

# Fazer builds new factory in sustainability drive

Fazer is building a xylitol (sweetener) factory using plant-based hull as the raw material as part of its drive to become a sustainable food firm.

Utilizing the sidestream of the oat milling process with state-of-the-art technology for xylitol production is a great example of a modern circular economy innovation, the company said.

The xylitol market is expected to grow, and Fazer is targeting Northern Europe and beyond with this plant-based raw material of Finnish origin.

Fazer is investing €40 million (US\$45 million) in the factory to enter the xylitol market. Oat hulls contain xylose which can be used to produce xylitol.

Christoph Vitzthum, President and CEO, Fazer Group, said: “We have at hand an innovation where we combine patentable new technology, healthier options to consumers and an excellent example of an innovative circular economy solution. We believe that xylitol from a plant-based Nordic raw material with a Nordic origin will create interest also outside Finland and the Nordic countries, even globally. We plan to expand the xylitol production to our mill in Sweden, too. I’m proud of this example of the fearless creativity at Fazer, and we are excited about the new opportunities ahead of us.”

Modern consumers are seeking healthier options to replace refined white sugar, and xylitol offers excellent potential for future product development, the company said.

Xylitol is an important ingredient for Fazer’s confectionery business – Fazer is the only company producing chewing gum in Finland.

The major investment will take place in 2019-2020. Works at the Fazer site in Lahti started in February 2019.

Explaining the move, Fazer said: “Sustainability is a constantly growing trend and consumers are increasingly interested in plant-based solutions. Fazer is developing its business and product portfolio with special focus on growth and consumer trends. Fazer’s aim is to transform into a modern, sustainable food company.

“In line with the company strategy, Fazer targets further expansion in Northern Europe and beyond. The investment in Lahti supports this direction.”

The xylitol factory will be part of the Fazer Lifestyle Foods business area.