation Committee

The Board elects at least three members of the Compensation Committee from among its members or deputy members. The majority of the Committee members must be independent of the Company. The Company's CEO or other persons in the Company's Group Executive Team may not serve as the Compensation Committee members.

The Compensation Committee's duties are defined in the charter adopted by the Board. The Compensation Committee is responsible for preparing matters relating to the Company's compensation schemes, such as CEO compensation, other executive compensation, the Company's incentive and benefit plans and review of other arrangements or agreements between the Company and the CEO or other persons in the Company's Executive Team. The Compensation Committee also prepares the Remuneration Policy and the Remuneration Report for governing bodies.

The Compensation Committee convenes at least twice a year and reports on its work to the Board following the meeting of the Committee and submits for the information of the Board the minutes of the Committee's meetings.

The Committee was chaired by Ilkka Uusitalo and its other member were Reijo Kiskola, Jari Mäkilä and Lauri Sipponen.

The Compensation Committee held 16 meetings during 2025, with an average attendance rate of 100 per cent. In carrying out its work, the Compensation Committee has used external advisors.

## Working Committee

The Working Committee's duties are defined in the charter adopted by the Board. The Committee is tasked with promoting the efficient accomplishment of the duties of the Company's Board. The aim of the Committee is to advance compliance with the Code at HKFoods. The operative management representatives attend the Working Committee meetings when invited.

All members of the Board are Working Committee members. The Committee is chaired by Reijo Kiskola, Chair of the Board. The Committee held 8 meetings during 2025, with an average attendance rate of 98.61 per cent.

## Special Committee

The Board elects in its annual convening meeting at least three members from among its members or deputy members to the Committee. The operative management representatives attend the Committee meetings when invited.

The Committee's task is to support the Board in potential M&A or divestment activities. The Committee also assists the Board in other tasks requiring special preparation.

The Special Committee was chaired by Reijo Kiskola and its other members consisted of all the members of the Board varying depending on the matters that were on the agenda. The Committee held 6 meetings during 2024, with an average attendance rate of 100 per cent.

## Meeting attendance of the Board and its Committees

|                  | Board of Directors | Audit Committee | Compensation Committee | Working Committee | Special Committee |
|------------------|--------------------|-----------------|------------------------|-------------------|-------------------|
| Reijo Kiskola    | 16                 | 6               | 16                     | 8                 | 6                 |
| Jari Mäkilä      | 16                 |                 | 16                     | 8                 | 6                 |
| Niclas Diesen    | 16                 | 6               |                        | 8                 | 2                 |
| Outi Henriksson* | 11                 | 4               |                        | 5                 |                   |
| Lauri Sipponen   | 16                 |                 | 16                     | 7                 | 4                 |
| Terhi Tuomi      | 16                 | 6               |                        | 8                 |                   |
| Ilkka Uusitalo   | 16                 |                 | 16                     | 8                 | 2                 |
| Sami Yski        | 16                 |                 |                        | 8                 | 4                 |
| Anne Koutonen**  | 5                  | 2               |                        | 3                 |                   |

\*Until 31 December 2025.

\*\*Until the AGM on 23 April 2025.

## Shareholders' Nomination Board

The Shareholders' Nomination Board is responsible for preparing annually proposals to the AGM for the election and remuneration of the members and deputy members of the Board of Directors. The main purpose of the Shareholders' Nomination Board is to ensure that the Board of Directors' members and deputy members represent a sufficient level of expertise, knowledge and competence for the Company's needs.

The Shareholders' Nomination Board consists of four members, of which three represent the Company's largest shareholders who, on the last business day of May preceding the next AGM, hold the largest number of votes calculated of all the Company's shares. In addition, the Chairman or the Deputy Chairman of the Board is a member of the Nomination Board.

The Company's largest shareholders on the last business day of May are determined based on the shareholders' register of the Company held by Euroclear Finland Ltd. In accordance with this shareholding, the Chairman of the Board of Directors shall request the three largest shareholders each to nominate one member to the Nomination Board.

Holders of nominee registered shares shall be taken into account in the appointment process to the extent possible. If a shareholder who has distributed his/her holdings, for example, in several funds and has an obligation under the Finnish Securities Markets Act to take these holdings into account when disclosing changes in share of ownership, makes a written request to such effect to the Chairman of the Board of Directors, such shareholder's holdings in several funds or registers will be combined when calculating the share of votes, which determines the nomination right. If a shareholder does not wish to exercise his/her right of nomination, the Chairman of the Board of Directors may transfer the right to the next largest shareholder who would otherwise not have the nomination right.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and presides until the Nomination Board has convened and elected a Chairman from among its members. The representative of the largest shareholder shall be nominated as the Nomination Board's Chairman, unless otherwise decided by the Nomination Board. The Nomination Board's Chairman convenes the meetings thereafter. The members' term of office expires each year with the appointment of a new Nomination Board.

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According to the charter of the Shareholders' Nomination Board, HKFoods Plc's largest shareholders have nominated the following persons as members of the Nomination Board on 15 October 2025:

- Veikko Kemppe, Managing Director, LSO Cooperative, male
- Tommi Mäkelä, Investment Director, Apteekkien Eläkekassa, male
- Petter Langenskiöld, Portfolio Manager, Mutual Fund EVLI Hannibal, male

Furthermore, the Board of HKFoods Plc has nominated Jari Mäkilä, Deputy Chair of the Board, as a member of the Nomination Board. The Shareholders' Nomination Board is chaired by Veikko Kemppe.

## Chief Executive Officer (CEO)

The CEO and possible deputy CEO are appointed by the Company's Board of Directors. The CEO is responsible for managing HKFoods Group's, Group referring to HKFoods Plc and its subsidiaries and affiliates, business activities and administration in accordance with the Articles of Association, the Finnish Limited Liability Companies Act in force at the time and instructions provided by the Board. The CEO is accountable to the Board for the implementation of the objectives, plans, procedures and goals laid down by the Board. The deputy CEO is responsible for performing the duties of the CEO when the CEO is prevented from performing them.

The CEO does not serve on the Board but attends its meetings and provides monthly reports to the Board on the Group's financial performance, financial position, solvency and market position. Further, the CEO reports regularly to the Board in accordance with the annual clock about the consideration of material risks, impacts and opportunities related to sustainability issues in the Group's business. The CEO also presents the materials of the financial statements, interim reports and half year financial report to the Board. The CEO furthermore must report to the Board on the implementation of the Board's resolutions and on the measures and results achieved.

Juha Ruohola, M.Sc. (Agr.), eMBA, has served as CEO of HKFoods Plc since 2 March 2023.

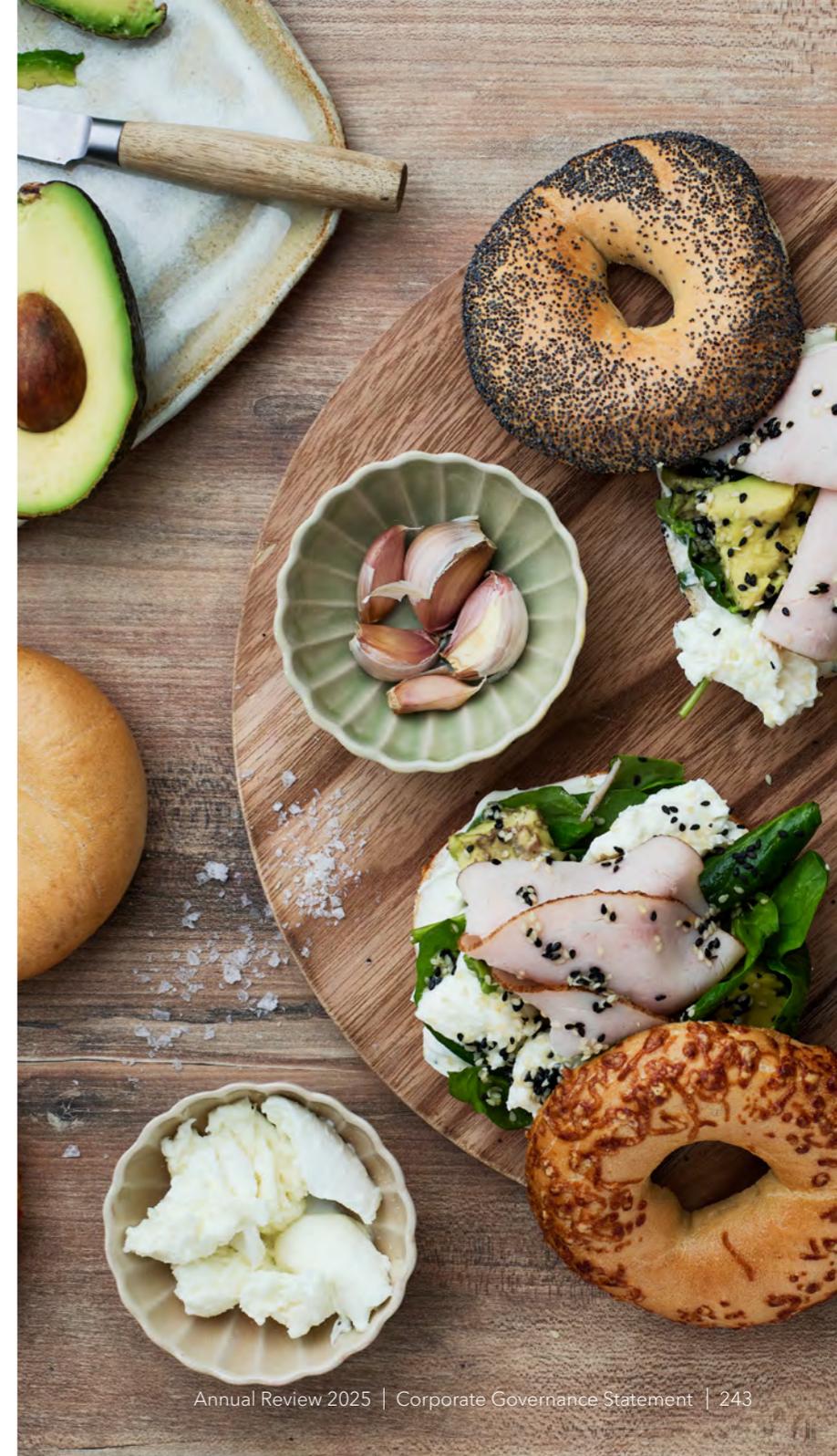
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## Group Executive Team of HKFoods Plc

HKFoods' Group Executive Team ("GET") assists the CEO in managing the Group, in preparing business plans, strategy, policies and other important matters, and in implementing strategic and operative targets. The GET members are appointed by the Board.

## The Group Executive Team on 31 December 2025:



**Juha Ruohola** (b.1965), male

Interim CEO from 29 September 2022 to 2 March 2023 and CEO from 2 March 2023, before that EVP, Business Unit Baltics (as of 13 August 2021), Polish business, Group's biotech business and Meat balance, M.Sc. (Agr.), eMBA

Shareholding at HKFoods on 31 December 2025: 27,925 shares



**Markku Suvanto** (b.1966), male

EVP, Administration, Deputy CEO, LL.M, trained on the bench

Shareholding at HKFoods on 31 December 2025: 59,676 shares



**Mika Tilli** (b.1972), male

CFO from 1 July 2024 onwards, Bachelor of Science in Economics and Business Administration

Shareholding at HKFoods on 31 December 2025: 28,368 shares

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**Petri Toivola** (b.1973), male

EVP, Poultry Business and member of the Group Executive Team from 27 November 2024, Nutrition Technician

Shareholding at HKFoods on 31 December 2025: 14,500 shares



**Mikko Järvinen** (b.1970), male

EVP, Meat Business and member of the Group Executive Team from 27 November 2024, BBA

Shareholding at HKFoods on 31 December 2025: 9,345 shares



**Terhi Hakkarainen** (b.1976), female

EVP, Processed Food Business and member of the Group Executive Team from 27 November 2024, BSc Food Technology

Shareholding at HKFoods on 31 December 2025: 5,653 shares

## Main Features of the Internal Control and Risk Management Systems Pertaining to the Financial Reporting Process

### Internal Control Framework

The Board of Director's of HKFoods is responsible for the Group's internal control framework. The Company's management is responsible for maintaining and further developing effective internal control. Internal control aims to ensure compliance with laws and regulations as well as the Group's policies, guidelines and values. In addition, the internal control system aims to support the Group's activities in line with its strategy. The reliability of financial reporting and measures in the service of this goal are an integral component in the Group's internal control framework.

### Control Environment

HKFoods Group's policies, guidelines and values form the basis for the internal control environment.

The Board of Directors and in particular its Audit Committee monitor the Company's and the Group's' financial position and the quality of financial and responsibility reporting. The Board carries out this duty by, among other things, adopting the Group's risk management policy and determining the objectives and principles of internal control. The Company's CEO and CFO are responsible for maintaining and further developing an effective control environment relating to financial and responsibility reporting.

Internal audit assesses the adequacy and effectiveness of the internal control system and risk management. The Head of Internal Audit reports to the CFO, Audit Committee and Board of Directors. In addition, the Company's EVP Administration monitors particularly the legality of operations. He reports directly to the CEO.

The objectives of internal auditing are integrally linked with the Company's management system, which relies on a principle of continuous improvement. The implementation of corrective and preventive measures is a key element of the entire process.

## Risk Management

The objective of risk management within the Group is to safeguard the conditions to achieve business objectives and enable uninterrupted business operations. The risks faced by the Group are by nature strategic (e.g. acquisitions), operative (e.g. animal diseases), financial (e.g. currency exchange rates, interest rates and tax-related risks) and risks of damage (e.g. accidents and interruptions in production).

The Board and CEO have responsibility for the Group's objectives and principles of risk management, and for managing risks that may hinder the achievement of strategic objectives. Operative risks are the responsibility of the managers of the respective business and Group entities. For instance the CFO is responsible for the management of financial risks and the Company's Risk Management organisation, that reports to the EVP Administration and Legal, is responsible for the Group's insurance policies.

The Company uses a systematic Enterprise Risk Management ("ERM") process for the Group, which contains consistent principles and systematic practices for risk management. The ERM process aims to promote the Group's risk awareness, effective risk management and to ensure that the Group's management and Board have sufficient information on risks to support their decision-making. The ERM process is an integral part of the management system and strategy process. The risk management policy is applied in all HKFoods Group's subsidiaries and affiliated companies that are reported as part of the consolidated financial statements.

Risk management is a key part of the Group's financial reporting process. At the Group level, HKFoods strives to identify and assess, at least once a year, all significant risks inherent in material balance sheet and income statement items and to determine the main control mechanisms for risk prevention.

## Control Measures

Control measures aim to ensure that

- the Group's business is managed efficiently and profitably,
- the Group's financial and responsibility reporting is accurate, transparent and reliable, and
- the Group complies with laws and regulations and all internal principles.

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Control measures may be either manual or automated system controls. Examples of controls to ensure the reliability of financial and responsibility reporting include reconciliations, approvals, reviews, analyses and the elimination of potential risky combinations of duties. The Group also has a reporting channel (HKFoods Fair Way) through which personnel and partners can report any misconduct they may have identified, either anonymously or by name.

Through a risk assessment, the Group's financial administration has determined key controls to the financial reporting process. The implementation and effectiveness of the controls is the responsibility of the financial administration. The Group has in place a self-evaluation process, which seeks to ensure the functioning and effectiveness of controls relating to financial reporting. In addition to ensuring control effectiveness, the self-evaluation also seeks to locate possible gaps and areas for further development in the controls.

## Monitoring

The Group's financial performance and results are monitored in meetings of the Board and the Group Executive Team with the help of monthly reporting. The Audit Committee evaluates, and the Board approves all interim and half year reports and financial statements before their release. The Company's Internal Auditor provides the Audit Committee with an internal audit plan annually and regularly reports internal audit observations. In addition, external auditors report annually to the Audit Committee on their audit plans and audit observations and on the functioning of internal control. The Audit Committee in turn conducts an annual evaluation of the performance and independence of the auditors.

## Related Party Transactions

HKFoods has defined its and the Group's related parties and maintains a list of them in accordance with Recommendation 27 of the Code. The definitions of the IAS 24.9-12 standard have been applied when defining the related parties in HKFoods. The Group is engaged in transactions with its related parties and evaluates and monitors such transactions in accordance with Recommendation 27 and the Group's internal guidelines for related party transactions.

In general all transactions with the related parties are related to the Group's normal business operations (e.g. sale and purchase of animals) and are in line with the Group's purpose as well as carried out in accordance with normal market terms or practices. To ensure that conflicts of interest are appropriately taken into account in the decision-making process, the Company's Board of Directors ultimately decides upon execution of any related party transactions that are considered to be material to the Company, deviate from the Company's normal business operations or are not made in accordance with normal market terms or practices or that specifically require the Board's approval in accordance with the Approval policy and guidelines.

The principle defined in the Group's internal guidelines is that the Internal Auditor regularly yearly monitors transactions concluded between the Group and its related parties and reports to the Board's Audit Committee.

## Insider Administration

The Company's insider management and insider guidelines follow the instructions given in the Nasdaq Helsinki Ltd's insider guidelines. HKFoods' Board of Directors has approved the insider guidelines including rules and regulations on the Company's insiders, trading restrictions, insider lists, notification obligation related to the top managers' and their closely associated persons' transactions and supervision of insider matters. The purpose of the guidelines is to summarise the key rules and restrictions regarding the use and management of insider information of which all the Company's employees should be aware. Regardless of the insider guidelines, each person is always personally responsible for complying with the laws, regulations and guidelines relating to inside information. Each person must in each case assess for him/herself whether the information he/she holds is insider information. This obligation applies always regardless of whether the person is entered into an insider list and from whom or in which way he/she has obtained the information, and whether he/she has received general or specific instructions in the matter.

The Company's top managers include the members of the Board of Directors, CEO and other members of HKFoods Group Executive Team. The top managers have an obligation to notify the Company of transactions relating to the Company's financial instruments immediately on the day of the transaction.

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The top managers also have an obligation to notify the Finnish Financial Supervisory Authority of the transactions, but the Company will deliver the notifications received from the top managers to the Finnish Financial Supervisory Authority on the top managers' behalf based on an authorisation given by each of the top managers. The notification obligation also applies to persons closely associated with the top managers. The Company will deliver notifications regarding the notification obligation to closely associated persons and preserve these notifications on the top manager's behalf. The top manager in turn has an obligation to inform the Company of changes in his/her closely associated persons or alternatively to deliver the said notifications to the new closely associated persons him/herself as the top manager is ultimately responsible for delivering such notifications. The Company's insider administration maintains a separate list of the top managers with notification obligation as well as their closely associated persons. The list is not a permanent insider list.

Trading in the Company's financial instruments is always prohibited, when the person is in possession of inside information related to the Company or its financial instruments. The Company's top managers are always prohibited from trading in the Company's financial instruments during 30 days before the publication of an interim report, a half year report and a financial statements bulletin, including the day of publication (the so-called closed window), regardless of whether the person possessed inside information that time. During other times, i.e. as of the day following the publication of interim and half year reports and financial statement bulletin, there is the so-called open window during which the top managers are allowed to trade provided that they do not possess inside information at such time and that they have gone through the internal checking process. The closed window also applies to persons who participate in the preparation and drafting of interim and half year reports and financial statements bulletins. Of these persons, the Company maintains a separate list, which is not an insider list.

HKFoods does not maintain a list of permanent insiders. While projects are in progress, a person entered into a project-specific insider list must not trade in the Company's financial instruments or disclose inside information to anyone outside of the project during the project. For each inside project, a project-specific insider list is established and maintained. Each person entered into a project-specific insider list must be notified in writing of his/her entering into the list and the obligations and possible consequences that entails. Further, the ending of the project is notified in writing to the persons in the insider list.

The Company ensures compliance with insider guidelines by regularly reminding insiders of permitted trading windows. In addition, the Company makes sure that the persons entered into the project-specific insider lists are aware that the existence and contents of the insider project is considered to be inside information and that trading in the Company's financial instruments is not permitted during the project. HKFoods' Administration function working under the EVP Administration maintains and manages the insider lists. The system used to manage the insider lists is maintained by Euroclear Finland Ltd.

## Auditors and the Assurance of Sustainability Reporting

The external auditors and the independent assurance service provider for sustainability reporting are nominated annually by the Annual General Meeting. The AGM 2025 elected Ernst & Young Oy, the firm of authorised public accountants, with APA Maria Onniselkä as responsible auditor of HKFoods until the closing of the next AGM. The AGM 2025 elected Ernst & Young Oy as the accredited independent assurance service provider for the assurance of sustainability reporting.

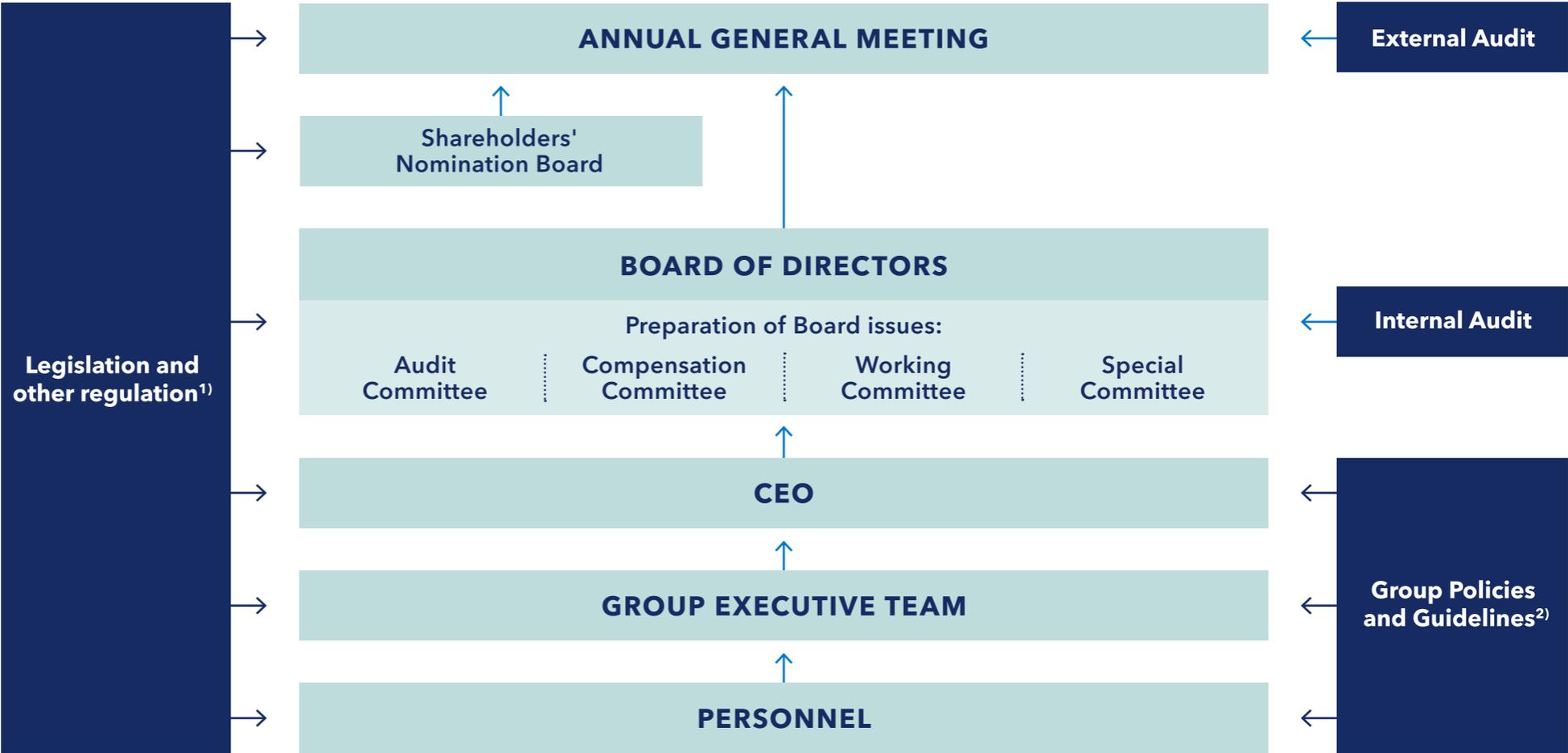
The Group's audit fees paid to independent auditors are presented in the table below. The fees cover the audit of annual accounts and the closely related legislative work as well as the services related to the assurance of sustainability reporting. Other expert services include tax consulting and general employment law advisory services.

|   | 2025<br>EUR thousand | 2024<br>EUR thousand |
|---|----------------------|----------------------|
| Audit fees                                  | -329                 | -417                 |
| Fees for sustainability reporting assurance | -84                  | -51                  |
| Tax consultation                            | -                    | 0                    |
| Other fees                                  | -6                   | -                    |
| <b>Audit fees, total</b>                    | <b>-419</b>          | <b>-468</b>          |

Ernst & Young Oy was paid in total six thousand euros during the financial year 2025 for non-audit services to HKFoods' entities.

# HKFOODS

## HKFoods Group Governance and Control System



<sup>1)</sup> Limited Liability Companies Act, Securities Markets Act, Auditing Act, Accounting Act, EU-level regulations, Financial Supervisory Authority's regulations, Rules of the Stock Exchange, Corporate Governance Code, industry-related legislation, Market abuse regulation/MAR

<sup>2)</sup> Articles of Association, other internal policies, guidelines and operating procedures

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# **HKFOODS**

## Remuneration Report **2025**

# Remuneration Report 2025

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## Greetings from the Chairman of the Compensation Committee

Dear Shareholders,

On behalf of the Compensation Committee, I present HKFoods Plc's Remuneration Report for 2025. In this report, we describe the implementation of the Company's Remuneration Policy for the members of the Board of Directors, CEO and Deputy CEO. The report has been approved by the Board and will be presented at HKFoods' Annual General Meeting in 2026 for an advisory shareholder approval.

Despite a challenging operating environment, HKFoods continued to improve its profitability throughout the year. The company carried out financial arrangements by issuing new capital securities and redeeming the old ones, which resulted in significant interest savings and strengthened its financial position. During the financial year, the company also updated its strategy and long term financial targets. The future of the Polish production unit was assessed, and as a result, the unit located in Świnoujście, Poland, will continue operate as part of the HKFoods Group. We continue seeking new growth opportunities that support our current business and are in line with the Company's strategy.

In 2025, the Compensation Committee followed and implemented the Company's Remuneration Policy. Remuneration programs will continue to reflect the Company's remuneration principles. The remuneration of HKFoods is designed to drive the Company's long-term financial success, business strategy, and positive development of shareholder value. We aim to acknowledge and reward good performance and achievements and support value-based behavior. Our remuneration policy, practices, tools, and processes are designed to ensure that we are able to attract, retain, and motivate the competent workforce and senior management across the complex and long value chain in all our operating countries.

Our remuneration programs are fair, equal, and understandable. In addition, we encourage individuals and teams to promote a positive feedback culture to take accountability and lead their own performance by actively discussing targets and individual development with managers.

Our strategic, operative, and sustainability-related metrics are being set and followed in the annual short-term incentive plan. We will continue to develop our remuneration principles going forward to further drive the Company's long-term financial success, support a competence- and performance-based reward culture, and ensure that our employees are rewarded fairly, equitably, and transparently.



**Ilkka Uusitalo**  
Chairman of the Compensation Committee

## Composition of the Compensation Committee in 2025

Members of the Compensation Committee:

- Ilkka Uusitalo (Chairman)
- Reijo Kiskola
- Jari Mäkilä
- Lauri Sipponen

The meetings of the Compensation Committee were minuted by the HR Director Anu Heikkilä.

## Compensation Committee's key activities in 2025

- Evaluation of the CEO's and Group Executive Team's performance and compensation levels for 2024.
- Preparation of Company's short-term incentive plans for 2025 and 2026
- Evaluation of the outcomes of the CEO's long-term incentive plan.
- Finalisation and approval of the Remuneration Report 2024.

## Introduction

This Remuneration Report describes the implementation of HKFoods Plc's (HKFoods or Company) Remuneration Policy in 2025 and presents the remuneration of the members of the Board of Directors (Board), CEO and Deputy CEO for the financial year 2025. This report also describes the trend in employees' average salary and the Company's financial performance over the last five years compared with remuneration paid to the CEO and Board members.

This report has been prepared in accordance with the requirements set forth in the Finnish Limited Liability Companies Act, Securities Markets Act, Decree of the Ministry of Finance on the remuneration policy and remuneration report of a share issuer, and the Finnish Corporate Governance Code that entered into force on 1 January 2025. The report will be addressed and submitted for advisory adoption at the AGM 2026.

## Application of the Remuneration Policy in 2025

The Remuneration Policy outlines the remuneration structure for the Board members, the CEO and the Deputy CEO. The Policy was presented and approved by an advisory resolution at the AGM 2024, and it will apply until the AGM 2028 unless a revised remuneration policy is presented to the AGM before that. The Compensation Committee will periodically review the Remuneration Policy to ensure that it is aligned with the Company's key strategic targets. The Remuneration Policy is presented to the AGM for an advisory vote at least once every four years.

The remuneration of the CEO, Deputy CEO and Board members during the financial year 2025 was executed in accordance with the adopted Remuneration Policy. The policy remains fit for purpose and achieves the key remuneration principles of ensuring the execution of our strategy, driving performance and encourage value-based behavior, being attractive and fair and encouraging individual and team accountability.

No deviations from the Remuneration Policy have been made and no remuneration of the Board, CEO or Deputy CEO has been reclaimed or restated during the financial year 2025.

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## Overview of Company's Financial Performance and Remuneration

HKFoods' strategic objective is profitable and sustainable growth, as well as a strong presence in consumers' food moments as a valued partner. The focus areas of HKFoods' updated strategy are growth in selected food moments, operational excellence, competent and healthy personnel, and a sustainable value chain.

HKFoods' vision is to be the most valued partner of food moments. This means working together with all our employees to meet the changing needs of consumers and customers by creating sustainable, tasty and nutritious solutions for all meaningful food moments. It is a collaborative effort with customers, consumers, contract farmers and the company's other partners.

HKFoods' comparable EBIT improved due to company's efficiency programme, better sales structure and increased production efficiency. The company will continue to focus on improving the competitiveness of its core business and the profitability of its operations, as well as commercial activities.

In 2025, profitability was negatively impacted by the food industry strike and the overtime and shift-change bans related to labour market negotiations. In addition, the shortage of beef significantly increased its purchase price, and the cool early summer slowed down the start of the barbecue season. In the short term, improving profitability remains HKFoods' key priority. Targets related to profitability, growth, cost efficiency, and productivity remain the basis for performance management and remuneration targets in the short term.

## Summary of HKFoods' remuneration development and Company performance from continuing operations over the last five financial years

|   | 2021                 | 2022      | 2023    | 2024                 | 2025                 |
|---|----------------------|-----------|---------|----------------------|----------------------|
| <b>CEO total remuneration EUR</b>                 | 997,560              | 2,034,515 | 683,149 | 827,098              | 762,265              |
| Ruohola Juha, CEO <sup>1</sup>                    |                      | 148,442   | 683,149 | 827,098              | 762,265              |
| Hemmilä Tero, Previous CEO <sup>2</sup>           | 997,560              | 1,886,073 |         |                      |                      |
| <b>Total Board remuneration EUR</b>               | 454,600              | 470,160   | 469,650 | 544,292              | 546,915              |
| <b>Current Board members</b>                      |                      |           |         |                      |                      |
| Kiskola Reijo, Chairman                           | 118,400 <sup>3</sup> | 122,600   | 125,300 | 135,000 <sup>3</sup> | 129,700 <sup>3</sup> |
| Mäkilä Jari, Vice Chairman                        | 57,300 <sup>3</sup>  | 57,000    | 57,800  | 65,350 <sup>3</sup>  | 72,200 <sup>3</sup>  |
| Tuomi Terhi, Member                               | 49,500 <sup>3</sup>  | 51,200    | 49,500  | 51,450 <sup>3</sup>  | 49,500 <sup>3</sup>  |
| Uusitalo Ilkka <sup>4</sup> , Member              | 34,200 <sup>3</sup>  | 36,700    | 33,850  | 61,610 <sup>3</sup>  | 69,850 <sup>3</sup>  |
| Niclas Diesen, Member                             |                      |           |         | 40,050 <sup>3</sup>  | 50,800 <sup>3</sup>  |
| Lauri Sipponen, Member                            |                      |           |         | 40,700 <sup>3</sup>  | 61,200 <sup>3</sup>  |
| Sami Yski, Member                                 |                      |           |         | 40,700 <sup>3</sup>  | 50,800 <sup>3</sup>  |
| Henriksson Outi, Member                           |                      |           |         |                      | 46,750 <sup>3</sup>  |
| <b>Previous Board members</b>                     |                      |           |         |                      |                      |
| Suutari Harri, Member                             | 52,800 <sup>3</sup>  | 52,600    | 52,100  | 15,417               |                      |
| Nyman Per Olof, Member                            | 52,400 <sup>3</sup>  | 54,500    | 55,150  | 16,665               |                      |
| Koutonen Anne, Member                             | 57,000 <sup>3</sup>  | 61,200    | 62,100  | 68,400 <sup>3</sup>  | 16,115               |
| Thorwid Carl-Peter, Deputy Member                 | 33,000 <sup>3</sup>  | 9,210     |         |                      |                      |
| Conradsson Ove, Deputy Member                     |                      | 22,150    | 33,850  | 8,950                |                      |
| <b>Employee salary on average<sup>5</sup> EUR</b> | 54,590               | 54,211    | 55,989  | 57,251               | 58,005               |
| <b>Net Sales, EUR million</b>                     | 778                  | 877       | 933     | 1,002                | 996                  |
| <b>Comparable EBIT, EUR million</b>               | -2.1                 | -7.3      | 11.6    | 27.7                 | 34.1                 |

<sup>1</sup> Ruohola Juha as of 29 September 2022.

<sup>2</sup> Hemmilä Tero 4 February 2019 to 29 September 2022; Hemmilä's total compensation in 2022 includes his pay for the period of notice and severance pay.

<sup>3</sup> The annual fees were partly paid in Company shares and partly in cash so that 25% of the remuneration was in Company shares acquired on the market on the Board members' behalf, and the rest was paid in cash.

<sup>4</sup> Uusitalo Ilkka deputy member until 18 April 2024.

<sup>5</sup> Salaries and fees (incl. social cost) divided by FTE; excluding rented personnel.

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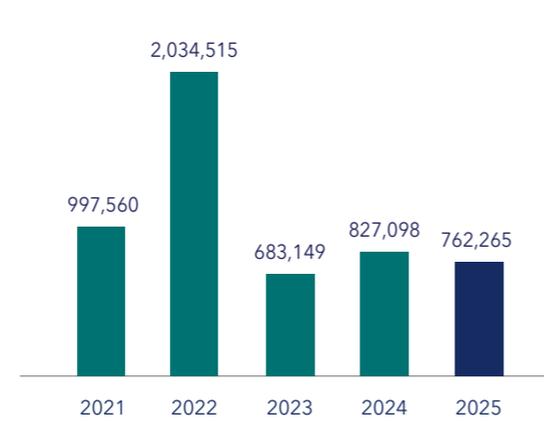
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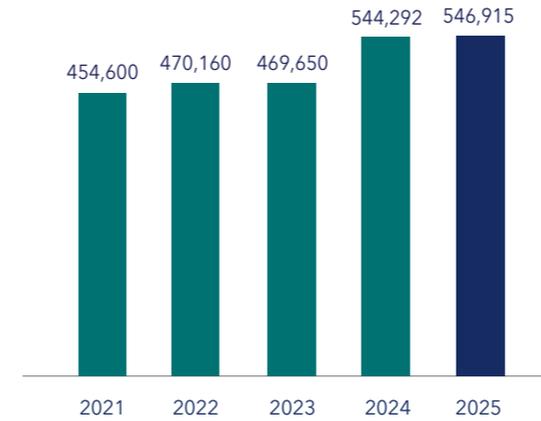
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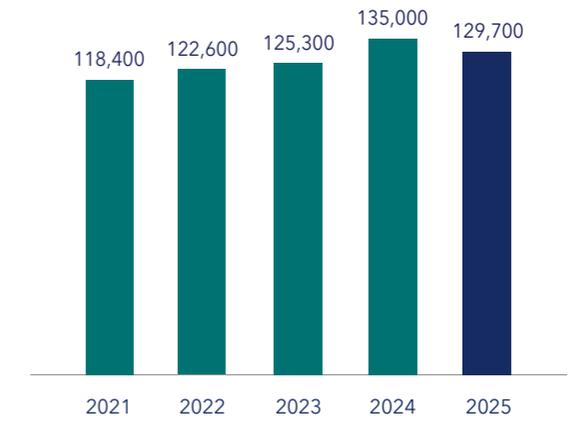
CEO total remuneration EUR



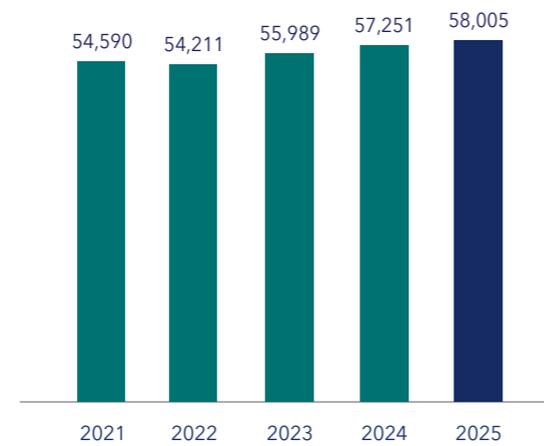
Total Board remuneration EUR



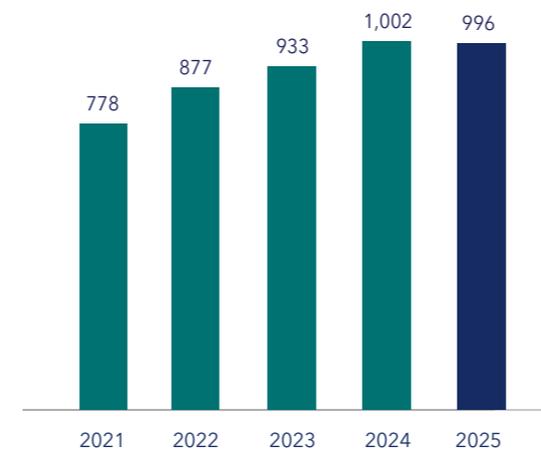
Chairman of the Board total remuneration EUR



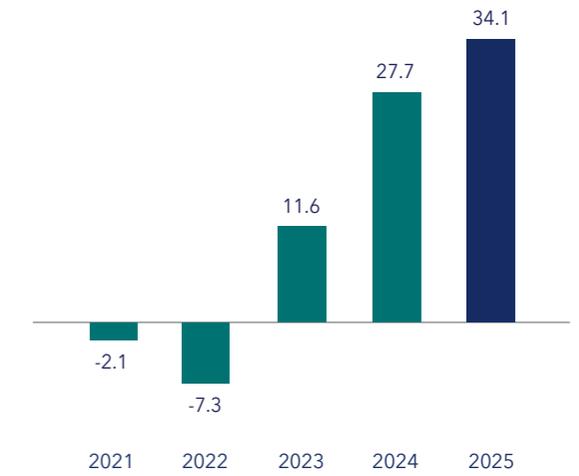
Employee salary on average EUR<sup>5</sup>



Net sales, EUR million



Comparable EBIT, EUR million



## Remuneration of the Board of Directors

The AGM decides on the remuneration of the Board members for one term of office at a time, based on a proposal by the Shareholders' Nomination Board. The amount of the annual remuneration payable to the Board members remained at the 2024 level: to a Board member EUR 30,000, to the Vice Chairman of the Board EUR 37,500, to the Chairman of the Board EUR 70,000, and to a deputy member of the Board EUR 15,000. The annual remuneration was paid in cash or partly in Company shares and partly in cash so that 25% of the remuneration was in Company shares acquired on the market on the Board members' behalf, and the rest was paid in cash.

The annual remuneration of the Committee Chairmen was paid as follows: to the Chairman of the Audit Committee EUR 15,000 and to the Chairmen of the Compensation, Working and Special Committees EUR 5,000. A compensation of EUR 650 per meeting was paid to all the Board members for each attended Board and Board Committee meeting, and a compensation of EUR 300 for a meeting or occasion requiring their attendance as a Board member. Travel expenses of the Board members were compensated according to the Company's travel policy.

## Board remuneration in 2025

| Board member                 | Annual base fee in shares, EUR | Number of shares purchased as part of annual fee | Annual committee meeting fees, EUR | Total remuneration, EUR | Chairman of the Committee            |
|------------------------------|--------------------------------|--|------------------------------------|-------------------------|--------------------------------------|
| Kiskola Reijo, Chairman      | 19,999                         | 12,295   | 27,300                             | 129,700                 | Working committee, Special Committee |
| Mäkilä Jari, Vice Chairman   | 9,374                          | 5,763  | 23,400                             | 72,200                  |                                      |
| Diesen Niclas                | 7,499                          | 4,610  | 10,400                             | 50,800                  |                                      |
| Sipponen Lauri               | 7,499                          | 4,610  | 20,800                             | 61,200                  |                                      |
| Tuomi Terhi                  | 7,499                          | 4,610  | 9,100                              | 49,500                  |                                      |
| Uusitalo Ilkka               | 8,749                          | 5,379  | 17,550                             | 69,850                  | Compensation Committee               |
| Yski Sami                    | 7,499                          | 4,610  | 10,400                             | 50,800                  |                                      |
| Koutonen Anne <sup>1</sup>   |                                |  | 3,250                              | 16,115                  |                                      |
| Henriksson Outi <sup>2</sup> | 11,250                         | 6,916  | 5,850                              | 46,750                  | Audit Committee                      |

<sup>1</sup> Board member and the Chairman of the Audit Committee until 23 April 2025.

<sup>2</sup> Board member and the Chairman of the Audit Committee as of 23 April 2025

## Board remuneration as resolved by the AGM 2025:

| Position                  | Annual base fee in 2025, EUR |
|---------------------------|------------------------------|
| Chairman of the Board     | 70,000                       |
| Deputy Chair of the Board | 37,500                       |
| Board Member              | 30,000                       |
| Deputy Board Member       | 15,000                       |

| Committee              | Annual fee of Chair, EUR | Meeting fee, EUR |
|------------------------|--------------------------|------------------|
| Audit Committee        | 15,000                   | 650              |
| Compensation Committee | 5,000                    | 650              |
| Working Committee      | 5,000                    | 650              |
| Special Committee      | 5,000                    | 650              |

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## Remuneration of the CEO

### CEO's total remuneration 2025

| EUR          | Base salary | Short-term Incentive <sup>1</sup> | Long-term Incentive <sup>1</sup> | Benefits | Pension <sup>2</sup> | Total   |
|--------------|-------------|-----------------------------------|----------------------------------|----------|----------------------|---------|
| Juha Ruohola | 560,401     | 70,000                            | -                                | 23,864   | 108,000              | 762,265 |

<sup>1</sup> FY 2025, the relative share of the incentives was 9% of the total remuneration. Due remuneration to be paid in 2026 is EUR 43,200.

<sup>2</sup> Pension paid as a cash allowance for acquiring the pension.

In 2025, Juha Ruohola's remuneration consisted of fixed components, such as fixed base salary and fringe benefits, supplementary defined contribution pension, and variable components including short- and long-term incentives.

In addition to the Finnish statutory pension plan, the CEO Juha Ruohola is covered by a supplementary defined contribution pension plan, which provides a retirement benefit based on the accrued savings capital. The supplementary pension plan is financed in full by the employer and the contribution is 20% of annual salary. If the CEO's contract ends before retirement age, he is entitled to retain the accrued savings. The retirement age will be determined by the Finnish statutory pension plan for the CEO Juha Ruohola.

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## Briefly on the CEO's Remuneration Policy

The Remuneration Policy provides a total remuneration structure that aligns the remuneration of the CEO with the delivery of HKFoods' long-term strategy. The following table describes the content of the CEO's remuneration policy at a glance. The full Remuneration Policy is available on HKFoods' website.

| Element                     | Purpose and link to strategy   | Description   |
|-----------------------------|--|---|
| Fixed compensation          | Provides a core compensation for the role and attracts and retains the key talent with the required skills and experience to lead the Company and to deliver its short-term results as well as long-term strategic priorities. | <p>May include a monetary base salary and various taxable fringe benefits, such as a company car, housing, and a phone.</p> <p>The fixed base salary is typically reviewed annually.</p> <p>The Compensation Committee may consider various factors when setting and reviewing the base salary, including market benchmark data and individual's experience, development, and performance in the role, for example.</p>   |
| Pension                     | Provides a retirement benefit in addition to the statutory pensions in line with market practice.  | In addition to the statutory pension plan, the CEO may be covered by a supplementary defined contribution pension plan, which provides a retirement benefit based on the accrued savings capital.   |
| Short-term incentives (STI) | To reward and incentivise achievement of challenging financial and, when appropriate, non-financial performance targets aligned with key strategic priorities of the year.   | <p>The STI plan terms, performance measures, weightings, and targets are set annually by the Board. These can vary each year to align with the Company's strategic priorities and usually consist of, but are not limited to, financial objectives, completion of certain projects, or other non-financial or qualitative targets deemed relevant by the Board.</p> <p>Performance is typically measured for a one-year performance period against the pre-defined targets set by the Board. Performance is evaluated by the Board following the end of each performance period.</p> <p>STI reward is capped annually at a maximum of 60% of the fixed annual base salary.</p>  |
| Long-term incentives (LTI)  | To reward and incentivise over a longer period for sustained performance, commit the CEO to the Company and align the CEO's interests with those of shareholders.  | <p>The commencement of the share-based long-term incentive plan requires a shareholder decision after which the Board shall decide on the terms and conditions of the LTI plan. Performance measures, related targets, and weightings are set by the Board for each commencing LTI plan. Performance measures typically include but are not limited to, financial, share-price-related, sustainability, or other targets deemed relevant by the Board.</p> <p>LTI reward is typically paid in the Company's shares unless other remuneration format is specified. The LTI plan period shall be no less than three years.</p> <p>The annualised fair value of the LTI reward is capped at a maximum of 150% of the annual fixed base salary at the grant. The Board may, at its discretion, further decide to set a maximum cap in euros for the LTI reward and therefore reduce the number of shares to be delivered, if the participant's LTI reward exceeds the maximum cap at the delivery date.</p> |
| Other financial benefits    | To provide a suitable and reasonable set of benefits.  | <p>Other financial benefits are provided in line with the relevant market practice and in accordance with the Company's practices in force at the time.</p> <p>Other financial benefits may include, but are not limited to, e.g. health services and insurances.</p>   |
| Shareholding requirement    | Encourages to accumulate shareholding in the Company and aligns the interests of the CEO and shareholders.   | The Board recommends that the CEO holds 50% of all the shares received from the LTI plan until the value of share ownership equals the individual's annual salary. This shareholding should be retained for the duration of service. The Board may amend its recommendations at any time.   |

## CEO's Short-term incentives

HKFoods' Board of Directors decides on the CEO's short-term incentive plans, including terms and conditions of the plan. The Board sets and evaluates annually the performance measures used in the incentive plan for the CEO.

### Short-term incentive 2024 (paid in 2025)

For 2024, the Board set three performance criteria for the CEO related to key strategic targets, which aimed to strengthen the Company's balance sheet and increase financial flexibility. The maximum amount of the CEO's reward for the performance period was EUR 150,000. At the Board's discretion, the achievement of the target was 46,7% and the incentive paid in spring 2025 was EUR 70,000.

The performance criteria, weightings, and outcomes under the short-term incentive plans are presented in the table below.

| Earning period                         | STI 2024 (paid in 2025)  |
|--|--|
| Maximum reward % of annual base salary | 27,47%   |
| Performance criteria 1                 | Divestment of the Danish operations                                    |
| Weight                                 | 33,33%   |
| Performance criteria 2                 | Implementation of the changes in the Group structure                   |
| Weight                                 | 33,33%   |
| Performance criteria 3                 | New financing solution to ensure continuity of the Company's financing |
| Weight                                 | 33,33%   |
| Actual reward % of annual base salary  | 12,82%   |

### Short-term incentive 2025 (paid in 2026)

The short-term incentive plan 2025 offers the CEO a possibility to earn a reward in euros for achieving the required performance level set by the Board. For 2025, the Board set an EBIT target and two performance criteria for the CEO related to key strategic targets, which aimed to strengthen the Company's balance sheet and increase financial flexibility. In addition, an ESG target was set for the CEO. The maximum amount of the CEO's reward for the performance period was EUR 216,000. At the Board's discretion, the achievement of the target was 20% and the incentive paid in spring 2026 is EUR 43,200.

The performance criteria, weightings, and outcomes under the short-term incentive plans are presented in the table below.

| Earning period                         | STI 2025 (paid in 2026)                             |
|--|---|
| Maximum reward % of annual base salary | 40%   |
| Performance criteria 1                 | Comparable EBIT                                     |
| Weight                                 | 70%   |
| Performance criteria 2                 | Project focusing on improving production efficiency |
| Weight                                 | 15%   |
| Performance criteria 3                 | Strategic assessment of the Polish operations       |
| Weight                                 | 10%   |
| Performance criteria 4                 | Reducing workplace accident-related absences        |
| Weight                                 | 5%  |
| Actual reward % of annual base salary  | 7.71%   |

## CEO's Long-term incentives

HKFoods' Board of Directors decides and implements long-term incentive plans and their earning opportunities for the CEO in accordance with the terms and conditions of the plan and the Company's Remuneration Policy. The long-term incentive plan aims to commit the CEO to the Company, align the CEO's interests with those of shareholders, and enable the Company's long-term successful performance.

All long-term incentive plans include the requirement of continuance of service upon award payment in order to be qualified to receive the potential award. Also, the CEO should retain at least 50% of all shares received as an award until the value of shareholding equals his/her annual base salaries during the validity of service.

### Long-term Incentive Plan 2019-2021

The CEO Juha Ruohola was entitled to the LTI 2019-2021 plan, which included both a Performance Share Plan and a Restricted Share Plan. The Performance Share Plan 2019-2021 had one two-year performance period (2019-2020) and one one-year performance period (2021). The performance measure for the performance period 2019-2020 was cumulative cash flow from operating activities. The achievement level of this two-year period was 75%. The earning criterion for the performance period 2021 was EBIT. The criterion was not met and thus, there was no pay-out for this period.

The main structure was complemented with a Restricted Share Plan 2019-2021 with one three-year vesting period, and the plan included a financial criterion that is measured based on the average achievement of a three-year period ROCE. The cumulative ROCE was positive and thus the earning criterion for the period was met.

#### LTI 2019-2021

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Performance Period 2019-2020:  
75% outcome for Operative Cash Flow.

---

Performance Period 2021:  
Outcome based on EBIT 2021.  
Performance for 2021 was below threshold.

---

Restricted Share Plan 2019-2021:  
Rewards earned if average ROCE 2019-2021 is positive.  
The performance measure was positive.

---

The performance/vesting periods of the Company's long-term incentive plan 2019-2021 have ended. HKFoods informed in April 2021 on the Board's decision to change the payment schedule of LTI 2019-2021 to ensure relative alignment of rewards with the Company's long-term performance and shareholder returns. According to the new payment schedule, part of the rewards for LTI 2019-2021 earned were paid during 2022-2023, with the remainder deferred and paid during 2024-2025. The deferred rewards will be paid based on the minimum requirements set by the Board on the Company's total shareholder return (TSR) and profitability. The Board has set a maximum limit on the cost of deferred reward.

The minimum requirements for the deferred rewards for 2024-2025 were not met and thus, no deferred rewards were paid in 2024-2025.

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## Long-term incentive plan 2023-2027

In April 2023, HKFoods announced a new Performance Share Plan for the CEO with one five-year performance period covering the financial years 2023-2027. The potential rewards based on the plan will be paid in three instalments, by the end of May 2026, May 2027 and May 2028. The rewards of the plan are based on EBIT 2023 (10% weight), EBIT 2024 (10% weight), EPS during 2023-2027 (50% weight) and the Company's debt service capacity during 2023-2027 (30% weight).

The achievement level of the earning criterion based on EBIT 2023 was 77%, and the total number of shares earned with a 10% weighting was 149,139 shares. The achievement level of the earning criterion based on EBIT 2024 was 100%, and the total number of shares earned with a 10% weighting was 194,445 shares. The earned reward will be paid out in 2026-2028.

The rewards payable based on the performance period 2023-2027 correspond to the value of approximately 1.9 million HKFoods Plc shares in maximum total, including the cash portion. The reward payable on the basis of the Performance Share Plan will be capped if the limits set by the Board for the reward payable for the performance period 2023-2027 are reached.

| Long-term Incentive Plan                    | 2023-2027      |
|---|----------------|
| <b>Allocated shares</b>                     |                |
| Maximum number of shares granted (gross)    | 1,944,445      |
| Grant date                                  | 3.4.2023       |
| Share price at grant, EUR                   | 0.781          |
| <b>Shares earned</b>                        |                |
| <b>Number of shares earned (gross)</b>      | <b>343,584</b> |
| <b>Shares to be delivered in 2026-2028*</b> |                |
| Number of shares delivered (gross)**        | 343,584        |

\*The total number of shares to be delivered will be confirmed at the time of payment in 2026.

\*\*The net amount, after taxes, is estimated to be approximately half of the gross number of shares.

## Remuneration of the Deputy CEO

### Deputy CEO's total remuneration 2025

| EUR            | Base salary | Short-term Incentive <sup>1</sup> | Benefits | Pension <sup>2</sup> | Total   |
|----------------|-------------|-----------------------------------|----------|----------------------|---------|
| Markku Suvanto | 314,748     | 99,540                            | 4,555    | 60,000               | 478,843 |

<sup>1</sup> FY 2025, the relative share of the incentives was 21% of the total remuneration. Due remuneration to be paid in 2026 is EUR 25,200.

<sup>2</sup> Pension paid as a cash allowance for acquiring the pension.

In 2025, Markku Suvanto's remuneration consisted of fixed components, such as fixed base salary and fringe benefits, supplementary defined contribution pension, and variable component in the form of a short-term incentive.

In addition to the Finnish statutory pension plan, the Deputy CEO Markku Suvanto is covered by a supplementary defined contribution pension plan, which provides a retirement benefit based on the accrued savings capital. The supplementary pension plan is financed in full by the employer and the contribution is 20% of annual salary. If the Deputy CEO's contract ends before retirement age, he is entitled to retain the accrued savings. The retirement age will be determined by the Finnish statutory pension plan for the Deputy CEO Markku Suvanto.

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