VERMAN

A FINNISH FAMILY COMPANY

Sustainability Report 2025



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Introduction



Story of Verman

Verman Holding Oy

Verman Holding is a Finnish family business. Our company's history started in 1987 when Seppo Vertanen founded Oy Verman Ab, focusing on pharmaceuticals and over-the-counter products. The company has grown to become one of the leading family-owned companies in the Nordics in its field. The key drivers to the success of Verman have been organic growth and acquisitions. Today, Verman holds many market-leading products in its portfolio.

As a result of the growth and acquisitions, the group structure was redefined at the start of 2019. Oy Verman Ab changed its name to Verman Group Oy, and the business activity was transferred to a new company that continued with the old familiar name of Oy Verman Ab. During 2023, the name of Verman Group Oy was changed to Verman Holding Oy, which best demonstrates the company's role. Verman Holding Oy owns 100 percent of Oy Verman Ab.

Three generations of the family are currently represented on the board of Verman Holding Oy. Verman Holding conglomerate's revenue in 2025 was 82 M€.



Lactrase, lactase enzyme was part of Verman's initial product range.

Verman in numbers

Finnish entrepreneurship for almost

40 years

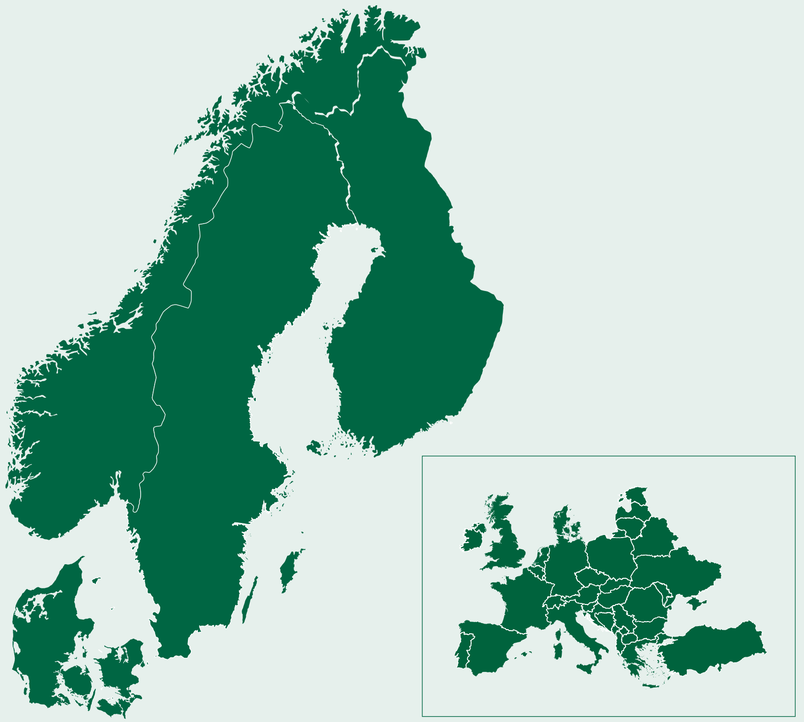
Founded

1987

Personnel 2025

162

Finland **68%** | Others **32%**



Products

689

Ebitda 2025

8,9 %

Revenue 2025

82 M€

Values

Verman's values form the foundation of everything we do. They guide our decision-making, shape how we operate, and are reflected in our everyday choices as well as in our long-term development work. Our values were created together with our employees, the people who make Verman what it is.

Our calling is to better lives, and our shared value base ensures that we pursue this purpose consistently and responsibly. Our values strengthen trust, support collaboration, and encourage us to continuously improve in order to promote better health and wellbeing. They help us build a workplace where everyone can succeed. They also guide us in operating with long-term commitment, always aligned with the expectations of the people whose wellbeing we aim to support.





We win together.

We foster a winning culture by celebrating our successes, learning from our challenges, and striving for excellence in everything we do. We achieve more together than alone. Through collaboration, sharing our knowledge, and supporting each other, we reach our shared goals.



We stay curious and grow·

We ask questions, challenge the status quo, and constantly develop both our business and ourselves. Openness to new ideas and the drive to grow keep us moving forward.



We take responsibility.

We trust each other. We all take and carry and offer solutions to make things happen.



We improve lives through consumer focus.

We understand consumers' needs and act based on them. We promote well-being and better lives in all that we do.

CEO's message

This report marks an important milestone for us. It is our very first sustainability report, and while our journey is still at an early stage, we are proud to already see concrete progress.

During the past year, we have taken significant steps to better understand our impact and to build a solid foundation for our sustainability work. We have defined our first group-wide sustainability program, improved our emissions calculation, and achieved a substantial reduction in our Scope 1 and 2 emissions. These are important early results that demonstrate our commitment to continuous improvement.

At the same time, we recognize that this is only the beginning. Sustainability is not a one-time effort, but a long-term journey that requires persistence, transparency, and collaboration. We are committed to developing our practices further, setting ambitious targets, and integrating sustainability into everything we do.

I would like to thank our entire team for the dedication, curiosity, and hard work that have made this progress possible. Building a more sustainable future is a shared effort, and I encourage all of us to continue this journey with the same determination and openness to learn.

Together, we are taking meaningful steps toward a more responsible and sustainable future.

Kati Rajala, CEO



Owner’s message

As a family-owned company, our perspective on business has always been long-term. For us, sustainability is not a separate initiative, but a natural extension of how we have built and developed our company over generations.

Family ownership brings continuity, responsibility, and a commitment to future generations. Decisions are not made for the next quarter, but for the years and decades ahead. This mindset guides how we invest, how we grow, and how we take responsibility for our impact on people, society, and the environment.

Over nearly four decades, our company has grown through dedication, trust, and strong partnerships. Today, with three generations involved in our governance, we remain committed to preserving these values while continuing to evolve and respond to changing expectations.

This first sustainability report is an important step in making our work more transparent and structured. It reflects our willingness to develop further and to ensure that our operations remain sustainable in the long run.

We believe that long-term ownership and sustainability go hand in hand. By staying true to our values and taking responsibility today, we can build a stronger and more resilient company for the future.

Janne Vertanen
2nd Generation Owner



Sustainability



Sustainability governance

Sustainability management at Verman

At Verman, sustainability is an integral part of our strategic leadership and everyday operations. Our sustainability model is built on clear targets, transparent monitoring, and continuous improvement. Key focus areas include environmental responsibility, high-quality and safe production, employee well-being, and ethical business practices. Our work is guided by the company's values, well-defined processes, and close collaboration with stakeholders. This ensures that sustainability is embedded throughout the entire value chain and supports long-term growth.



Verman Holding Board of Directors

Provides ownership-level oversight, oversees sustainability governance and ensures strategic alignment. Gives the final approval for the sustainability report

Verman Group Board of Directors

Decides on the sustainability agenda and follows its progress. Approves the sustainability report.

CEO and Management Team

Oversees the implementation of the sustainability program and the progress of reporting. Approves sustainability related policies, processes, measures, and metrics.

ESG Steering Group

Guides responsibility-related actions, such as monitoring plans and roadmaps, as well as sustainability reporting. Tracks the progress of sustainability efforts and decides on proposals to be submitted to the management team.

Sustainability Manager

Prepares proposals for the development of sustainability and is responsible for the planned implementation of the sustainability program, as well as for monitoring and ensuring the achievement of the set targets

Business Units

Responsible for implementing the responsibility program according to the plan and ensuring that necessary measures are carried out locally.

Sustainability highlights 2025

1.

Significant reduction energy-related emissions

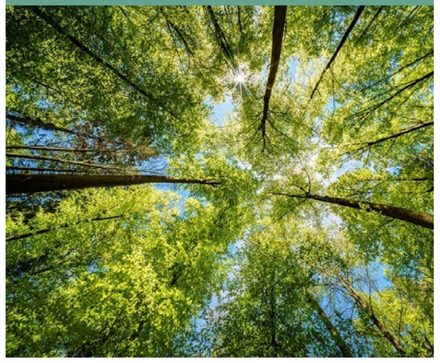
Our absolute Scope 1 and 2 emissions (market-based) decreased by 86% compared to 2024, driven by our transition to low-emission electricity across all our operations.



2.

First group-wide sustainability program defined

We developed our first group-level sustainability program, including defined targets. The program is published alongside this report and it provides a clear framework for steering our sustainability work in the coming years.



3.

SBTi target-setting project initiated

We launched a project to define Science Based Targets (SBTi) at group level in October 2025. At the same time, we developed our emissions calculation towards more mass-based data.



4.

Transition to recycled materials in packaging

We initiated a shift toward using recycled materials in our packaging. In 2025, the packaging material for the Nordic by Nature product portfolio was **switched to 100% recycled plastic.**



5.

Strengthening value chain responsibility

We launched a supplier survey to better understand our partners' sustainability practices. The results will help us identify development needs, prioritise actions, and guide future collaboration.



Sustainability program and targets 2026-2030

Sustainability theme		Objective	Indicator	Progress in 2025
Climate /Nature	Climate actions	We take responsibility for limiting global warming by setting science-based emission reduction targets. These targets form the foundation for our future climate work and related actions. We engage our suppliers in climate action by recommending science-based emission reduction targets and monitor their progress in climate action annually.	• Progress in climate action and achieved emission reductions	Total carbon footprint of Verman Group was 14 272 t CO_2 eq (market-based). We achieved a reduction of 86% in Scope 1 and 2 emissions compared to 2024. At the end of 2025, we initiated a project to set SBTi targets.
			• Percentage of suppliers that have set science-based climate targets.	Of the suppliers who responded to our sustainability survey, 14% have set SBTi-validated science-based targets. In addition 7% of the respondents have other climate targets aligned with the Paris agreement 1,5 ´C scenario.
	Resource use & circular economy	Our goal is to promote sustainable and responsible resource use across all our operations. We aim to minimize environmental impacts and support the circular economy through concrete actions. We reduce food waste by planning procurement and production based on actual consumption needs. In product packaging, we avoid unnecessary materials and choose recyclable packaging whenever possible. We monitor our waste recycling rate and strive to ensure that as much waste as possible is reused.	• Improved monitoring of process waste and scrapping for more effective future targets and actions on waste-reduction.	We have started developing group level metrics for process waste and scrapping. This work has been initiated at our Finnish production sites and will be expanded to other entities.
			• Waste recycling rate	The recycling rate of waste in 2025 was 72 %.
People	Consumers & end-users	We manufacture and market safe, high-quality products for consumers. We fulfill our product promises and market our products responsibly.	• Results of BRC and FSSC audits	We maintained the food safety certifications for our production facilities in Finland. For 2025, our factories were awarded the FSSC 22000 certification and the BRC certification with an A+ grade.
	Own workforce	Our company's success is built on employees who are healthy, motivated, and skilled. We support employee well-being and work ability, ensure equal treatment and a diverse workplace, and provide opportunities for continuous competence development. Our goal is to create a work community where everyone feels engaged, safe, valued and can grow in their role.	• Number of occupational accidents • Sick leave percentage • Employee survey average scores	• In 2025, we had 9 work-related accidents in Verman Group. • Sick leave percentage was 3 % (weighted average for the Finnish subsidiaries). • Employee survey average scores; "All employees are treated equally" 3,92 (+0,16) "My employer cares about the personnel's well-being at work" 3,80 (+ 0,08).
	Workers in the value chain	We want to ensure that the people behind our products work in safe and fair conditions. Principles of social responsibility are embedded in our company's Code of Conduct. We require all our suppliers to commit to the Code of Conduct as part of the supplier approval process. We build a transparent and responsible value chain by conducting a value chain mapping to identify social responsibility risks and planning actions to promote social responsibility.	• Development of action plan for social responsibility improvements in the value chain.	We updated our Code of Conduct, which now includes a broader coverage of social responsibility topics. We conducted a supplier survey to assess the current state of their sustainability practices including the aspects of social responsibility.

Sustainability program and targets 2026-2030

Sustainability theme		Objective	Indicator	Progress in 2025
Business conduct	**Business ethics**	We require all our suppliers to comply with our ethical principles in their own operations and throughout their value chains. We provide annual training for our own employees on ethical principles. We have zero tolerance for corruption and bribery.	• Number of bribery and corruption cases • Updated Code of Conduct • Code of Conduct training for employees annually	There were zero cases of corruption or bribery. The Code of Conduct documents were updated, and we created separate versions for suppliers and employees. Training for employees about the code of conduct will be arranged during 2026.
	Responsible sourcing	We strengthen supplier collaboration to drive sustainability across the supply chain. We monitor progress annually and actively support suppliers through guidance, dialogue, and joint initiatives to build a transparent and sustainable value chain. We strive to use responsibly certified raw materials, especially in categories identified as socially or environmentally critical, such as cocoa, palm oil, fish oil, and soy. We track the share of certified raw materials in these categories and aim to increase this share in the coming years.	• Supplier survey response rate • Collaboration initiatives with suppliers to improve supply chain sustainability	The response rate of the supplier survey was 40 %. Starting from 2026 sustainability will be included as a topic in supplier meetings to enable open discussions on responsibility-related matters with our suppliers.
			• Share of certified raw materials with elevated sustainability risks (coca, palm oil, soy, fish oil) cal culated as a percentage (%) of raw materials used in production.	49 % of cocoa Rainforest Alliance certified. 100 % of palm oil RSPO certified. 67 % of soy ingredients RTRS certified. 98 % of fish oil Friend of the Sea certified.
	Business growth and profitability	Our strategy is centered on profitable business growth. Growth targets are defined as part of our long-term strategic planning and annual business planning processes.	• Group revenue • Group EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	In 2025, the Group's revenue totaled 82,1 million EUR, and EBITDA reached 8,9 million EUR, reflecting our continued focus on sustainable growth and operational efficiency.









We are committed to advancing the UN Global Goals across our operations and value chain. We have identified the goals where our business can make the most meaningful impact. These priority goals form the foundation of our sustainability program and guide our actions and continuous improvement across our operations and value chain.

General information



Basis of reporting

This sustainability report for the year 2025 is the first sustainability report published by Verman Holding Oy and it focuses on the operative business of the company by Oy Verman Ab and its subsidiaries. The report has been prepared in accordance with the **EU's Voluntary Sustainability Reporting Standard for SMEs (VSME).** Reporting has been carried out in line with Option B of the standard, meaning that both the basic and comprehensive modules are included. The report has been prepared on a consolidated basis and covers all subsidiaries of the company. The exact geographic coordinates of the facilities have not been provided. Instead, only address-level information has been reported.



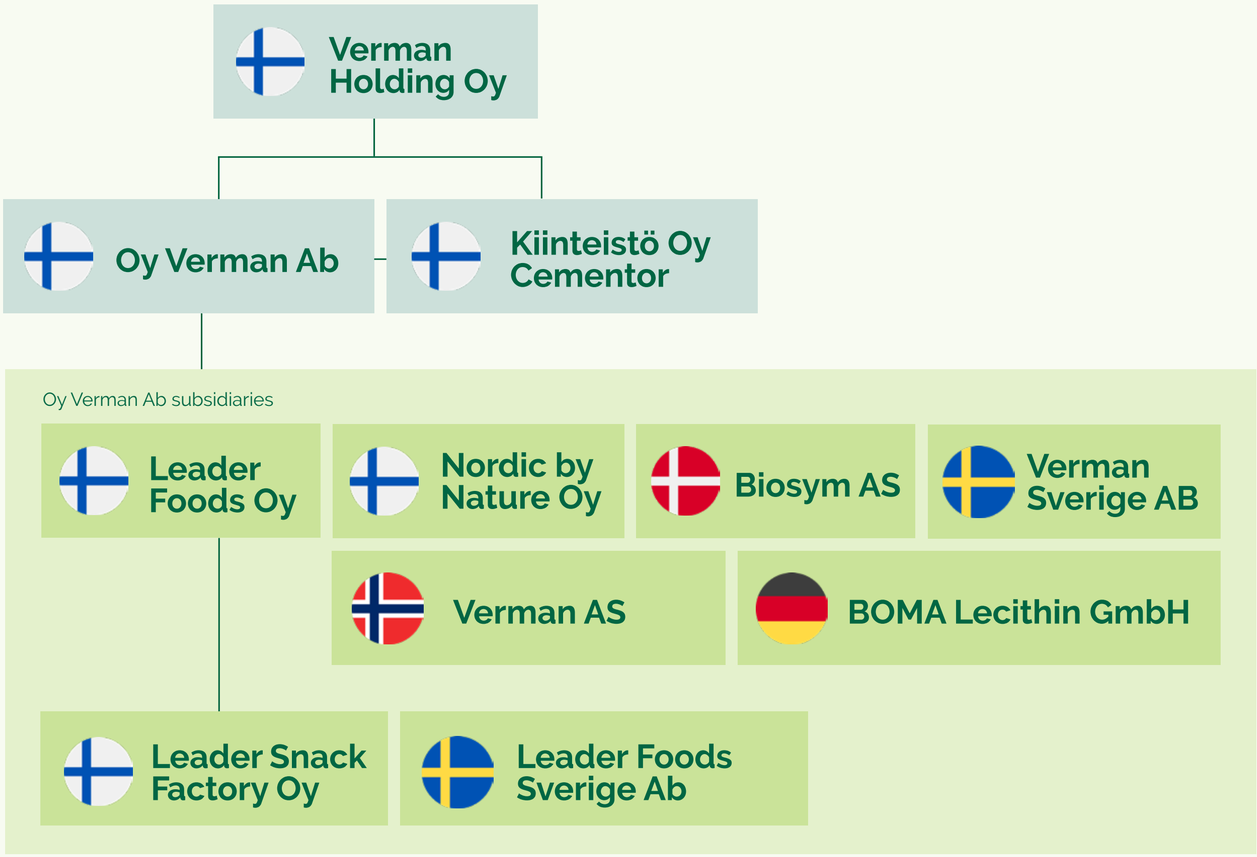
Group structure

Verman Holding Oy acts as the parent entity of the Verman Group. The core business is carried out by its wholly owned subsidiary Oy Verman Ab, which develops and markets health and well-being products. The Group includes the following subsidiaries: Leader Foods Oy, Leader Snack Factory Oy, Nordic by Nature Oy, Biosym A/S, Verman Sverige AB, Verman AS, Boma Lecithin GmbH and Kiinteistö Oy Cementor. Leader Foods Sverige Ab acts as a non-operational company.

Verman has operational activities in Finland, Sweden, Norway, Denmark and Germany. Through Nordic by Nature's e-commerce operations, we reach international online markets, including the UK, Spain, Italy, Germany, France, Poland and Japan.

This group structure supports Verman's long-term growth, international expansion and investment strategy, while the family-owned governance model provides stability and continuity.

Nordic Nutraceuticals Ltd., whose operations were discontinued in December 2025, and Verman Nutrition Oy, which was merged into Oy Verman Ab, have been excluded from the figure. In addition, associated companies are not shown.



Group structure of Verman Holding Oy

	The undertaking's name & legal form	NACE sector classification code(s)	Size of the balance sheet (M€)	Turnover (M€)	Headcount	Address/Country of primary operations
VERMAN HOLDING	**Verman Holding Oy**	4646 Wholesale of pharmaceutical goods	40.0	82,1* 3,1**	3	PL 164, 01510 Vantaa, Finland
VERMAN	**Oy Verman Ab**	46461 Wholesale of pharmaceutical goods	44,8	30,8	78	Äyritie 8 C , 01510 Vantaa, Finland
	Kiinteistö Oy Cementor	6820 Other renting and operating of own or leased real estate	6,1	0,9	0	Äyritie 8 C, 01510 Vantaa, Finland
	Verman Sverige Ab	4646 Wholesale of pharmaceutical goods	1,5	2,6	2	Styrmansgatan 4, 114 54 Stockholm, Sweden
	Verman AS	4638 Wholesale of other food products	0,5	1,2	1	Øvre Rælingsveg 89A , 2005 Rælingen, Norway
Leaderfoods	**Leader Foods Oy**	4638 Wholesale of otherfood products	8,8	21,4	41	Äyritie 8 C, 01510 Vantaa, Finland
	Leader Snack Factory Oy	1086 Manufacture of homogenised food preparations and dietetic food	3,2	9,0	16	Äyritie 8 C, 01510 Vantaa, Finland
	Leader Foods Sverige Ab	Company inactive	0	0	0	Luntmakargatan 49, 11137 Stockholm, Sweden
AAVALABS®	**Nordic by Nature Oy**	4791 Retail sale via mail order houses or via Internet	3,1	12,1	2	Lönnrotinkatu 5, 00100 Helsinki Finland
BIOSYM	**Biosym A/S**	4646 Wholesale of pharmaceutical goods	9,7	11,9	18	Lene Haus Vej 25, 7430 Ikast, Denmark
Boma Lecithin	**Boma Lecithin GmbH**	46189 Agents specialised in the sale of particular products n.e.c.	0,1	0,3	1	Benzstraße 1, 35799, Merenberg, Germany

The figures in the table are presented per legal entity and do not represent consolidated data unless otherwise stated. *Consolidated turnover Verman Holding Group. **Unconsolidated turnover Verman Holding Oy.

Sustainability-related certifications and labels

Certifications play a key role in ensuring that our operations and products meet internationally recognized standards for quality, safety, and responsibility. They provide transparency and credibility, demonstrating our commitment to sustainable practices across the value chain. In this section, we provide a description of sustainability related certifications that guide our work.

Label	Certification	Description	Scope	Issuer and date
BRCGS Food Safety CERTIFICATED	**BRC (A+)**	**The BRC (British Retail Consortium)** certification is an internationally recognized standard for food safety and quality management. It ensures that products are manufactured in compliance with strict hygiene, safety, and quality requirements, providing confidence to customers and stakeholders.	Leader Snack Factory Oy (Toholampi factory)	Bureau Veritas 5.11.2025
FSSC 22000	**FSSC22000**	**FSSC 22000** is a globally acknowledged food safety certification based on ISO standards. It demonstrates that our production processes meet rigorous requirements for food safety management, ensuring consumer protection and compliance with international regulations.	Leader Foods Oy (Kerava factory)	Bureau Veritas 11.11.2025
RAINFOREST ALLIANCE	**Rainforest Alliance**	**Rainforest Alliance** certification promotes sustainable farming practices that protect biodiversity, improve livelihoods, and mitigate climate change. It ensures that raw materials are sourced responsibly, supporting environmental and social sustainability.	Leader Foods Oy Leader Snack Factory Oy (cocoa ingredients)	Ceres 23.5.2025
FRIEND OF THE SEA	**Friend of the Sea**	**Friend of the Sea** certification verifies that seafood and marine-based products originate from sustainable fisheries and aquaculture. It supports the preservation of marine ecosystems and responsible sourcing practices.	Leader Foods Oy (fish oil ingredients and products)	Friend Of the Sea -organization
FI-EKO-201	**Organic Certification**	**Organic certification** guarantees that products are manufactured according to strict organic farming principles, avoiding synthetic pesticides and fertilizers. It reflects our commitment to sustainable agriculture and natural production methods.	Leader Foods Oy Leader Snack Factory Oy	The Finnish Food Authority 2.9.2025
SUOMALAISTA PALVELUA	**The Key Flag Symbol (Avainlippu)**	**The Key Flag Symbol (Avainlippu)** indicates that a product or service is produced in Finland and supports Finnish employment. By using the Avainlippu logo, we demonstrate our commitment to domestic production and responsible business practices that contribute to local economic sustainability.	Oy Verman Ab Leader Foods Oy	n/a

Business model and sustainability – related initiatives

Business model

Verman Holding Oy acts as the parent company of the Verman Group and is responsible for strategic ownership steering, long-term business direction and the integration of sustainability into the Group's governance. Verman's purpose is **"Our calling is to better lives,"** and its vision is to **"Be the preferred choice in daily nutrition, health and wellbeing."**

Operational activities are carried out by the Group's subsidiaries, which develop, manufacture and distribute a broad range of health promoting and supporting products, including dietary supplements, medicines, medical devices, sports nutrition products, outdoor meals and healthy snacks. The Group operates through multiple sales channels, including retail, pharmacies, hospitals and healthcare providers, e-commerce platforms and health food stores, enabling strong market reach across product categories.

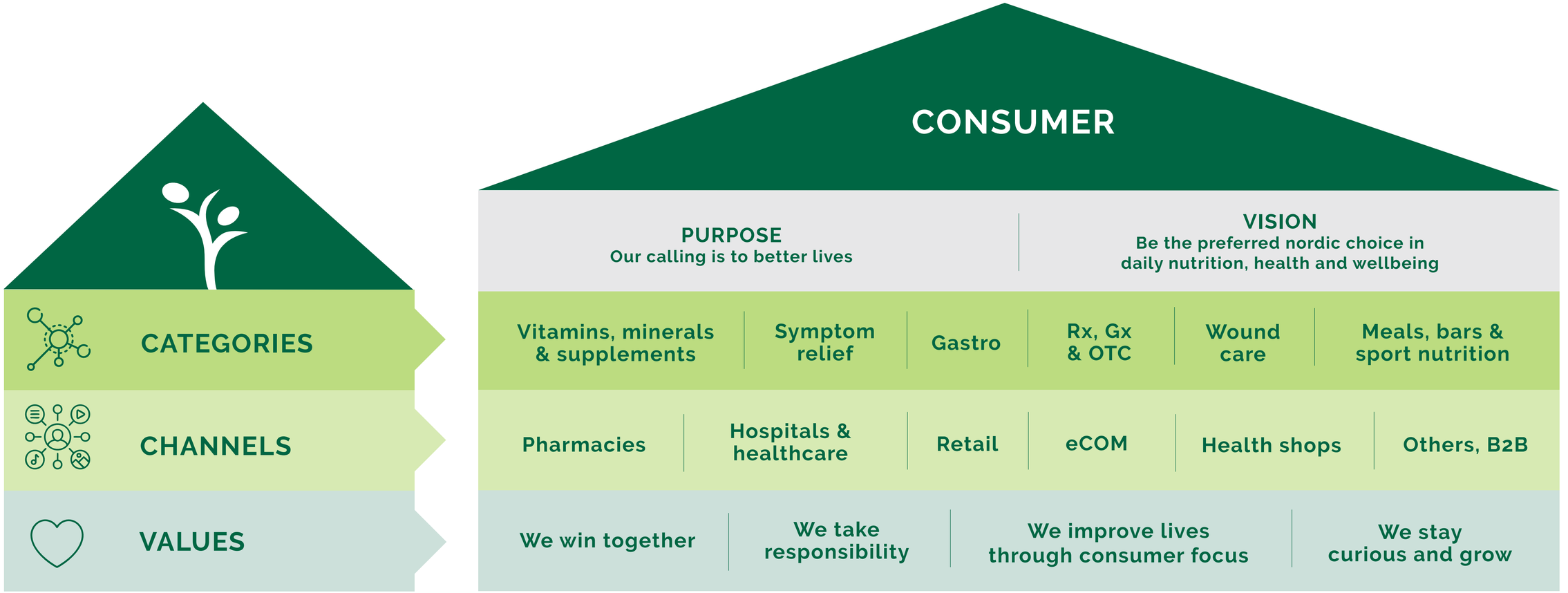


Operations include two manufacturing facilities located in Finland, where the company produces dietary supplements, sports nutrition products, outdoor meals and healthy snacks. In addition, the Group operates a packaging facility in Denmark through its subsidiary Biosym A/S, where dietary supplements are packaged for Nordic and international markets.

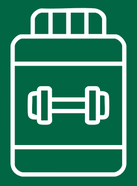
Verman's core markets are in Finland and the Nordic countries, where the company maintains its strongest presence. The Group has operational activities in Finland, Sweden, Norway, Denmark and Germany, forming a solid Northern European market base. In addition, through Nordic by Nature's e-commerce operations, Verman's products reach international online markets including the UK, Spain, Italy, Germany, France, Poland and Japan. The subsidiaries manage day-to-day operations within their respective markets while following Group-wide objectives and guidelines.



Strategy


CONSUMER
PURPOSE
Our calling is to better lives
VISION
Be the preferred nordic choice in daily nutrition, health and wellbeing
CATEGORIES
Vitamins, minerals & supplements
Symptom relief
Gastro
Rx, Gx & OTC
Wound care
Meals, bars & sport nutrition
CHANNELS
Pharmacies
Hospitals & healthcare
Retail
eCOM
Health shops
Others, B2B
VALUES
We win together
We take responsibility
We improve lives through consumer focus
We stay curious and grow

Products and distribution channels

Prescription medicines	OTC medicines	Medical devices	Nutritional supplements	Sports supplements	Wound Care
					
Pharmacies	Pharmacies	Pharmacies	Pharmacies, grocery stores, health food stores, and online stores	Grocery stores, online stores	Hospitals, healthcare facilities and pharmacies

Stakeholder engagement

Verman's responsibility work is built on active collaboration with diverse stakeholders. Open dialogue and long-term partnerships help us understand expectations, share knowledge, and create sustainable solutions throughout our value chain. By engaging with employees, customers, consumers, suppliers, authorities, and other key groups, we aim to promote transparency, trust, and continuous improvement in all areas of our operations.

Local communities

Areas where production facilities are located; societal impact

Media and communication channels

Public image; sustainability communications.

Employees

Employees at all levels, work well-being, training, work ability management.

Distributors and business partners

Wholesalers, pharmacy chains, and healthcare distribution networks. Strategic partners involved in market access, co-marketing, and collaborative projects.

VERMAN

Customers

Pharmacies, grocery stores, health food stores, hospitals, retail and other business clients.

Consumers

End-users of medicines, dietary supplements, and wellness products.

Associations and industry organizations

National and international associations and professional organizations connected to the pharmaceuticals, dietary supplement and food sectors

Owners and financial institutions

Company owners; potential financiers

Suppliers and subcontractors

Suppliers of raw materials, packaging materials, finished products and services. Logistics and transportation partners, maintenance, cleaning, and technical services)

Environment and future generations

Use of natural resources; climate impacts; circular economy.

Authorities, regulatory bodies, societal decision makers

Pharmaceutical and food safety authorities; environmental authorities.

Value chain

Verman's value chain describes the key stages through which value is created from sourcing raw materials to delivering products to customers and finally managing product end-of-life. The value chain is presented in three stages: Upstream, Own operations and Downstream, supported by core Support functions that enable efficient and responsible operations across the entire chain.



Upstream

Covers all goods and services purchased by Verman that enable production and operations. This stage includes supplier networks, contract manufacturers and logistics of inbound materials.

Suppliers and partners

- Raw materials, ingredients and packaging materials
- Contract Manufacturing Organisations
- Service providers

Logistics

- Inbound logistics and transportation
- Logistics partners
- Finished products from CMOs



Own operations

Includes all activities under Verman's direct control, including production sites, quality processes, internal logistics and product portfolio.

Category Management

- Pharmaceuticals (Rx/OTC), medical devices, food supplements, wound care, sports nutrition, outdoor meals and healthy snacks
- Managing development and performance of product categories
- Steering category strategies

Product Development and Regulatory

- Developing new products and formulations.
- Ensuring compliance with regulatory requirements.
- Managing product registrations and documentation

Sourcing

- Selecting and managing suppliers
- Ensuring supplier compliance
- Monitoring supplier performance

Internal Warehousing & Logistics

- Warehousing of own production
- Managing internal material flows
- Inventory management

Operations and Quality Assurance

- Managing production:
  - Toholampi Factory, Finland,
  - Kerava Factory Finland,
  - Biosym Denmark
- Ensuring product quality
- Maintaining certifications
- Coordinating production planning

Marketing, Sales & Consumer Engagement

- Brand, marketing and communication activities.
- Managing sales across all channels and markets.
- Engaging consumers



Downstream

Covers the channels and partners through which Verman's products reach customers and how consumers use and dispose of them.

Warehousing & Distribution

- External warehouses
- Distribution centres

Logistics

- External logistics providers
- Outbound transportation of finished products to the customers and retailers.

Customers & Use of products Pharmacies

- Retail
- Natural product stores
- eCommerce
- Hospitals
- Consumers
- Customer guidance

End of life

- Recycling
- Waste handling
- Packaging disposal practices



Support functions

Support functions strengthen the entire value chain and contribute to responsible, efficient and compliant operations.

IT and Digital solutions

Finance & Administration

Human Resources

Sustainability practices and future initiatives

Topic	Existing sustainability practices, policies or future initiatives YES/NO	Are they publicly available? YES/NO	Do the policies include targets? YES/NO	Description of practices, policies and future initiatives along with their actions	Description of future initiatives and targets
Climate change	YES	YES	YES	**Policies:** • Environmental Policy **Practices:** • Group emissions calculation • Updating electricity contracts to low-emission energy • Assessing the current state of climate work among partners	• Setting SBTi targets for emission reductions • Climate transition plan • Recommendation for suppliers to set science-based emission reduction targets • Transition to renewable and CO_2-free energy • Regular monitoring of suppliers' sustainability progress through supplier survey
Circular economy	YES	YES	YES	**Policies:** • Environmental policy **Practices:** • Actions and plans related to recycling, waste reduction, and waste management • Improving production waste monitoring and implementing measures to minimize waste • Replacement of virgin plastic to rPET in AavaLabs product portfolio	• Transition to recycled packaging materials • Minimization of packaging material • Development projects for monitoring waste and scrapping at group level
Own workforce	YES	YES	YES	**Policies:** • Group values • Code of Conduct for employees • Model for preventing harassment at work • Information security and data protection guidelines **Practices:** • Personnel data processing practices • Work ability management plan • Occupational safety action program • Annual target setting & development discussions • Workplace development plan (incl. Training Plan and Equality & Non-Discrimination Plan)	• Development of the work ability management plan according to agreed objectives. • Continuing preparatory actions to meet the requirements of the EU Pay Transparency Directive • Strengthening proactive occupational safety measures, including encouraging employees to report safety observations. • Further embedding the updated company values into daily practices and ways of working. • Improving sustainability communications internally
Workers in the value chain	YES	YES	YES	**Policies** • Code of conduct for business partners **Practices** • Updating the supplier approval process • Assessing the current state of suppliers' sustainability work through supplier survey	• Plan for developing sustainability in the value chain • Co-operation with the suppliers • Regular monitoring of suppliers´sustainability progress through supplier survey
Consumers and end-users	YES	YES	YES	**Policies** • Food safety and Quality culture policy **Practices** • Dedicated teams for QA & RA and Consumer Engagement • Our Finnish production sites operate under BRC and FSSC 22000 certifications, ensuring the food safety and quality management	• Improving sustainability communications • Maintaining production quality and safety certifications • Practicing responsible marketing and communication • Developing products that promote well-being
Business conduct	YES	YES	YES	**Policies** • Code of conduct for business partners • Code of conduct for employees **Practices** • Sustainability program • Compliance with regulation • Whistle blowing channel	• Organize training for our personnel on ethical business principles • Include sustainability on the agenda of regular supplier meetings to promote open dialogue and information sharing

Double materiality analysis

Verman conducted a double materiality analysis (DMA) to identify the sustainability topics most relevant to both the company and its stakeholders. The analysis examined two perspectives: (1) how Verman's operations impact people, the environment and society, and (2) how sustainability-related risks and opportunities may influence Verman's business.

The DMA was carried out to meet upcoming reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The assessment was completed in two phases: the initial analysis in spring 2024 and an update in December 2024.

The DMA resulted in the identification of six material sustainability topics—two of them related to environmental issues, three to social sustainability and one to good governance and ethical business. These topics form the basis for Verman's sustainability efforts and guide both the planning of our sustainability work and the development of our sustainability program.

Verman´s material sustainability topics



Environment



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Energy & greenhouse gas emissions

We have calculated the Group's emissions since 2022 following GHG Protocol and expanded the scope of calculation year by year. The 2025 inventory covers all emission categories, with the exception of Scope 3 Category 15 (Investments), which is currently excluded due to limited data availability. Carbon footprint is calculated based on the Greenhouse Gas (GHG) Protocol standards: Corporate standard and Corporate value chain (Scope 3) standard.

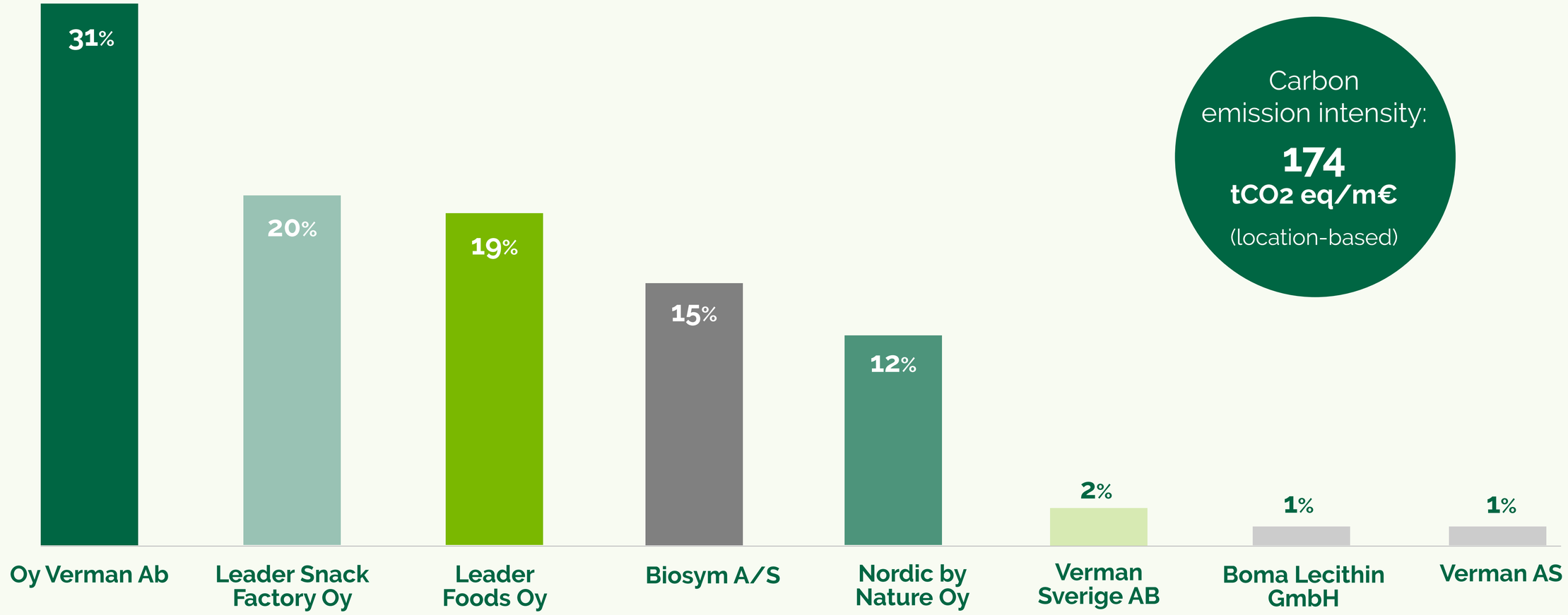
Greenhouse gas emissions are largely generated within the value chain: 98,8 % of total emissions (market-based) come from Scope 3 categories. Direct emissions from our own operations (Scope 1) account for approximately 1%, while Scope 2 emissions represent 0,2 % of our total footprint (market-based).

In 2025, our absolute Scope 1 and Scope 2 emissions (market-based) decreased by 86% compared to 2024, primarily due to updates to our purchased electricity contracts and shifting to CO_2-free or renewable electricity across all our own operations. At the same time, Scope 3 emissions increased by 9%, mainly as a result of higher purchase volumes during 2025. Our Scope 3 emissions are largely estimated using a spend-based methodology, providing an indicative view of emissions across our value chain.

Verman Group greenhouse gas emissions in 2025

Scope 1-3 & total GHG emissions	GHG emissions (tCO2e)
Scope 1	131
Scope 2 (market-based)	34
Scope 2 (location-based)	86
Scope 3	14 107
Category 1: Purchased goods and services	12 802
Category 2: Capital Goods	153
Category 3: Fuel- and enegry-related activities	47
Category 4: Upstream transportation and distribution	526
Category 5: Waste generated in operations	9
Category 6: Business travel	87
Category 7: Employee commuting	179
Category 8: Upstream leased assets	0
Category 9: Downstream transportation	286
Category 10: Processing of sold products	0
Category 11: Use of sold products	9
Category 12: End-of-life treatment of sold products	9
Category 13: Downstream leased assets	0
Category 14: Franchises	N/A
Category 15: Investments	Excluded
Total (Scope 1 + Scope 2 market based + Scope 2)	14 272
Total (Scope 1 + Scope 2 location based + Scope 2)	14 324

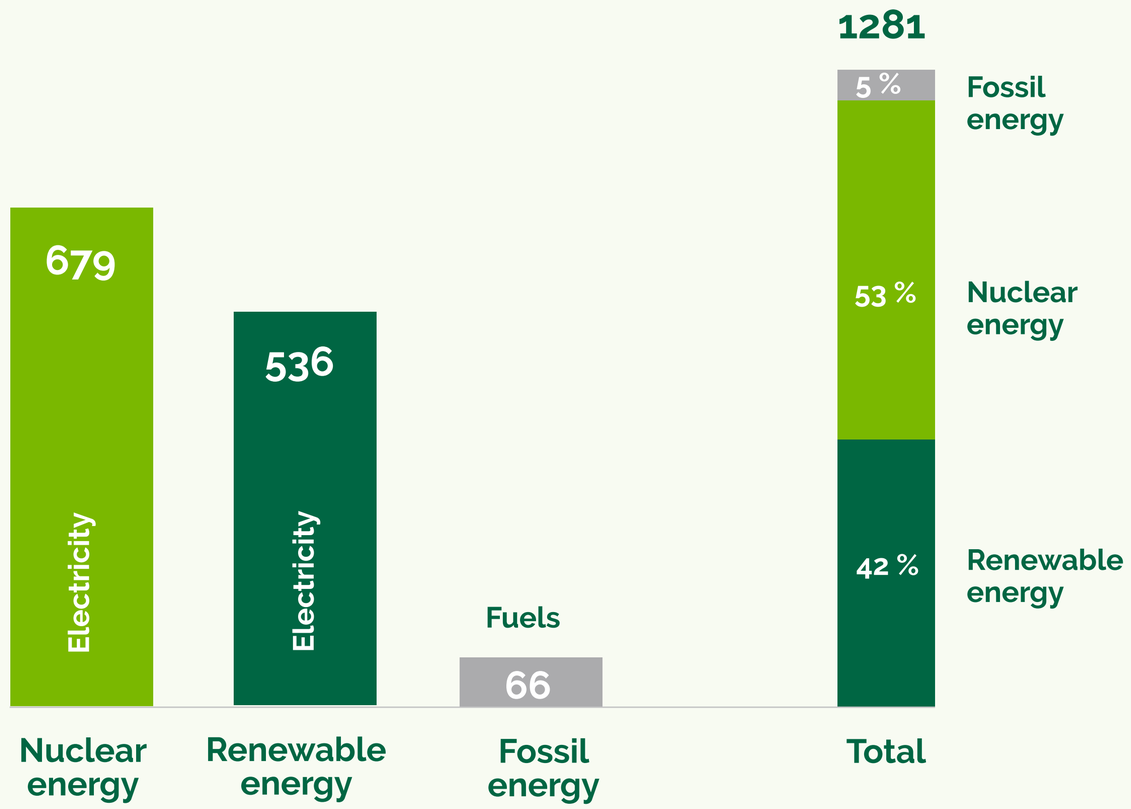
Greenhouse gas emissions share per legal entity %



The majority of the Group's energy consumption arises from our own production facilities in Finland and Denmark. These sites account for most of our electricity and heat use, and we prioritise low-emission solutions in all our energy choices. All electricity used in our own operations is sourced from carbon-free (CO_2-neutral) or renewable energy. In addition to our production facilities, the Group's energy use also includes office premises in Finland, Denmark, Sweden and Germany. Verman AS in Norway and Nordic by Nature operate without a physical office location. The fuel used within the Group consists primarily of natural gas, which is utilized for heating at the Biosym site in Denmark.

We expect our suppliers to operate responsibly and to minimise the negative environmental impacts of their activities while promoting positive impacts throughout the value chain. Suppliers are encouraged to set science-based climate targets, and we monitor their progress in climate actions on a regular basis.

Energy consumption (MWh) 2025



GHG reduction targets, climate transition and climate risks

We are committed to conducting annual Group-level greenhouse gas calculations in accordance with the **GHG Protocol**, covering all emissions from our business operations across Scopes 1, 2 and 3. These results are reported annually as part of our sustainability monitoring. Climate-related risks have been assessed as part of our double materiality analysis and are also integrated into the Group's overall risk assessment. Verman Group has not yet established formal environmental targets or a climate transition plan.

In October 2025, we initiated the process of defining science-based emission reduction targets. These targets will be developed in alignment with the Science Based Targets initiative (SBTi). We will also prepare a climate transition plan that outlines the measures and timeline required to achieve the emission reduction targets. As part of this work, climate-related risks will be assessed to support long-term risk management and decision-making.

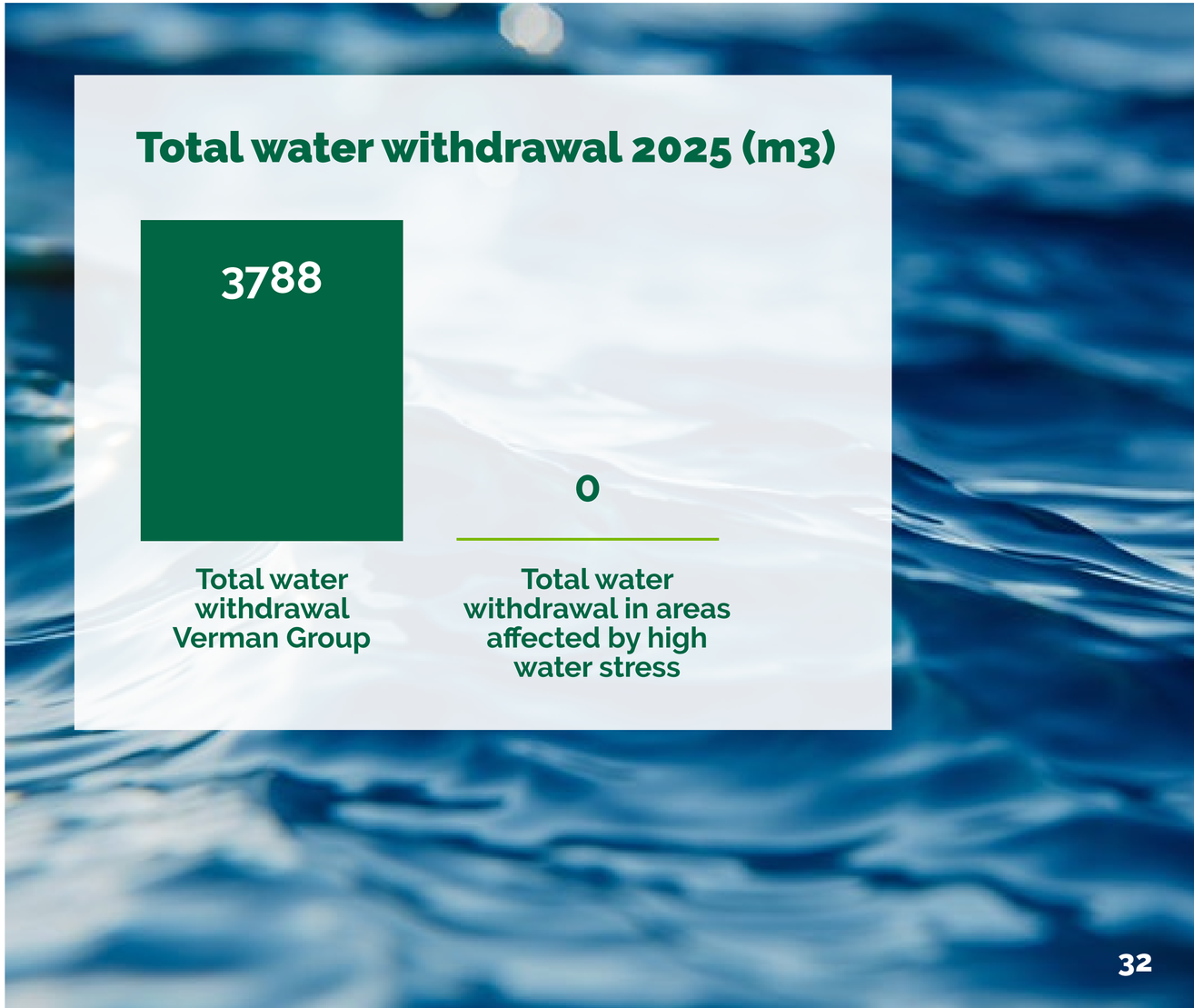


Water

Water plays a limited but essential role in our operations. While our products require very little water in their manufacturing, water is a critical component of the cleaning processes in our production facilities. We monitor water consumption in our production and report on it annually. We continuously seek ways to reduce water use while ensuring the required level of process hygiene.

In addition to production operations, water consumption also arises from the use of office premises, although the volume of water used in offices is very limited. Monitoring water withdrawal in office premises is more challenging, as office water use cannot be tracked directly. Instead, figures are estimated based on each building's total water use and the office floor area. For our offices in Sweden and Germany data has not been available. It is also worth noting that Nordic by Nature and Verman AS (Norway) operate primarily without office facilities and therefore do not have water withdrawal.

We are committed to preventing environmental pollution and promoting sustainable water use through appropriate wastewater management. All wastewater generated from our operations is treated in accordance with environmental legislation and regulatory requirements. Wastewater analyses are carried out annually.

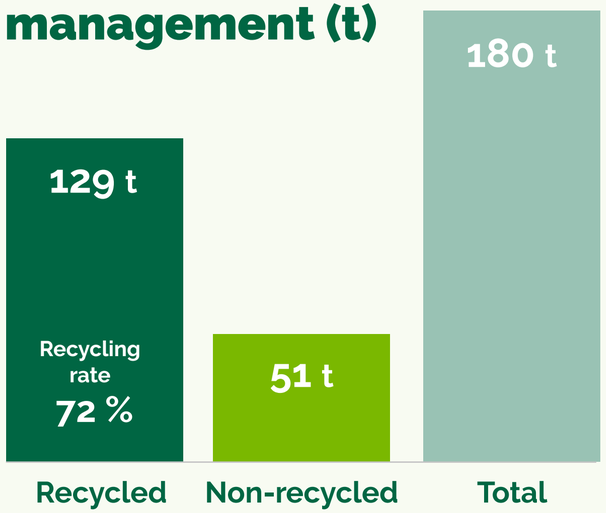


Resource use, circular economy and waste management

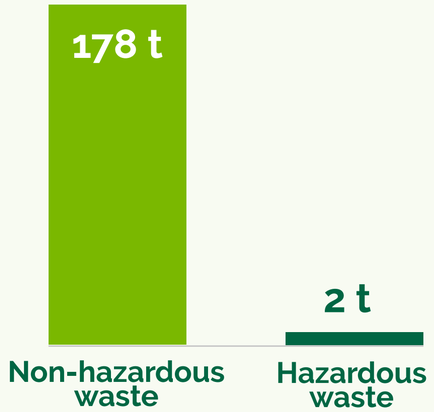
Verman Group applies circular economy principles across its operations by minimising raw material and packaging waste, favouring recyclable and responsibly sourced materials, and maximising reuse and recycling in production. Waste is sorted at all production sites, monitored through annual reporting and reduction KPIs, and managed in accordance with extended producer responsibility requirements. We continue to develop our processes to reduce waste, improve material efficiency and increase the use of recycled and certified materials across our portfolio.

Area	Circular economy principles in Verman Group
Raw materials	• Minimising raw material waste through need-based procurement and production planning.Favouring responsibly certified raw materials (e.g., Rainforest Alliance, RSPO, Organic, Friend of the Sea). • Ensuring raw materials do not contribute to deforestation in cooperation with suppliers. • Monitoring expiring raw materials and improving systems to prevent waste.
Packaging materials	• Avoiding unnecessary packaging and reducing overall packaging volumes. • Prioritising recyclable packaging materials. • Transitioning from virgin plastic to rPET • Providing clear sorting instructions on packaging to support recycling.
Waste & Circularity	• Sorting all waste at production sites and offices, maximising recycling and reuse. • Monitoring waste volumes and recycling rates and reporting annually. • Continuous initiatives to reduce production, raw material and packaging waste. • Maintaining recycling instructions and improving data related to circularity.

Waste management (t)



Hazardous vs Non-Hazardous Waste (t)

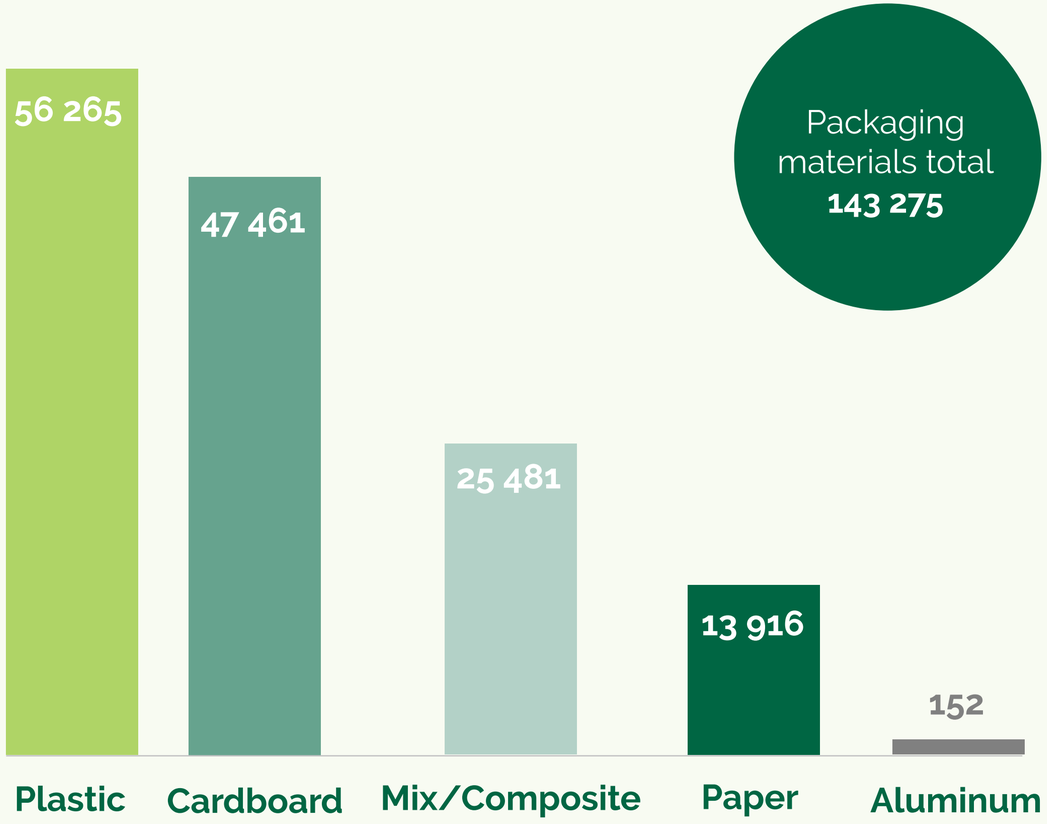


Annual mass-flow 2025, (kg)[1]



[1] The table reports the materials used in the production of the Finnish manufacturing sites (Leader Foods and Leader Snack Factory) during 2025. The reporting does not include materials used at the Danish packaging facility (Biosym), nor does it cover materials used in products manufactured by contract manufacturers. We will continue to develop our reporting practices to ensure more comprehensive Group-wide coverage of material use in the future.

Packaging materials 2025, (kg)[1]



Social



Workforce characteristics

In 2025, the Verman Group employed a total of 162 people across five countries. The workforce consisted of 36 % men and 64 % women, reflecting a predominantly female employee base. The majority of employees (89 %) worked under permanent employment contracts, demonstrating the Group's commitment to stable and long-term employment relationships.

Gender representation in the Group's governing bodies varied across different structures. In the Verman Management Team, gender balance was well achieved, with 6 women and 5 men in 2025.

Employees total 2025

172

average

64 %



Women

36 %



Men

Workforce indicator	Verman Group
Total number of employees (average headcount)	172
Total number of employees (headcount 31.12.2025)	162
Permanent employees (headcount 31.12.2025)	155
Temporary employees (headcount 31.12.2025)	7
Men (headcount)	59
Women (headcount)	103
Employee turnover rate[1]	28,4
Total selfemployed working exclusively for the undertaking	3
Temporary workers supplied by staffing or employment agencies	4

[1]Employee turnover rate is calculated by dividing the number of employees who left during the reporting year by total average headcount of employees during the reporting year

Country of employment contract	Headcount Verman Group
Finland	140
Sweden	2
Norway	1
Denmark	18
Germany	1

Female-to-male ratio at management level for the reporting period	Female	Male	Female-to-male ratio
Verman Management Team	6	5	1,2

Health and safety

Verman Group maintains a comprehensive **Occupational Health and Safety (OHS) Programme** that guides the continuous improvement of the working environment and integrates safety, health, and work ability into all workplace planning. The program is built on preventive safety management and is monitored continuously and reviewed annually in cooperation with the employer, employees, and occupational health services.

An active OHS Committee oversees matters directly affecting employee safety and health, and employees have access to comprehensive occupational health services. Verman is committed to equality, non-discrimination, and a respectful working culture. All forms of inappropriate behaviour, discrimination, and harassment are strictly prohibited and addressed immediately. To support transparent reporting, the Group provides an anonymous whistleblowing channel, First Whistle, available through the corporate intranet and website.

The key objectives of the OHS Programme are to:

1. Ensure a healthy, safe, and wellbeing-oriented work environment
2. Prevent workplace hazards and risks proactively
3. Promote a company culture where every employee contributes to a positive working atmosphere
4. Prevent workplace accidents and sickness absences; all incidents are recorded by HR and reviewed by the OHS Committee
5. Fulfil statutory OHS obligations in collaboration with supervisors and occupational health care

Health and safety indicators for Verman Group	Verman Group
Number of recordable work related accidents of employees	9
Rate of recordable work related accidents of employees[1]	5,6
Number of fatalities as a result of work-related injuries and work related ill health	0

[1]The rate indicates the number of work-related accidents per 100 full-time workers over a yearly time frame and it is based on the assumption that one full-time worker works 2,000 hours per year.

Remuneration, collective bargaining and training

Within the Verman Group, all employer obligations under applicable laws and regulations are fully observed in every country where the Group operates. Throughout the Group, employees receive compensation that meets or exceeds the requirements of the applicable collective agreement or local legislation, and in many cases surpasses these standards.

In Finland, all employees are covered by the relevant collective agreement (excluding the CEO). In other countries where the Group operates, no equivalent collective bargaining practices apply.

An Equality and Non-Discrimination Plan has been prepared as part of the Group's workplace development program and is updated regularly. As part of this process, a pay gap analysis is conducted for personnel groups in which there are at least five women and five men. Within the Group, only three such groups met this criterion: the sales organization of Verman Oy, and the production units of Leader Foods Oy and Leader Snack Factory Oy. The latest pay equality assessment in 2023 showed that in Verman Oy's sales organisation, pay parity was well achieved, with a pay index of 100.

In production roles, pay is based on predefined pay tables; however, men's salaries were slightly higher than women's. At Leader Foods Oy, the production pay index was 94, and at Leader Snack Factory Oy it was 96. These differences are largely explained by longer service times among men and their more frequent placement in physically demanding or specialized roles.

The calculations were carried out using a method that differs from the VSME standard, and the index reflects the average salary of women as a percentage of the average salary of men. Going forward, we will develop our calculation approach to align fully with the methodology required by the VSME standard and updating figures annually.

Training houres per employee broken down by gender	Male	Female
Average number of annual training hours per employee[1]	28	44

[1] The reported number of training hours is an estimate based on information provided by employees. A precise system for tracking training hours is not yet in place.

Collective bargaining coverage (% of employees)	Total share (%)
Total share (%) of employees covered by collective bargaining	86 %

Pay gap index	Pay index[1]
Verman Oy Ab, Sales	100
Leader Foods Oy, Production	94
Leader Snack Factory, Production	96

[1]Pay index describes the average salary of women as a percentage of the average salary of men. The figures presented in the table are based on 2023 data.

Human rights policies and processes

Human rights policies and processes	Does the undertaking have a code of conduct or human rights policy for its own workforce? (YES/NO)
Child labour	YES
Forced labour	YES
Human trafficking	YES
Discrimination	YES
Accident prevention	YES
Other	YES
Does the undertaking have a complaints-handling mechanism for its own workforce?	YES

Severe negative human rights incidents

Severe negative human rights incidents	Does the undertaking have confirmed incidents in its own workforce related to: (YES/NO)
Child labour	NO
Forced labour	NO
Human trafficking	NO
Discrimination	NO
Other	NO
Incidents involving workers in the value chain, affected communities, consumers or end-users	NO

In 2025, the Verman Group updated its Code of Conduct and created a dedicated version of the ethical guidelines for all employees. These guidelines describe the Group's expectations for responsible behaviour and respect for human rights in daily work. In 2026, the Group will begin training employees on these guidelines to ensure consistent understanding and application across the organisation. The Group has clear processes for reporting concerns, including an anonymous whistleblowing channel, which supports early identification and handling of any potential human rights issues.

No severe negative human rights incidents were reported within the Verman Group in 2025. The Group continues to monitor risks and address any concerns promptly through established procedures. In addition, no known confirmed incidents involving workers in the value chain, affected communities, consumers or end-users were identified in 2025.

Governance



VERMAN

Governance

In 2025, the Verman Group established its first Group-wide sustainability program, creating a structured foundation for the governance of sustainability across the organisation. Within the Governance focus area, the program emphasises ethical business conduct, responsible sourcing and ensuring sustainable business growth and profitability as key priorities.

During the year, the Group updated its Code of Conduct and introduced dedicated versions for employees and suppliers. These guidelines set out clear expectations for responsible behaviour, integrity and compliance throughout the value chain.

Risk identification and management form an integral part of the Group's governance approach. Business risks are assessed regularly to ensure that potential impacts on operations, sustainability performance and stakeholders are recognised at an early stage and mitigated effectively. This systematic approach supports informed decision-making and strengthens the resilience of the organisation.

Convictions and fines for corruption and bribery

During 2025 no convictions or fines incurred for the violation of anti-corruption and antibribery laws.

Revenues from certain sectors

During 2025 there were no revenues from following sectors:

- controversial weapons
- cultivation and production of tobacco
- fossil fuels
- chemicals production

Exclusion from EU reference benchmarks

Verman is not excluded from the EU reference benchmarks that are aligned with the Paris Agreement.

Gender diversity ratio in the governance body

The Verman Group has two governance bodies. The Board of Verman Holding, which provides ownership-level oversight, consisted of five men and one woman in 2025. Operational oversight is carried out by the Verman Group Board, which included four men and two women.

Gender diversity ratio in the governance bodies	Female	Male	Female-to-male ratio
Verman Holding Oy, Board of Directors	1	5	0,2
Verman Oy Ab, Board of Directors	1	4	0,25

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Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) >>


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Health and well-being at every
stage of life. From Verman.