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#### Atria Plc

Atria Plc is a powerfully growing and internationalizing Finnish food-industry company. Atria is one of the leading food industry companies in the Nordic countries, Russia and the Baltic region.

Atria's net sales in 2013 was EUR 1,411 million and it employed an average of 4,670 persons. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

#### Atria Plc corporate responsibility map 2013

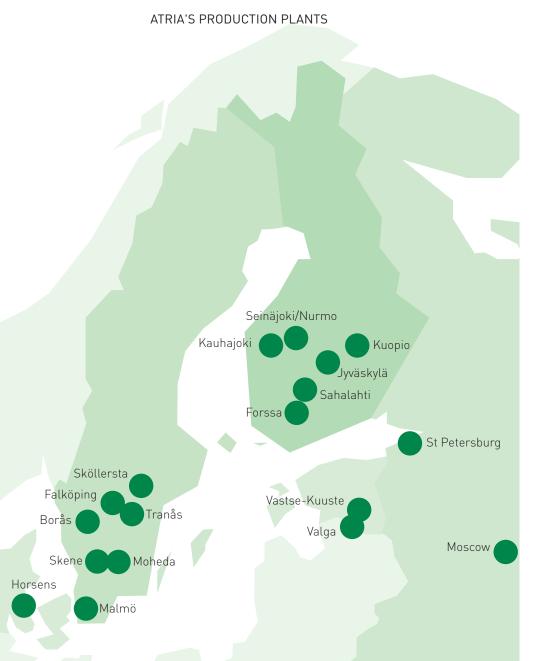
Atria's focus areas in environmental responsibility vary from one business area to the next depending on the operating environment and stakeholder demands. The map illustrates the focus areas in each business area in responsibility work and provides examples of key achievements in 2013.

#### ATRIA FINLAND

Plants	Key indicators	Focus Areas	Highlights of performance 2013
<ul> <li>Nurmo</li> <li>Kuopio</li> <li>Forssa</li> <li>Kauhajoki</li> <li>Seinäjoki</li> <li>Jyväskylä</li> <li>Sahalahti</li> </ul>	Net sales, EUR mill	<ul> <li>Finance</li> <li>Product safety</li> <li>Nutrition</li> <li>People</li> <li>Animal welfare</li> <li>Environment</li> <li>Communications</li> </ul>	<ul> <li>Atria conducted an extensive survey among its stakeholders on corporate responsibility issues. Responses show that stakeholders trust Atria in all areas of corporate responsibility.</li> <li>Atria was the first in the sector to introduce farm-specific traceability for beef, pork and chicken products. Traceability is an important purchasing criterion, and Atria succeeded in strengthening its market share significantly in 2013.</li> <li>As a result of the Early Caring project, the retirement age of employees rose to 63.2 years.</li> </ul>

#### ATRIA SCANDINAVIA

Plants	Key indicators	Focus Areas	Highlights of performance 2013
<ul> <li>Sköllersta</li> <li>Malmö</li> <li>Tranås</li> <li>Falköping</li> <li>Skene</li> <li>Moheda</li> <li>Borås</li> <li>Horsens</li> </ul>	Net sales, EUR mill395.0 EBIT, EUR mill12.2 Average number of employees1,050	<ul> <li>Finance</li> <li>Product safety</li> <li>Nutrition</li> <li>People</li> <li>Environment</li> <li>Communications</li> </ul>	<ul> <li>Atria's Handprint projects in Sweden and Denmark focused on finance, product safety, nutrition, environmental responsibility, employee responsibility and communications themes.</li> <li>Atria Scandinavia has increased the usage of Swedish meat rawmaterial in it's products.</li> <li>Atria's new values were cascaded to employees via a Way of Work game.</li> <li>In the year under review, the employee development programmes started in the previous year continued and new ones were launched.</li> </ul>



Plants	Key indicators		Focus Areas	Highlights of performance 2013
• St. Peters- burg region (Gorelovo, Sinyavino) • Moscow	Net sales, EUR mill.  EBIT, EUR mill.  Average number of employees	-21.0	<ul> <li>Finance</li> <li>Product safety</li> <li>People</li> </ul>	<ul> <li>In Russia, the responsibility focus areas were finance, product safety and employee well-being.</li> <li>Atria gave up all its primary production in Russia. Pork production at the Campofarm farm in the Moscow region was terminated in 2013. At the same tim Atria concentrated its operations at the Gorelovo plant in St Petersburg.</li> <li>In 2013, the certification of Atria Russia's main production plant in Gorelovo in compliance with the FSSC 22000 standard was expanded from convenience food production to all of the plant's operations.</li> </ul>
ATRIA BALT	IC			
Plants	Key indicators		Focus Areas	Highlights of performance 2013
• Valga • Vastse- Kuuste	Net sales, EUR mill.  EBIT, EUR mill.  Average number of employees	0.1	<ul><li>Finance</li><li>Product safety</li><li>People</li><li>Nutrition</li></ul>	<ul> <li>In Estonia the responsibility focus areas were product safety, nutrition and improved communications.</li> <li>95 per cent of pork comes from Atria Baltic's own pig farms.</li> <li>In Estonia, consumers expect products to be as natural as possible. Product development has increased the use of natural additives. Consumer</li> </ul>

communication on product qualities has also improved, for instance through websites and in-store materials.

# At the source of good food

In this report, we take you on a journey to the sources of good food from the viewpoint of Atria's corporate responsibility.

The journey consists of five stages or themes:

- Safe food, a chapter that introduces you to Atria's product safety practices and goals.
- Healthy and nutritional food, where we look into the health and nutritional aspects of the ingredients used by Atria and the finished products.
- Healthy and well-kept animals are the starting point of good food. For us animal welfare is a matter of pride and principle.
- Employee well-being focuses on our own employees, but we naturally also take responsibility for the well-being of our other stakeholders.
- A healthy environment is essential to Atria and the food processing industry as a whole.

In addition to these five themes, we naturally address Atria as a company, its current state and the preconditions for a sustainable future.

Enjoy the journey!

Anne Hirvelä Quality Manager, Atria Finland

Good food chain As the pictures show, Atria's good food chain consists of four main stages.



# Atria's Handprint has wide coverage

Atria promotes its diverse corporate responsibility through the far-reaching Handprint programme. It brings together the principles, practices, projects, goals and results of Atria's responsible operations and provides comprehensive updates on their progress.

Under the Handprint programme, responsibility is developed and measured in seven sectors. These are:

- Finance
- The environment
- Animal welfare
- Product safety
- Nutrition
- Personnel
- Communications



The symbol of Atria's Handprint programme is the Handprint logo. It signifies the personal contribution of each person participating in the Atria food chain, and its colours communicate the effects of responsibility.

CEO Juha Gröhn of Atria Plc, Atria's vision is to "provide good food for all occasions – from daily meals to celebrations". As a large food company, it is constantly present in people's daily lives. Atria has a huge responsibility, doesn't it?

"It does. Our responsibility is huge, and responsibility plays an important role in Atria's business. You could even say that if our operations were not honest and transparent, we would not be in business at all.

We prepare food for hundreds of thousands of people in Finland, Sweden, Denmark, Russia and Estonia on a daily basis. When we are talking about such a large group of people, our responsibility is not limited to our own business but also extends to public health. Atria food must be safe, healthy and nutritious - and we must use plain language to communicate this. People want to know precisely where their food comes from, what it contains and how it is produced. People are also interested in the impact that such a large food company has on its immediate environment and the wider society.

Although Atria is a listed company, we do not focus on the results for a single quarter. We have a longer perspective, looking several years ahead. Keeping this in mind, responsible ways of work are a prerequisite for both growth and profitability.

#### You mentioned growth and profitability. How would you describe Atria's financial performance in 2013?

In Finland, Atria's growth was strong and we consolidated our position in the market. Most of Atria Scandinavia's growth came from Denmark. In Russia and Estonia our sales decreased, but the profitability of operations improved. Our EBIT fell by about one third due to the non-recurring costs from the reorganisation

of the Russian operations. Without these costs, our EBIT was higher than the previous year, at EUR 37 million in total. We made major structural and operational changes in 2013,\* with only one goal in mind: securing Atria's profitable growth. Profitability is also essential for Atria's corporate responsibility.

#### The Group's headcount fell by 230 to 4,670. Where were the greatest reductions made?

They were made in Russia. We centralised our operations in a single, modern plant in St Petersburg. Our Moscow plant will be run down over the course of 2014, as will our primary production near Moscow. The number of employees also fell slightly in Sweden and Estonia, owing to centralisation and automation. On the other hand, we hired approximately one hundred new employees in Finland.

#### Atria had dozens of corporate responsibility development projects under way in 2013. Are there any individual projects or themes that are particularly important?

As I already mentioned, safe and healthy food of high nutritional quality is a prerequisite for Atria's success. We need to constantly research and develop these issues, and that is what we did last year. However, if I had to highlight one significant theme, it would be the transparency of the entire food chain. We have been able to increase transparency, particularly in Finland. People can now trace meat all the way to the farm. This theme is also very important in Sweden and Denmark. People want – and have the right – to know about the conditions in which production animals are raised and the methods used.



#### Atria personnel contributed to the definition of shared values, known as the Atria Way of Work. This was a major effort, but it was clearly a success?

This project was definitely a success. I was part of a group of more than 3,500 Atria employees who shared their views on the Atria Way of Work and the things that are important for us at Atria. We all agreed that enthusiastic people and the most desirable brand form the foundation for our success. That is the Atria we want and that is what we work for, collectively and individually.



# Strategic stakeholders

Atria's key stakeholders have been defined on the basis of Atria's business strategy. Strategically significant stakeholders include customers, consumers, personnel, producers and shareholders. Other significant stakeholders include authorities, financial institutions, schools and the media.

# Atria knows its stakeholder expectations

Atria's corporate responsibility policy is embodied in the day-to-day work with stakeholders. Atria uses various surveys, questionnaires and analyses, as well as meetings and personal interaction with stakeholders, to gain extensive knowledge of their expectations.

Atria only deals with those primary producers and subcontractors, customers and other business partners who are known to be trustworthy and honest. Atria favours partners who, in addition to offering a reasonable price and high quality, are able to demonstrate that they operate in accordance with ethically acceptable practices. For example, one of Atria's selection criteria for material and/or raw

material suppliers is the quality of their environmental management.

Customers and consumers are the most important external stakeholder groups for Atria's business operations. With its customers, Atria engages in sustainable cooperation in which both parties listen to and understand each other's needs, wishes and opportunities, also in relation to responsibility. Consumer preferences and wishes ultimately determine the product groups and products Atria supplies to retailers and other customers. Insights into consumer needs gained from research on consumer behaviour guide Atria's product development and marketing.

#### Good customer satisfaction score

In the 2013 Customer Satisfaction Survey, Atria Finland's Food Service retained seventh place in an evaluation of all suppliers in the hotel, restaurant and catering sector. In the fresh products category, Food Service ranked second. In terms of delivery reliability, it retained its number one position.

The best scores were given for Food Service's price-quality

ratio, expertise, reliability and general impression.

The areas most in need of improvement were product replaceability, customer contacts and the ability to solve problems.

Food Service has updated its customer relationship strategy in order to adopt new selling practices, thereby increasing

contact with customers and improving customer relationship management. The objective of the strategy is to further enhance understanding of customers' businesses and to enable the smooth provision of solutions. The new strategy has been cascaded to the Food Service sales organisation since autumn 2013.

#### Atria's stakeholders

Stakeholder group	Expectations of the stakeholder group	Atria's expectations	Examples of meeting the expectations of a stakeholder group	Interaction channels
Customers	Competitive pricing, safety and quality, customer-driven service, reliability in deliveries and in other operations.	Shared operating models, implementation of agreed measures, forecasts.	Stakeholders rely on Atria's responsibility: page 10.	Personal interaction, marketing communications, online services, mass media, product launches, campaigns, visits, customer satisfaction surveys, customer magazines.
Consumers	Products to meet consumer needs, affordable price, safety and quality, reliability, ethically justified products.	Choosing an Atria product, confidence in and willingness to pay for the Atria brand.	Atria leads the way in origin labelling: page 11.	Marketing communications, online services, mass media, product launches, campaigns.
Personnel	Pay, continuity of employment, social security benefits, comfortable and safe working conditions and opportunities for career advancement.	Work contribution, innovation.	Atria's Way of Work: page 28.	Personal interaction, online services, mass media, performance appraisals, personnel surveys, training, seminars and events, personnel magazines, units' communications channels.
Producers	Reliable and sustainable partner, expert advice, competitive producer price.	Commitment, raw materials that meet quality requirements, reliable and sustainable cooperation.	Reliable partnerships: page 22.	Personal interaction, online services, producers' magazines, seminars and other events.
Shareholders, investors	Return on investment, continuation of business operations, decision-making power and return of capital.	Carrying the risk in the form of capital.	Distribution of economic value added by Atria: page 39.	Personal interaction, annual report, online services, mass communication, General Meeting, Capital Markets Day, press and stock exchange releases.
Financiers	Repayments of loans at the agreed time, reliability, continuity, debt-carrying capacity.	Borrowing at agreed price.	Distribution of economic value added by Atria: page 39.	Annual report, online services, mass communication, press and stock exchange releases.
Authorities	Tax revenue, employment, international competitiveness, investments, openness, cooperation and environmental consideration.	Legislation, public services such as hygiene monitoring and financing.	Safe Atria Quality: page 12.	Personal interaction, annual report, online services, mass communication, stakeholder survey, seminars and events, cooperation with authorities, press and stock exchange releases.
Subcontractors and partners	Reliable payment of invoices, long-term customer relationship, predictability and increasing demand.	Delivery of raw materials, services and finished products of the agreed quality in accordance with the agreed delivery terms.	Stakeholders rely on Atria's responsibility: page 10.	Personal interaction, marketing communications, annual report, online services, mass media, stakeholder surveys, product launches, campaigns, seminars and events, research and development projects.
Opinion leaders and media	Transparency, industry expertise.	Influencing public opinion.	Open doors at Atria's contract producers' pig farms: page 24.	Personal interaction, marketing communications, annual report, online services, customer magazines, press and stock exchange releases, media cooperation.
Local communities and schools	Employment, cooperation, environmental care, training jobs.	Skilled and motivated workforce, public services such as training, infratechnology.	Atria participates in Enterprise Society: page 8.	Personal interaction, online services, mass media, seminars and meetings, visits, training and thesis jobs, research and development projects.
Research	Cooperation partner, research needs.	Reliable partner, expert, research quality.	Atria is involved in the KESTO project: page 25.	Personal interaction, mass media, seminars and events, visits, research and development projects.

### STAKEHOLDERS



## A day in the world of adults

MyCity is a learning environment for familiarising 6th-grade pupils with society, the world of work and entrepreneurship. In MyCity, pupils work in different jobs and companies. They get paid and also act as members of society in the roles of citizens and consumers. MyCity is visited daily by some 60–70 pupils to learn practical skills.

Atria participated in MyCity in Ostrobothnia by setting up an Atria restaurant. In addition to the managing director, the restaurant employs waiters and waitresses.

MyCity Ostrobothnia operated in Vaasa in the autumn 2013 and moved to Kokkola and to Seinäjoki in year 2014. MyCity will be touring Ostrobothnia for the next three years.

- » To watch a video, visit the Atria Group website:
- » http://www.atriagroup.com/media/Sivut/default.aspx#/ news/atrian-mukana-pohjanmaan-yrityskylaessaekatso-video-70250





# Atria fans served from a camper van

In July, a red VW camper van dubbed 'Makupaku' drove to four festival towns to feed Atria fans with Hiillos sausages. Fans could vote on Facebook to decide Makupaku's destination for each weekend.

The first stop was Turku, the home of Ruisrock, from where the van sped to Joensuu to cheer up people at Ilosaarirock and then to Pori and its jazz lovers. The tour ended where it had started: in Turku, where Down By The Laituri was held in late July.

Some one thousand festival-goers gulped down Hiillos sausages over the course of July. Makupaku was greeted with laughter, and fans loved to take pictures of themselves next to the van.

- Great food with very little effort. Makes you feel good, people commented in Pori.
- I guess Atria is the best-known sausage maker in Finland anyway, noted a fan in Joensuu.

As a result of the promotion, Atria gained hundreds of new Facebook fans and Twitter followers.

– This is a great marketing method, said a young Ruisrockgoer.



# Farmari fair-goers value origin labelling

In early July, Farmari Agricultural Fair attracted more than 100,000 visitors interested in agriculture to Seinäjoki, Finland. At Atria's stand, fair-goers were asked about their purchasing criteria for meat. During the four days of the fair, 1,160 responses were received.

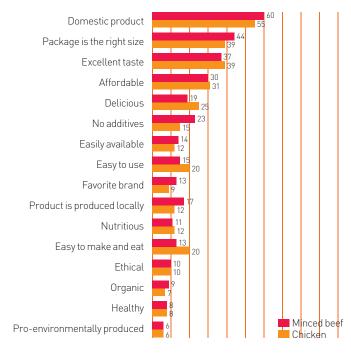
The origin of meat was clearly the most important criterion. Respondents also mentioned price and taste as key factors. Atria Price-quality ratio the decisive factor\*

- For Finns, what matters most in selecting groceries is a good price-quality ratio. It is the key criterion for 67 per cent of consumers.
- The second most important criterion for staple foods is nutritiousness, valued by 51 per cent of consumers.
- In the third place is excellent taste, rated highly by 48 per cent of consumers.
- \* Source: TNS Gallup, 2013

products that can be traced all the way back to the farm made them feel more comfortable about purchasing meat.

Atria offers products in all categories of meat where the farm of origin is declared on packaging. Confidence in Finnish products is high, and some respondents found it sufficient to know that the meat comes from a Finnish farm. This information is clearly indicated on all of Atria's packaging in Finland.

#### Factors affecting purchase decision of different foodstuff in Finland\*



\* People who are responsible for grocery shopping alone or together. The figures are indicative. Source: Ruokatietoa 2013, Suomen Gallup Elintarviketieto Oy

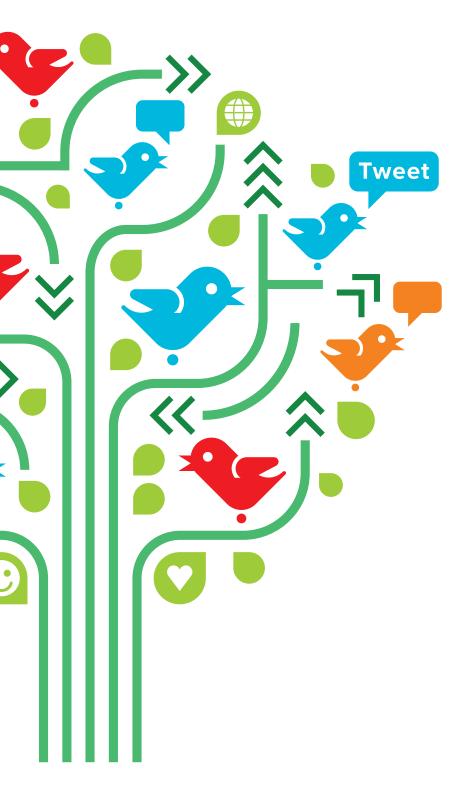
# Atria Scandinavia supports schoolchildren

In October 2013, Atria Scandinavia launched a unique sponsorship campaign with Swedish NGO BRIS (Children's Rights in Society). The campaign enables Atria and BRIS to reach about 1.4 million pupils across Sweden.

The slogan of the collaboration is "Good things for a good cause". Atria Foodservice has selected a special range of products to be promoted together with the partner schools. Part of the proceeds will go to BRIS. Posters will also be put on the walls of school canteens to advertise the campaign.

BRIS is a non-governmental organisation that supports children in distress and is a link between children, adults and the community. Its activities include a helpline and a chat service, which children can use anonymously and free of charge to talk about things that are on their mind with a trustworthy adult.





#### Atria influential in social media

Atria also actively engages with its stakeholders through social media. Atria Finland's Facebook community consists of some 90,000 fans. The Facebook page is targeted at consumers, and the main topics of discussion are food and themes related to the

Atria Group opened a Finnish-language Twitter account in March, to complement its corporate responsibility communications and interaction with stakeholders. Discussion on Twitter

centres around the themes of corporate communications and responsibility.

Atria Group's joint LinkedIn pages were opened in late 2013. LinkedIn is a networking tool for sharing work-related interests, telling about one's own and others' areas of expertise and giving recommendations to members of the network. LinkedIn can also be used for recruitment.

# Stakeholders rely on Atria's responsibility

In 2013, Atria conducted an extensive survey for stakeholders on corporate responsibility issues. The survey was targeted at agricultural producers, personnel, customers, suppliers and parties that have national influence in this area. A total of 951 responses were received.

The retail sector and the food industry were seen to have the greatest responsibility for the profitability of the production chain and the equal distribution of additional value. With regard to animal welfare and the environmental impact of the food chain, the main responsibility fell on primary production. The food industry was expected to take even more responsibility for consumers' health than they do themselves. Furthermore, ensuring the safety of food was clearly regarded as the food industry's responsibility.

Responses show that stakeholders rely on Atria in all areas of corporate responsibility, such as the promotion of animal welfare, product safety and nutritional responsibility. Information available on the Atria website, in publications and corporate responsibility reports was also felt to be comprehensive and reliable.

Clearly the most important responsibility themes for Atria's stakeholders were the purity and traceability of raw materials and the promotion of animal welfare.

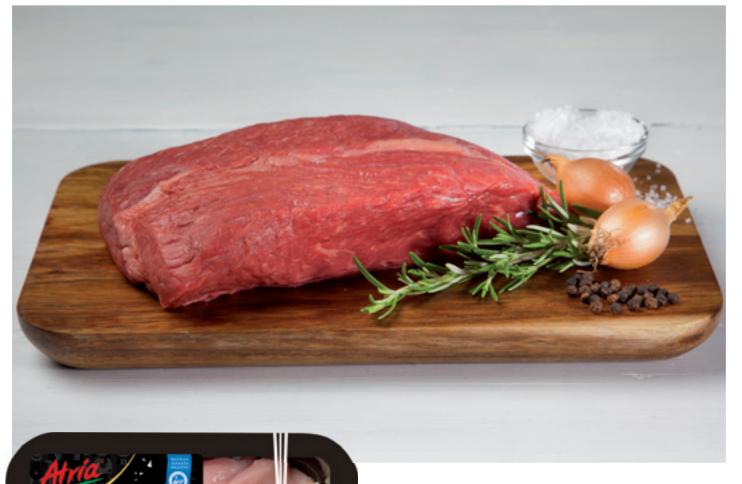
The responses provided the company with valuable feedback on the work already completed, enabling it to focus its future development efforts on issues found relevant throughout the chain.



Atria Finland's website is the company's main channel for Finnish consumers, customers, producers and other stakeholders. Atria's 2013 stakeholder corporate responsibility survey showed that the Atria.fi website is the first choice for 60% of individuals when they wish to find information on Atria's corporate responsibility.

Visit Atria's websites at:

- www.atriagroup.com
- www.atria.fi
- www.kokkaamo.fi
- www.atriatuottajat.fi
- www.atria.se
- www.atriarussia.ru
- www.atria.ee



VALIKOIDUT

PERHETILAN BROILER

Fileeleike

# Origin of meat raw material in Atria Scandinavia's and Baltic's products:

- In Sweden, domestic origin is guaranteed by the 'Svenskt Kött' ('Swedish meat') label. Atria Scandinavia is committed to using domestic meat in all of the 26 Lönneberga products.
- Atria Scandinavia has also increased the use of Swedish meat in its other brands. Ridderheims has dozens of products bearing a local producer's logo. Other examples are the Onsala Lindösalami and delicatessen ham product Isterband.
- In Estonia, Atria uses around 6 million kilograms of pork every year, 95 per cent of which comes from its own pig farms. A minor proportion of the beef used by Atria Baltic is imported.

# Atria leads the way in origin labelling

Atria Finland is the first company in its sector to introduce farmlevel traceability for all types of meat: chicken, beef and pork products. In beef products, full traceability is provided for steak and organic products. The farm of origin is also declared for some corn-fed pork tenderloin and sirloin products.

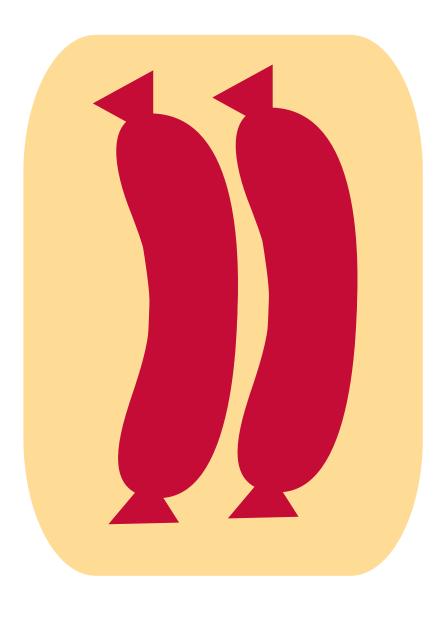
Traceable Atria Family Farm fresh chicken products were launched in early 2012. At first, traceability information (name and location of the farm) was found on 21 consumer-packed fillet products. In autumn 2013, the Family Farm Chicken product line expanded to wings and drumsticks. At the end of 2013, there were 42 fully-traceable Atria Family Farm Chicken products available in retail stores and four products in the Food Service

selection.

The disclosure of farm information has required changes to the production process and investments in new equipment. Atria intends to add traceability to all of its product groups.

In autumn 2013, Atria was the first company to bring a traceable cooked nugget product – Atria Family Farm Chicken Fillet Nuggets – to the shelves. Their meat raw material can be traced all the way to the farm.

All meat sold under the Atria brand is domestically produced, and every animal's home farm is known. The meat is supplied by approximately 6,000 contract producers.



# Safe Atria Quality

Atria has an extensive Safe Atria Quality programme, which covers product safety, health, ease of use and environmental impact throughout the life cycle of products.

# Comprehensive impact assessment for all products

At the product development stage, new Atria products are always subjected to investigations on potential health and safety risks and key environmental impacts.

In practice, Safe Atria Quality means regular reviews of raw material quality and safety aspects. The quality of materials is controlled on the basis of information submitted by material suppliers and research data. Suppliers' production is evaluated through audits where necessary.

At the production stage, Safe Atria Quality means continuous measurement, monitoring and development to ensure safe working and manufacturing conditions. For instance, airborne microbe and humidity levels are constantly monitored and surface wipe samples are collected to ensure cleanliness. Employee hygiene practices are also controlled by means of daily monitoring rounds.

Products and facilities are controlled for the occurrence of pathogens. The results of the Safe Atria Quality programme are also regularly monitored in departmental meetings.

Certification and approval by public authorities ensures high quality

The Safe Atria Quality programme encompasses regulator-approved self-monitoring plans covering raw materials, production processes and delivery chains. The plans are based on the Hazard Analysis and Critical Control Point (HACCP) system.

Through authority approval and regular audits, Atria ensures that the plans correspond to the latest legislation and product safety standards, as well as to the requirements of international trade.

Atria aims to continuously expand product safety certification for its production plants. During the reporting period, 80% of the production volume was manufactured at a plant with ISO 22000 or similar certification. At Atria Finland, certification will be developed to cover the requirements of the FSSC 22000 standard.

### Targets and results in Safe Atria Quality work for year 2013 and targets for 2014

	Target 2013	Results 2013	Targets 2014
Atria Group	<ul> <li>Listeria prevention best practises implementation in Atria Group through internal audits.</li> </ul>		
	No product withdrawals.	<ul> <li>Two withdrawals in Atria Finland due to incorrect products information.</li> <li>Atria Scandinavia had two product withdrawals during 2013 in Denmark due to safety.</li> <li>Atria Scandinavia had two product withdrawals during 2013 in Sweden due to incorrect product information.</li> </ul>	No product withdrawals
Development project	cts by country		
Atria Finland	Product self-evaluation methods to be revised.	Product self-evaluation methods fully implemented.	• FSSC 22 000 -certification.
	• Implementation of the new reactive sampling system.	• The new reactive sampling system fully implemented.	• Methods to be defined for managing foreign bodies.
	• Implementation of allergen risk charting into internal audit.	<ul> <li>The allergen risk charting into internal audits fully implemented.</li> </ul>	• The allergen risk charting into internal audits: Procedures to be set up and explained to employees.
	Methods to be defined for managing foreign bodies.	• Defining for managing foreing bodies continues.	
Atria Scandinavia	<ul> <li>Atria Scandinavia to acquire IFS certification at the Skene facility.</li> </ul>	IFS certification at the Skene facility fully implemented.	<ul> <li>Transition from IFS certification towards FSSC 22000 in al plants within Atria Scandinavia.</li> </ul>
	• Improved pathogen control: revised samling plan for listeria problem.	Improved pathogen control fully implemented.	• Reduce the number of consumer complaints with 10% compared to 2013.
Atria Baltics	<ul> <li>Development of ISO 22000:2005 compliant food safety operations.</li> </ul>	<ul> <li>Development of ISO 22000:2005 compliant food safety operations continues.</li> </ul>	Continue the development of ISO 22000:2005 compliant food safety operations

# Statutory self-monitoring ensures safety

Atria has a dedicated organisation whose principal task is to ensure product safety and quality. Employees have been trained in their responsibility areas and in the special requirements of the food industry. Since products may be exported from Atria's production plants to foreign customers, they must fulfil several countries' requirements for export products.

Statutory self-monitoring is effective, and Atria ensures the functioning of the internal monitoring system in cooperation with supervisory authorities and personnel.

During the reporting period, no fines or significant warnings were issued to Atria by the authorities for breaches of legislation regarding products or services.

# Atria Finland's quality organisation revamped

Atria Finland's quality organisation, which is responsible for quality, product safety and corporate responsibility, was gradually transformed in autumn 2013. The organisation is tasked with the development of the Safe Atria Quality programme throughout the production chain.

In the new organisation, which now has more expertise than ever, quality and product safety are based on Atria Finland's strategy. According to the strategy, Atria strives to become a leading company in responsible food production. This means that product safety is not compromised in any circumstances.

#### Atrian tuotantolaitosten laatu- ja ympäristöjärjestelmät

BA	Quality system	Environmental system	Plants affected
Atria Finland	ISO/IEC 17025:2005 (Laboratory accreditation)		Nurmo, Kuopio, Kauhajoki
	SFS-EN ISO 9001:2008		Nurmo, Forssa, Kuopio, Kauhajoki, Karkkila, Seinäjoki
	ISO 22000:2005		Nurmo, Karkkila, Forssa
		SFS-EN ISO 14001:2004	Nurmo, Kuopio, Forssa, Kauhajoki, Karkkila, Seinäjoki
		Organic production in compliance with Council Regulation (EC) No 834/2007.	Kauhajoki, Nurmo
Atria Baltic	ISO 22000:2005		Valga, Vastse-Kuuste
	ISO/IEC 17025:2006 (Laboratory accreditation)		Valga
Atria Russia	FSSC 22 000		Gorelovo
	GOST R 51705.1-2001, European Parliament and Commission Decree (EC) No. 852/2004, 29 April 2004 on food hygiene.		All production plants: St Petersburg (Sinyavino, Gorelovo) and Moscow
Atria Scandinavia	FSSC 22 000		Sköllersta, Tranås, Moheda, Borås, Horsens, Malmö
	IFS		Falköping, Skene
	The IKEA Way on Purchasing Food (IWAY)		Borås, Falköping, Sköllersta
	DS/EN ISO 9001:2008		Horsens
		ISO 14001:2004	Sköllersta
		Organic production in compliance with Council Regulation (EC) No 834/2007.	Tranås, Moheda, Borås
		Organic production in accordance with the KRAV regulations	Falköping



## Management of infectious animal diseases is part of public health work

Ensuring safe food products for consumers depends on clean and high-quality raw materials. The management of infectious animal diseases in primary production is the starting point for building reliable product safety, since some infectious animal diseases may also be transmitted from animal to humans or from human to animals. These diseases are known as zoonoses. In Finland, the occurrence of infectious animal diseases is very low due to good preventive practices.

Zoonoses such as salmonella epidemics, which cause significant public health risks even in western societies, are effectively snuffed out at Finnish farms whenever detected. Around 80% of all salmonella infections contracted by Finns come from foreign sources. Other zoonoses which have been found in Finland are campylobacteriosis, listeriosis, yersiniosis and EHEC strains. The situation is excellent in international comparison – the occurrence of these diseases is very low in Finland. Other serious zoonoses, such as bovine tuberculosis, brucellosis or rabies, have not been found in Finnish animals recently.

The most significant risk in the management of infectious diseases in Finland is the increase of farm size which may lead to increasing contacts with affected animals. Procedures at farms are being critically assessed and guidelines are specified and revised as need arises.



# Certification expanded to subcontracting

Atria has systematically expanded product safety certification for its operations. By 2015, all subcontractor facilities manufacturing products for Atria Finland must have certification in compliance with ISO 22 000 or a similar product safety standard.

ISO 22 000 incorporates the HACCP principles, internal monitoring, good production practices and key quality management principles. Certification is proof of Atria's proactive attitude to food safety.

# Certification of Atria Russia's meat products expanded

In 2013, the certification of Atria Russia's main production plant in Gorelovo in compliance with the FSSC 22000 standard was expanded from convenience food production to all of the plant's operations.

The Gorelovo production plant is Atria Russia's main investment. Its first phase, the logistics centre, started operations in 2008, and the production plant followed in 2010. It was technologically up to par with the latest standards from the start, so acquiring the FSSC (Food Safety System Certification) required no process revamps. Nevertheless, operating models were revised due to certification.



# Nutritional responsibility

Nutritional responsibility refers to the healthiness and nutritional value of raw materials and processed products and the provision of sufficient product information to support consumer choices. Atria understands its responsibility for public health, and this responsibility is an integral part of its R&D operations. The starting point for all product development work is balancing consumer preferences and nutritional recommendations.

# Atria Finland's nutritional responsibility principles

- Atria brand only uses Finnish meat in its products.
- Meat protein (a powder made of dried meat) is not added to Atria products.
- Atria only uses GMO-free raw materials.
- Additives are used in line with Atria's responsibility principles.
- Atria complies with national recommendations on sodium content and avoids launching products with a high sodium content.
- New Heart Symbol products are constantly launched for consumers and Food Service customers.
- Atria actively participates in research projects that increase nutritional awareness.

#### Key targets and results in terms of Atria's nutritional responsibility development

Business area	Targets 2013	Results 2013	Targets 2014
Atria Finland	<ul> <li>Elimination of yeast extract from remaining products in 2013.</li> <li>In-house training on nutrition and its effects on well-being.</li> <li>Participation in research projects increasing nutritional awareness.</li> <li>Application of the EU's food information regulation to Atria's labelling in a clear and consumerfriendly manner.</li> <li>Revision of the nutritional information section on the Atria.fi website.</li> </ul>	<ul> <li>Yeast extract eliminated from all Atria products.</li> <li>26 new Heart Label products launched.</li> <li>In-house training on nutrition and allergies organised.</li> <li>Participation in the Seniori-Sapuska nutritional survey.</li> <li>Changing of packaging information progressing according to schedule.</li> <li>The nutritional information section revised on the Atria Group website.</li> </ul>	<ul> <li>Development of Atria's external and internal nutrition communication.</li> <li>Further reduction of salt and introduction of new Heart Label products in all product groups.</li> <li>Participation in research projects increasing nutritional awareness.</li> <li>Changing of packaging information progressing according to schedule.</li> <li>Application of the EU's food information regulation to Atria's labelling in a clear and consumer-friendly manner.</li> </ul>
Atria Scandinavia	<ul> <li>Elimination of unnecessary additives from products.</li> <li>Only additives required to guarantee sensory quality and adequate shelf life are used.</li> <li>Product testing of new alternative products with low sodium content.</li> </ul>	<ul> <li>Study conducted on the use of additives and evaluation of necessary additives.</li> <li>Development of recipes for new products with low sodium content started.</li> <li>Three new low sodium products launched in the Danish market.</li> </ul>	<ul> <li>Assessment of the necessity of additives will continue, in order to eliminate unnecessary additives.</li> <li>Development of products and recipes for new products with low sodium content will continue.</li> </ul>
Atria Baltic	<ul> <li>Expansion of the Jussi product range.</li> <li>Development of products with low sodium content and prioritisation of natural additives in meat products.</li> </ul>	Six minced-meat products containing local raw materials.	<ul> <li>Increasing the use of domestic raw materials in products.</li> <li>Smaller package sizes for consumers.</li> <li>Reduction of the amount of salt in products.</li> <li>Reduction of the use of soy in products.</li> </ul>



# **Quality Minced Beef** replaces Minced Beef Steak

In the spring, the Finnish Food Safety Authority, Evira, raised a discussion about the name Minced Meat Steak. Evira found the name misleading, since only part of the raw material was steak. As a result, Evira published guidelines for naming minced meat, explaining in detail what parts of the carcass may be used in minced beef steak.

Atria Finland changed the names of its minced beef steak products by Evira's deadline. The product that was previously called Minced Beef Steak is now sold under the name Quality Minced Beef 10%. Thanks to the new name, the product still stands out from standard minced meat, whose fat content is significantly higher.

In autumn 2013, Atria Finland also launched Genuine Minced Beef, which is 100% steak.

# Atria products are free of GM raw materials

Food manufactured by Atria Finland does not contain genetically modified raw materials. The company requires raw material suppliers to produce certificates of their products being GMO-free. This can also be verified by checking the packaging information. If genetically modified organisms have been used in a product, it must be indicated on the packaging. This is specified in food safety legislation.

Of the animals procured by Atria for meat raw material, chickens and cattle only eat non-GM feed. As for pigs, 80 per cent of them are fed non-GM feed produced by A-Rehu, an Atria Group company. The remaining 20 per cent are fed both non-GM

Pigs and poultry need additional protein, and soy is a good source of protein. Soy accounts for about five per cent of a

portion of feed eaten by a pig, for example. Cattle mostly feed on grass, cereals, non-GM rapeseed or turnip rape and mineral supplements.

GM soy is used in a small proportion of feed due to factors in the global soy market. More than 80 per cent of all soy is already genetically modified, and acquiring non-GM soy is becoming more difficult by the day.





# Atria advocates informative labelling

The new EU Regulation on the provision of food information to consumers changes food labelling requirements. The transitional period for labelling has begun and, by December 2014, product information provided on all food packaging must conform to the new requirements. They will apply to Atria's markets in Finland, Scandinavia and the Baltic countries.

In 2013, Atria Finland continued to modify packaging to reflect the new Regulation. The aim is to change all product information during the transitional period, by the end of 2014.

The changes were generally well received by consumers, but some inquiries were made by consumers and media. These concerned changes in labelling related to the calculation of salt content.

Consumers found the salt content declared on Atria's unseasoned products (0.1%) particularly confusing. No salt has been added to the meat; the

salt content is due to naturally occurring sodium. The placement of the amount of lactose below the nutrition information table also caused some confusion among consumers.

#### Origin of meat to be declared

Discussion also revolved around the indication of origin for both fresh and cooked meat. In 2013, the European Commission worked on legislative proposals for the declaration of origin. Atria was actively involved in the discussion and supported making this declaration mandatory for meat.

In December 2013, rules were adopted on the mandatory labelling of the origin of unprocessed meat. Consequently, Atria Finland will also add a new indication 'Alkuperä Suomi' ('Origin Finland') to its packaging for pork, chicken and turkey by April 2015, when the new rules come into force. In addition,

the declaration 'Valmistettu suomalaisesta lihasta' ('Produced from Finnish meat') will remain next to the product name. Origin labelling for beef became mandatory in 2002.

No decision was reached in 2013 regarding the mandatory indication of origin for meat used as an ingredient. However, a study completed on behalf of the Commission showed that consumers found origin labelling to be an important purchasing criterion.

The changed labelling requirements for unprocessed meat also apply to Atria Baltic and Scandinavia. In Sweden, domestic meat bears the 'Svenskt Kött' ('Swedish meat') label, which can be found on all of Atria Scandinavia's Lönneberga cold cuts. Atria Scandinavia is able to trace all the meat and other ingredients in its products.



## Atria uses additives responsibly

Atria actively monitors legislation and recommendations regarding additives. When launching new products, the company also considers consumer expectations in this area. An example of this concern is the fact that Atria eliminated monosodium glutamate from all of its products in 2012.

Atria assesses the necessity of additives both in terms of consumer health and product safety. Only important additives necessary for product safety and essential product characteristics are used, and only if they all have a proven safety record. Nitrites, for instance, are essential for product safety in meat products.

Necessary additives are assessed on a case-by-case basis. The most common purpose of additives in products is ensuring product safety, i.e., improving the product's shelf life.

#### Selection of additive-free and phosphate-free products expanded

In 2013, Atria Finland's selection of additive-free products expanded further. Five new additive-free poultry products were introduced, and additive-free Extra Large Minced Meat Patties were also launched to complement Extra Large Meatballs.

New products were also added to the Kulinaari product line during the year: eight new kinds of cold cuts and skinless frankfurters that contain no added phosphate. These products have a high meat content and respond to one consumer group's

# A-Rehu only uses responsibly produced soy

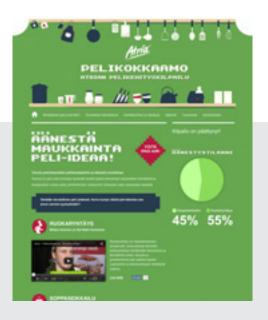
A-Rehu Oy, an Atria Group company, is the only company in Finland that uses 100 per cent responsibly produced soy in its products, as recommended by the WWF.

The standards for the responsible production of soy take into consideration both the most significant environmental impacts and the social impact of farming. Responsibly produced soy reduces the environmental impact and guarantees better rights for farm workers and local inhabitants.

According to a survey conducted by WWF Finland in 2012, companies that are part of the Finnish food chain are already aware of the social and environmental problems associated with soy production. As a particularly positive example, the survey mentioned that responsible soy accounted for 100 per cent of all soy procured by one operator in 2011. This operator was A-Rehu.

Source: "Suuret yritykset, suuri vastuu", a soy survey by WWF Finland, 2012

demand for phosphate-free products. Nevertheless, a large proportion of consumers continues to value the succulence of meat, and phosphates are an essential ingredient in these types of products.



## Design contest to find ideas for kids' nutrition games

Atria Finland launched a Health Game design contest for young people interested in the gaming industry, to find the best idea for a learning game targeted at children aged 9 to 12.

The game was intended to encourage children to adopt a varied diet and help them understand the importance of regular meals for their well-being. Games provide a natural and interesting environment for children to explore various themes, including serious ones such as nutrition.

Atria's design contest gave gaming students an excellent opportunity to demonstrate their skills in a real-life assignment and expand their contact networks. The students also received encouraging feedback, practical tips and development ideas from professionals of various fields on how to refine their game concepts.

Two finalists were selected from among the proposals entered in the contest. In the final round, everyone in Finland had the opportunity to vote online for their favourite idea for a game. The winner was declared in spring 2014 and received an award of €2,500. After the contest, a game will be developed on the basis of the winning idea.

# Investments in research and marketing

Atria Group's research and development operations focus on researching consumer behaviour and market data. The company also participates in applied research in the areas of product and packaging technology and food science.

Product development and marketing constitute an integrated function at Atria on both a strategic and operational level. The importance of both is emphasised in Atria's new strategy, 'Atria number 1'.

In line with its strategy, Atria focuses on strengthening its own brands. New products and successful marketing are the key to achieving this objective. The aim is to substantially increase the share of new products in terms of both net sales and EBIT. Currently, they account for approximately five per cent of net sales. A further goal of introducing new product groups and products is to increase the size of the food market as a whole.

#### Lots of new products

In 2013, Atria Finland launched a total of 160 new products in the retail and Food Service markets. This figure includes new packages and new product support innovations.

Among the most successful launches were the Family Farm additive-free poultry products, oriental microwave products and numerous new products for the summer barbecue season. These new products accounted for 10 per cent of total sales in Finland.

Atria Scandinavia launched 118 new products across all product groups. Examples of successful launches were the new Lithells cooking sausage concept and Sibylla sausage and pork products. In Sweden and Denmark, new products accounted for some 1.6 per cent of total sales.

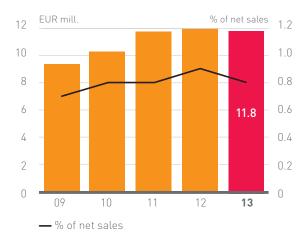
Atria Russia's product portfolio increased by 44 new products in 2013. New launches included cold cuts products under the Pit-Product and CampoMos brands, as well as seasonal Christmas products. These new products accounted for 2.4 per cent of total sales.

Atria Baltic launched 66 new products. The marinated Maks and Moorits grill products and the VK Retro product family succeeded best. New products accounted for 9.8 per cent of total sales.

Responsible marketing communications
Atria complies with the updated guidelines for responsible food marketing communications, which are based on the principles stated by the Confederation of the Food and Drink Industries of the EU (FoodDrinkEurope). They illustrate the common way of thinking at the EU level and serve as a guideline for voluntary self-regulation within companies.

The guidelines emphasise the truthfulness of marketing communications, the promotion of a healthy lifestyle, moderation, parental authority and the use of communication methods that take into account the level of media literacy among young audiences. Marketing communications in this context mean all paid marketing messages on television, in newspapers and on the Internet.

# Atria Group's research and development investments



#### Atria Group's new products

	Qty	% of net sales
Atria Finland	160	10.0
Atria Scandinavia	118	1.6
Atria Russia	44	2.4
Atria Baltic	66	9.8



# No more changing trends – people want simple food

There has been a buzz around food trends for over five years but last year it seemed to quieten down somewhat. Due to the deteriorating economic conditions – and partially just due to fatigue - increasingly many people are no longer interested in any extra classifications of food and food trends. People want simple food that will satisfy their needs.

Nevertheless, the heated debate about food in recent years has also left a permanent mark on people's attitudes and food knowledge.

#### Where does food come from?

As a result of many food scandals, people now have a permanent interest in where food comes from, how it is transported and what has been done to it before it ends up on their plates. In other words, they want to know the basic facts. This can be seen as a response to food fraud committed by certain parties. Information on the origin of food is required to ensure its safety, purity and ethical production, as well as the distribution of economic gains from production. Finnish food is valued because it is openly produced and traceable.

#### What is in the food?

Another major requirement concerns nutritional content. Following the discussion in recent years, most people today know what carbohydrates and proteins

are. They are also able to distinguish between good and bad carbohydrates. All this means that 'nutritionally balanced' food is held in great esteem.

According to preliminary information, Finns have finally stopped gaining weight. Young men have typically been the demographic group that is the least interested in the nutritional content of food, but now they too have begun to take an interest in nutritional values. By getting enough protein, they aim to ensure the growth of their muscles and, thereby, their 'social success'.

#### It's got to be easy!

Despite the countless inspiring TV programmes related to cooking and the resulting trend of 'better DIY cooking', it is evident that people want the preparation of everyday meals to be easier than ever. There is thus a growing number of potential buyers for ready meals. This is a challenge for both food manufacturers and retailers. How to draw the attention of consumers who currently never stop at convenience food shelves, as a matter of principle, to solutions between newgeneration convenience food and raw materials?

Source: Atria Trend Seminar 2013/2014

# Simple things are global megatrends

The world around food is becoming more diverse at the same pace as customer behaviour in general is becoming more fragmented. At the beginning of 2014, Datamonitor listed eight new food megatrends.

- Health and well-being: Reflected in the nutritional content of food, in particular.
- Seeking pleasure: Every once in a while, each of us discards all 'food rules' and only eats for pleasure.
- Self-indulgence and elimination of uncertainty: People find life stressful, which often forces them to choose simple solutions when it comes to food.
- Responsibility and ethics: Somewhere in the back of our minds, a voice is telling us to make the right choices for animals, the environment or even the national economy.
- Individualism: It is acceptable to also express our values and views through food choices.
- Changing society: The changing population structure in western countries will also affect the food business.
- Always online: The rapid growth of mobile Internet and the increasing popularity of online shopping will also have repercussions for grocery stores.
- Easy and inexpensive: Saving time and money are never out of fashion.

Many of these megatrends are contradictory, but so is today's consumer. People change their food selection criteria depending on the time, place, situation and course, flexibly and constantly.

Sources: Datamonitor and Atria Trend Seminar 2013/2014

# Animal welfare

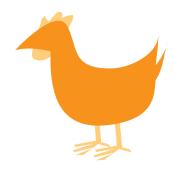
Animal health and good output primarily depend on the professionalism of producers, the right kind of animal material, good care of animals, systematic feeding and sound management of conditions.

# Reliable partnerships

By providing advice to contract farms, Atria shares the task of monitoring and developing animal welfare at farm level with producers. Atria has prepared production handbooks on each production species to assist producers; these handbooks provide clear guidance on the breeding, feeding, living conditions and health care of animals. Atria's contract producers are required to comply with the instructions in the handbooks, and their operations are monitored through veterinary checks at intervals of 1-12 months, depending on the type of farm.

#### Development led by veterinarians

At Atria, the promotion of animal welfare is managed by Atria's own expert veterinarians. Progress is measured by agreed indicators. When important thresholds are exceeded, the farm in question is contacted and the issues detected are corrected in cooperation with the producer and the veterinarian in charge. Any observations, contacts and measures regarding individual farms are recorded in the customer information system. Repeated negligence can lead to the termination of the production contract. Over the long term, animal welfare is promoted within the framework of Atria's development projects and in collaboration with research institutions and operators in the sector.



#### Atria Finland's key animal welfare development projects and results achieved in 2013

Targets 2013 Kev results in 2013 Targets 2014

#### AtriaSika (pigs)

- Research will continue into alternative options. Analysis of the uncastrated male pia trial.
- Continued reduction of tail-biting.
- Reduction of full and partial slaughter rejections.
- Research cooperation to promote animal welfare.
- Development of the Sikava quality standard in cross-sector collaboration.
- An experiment to rear uncastrated male pigs was conducted and analysed in 2013. Its results were promising. The visual identification of boar taint in the slaughter line still needs to be developed.
- Tail-biting increased by 0.1% compared with the previous year (2012: 2,5 %, 2013: 2,6%). In the longer term, the trend has been falling.
- The volume of full-carcass rejections was roughly on a par with previous year's level. Part-carcass rejections increased slightly, by 0.1%. The farms in question have been contacted and individual supplier contracts have been terminated.
- Research collaboration continued on animal welfare development (including pigs' respiratory infections, sow resiliency in production, Welfare Quality).
- The Finnish Food Safety Authority Evira approved Sikava's norm as the national quality standard.

- In seeking alternatives to pig castration, international discussion and research results are being monitored.
- Efforts to reduce the occurrence of tail-biting continue. Efforts are increased to quide producers on arranging stimulation for piglets.
- Reduction of full and partial slaughter rejections will continue. In 2014 development actions will steer attention to silage and rearing conditions. The aim is a consistent quality of pork.
- Research cooperation to promote animal welfare will continue.
- Auditing and certification of the Laatuvastuu quality standard.

#### AtriaNauta (bovine)

- Development of cattle health through the national cattle health database (Naseva) will continue. Main focus on developing summary reporting.
- Information system revisions to develop internal quality reporting.
- Research cooperation to promote animal welfare.
- The Naseva health care work has made progress, but the targets have not yet been attained in full and so development continues.
- The animal welfare indicator was programmed to automatically fetch data from the HankiTiltu accounting history database.
- In research cooperation, the KESTO project and the doctoral work on "The impact of cattle welfare on profitability in meat production" have progressed, but are still ongoing. Cooperation was conducted with the Work Efficiency Institute (TTS) to find profitable litter materials that enhance animal welfare.
- Agreeing on a national course of action for the cattle chain with the sector. The Association for Animal Disease Prevention (ETT) coordinates the project. Atria has played the role of a key initiator in promoting the matter.
- Changing Naseva's database and server platform
- Internal development work to reduce respiratory infections in calf rearing facilities jointly with the facilities and animal haulage staff. Possibilities for restricting the facilities' outgoing cattle rooms are investigated.
- Mykoplasma bovis research project jointly with the entire sector. The University of Helsinki coordinates the project.
- Completion of the KESTO project.
- Round-up of results of the QBA (Qualitative behavior assessment) project. The project includes visual assessment of animal behaviour.
- Completion of the "Impact of cattle welfare on profitability in meat production" doctoral thesis project.

#### AtriaSiipi (poultry)

- Commissioning of the renovated broiler hatchery.
- Research cooperation to promote animal welfare.
- The commissioning of the broiler hatchery succeeded as planned.
- Instead of separate animal welfare projects, the main focus was on continuous improvement of operations.
- Commissioning of a new feed plant.
- Integration of the Sahalahti chicken slaughterhouse into the Atria Way of Work.

### Measuring and reporting on animal welfare

At Atria, the assessment and measurement of animal welfare relies on continuous monitoring and analysis of production, transfer and chain information, slaughterhouse data and national health monitoring data.

Internationally approved and harmonised animal welfare indicators are not yet available. Global Reporting Initiative guidelines require that organisations processing production animals report the number of animals passing through as well as policies regarding medication and physical alterations.

Atria reports on the progress of animal welfare through its own development projects and indicators. GRI indicators are reported in the Responsible Meat Production material on the Atria website and in the GRI index on page 49.



### Most of the meat in business areas is of domestic origin

Atria uses approximately 300 million kilograms of meat raw material in production per year. This is a large amount even on a global scale. The procurement methods and origin of meat raw material vary from one business area to another.

Atria Finland buys virtually all pork, beef and poultry it needs from Finnish farms. All of the meat used in Atria-branded product groups comes from Finnish producers. The contract producer chain contains some 600 pig farms, 5,500 cattle farms and 90 poultry farms.

Atria Scandinavia acquires almost 50 per cent of its meat raw material from Swedish slaughterhouses and cutting plants. Procurement from other EU countries has increased. Atria does not have a meat chain of its own in Sweden or Denmark.

Atria Russia's meat raw materials mostly come from the global market, South and North America and the EU, including Finland. In autumn 2013, Atria decided to discontinue primary pork production in Russia and close down the Campofarm farm in the Moscow region. Atria also sold its share in piggery company Dan-Invest.

In Estonia, Atria's meat chain starts from company-owned pig farms. Atria is the second largest pork producer in the country. Its pig farms produce nearly enough pork to meet Atria's local demand.

# Giving pigs a good life

Vihti-based pig farmer Jari Ollikkala's philosophy is that if animals are not feeling well, they cannot provide a living for the farmer. That is why it is essential to take good care of them.

- It's a bit like driving a cab for a living and never have it serviced. You can't promise to take the customer to his destination, as your car can break down any time, Ollikkala reflects.

Ollikkala rears sows for Atria. The farm would probably be more profitable if it were also a fattening farm, but Ollikkala has decided to only keep sows. This means there is more room for the sows.

In autumn 2013, an open day was held at the Ollikkala farm for the second time. A bus-load of consumers got to see what an ordinary day at the pig farm is like. Consumers were interested

in how far animals travel, organic production, traceability, what motivates the producer to work, and how animals are fed.

Ollikkala thinks it is important that regular consumers see what the living conditions of Finnish pigs are like. This enables them to know where their food comes from, unlike with foreign meat. A familiar name on the packaging does not necessarily quarantee domestic origin, since many Finnish brands procure their meat from overseas.

Atria has aimed to show consumers what pork production is really like in Finland. To this end, it has organised open days at its contract production farms – the first ones took place in 2012.

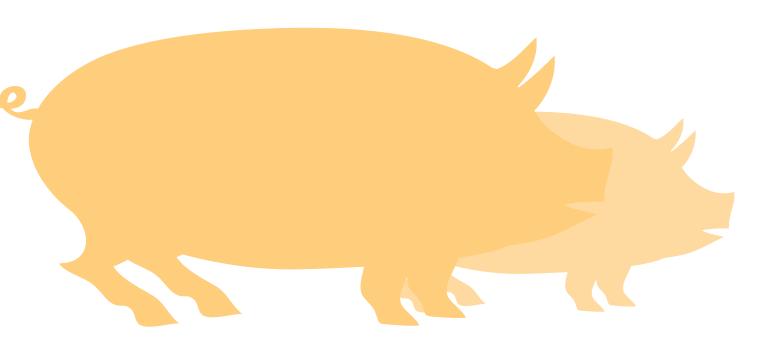
Atria procures more than 40 per cent of all Finnish pork, and its contract suppliers – Ollikkala among them – are committed to responsible production methods. All meat sold under the Atria brand is domestically produced.



Respect for the animals ensures high quality, but it does not guarantee a living for the farmer. Consumers will only understand the value of Finnish meat if they are told about its origin openly, actively and honestly.

#### Ollikkala farm

- A loose housing system for some 300 pigs. The farm mainly houses sows, in groups of about 40.
- Each sow has 2.5 litters per year, on average.
- After fertilisation, sows are taken to satellite farms for farrowing. Once the piglets have been weaned, the sows return
- The farm fertilises its sows in collaboration with two other farms and is a member of Itikka Co-operative.
- » To watch a video, visit the Atria Group website: http://www.atriagroup.com/media/Sivut/default. aspx#/news/atria-kutsui-kuluttajia-tutustumaansikatilan-arkeen-ollikkalan-tilalle-vihtiin-katsovideo-70491



# End to castration by 2016 project moving ahead

In Finland, all male pigs are castrated when less than one week old to prevent boar taint. This is the dominant practice all over Europe. AtriaSika requires that all its producer farms use analgesia in castration, and its administration is monitored by checking the pharmaceutical records kept by farms. In addition to making production more ethical, this also leads to better breeding results.

The long-term objective is to abandon castration in the Atria pig chain by 2016. This is an extremely ambitious goal. In 2013, a rearing trial of male pigs was completed under normal production conditions for fattening pigs. The rearing went well and the results were promising. In 2013, Atria also developed a new method for sensory detection of boar taint in the slaughtering line, but it must be further worked on before it can be implemented.

AtriaSika actively follows international research and development aimed at eliminating castration. In Europe, the focus is currently on breeding solutions and sensory detection of boar taint.

Atria also engages in breeding cooperation with the most important parties in this field. The company is currently looking into the need for and implementation of a new trial of male pig rearing and slaughter line detection.

# Increased transparency in pork production chain

Evira granted the Finnish pig health classification register, Sikava, the status of a national quality standard in 2013. The national quality standard will be called Laatuvastuu or Laatuvastuu luomu (organic), depending on the meat production method.

The Laatuvastuu quality standard significantly exceeds the statutory requirements for product safety and animal health. From May 2014 onwards, consumers can check the label on consumer goods to choose the type of production method used in rearing the pigs that provide the pork they buy.

Atria Finland's aim is that 100% of pigs coming in for slaughter meet the Laatuvastuu criteria. The quality management system of a plant covers all production stages following primary production, making the entire production chain transparent

The national quality standard arose from sustained cooperation between the sector and the Association for Animal Disease Prevention (ETT). Atria has actively engaged in this cooperation. The aim of the work has been to gain transparency for pork production and the entire meat production chain. The information campaign on the national quality standard is being administered by Lihatiedotus ry (the Meat Information Association).



### KESTO project promotes calf health

Atria Finland is involved in the KESTO project launched in 2013, which promotes calf health and dairy cow longevity and is coordinated by MTT Agrifood Research Finland and Savonia University of Applied Sciences.

Atria's role is to investigate the impact of group size on the occurrence of respiratory infections in large calf-rearing facilities. In the facility under inspection, one of the two pens for 80 newly arrived calves has been further divided into four pens of 10 calves. All calves are examined when they arrive, mid-way through feeding and at the end of feeding. Blood samples are taken from the calves to determine whether antibodies and inflammatory mediators are present. The times required for calf care in the different pens are recorded. A total of six batches of calves are examined.

At the end of 2013, the trial was at a halfway point. The overall results will be analysed once the results for all rearing batches are ready in 2014. They will be used to evaluate the impact of a reduced group size on calfrearing results and animal health.



# Competence, fairness and transparency

At Atria, social responsibility with regard to people covers employee well-being, competence development, fair pay, product safety, consumer protection, marketing communications and product labels. Social responsibility also involves open dialogue with stakeholders and the Atria Way of Work.

# Well-being and competence at the core of development

Developing the competence and well-being of our personnel is at the core of Atria's social responsibility. The quality of Atria's operations and products and the achievement of our growth and profitability targets rely on these factors.

In 2013, the key focus of Atria's HR work was on cascading the Atria Way of Work throughout the Group. Several strategy-driven personnel development and training programmes were also implemented in all business areas.

Strengthening and harmonising the Talent Management process as an executive, middle management and administrative tool was also a key area of focus.

### Achievements in 2013 and goals for 2014 of the HR function

Business area	Key results in 2013	Targets 2014
Atria Group	<ul> <li>A shared Atria Way of Work process cascaded throughout the Group.</li> <li>Increase of Group-level internal recruitment.</li> <li>Strengthening and harmonising of the Talent Management process.</li> <li>Atria Meat Technology Seminar was conducted.</li> </ul>	<ul> <li>Development of employer image and harmonised recruitment policy.</li> <li>Completion of a personnel survey.</li> <li>Country-specific reinforcement of segments of the Talent Management process.</li> <li>Health and safety at work: development of commensurate indicators.</li> <li>Development of harmonised leadership practice.</li> <li>Development of performance management.</li> </ul>
Atria Finland	<ul> <li>Atria's internal recruitment and mobility has increased among both white-collar and blue-collar employees.</li> <li>The capability leadership process is being profitably applied: the retirement age has risen, employee satisfaction survey results are very good compared with reference groups.</li> <li>Implementation of the Sirius capability monitoring software to support managerial work.</li> <li>Development of employer image: structures, responsibility areas clarified.</li> </ul>	<ul> <li>Development of the Talent Management proces.</li> <li>Planning of information system development supporting personnel processes.</li> <li>Development of employer image: clarification of communication and target groups and production of supporting materials.</li> <li>Instilling health and safety at work practices as part of the management system.</li> <li>Atria personnel practices at the Sahalahti and Jyväskylä plants.</li> </ul>
Atria Scandinavia	<ul> <li>Built a strong Atria culture and share the same values within the company.</li> <li>Talent Management process implementation.</li> <li>LEAN production coordination.</li> <li>Introduction to the meat technology.</li> </ul>	<ul> <li>Personal evaluation: yearly evaluation of white-collar workers and blue-collar.</li> <li>Brand management training</li> </ul>
Atria Russia	<ul> <li>Performance-based bonus system was introduced.</li> <li>Non-material motivation developed.</li> <li>Way of Work development and communication.</li> <li>Effective organizational structure: optimization project fulfilled.</li> </ul>	<ul> <li>Way of Work in action: HR processes and profiles adjusted accordingly.</li> <li>Employer brand development.</li> <li>Overall Climate Survey.</li> <li>Communication/cooperation improvement.</li> <li>Talent Management process.</li> </ul>
Atria Baltic	<ul> <li>Improved cooperation and internal communication through common quarterly meetings.</li> <li>Improved work environment.</li> <li>Employee commitment and cooperation supported by different HR activities.</li> </ul>	<ul> <li>Continuous training and development of profession-related/occupational skills and knowledge for meeting production capacity and quality needs and targets.</li> <li>More emphases in 2014 to development of managerial skills for those in charge of people and processes management.</li> <li>Reducing the amount of occupational accidents.</li> <li>Increasing awareness of safety measures and usage of safety arrangements at work.</li> <li>Going over to new salary and worktime calculation software.</li> </ul>

# Transformation from within

Last year, Atria Group's employees got together to define the Group's way of work and values. Atria is faced with many new expectations and demands from several stakeholder groups: customers, shareholders, consumers, the authorities. Transformation is essential, since old ways of work may no longer help the company remain competitive.

The Way of Work (WoW) discussions conducted in various countries of operation were a great success. Some 75 per cent of Atria employees in Finland, Sweden, Denmark and Estonia wanted to have their say on the shared ways of work. Atria Russia had already held value discussions previously, so Russian employees did not participate in this round of discussion.

WoW agents in different countries led the cascading down of values by, for example, managing discussions on the most important operating principles in each business area. Although the Group's values are the same in all business areas, individual differences exist in what is emphasised and how the values are worded.

In addition to the field work performed by WoW agents, the Atria Way of Work has been communicated throughout the organisation by means of discussions organised by supervisors as well as game playing events held in Sweden.

#### Atria Way of Work:

- We focus on consumers and customers
- We are hungry for success
- We deliver quality
- We enjoy our work

Atria Group's employees got together to define the Group's Way of Work and values. Atria Finland's embloyees: Sari Haapaniemi (in front), Susanna Kankaanpää, Heli Aby ja Minna Mänty.



# State-of-the-art training for consistent meat technology

Atria's position as a leading supplier of meat products requires top-level expertise in various fields. International expertise in meat technology has been intensified through the company's own graduate training seminar.

The Atria Meat Technology Seminar arose from a need to improve and harmonise in-Group expertise on meat, technology and processes. It also aims to transfer the know-how of Atria's older experts to the younger generations and enable the company to stay at the forefront of technological development. The first AMTS training course was held in 2010–2011. The training led to concrete development in business areas, enabled Atria's meat experts to build networks and improved Atria Group's unified practices in the meat sector.

Due to these achievements and the encouraging feedback provided by participants, a second Atria Meat Technology Seminar was held in 2013. It consisted of four modules organised in Finland, Sweden, Denmark and Spain. The seminar was attended by some twenty Atria employees from various business areas.

# Quality and professional pride

In Finland, quality was clearly the number one subject in discussions on the Atria Way of Work. As a result, a project called High-Quality Atria was launched. In discussions conducted in Atria Scandinavia, the principle 'We are proud of our work' ('Vi är stolta över vårt arbete') was the most popular. In addition to professional pride, this principle incorporates job satisfaction and the joy of work, along with the sense of solidarity, which have a great significance in Atria Scandinavia.



Atria Finland's employees: Ville Koukkari, Joni Jouppi and Taina-Maria Knuuttila. (Not according to the official dressing

# Atria employs hundreds of seasonal workers

Every year, Atria Finland offers seasonal work for around 700 individuals at its Seinäjoki, Nurmo, Kauhajoki, Forssa, Jyväskylä and Sahalahti plants. Atria is the most desired employer in its area of operation. The most suitable employees are selected from among thousands of applicants, and the majority of them are employed at the Nurmo production plant.

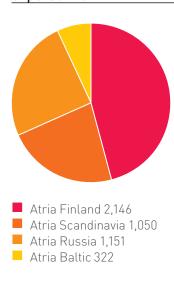
Work in the food industry is seasonal, starting in late spring for most of the workers.



Atria Finland's employees: Virpi Saari (below on the left), Henna Salo, Anne Männistö (top on the left), Paula Loponen, Virpi Granholm and Kirsi Kallioniemi.

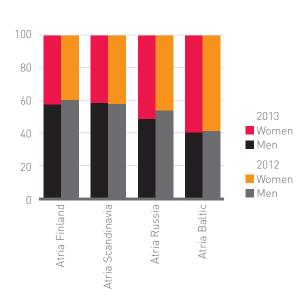


# Average number of personnel

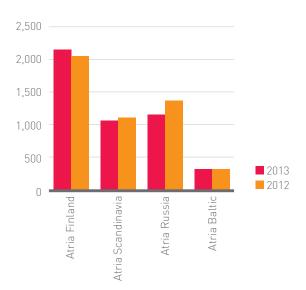


Atria Finland's employees: Tuija Katajamäki (in front on the left), Eeva Keltto, Maija Pohjola, Marja Mäkinen (up in the left), Kati Pessinen, Raili Peljo and Maija Hirviniemi.

# Proportion of women to men, %



# Average number of personnel



## Strong corporate culture supports long careers

In 2009, Atria Finland launched an extensive Early Caring project and the results are now visible on many fronts.

– The latest retirement statistics for Atria's employees are very encouraging. They show that we retire 2.3 years later than other Finns on average, says **Tapio Palolahti**, Vice President of Human Resources at Atria Finland.

Atria's Early Caring measures have had a variety of positive effects on employee well-being, and they have also generated clear business benefits.

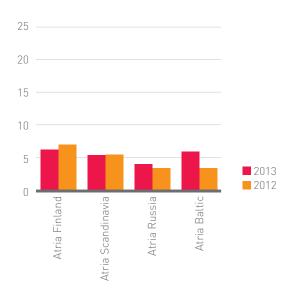
– With regard to senior employees, we have focused on each employee's work capacity and coping at work. Together with the employees, we seek solutions to help them stay at work longer,

Palolahti says.

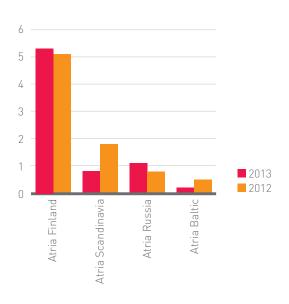
There has been a significant reduction in disability retirement. In addition, the investments in industrial safety, training and the OHS system have already paid off in the form of decreased expenses related to sickness absence. The results of employee well-being and personnel surveys also show that Atria employees feel their work capacity and efficiency have improved.

According to statistics published in the summer by the Finnish Centre for Pensions, the average retirement age for Finns is 60.9 years. In mid-2013, the average retirement age for Atria employees was 63.2 years, up from 60.5 years in 2009.

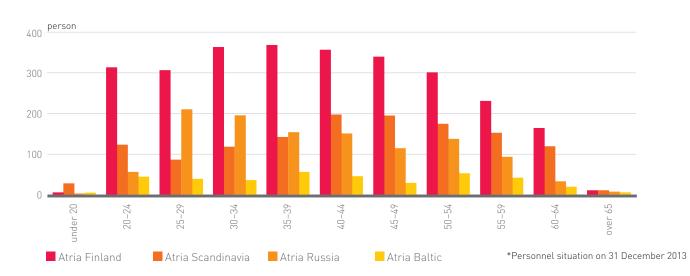
# Sickness absences % of regular working time



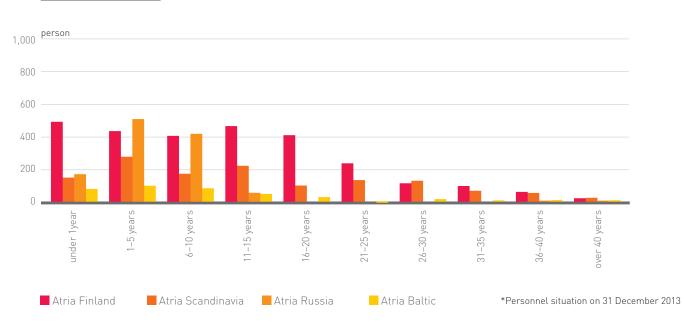
#### Training days 2013



#### Age structure in Atria Group\*



#### Service structure\*





# Environmental responsibility at three levels

The well-being of the environment is essential to the operations of Atria and the food industry as a whole. Atria Group's environmental responsibility is built around three main elements:

- Taking the environment into consideration at all operational levels
- Identifying the indirect environmental impact of various stages of the operating chain
- Reducing the direct environmental impact of operations

# Stakeholders involved in environmental efforts

The key environmental aspects that Atria can influence through its operations are energy and water consumption, wastewater load and waste prevention.

Transport and primary production have a significant indirect impact on the environment. The company therefore encourages primary production operators to adopt eco-efficient methods and commit to the conditions of the EU's environmental subsidies. In transport, Atria monitors fuel consumption and the European emission standards for vehicles, which indicate the level of hazardous emissions released by the engine.

Environmental management at Atria is based on en-

vironmental legislation and meeting of stakeholder expectations. The management tool used at Atria Finland and in parts of Atria Scandinavia is an environmental management system certified in compliance with the ISO 14001 standard.

In other business areas, the company strives to achieve a corresponding level of environmental management. Environmental solutions are developed in collaboration with local environmental groups and through networking with the best experts in the area. In Finland, Atria has a representative on the Environmental Committee of the Finnish Food and Drink Industries' Federation.

#### Key results and targets in environmental responsibility

#### Targets 2013

#### • Managing direct environmental impacts.

• Identifying and managing environmental impacts throughout the production chain.

#### Results 2013

- Energy consumption fell by 3%.
- A total of 98% of by-products useless for Atria's core business were channelled to reuse.
- No incidents of environmental damage or environmental negligence leading to significant fines or reprimands occurred at Atria's production plants.

#### Targets 2014

- Managing direct environmental impacts.
- Identifying environmental impacts throughout the production chain and promoting eco-efficiency.



Atria's new generation packaging is better for retaining the flavours of cold cuts, and is also easier to open and close properly. The flavours of cold cuts now last longer, which also helps reduce household food waste.

# Good packaging reduces waste

Atria chooses its packaging solutions using the following main criteria, which are aimed at waste prevention:

- The primary function of packaging is to protect the product and inform the consumer of the product's characteristics, thereby preventing food waste.
- Material efficiency is also important. Atria always strives to find a solution that is technically and economically the best and requires as little packaging material as possible, without compromising the primary function of packaging.
- The third most important factor is finding packaging materials that are environmentally-friendly. All of Atria's packaging materials can be either recycled or reused in energy production.

# HÄVIKKI VIIKKO

# Food waste can be prevented

Reducing food waste has become a key environmental responsibility challenge in the food production chain. Recent research shows that Finnish households waste an average of 23 kilograms of food a year per person. All in all, the average household throws away food at a rate that amounts to 80 euros per person per year. Single households waste on average food worth 100 euros. For couples this figure is 140 euros and families with children waste food worth 270 euros.

The majority of discarded food consists of potatoes, vegetables, fruit, berries and bread. The main reason for an item going to waste is that it goes off, that its "best before" date passes or that people cook more than they can eat.

Based on the reasons leading to waste, it can be seen that some of it could be prevented by a change of practices. Such actions as better planning of grocery shopping and including leftovers in meals can help to reduce household food waste. Buying the right package size, avoiding oversized packages and reviewing packaging labels while buying items can also help to reduce waste.

The design of food packages, in fact, plays a crucial role in reducing household food waste. The package is an essential part of each food item – it serves to protect the product to ensure it will keep until it reaches the consumer. If the package fails in this function, the result is food waste and unnecessary environmental impacts, as the impacts of food production will have arisen for nothing.

Source: Final report of the Ecopaf 2011-2013 project, MTT Agrifood Research Finland

# Environmental responsibility in Atria Group

#### Use of materials

The use of materials refers to the total volume of packaging materials used in Atria's products. In compliance with the EU Packaging Directive, Atria notifies the authorities of the amounts of packaging material placed on the market and pays recycling and reuse charges accordingly. In Russia the corresponding information is not collected.

#### Energy consumption

In the food industry, energy is needed for heating and cooling premises, production-related heating and cooling processes and for maintaining material flows and the cold chain. Total energy consumption and consumption per kilograms produced decreased by three per cent during the review period.

#### Water consumption

The food industry uses large volumes of water, partly to uphold production hygiene. In addition to frequent washing of premises, clean water is also needed as a processing aid, for instance in product cooling. Total in-Group water consumption grew by five per cent.

Atria strives to minimise the environmental impact of groundwater consumption in cooperation with local utilities by increasing the use of surface water when needed and levelling off consumption peaks using a variety of technical solutions.

#### Wastewater

The volume of wastewater generated by Atria corresponds to its water consumption. At the larger production sites, Atria pre-treats its effluents before flushing them into the municipal sewage network. Plant-specific environmental permits determine the target values for wastewater channelled to the local

treatment facility. The plants carefully monitor compliance with the target values.

As BOD7 values are not measured in the Atria Scandinavia business area, its load has been estimated on the basis of the load generated by a similar facility.

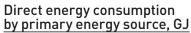
#### Greenhouse gas emissions

All business areas monitor the volume of greenhouse gas emissions generated in their own heat production. The Atria Scandinavia business area also monitors the greenhouse gas emissions from indirect energy consumption using computational models.

Food production waste and by-products
The by-products of food production are carefully
utilised. A total of 98% of by-products useless
for Atria's core business are channelled to reuse.
The destination of by-products mostly depends
on the market price of raw materials and local
infrastructure.

Waste prevention during a product's life cycle is greatly influenced by the choice of packaging. The environmental impact of food packaging is significantly smaller than the emissions caused by the production and consumption of the food itself.\*

#### Materials used for packaking purposes, t 12,000 10,000 8,000 6,000 4.000 Atria Finland 2,000 Atria Scandinavia Atria Baltic 12 13 Direct energy consumption, GJ 1,800,000 1,600,000 1,400,000 1,200,000 1,000,000



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12

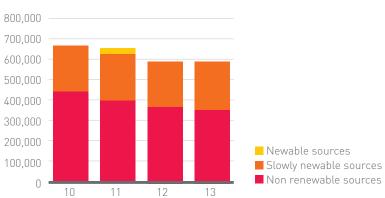
800,000

600,000

400,000

200.000

10



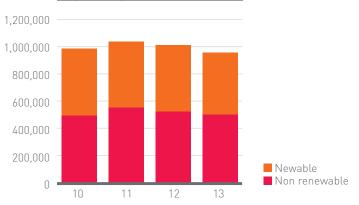
Atria Finland

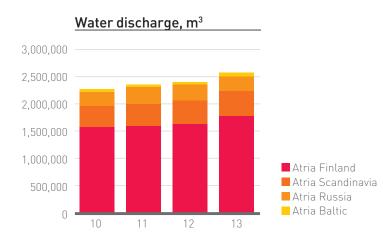
Atria RussiaAtria Baltic

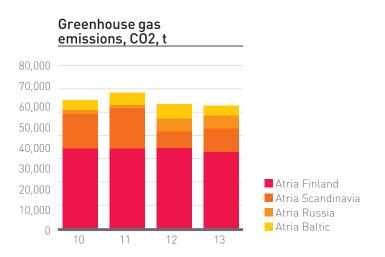
Atria Scandinavia

<sup>\*</sup> Source: MTT FutupackEKO 2012

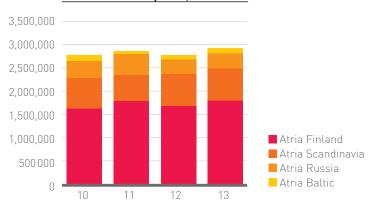
#### Indirect energy consumption by primary source, GJ



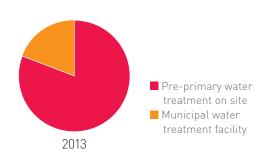




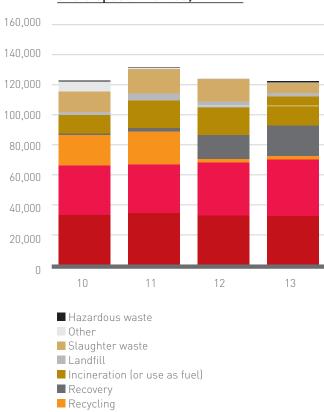




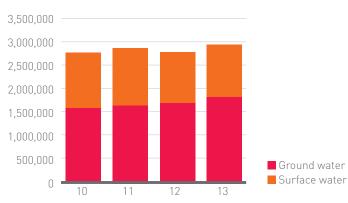
Wastewater treatment, %

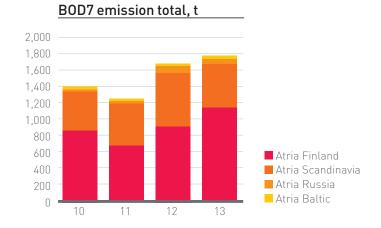


Total weight of waste by type and disposal method, t



#### Water consumption by main source, m<sup>3</sup>







# Environmental resposibility in Atria Finland

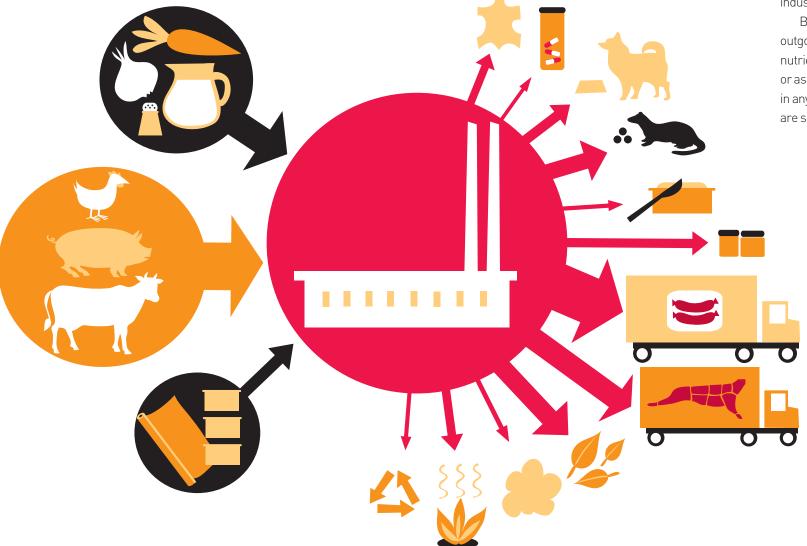
Atria Finland's environmental management is handled by a steering group that works under the Management Team and is in charge of the planning and monitoring of environmental management. The steering group has representatives from production, product and packaging development and support functions. The composition of the group ensures that management encompasses all of the areas in which Atria can control its environmental impact.

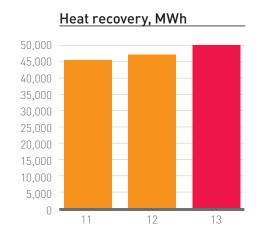
The group addresses changes in legislation and stakeholder groups, analyses the results achieved in the previous year, discusses required investments and sets targets for the upcoming period.

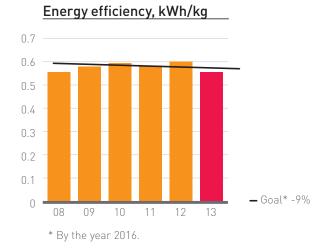
# Materials are utilised to the full

The mainstream of materials entering the Atria Finland production machinery consists of slaughtered animals, other ingredients and packaging materials. The company uses all incoming materials as efficiently as possible, primarily by producing goods directly for the consumer, wholesale and industrial markets.

Based on its agro-ecological operating model, Atria returns outgoing by-products to the food chain by sending recycled nutrients to be reused as ingredients of animal feed, fat, fertilizer or as energy. Only a fraction of the by-products cannot be utilised in any of these ways, even as energy – those remaining materials are sent for treatment as hazardous waste or to a landfill.







#### Atria Finland's environmental objectives and targets for the 2012-2014 environmental strategy period

Objective	Target	Programme
Management of energy consumption (electricity and heat)	As stated in the national energy efficiency action plan: relative consumption down 9% by 2016, compared with 2005.	<ul> <li>Energy audit and analysis at Nurmo.</li> <li>Improving the efficiency of the controls of cold stores and refrigeration systems.</li> <li>Increasing heat recovery in a profitable manner.</li> </ul>
Management of water consumption	Relative water consumption down 1% by 2014, compared with 2011.	<ul> <li>More effective recycling of water and identification of new recycling possibilities.</li> <li>Detection of water loss through new consumption monitoring methods and alarms.</li> <li>Optimisation of water consumption in process washes.</li> </ul>
Reduction at source	Relative mixed waste volume down 20% by 2014, compared with 2011.	<ul> <li>Optimised steering of by-products.</li> <li>Improved sorting.</li> <li>Planning the location of waste containers and collection points.</li> <li>Refining of procedures.</li> <li>Choice of partners.</li> </ul>

The key objective in the environmental strategy period is to support business operations through controlled use of natural resources. The objectives have been adapted to fit changes in the business environment, of which the most significant are the advancement of energy efficiency and waste prevention.

### Nutrients from slaughtering by-products recycled for use

Most of the by-products from Atria's slaughterhouses are channelled to Honkajoki Oy, a recycling facility half-owned by Atria that processes animal by-products. Its operations are based on an agro-ecological model, in which animal by-products from the food chain are recycled for use through a production process.

During the process, animal by-products are converted into raw materials suitable for specific uses. Processed animal protein is used in animal feed, meat-bone flour in fertilizers, fat in biodiesel or another form of energy, and district heat to heat gardens in nearby areas.

Honkajoki's production plants use technologically advanced equipment and processes. The company has a wind farm for generating wind energy. Local greenhouses and gardens are also heated with waste heat from Honkajoki. Environmentallyfriendly forms of energy and energy efficiency are the key defining features of the production site.



# Added value for stakeholders

By economic responsibility, Atria refers to meeting its financial targets in such a way that it can generate long-term financial added value for its shareholders and other stakeholders and increase well-being in the surrounding communities and society.

## Its all about profitability

In order to reach the financial targets, Atria's business must first and foremost be profitable. This is supported by good competitiveness and efficiency, together with business risk management.

For Atria, economic responsibility also means healthy and responsible business practices. Corporate responsibility, decision-making and administration are subject to national legislation and regulations, as well

as the Corporate Governance Code for Finnish listed companies.

Profitability and efficiency create the preconditions for assuming social and environmental responsibility. Atria believes that socially and environmentally responsible conduct also works in the other direction by strengthening economic responsibility.

Distribution of economic value added by Atria



#### Customers

- Consumer goods retail trade market
- Food Service customers
- Food industry
- Export customers
- Net sales and other operating income EUR 1,417 million

## **ATRIA**



#### **Partners**

• Purchasing and other expenses EUR 1,154 million



#### Personnel

 Purchasing and other expenses EUR 182 million



### Society

• Taxes and social security expenses EUR 60 million



### **Growth investments**

• Gross investments and R&D costs EUR 53 million



## International exchangelisted company

Atria Plc is a strongly growing Finnish listed company in the food industry which is rapidly expanding its international presence. Atria Group is one of the leading food industry companies in the Nordic countries, Russia and the Baltic region. The parent company, Atria Plc, and its subsidiaries make up the international Atria Group, which has its registered office in Kuopio. Atria's head office is located in Seinäjoki.

Atria's net sales in 2013 amounted to EUR 1,411 million and it employed an average of 4,670 persons. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

Atria's customer groups are the consumer goods retail trade, Food Service<sup>(1)</sup> customers and the food industry. In addition, it has a Fast Food concept business based on its own brands. Atria's roots go back to 1903, when its oldest shareholding cooperative was founded. Atria Plc's shares are quoted on the NASDAQ OMX Helsinki Ltd stock exchange. The company has approximately 12,290 shareholders.

Atria Plc's products include fresh and consumer packed meat, meat products, convenience foods, poultry products and delicatessen products. Atria produces meat products from pork, beef and poultry. The processed meat products include cold cuts and sausages. Convenience foods include home food products as well as fast food and hot-dog stand products.

#### Atria Plc is a member

- in Finland: of the Finnish Food and Drink Industries'
  Federation (ETL), the International Chamber of
  Commerce, the Norden Association promoting official
  and unofficial cooperation in the Nordic region, as well
  as the Pellervo Confederation of Finnish Cooperatives.
- in Russia: of the St Petersburg and Leningrad oblast meat association and food industry association and East Office, which promotes excellence in Russia.
- in Sweden: of the food industry employers' association Livsmedelsföretagen (LI), the Swedish Meat Industry Association (KCF), the Swedish Frozen Food Institute, Grocery Manufacturers of Sweden (DLF), the Swedish Institute for Food and Biotechnology (SIK), Ideon Agro Food and the Innovation Pioneers.
- in Estonia: of the Estonian Association for Personnel Development PARE, the Estonian Chamber of Commerce and Industry, GS1 Estonia MTÜ and the Association of Estonian Food Industry.

#### Atria Group key indicators

	2013	2012
Net sales, EUR million	1,411.0	1, 343.6
EBIT, EUR millon	19.7	30.2
EBIT, %	1.4	2.2
Balance sheet total	978.1	1 041.6
Return on equity %	-1.0	2.4
Return on investment %	3.7	4.7
Equity ratio %	42.2	41.5
Net gearing %	74.3	84.3
Non-recurring items*	-17.3	-0.5

<sup>\*</sup>Non-recurring items are included in the reported figures.



### Investments to improve productivity and profitability

The new chicken feed plant in Koskenkorva, Ilmajoki, owned by A-Rehu Oy, a member of Atria Group, went on stream in 2013. The value of the investment was nearly EUR 15 million. The new facility nearly doubled the company's feed production capacity at Koskenkorva to 240 million kilograms a year.

The new Kauhajoki bovine slaughter facility was completed at the end of 2012 and production was phased in during 2013. Atria's EUR 26 million investment in the plant raised its bovine slaughtering capacity in Finland from 26 million to 40 million kilograms.

The refurbishment of the Seinäjoki broiler hatchery also progressed on schedule. Machinery and equipment investments

amounting to EUR 6 million were completed in early 2013. The new marketing standard which came into force in the EU in 2010 significantly increased the demand for fresh chicken whilst also posing new logistical challenges for the entire supply chain. The refurbished broiler hatchery meets this challenge.

Atria Scandinavia's business area has for several years now focused on profitability improvement measures. The transfer of Halmstad's production to Malmö was one of the most significant measures. Over five years, the number of Atria Scandinavia plants has been cut from 18 to 9, productivity has increased and the cost structure has lightened.

### Russian operations increasingly concentrated at Gorelovo

Atria gave up all its primary production in Russia. Pork production at the Campofarm farm in the Moscow region was terminated in 2013. In addition to Campofarm, Atria has been involved in pork production as a minority partner of Dan-Invest. Atria sold its 26% interest in the company at the end of September 2013.

Furthermore, processes to discontinue the Campomos

industrial production and logistics unit located in Moscow were set in motion and are due to be completed by the end of 2014.

At the same time, Atria concentrated its operations at the Gorelovo plant in St Petersburg. Its efficiency and production capacity were improved through investments worth more than EUR 4.5 million. The aim is to set Atria Russia's operations in a more efficient and profitable direction.



Atria Plc's CEO Juha Gröhn and Kaisu Avotie, Gardening Counsellor and Chairman of the Board of Directors of Saarioinen.

### Atria purchased Saarioinen's slaughtering and meat cutting operations

Atria Plc and Saarioinen Oy signed a letter of intent in the summer of 2013, by which Atria purchased Saarioinen's beef, pork and chicken procurement, slaughter and cutting operations. Under this letter of intent, the deal transfers Saarioinen's chicken production machinery and equipment to Atria, as well as its chicken production building and site in Sahalahti, Kangasala. The Jyväbroiler brand is also transferred to Atria under this contract.

The deal will increase Atria's cost-efficiency in meat procurement, slaughter and cutting operations.

The personnel of Saarioinen's procurement, slaughter and cutting operations will move to Atria as existing employees, and Atria will continue its industrial operations in Jyväskylä and Sahalahti. The operations covered by the deal employ about 400 people.

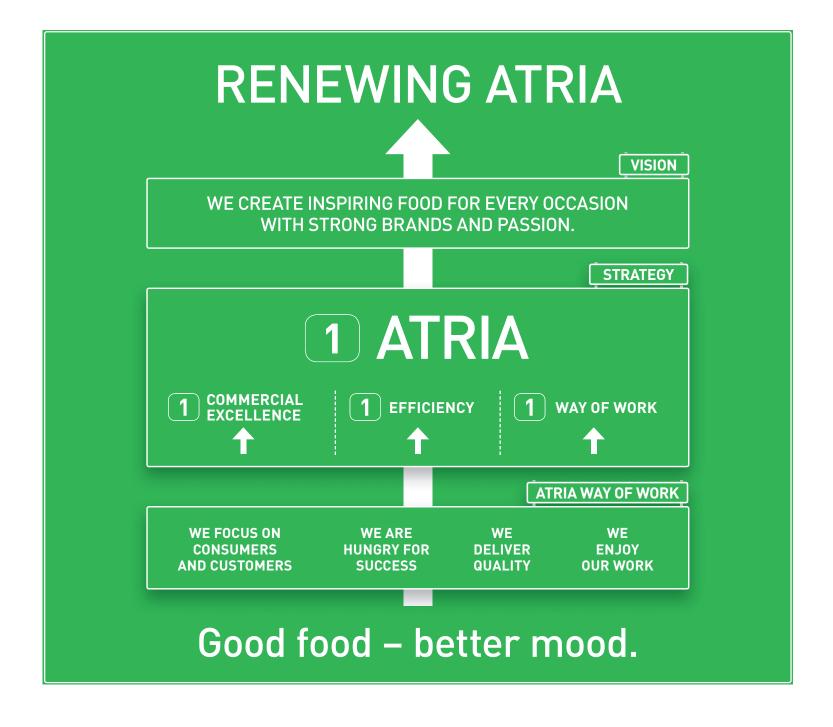
As a result of the deal, Atria's net sales were projected to increase by around EUR 70 million a year. The deal was sealed in February 2014.

### Atria's strategy

With its strategy, Atria strives to improve profitability, boost growth and increase the company's value. It will implement the strategy by developing the following three operational dimensions: commercial excellence, efficiency and the common Atria Way of Work.

Atria aims to be the market leader or a strong number two in the Group's core operations, which include cold cuts and processed meat products. The market for cold cuts and other meat products is a high-volume business that provides growth potential for Atria.

Atria is also aiming at the top in local core operations, such as poultry and convenience foods, Atria Deli and Sibylla operations, selected Private Label product groups, consumer-packed meat, and slaughtering and cutting operations.





Commercial success maintains and boosts Atria's growth.

- Atria manages and develops the selected product groups to gain commercial or brand leadership. Atria's branded products are number 1 in their respective groups.
- Atria has industry-leading understanding of consumer behaviour and knowledge of product segmentation.
- Atria develops its cooperation with each retail chain and Food Service account in order to be their most preferred partner.
- Atria invests in its strong product brands, which ensure the success of Atria's current product groups and facilitate the launching of new product groups and innovations.
- Atria develops and expands the whole market through new solutions.



Enhanced efficiency improves Atria's profitability.

- Atria develops its processes to achieve industry leadership.
- R&D, production and purchase processes are developed from the perspective of efficiency in order to generate a significant cost advantage for Atria.
- Atria reinforces transparent and smooth cooperation with primary producers.



The way of work and values ensure Atria's profitable growth in the long term.

- Atria develops shared values, corporate culture and leadership to support its strategy.
- Atria develops its governance model to enable the use of the best resources in various organisation units in Atria.
- Atria fosters a positive and encouraging atmosphere, in which learning and initiative are appreciated.
- Atria utilises best practices and the best know-how of its personnel across the organisation.

#### STRATEGIC PROJECTS IN 2013

- Sibylla's and Atria Deli's growth
- Boosting marketing in all channels
- Category leadership

- Reducing wastage
- Deepening cooperation with primary producers

- Improving quality
- Defining values "Atria Way of Work"

### **BUSINESS AREAS**

### Atria Finland

develops, produces and markets Finnish fresh food products and related services. Atria Finland's net sales in 2013 was EUR 886.8 million and had an average of 2,146 employees.



#### Brands

Atria Finland's leading brand is Atria, one of the best-known and most valuable food brands in Finland. Atria is the market leader in many of its product groups in Finland. Its total market share in the consumer goods retail trade is approximately 27 per cent.

#### Customers

- Consumer goods retail market trade
- Food Service
- Food industry
- Export customers
- Concept (Sibylla)

#### Core product groups

- Meat products, such as sausages and cold cuts
- Fresh and consumer packed meat
- Convenience food
- Poultry

### Atria Scandinavia

produces and markets meat products, meals and delicatessen products mostly in Sweden and Denmark. The company's net sales in 2013 amounted to EUR 395.0 million and the number of employees was 1,050.

















#### **Brands**

Atria Scandinavia has an extensive selection of brands. The best-known brand in Sweden is Sibylla, which is also Atria's most international brand. In Denmark, the best-known brand is 3-Stjernet. Atria Scandinavia holds the second position in the cold cuts and sausages product groups in both Sweden and Denmark.

#### Customers

- Consumer goods retail market trade
- Food Service
- Delicatessen products
- Concept (Sibylla)

#### Core product groups

- Cold cuts
- Meat products, such as sausages
- Convenience food
- Delicatessen products, such as premium cheese and deli meat products and marinated fresh products





### Atria Russia

produces and markets its products mainly in the St Petersburg and Moscow regions. Its net sales in 2013 amounted to EUR 121.5 million and the number of employees was 1,151.











#### **Brands**

Atria Russia's brands are Pit-Product and CampoMos. With a market share of approximately 20 per cent, the Pit-Product brand is the market leader in its product groups in St Petersburg's consumer goods retail trade. CampoMos has a small market share in Moscow and St Petersburg.

#### Customers

- Consumer goods retail market trade
- Food Service
- Concept (Sibylla)

#### Core product groups

- Meat products, such as sausages
- Cold cuts
- Convenience food, such as pizza

### Atria Baltic

produces and markets its products mainly in Estonia. Its net sales in 2013 amounted to EUR 32.9 million and the number of employees was 322.









#### Brands

By roots and nature, Atria Baltic's brands in Estonia are local brands that, with the centralisation of the consumer goods retail trade, have grown into national brands. Key brands are Maks & Moorits and Woro.

#### Customers

- Consumer goods retail market trade
- Industry

#### Core product groups

- Meat products, such as sausages
- Cold cuts
- Fresh meat
- Own pork production

## COMPARISON OF CONTENT WITH THE RECOMMENDATIONS OF THE GRI GUIDELINES

Atria reports the key information and indicators of its corporate responsibility. The GRI accounting principles and guidelines are applied in the reporting to the extent applicable to Atria's operations. In addition to GRI indicators, Atria reports complementary FPSS indicators (Food Processing Sector Supplement).

		Included	Page	Additional information
1.	Strategy and analysis			
1.1.	CEO's review		5	
1.2.	Organisation's key impacts, risks and opportunities			Raported in the context of relevant measure.
2.	Description of the organisation			
2.1.	Name of the organisation		40	
2.2.	Primary brands, products and services		44-45	
2.3.	Operational structure		40	
2.4.	Location of the organisation's headquarters		40	
2.5.	Geographical location of the operations		2–3	
2.6.	Ownership and legal form of the organisation		40	
2.7.	Markets served		44-45	
2.8.	Scale of the reporting organisation		44-45	
2.9.	Significant changes during the reporting period regarding size, structure or ownership		41	
2.10.	Awards received in the reporting period			Atria Group received no awards in the period under review.
3.	Report parameters			
3.1.	Reporting period		52-53	
3.2.	Publication date of the previous report		52-53	
3.3.	Reporting cycle		52-53	
3.4.	Contact information		54	
3.5.	Process for defining report content		52-53	
3.6.	Boundary of the report		52-53	
3.7.	Specific limitations on the scope or boundary of the report		52–53	
3.8.	Basis for reporting joint companies, subsidiaries, leased facilities and outsourced operations.			
3.9.	Data measurement techniques and the bases of calculations			Any deviations and restrictions to the calculation limit are reported in the context of the relevant key figures. If previously reported key figures, their comprehensiveness, restrictions or measuring techniques have changed, those changes are reported in the context of the relevant key figures."
3.10.	Changes in the information previously reported			Reported in the context of relevant measure.
3.11.	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report			No significant changes.

AR: Annual report
FPSS: Food Processing Sector Supplement
Reported
Partly reported
Not reported

		Included	Page	Additional information
3.12.	GRI content comparison		46-50	
3.13.	Policy and current practice with regard to seeking external assurance for the report		52–53	No third party verification.
4.	Governance structure, commitments and engagement			
4.1- 4.7.	Corporate governance principles		AR	
4.8.	Mission, values and ethical principles		42-43, AF	
4.9.	Methods of the Board of Directors to oversee the implementation of social responsibility		AR	
4.10.	Evaluation of the Board of Directors' performance		AR	
4.11.	Application of the prudence principle		AR	
4.12.	Principles and initiatives of external parties recognised or promoted by the organisation		52	
4.13.	Memberships in organisations, associations and lobbying organisations		40	
4.14.	Organisation's stakeholders		6–7	
4.15.	Identification and selection of stakeholders		6–7	
4.16.	Forms of stakeholder interaction		6–7	
4.17.	Matters and concerns raised in stakeholder interaction		6–7	
ECONO	OMIC RESPONSIBILITY			
Econon	nic responsibility		# # # # # # # # # # # # # # # # # # #	
EC 1	Direct economic value generated and distributed		38–39	
EC 2	Financial implications and other risks and opportunities for the organisation's activities due to climate change		AR	Any risks and opportunities arising from climate change are taken into account in business development and risk assessment as part of the review of changes to the business environment.
EC 3	Coverage of the defined benefit plan obligations			
EC 4	Financial assistance received from government		AR	
EC 6	Purchases from local suppliers			In it's business areas Atria purchase raw material both from local suppliers and from international markets.
EC 7	Local recruitments			The recruitment process doesn't discriminate the candidate on basis of domicile or any other feature. Most of the season workers in different production plants lives close to working place. The applicants are not compiled statistics about domicile during the recruitment process.

## COMPARISON OF CONTENT WITH THE RECOMMENDATIONS OF THE GRI GUIDELINES

		Included	Page	Additional information
ENVIRO	NMENTAL RESPONSIBILITY			
Environ	mental indicators			
EN 1	Use of materials		34	The amount of purchased packing material reported. The introduction available Atria Finland and Atr Scandinavia.
EN 3	Direct energy consumption of the main sources		34	
EN 4	Indirect energy consumption of the main energy sources		35	
EN 5	Energy saved due to conservation and efficiency improvements		37	Atria Finland: reported.
EN 8	Total water consumption by source		35	
EN 16	Total direct and indirect greenhouse gas emissions by mass		35	
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved		36	
EN 21	Total water discharge by quality and destination		35	
EN 22	Total weight of waste by type and disposal method		35	
EN 23	Total number and volume of significant spills			No spills.
EN 24	Weight of transported, imported, exported or treated hazardous waste			Not relevant in Atria's operations.
EN 25	Water bodies significantly affected by the organisation's discharges of water and runoff			All Atria's wastewater goes to a municipal effluent treatment plant. Some plants also have their own wastewater treatment plant.
EN 26	Measures to curb the environmental impact of products and services, and the scope of operational impacts		34	Atria Finland: commitment to energy savings in accordance with the energy efficiency agreement.
EN 28	Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations			No sanctions during the reporting period.
Product	t responsibility indicators			
PR 1	Life cycle stages in which health and safety impacts of products and services are assessed		12	
PR 2	Incidents of non-compliance with health and safety regulations		13	No complaints during the reporting period in Finland. Atria Scandinavia had two product withdrawals during 2013 in Denmark due to safety.
PR 3	Product and service information required by procedures		18	Atria complies with laws ans regulations in it's labelling.
PR 4	Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling		13	No complaints during the reporting period in Finland. Atria Scandinavia had two product withdrawals during 2013 in Sweden due to incorrect product information.
PR 5	Operating practices relating to customer satisfaction and results of customer satisfactio surveys		6–7	

			Included	Page	Additional information
	PR 6	Practices supporting compliance with laws, norms and voluntary regulations concerning marketing communication		20	
	PR 8	Substantiated complaints regarding breaches of customer privacy and losses of customer data			No complaints in the year under review
	PR 9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services.			No fines in the year under review.
FPSS	FP 5	Production kilograms produced at certified sites		12	
FPSS	FP 6	Percentage of total sales volume of consumer products that are lowered in saturated fat, trans-fats, sodium or added sugar.			The share of these products of all products is not calculated separately. The amount of salt and fat in products is subject to attention in all markets.
FPSS	FP 7	Percentage of total sales volume of consumer products sold with health claims			Atria does not use health claims in its products.
FPSS	FP 8	Delivery of product information exceeding legal requirements to consumers		18	Atria provides consumers with comprehensive information on issues such as raw materials used in products and their qualities. Atria also has a consumer service team that responds to any other enquiries about products.
	Animal	welfare indicators		0 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Animal welfare indicators are only reported for Atria Finland. The data is available at www.atriagroup.com/vastuullistalihantuotantoa
FPSS	FP 9	Processed volumes of production animals by species			Atria Finland's slaughterhouses processed 854,772 pigs, 107,157 cattle and 41 million kilos chickens in 2013.
FPSS	FP 10	Policies and practices related to physical alterations and the use of analgesia by species			In the Atria meat chain, animals do not undergo any unnecessary painful physical alterations. Procedures considered necessary for the time being include male pig castration (to stave off boar taint) and calf dehorning. Male pigs are surgically castrated within five days of birth using pain analgesia. Atria is actively investigating alternative solutions to eliminate castration in the chain. Calves are housed in group pens, and sharp horns constitute a physical risk for other animals and a safety risk for carers. The Atria bovine service pays extra for calves de-horned by a veterinary officer using analgesia in group rearing facilities. Tails are not docked. Chickens' beaks are not trimmed. Bulls are not castrated.
FPSS	FP 12	Animal medication practices and the use of growth promoters by species			Veterinary drugs policy in Atria Finland's area: Diseased animals are treated with appropriate care, avoiding unnecessary medication. Drug dosage is determined by a veterinary officer who also oversees the pharmaceutical records and drug use at farms. The need for medication is low by international comparison and the occurrence of drug residues in food is extremely rare. No growth enhancers or hormone preparations are used at Finnish farms. Atria Finland is developing its production chain so as to minimise animal ill health and the need for drugs.
FPSS	FP 13	Incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live animals.			Atria Finland received one administrative decision from the authorities regarding its slaughter practices or animal treatment in 2013. The decision concerned the overloading of a pen at a sow slaughterhouse. The authorities conduct transport checks at slaughterhouses for incoming loads, and in 2013 hauliers were issued four administrative decisions regarding cattle transport: in two cases there was no water available on a journey of over eight hours, and in two cases animals of both sexes were placed in the same compartment. As for pig transport, hauliers were issued 12 administrative decisions, nine of which concerned the transport of an animal to a slaughterhouse, one deficiencies in the vehicle's structure affecting its safety, one the transport of sows with fattening pigs and one a missing certificate of qualification. Good operating and production practices followed by Atria and its contractors are presented online on Atria's Corporate Responsibility website.

## COMPARISON OF CONTENT WITH THE RECOMMENDATIONS OF THE GRI GUIDELINES

			Included	Page	Additional information
	SOCIAL RESPONSIBILITY				
	Indicators relating to HR practices and well-being at work				
	LA 1	Total workforce by employment type and employment contract		30	
	LA 2	Total amount and rate of new employee hires and employee turnover by age group, gender and organisation's business area		31	
	LA 6	Percentage of total workforce represented in formal joint management-worker health and safety committees			In Finland all employees are incorporated in safety and health committees. This practice varies in other countries.
	LA 7	Frequency of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by business area		30–31	
	LA 10	Average hours of training per year per employee		31	
	LA 11	Programmes for skills management and lifelong learning		30	
	LA 12	Performance appraisals and performance reviews			In Finland personal performance discussions are conducted with all personnel groups.
	Human rights indicators				
	HR 1	Investment agreements and contracts that take into account human rights issues			No human rights issues have been detected in Atria's operating countries.
	HR 3	Employee training on policies and procedures concerning aspects of human rights		52	Atria's ethnical prinsiples and guidelines contain specifications regarding the equal treatment of employees and the ban on forced and child labour.
	HR 9	Incidents of violations involving rights of indigenous people and actions taken			Atria does not have operations in areas where the rights of aboriginal peoples are at significant risk.
		ors relating to societal issues			
FPSS	FP 4	Programmes and practices that promote the welfare of communities and healthy lifestyles		8–9	Atria Scandinavia: BIRS (Children Rights in Society) -project, Atria Finland: family camps 2013.
	SO 2	Total number of business units analysed for risks related to corruption		AR	
	S0 3	Employee training on anti-corruption policies and procedures		52	Atria's ethical principles and guidelines also contain specifications for the acceptance of gifts and hospitality.
	SO 4	Actions taken in response to incidents of corruption			No incidents of corruption have been observed in Atria's operation.
	S0 8	Fines and non-monetary sanctions for non- compliance with laws and regulations			

## ATRIA'S CORPORATE RESPONSIBILITY DEVELOPMENT PROJECTS

		Ends
FINANCE		LIIGS
Procurement efficiency improvements and harmonisation in-Group	Atria Plc	cont´d
Contract management project	Atria Plc	2013
Improving production efficiency	Atria Plc	cont´d
Developing primary production cooperation	Atria Finland	cont´d
Improving the efficiency of bovine slaughter	Atria Finland	2014
Developing the profitability of convenience foods	Atria Finland	2013
Extension of the broiler hatchery	Atria Finland	2013
Sales development project	Atria Russia	2013
Development of concept operations	Atria Scandinavia	cont´d
Procurement policy meat	Atria Skandinavia	2014
PERCONNEL AND COOLS. PEOPONGIPH ITY		
PERSONNEL AND SOCIAL RESPONSIBILITY	Di	004/
Atria Way of Work	Atria Plc	2014
Atria Meat Technology Seminar	Atria Plc	2013
Atria Talent Management programme	Atria Plc	cont'd
Personnel survey, clerical employees	Atria Plc	2013
Early caring	Atria Finland	cont´d
Improvement of safety at work	Atria Finland	cont´d
Atria executive education - Successful Supervisor training	Atria Finland	cont'd
ASC Sales Academy: Sales skills development programme	Atria Scandinavia	cont'd
ASC Sales Academy: Leadership training programme for middle	A	
and general management	Atria Scandinavia	cont'd
ASC Sales Academy: Development of project skills	Atria Scandinavia	cont´d
LEAN training programme	Atria Scandinavia	cont´d
Personal evaluation	Atria Scandinavia	cont´d
BRIS (Childers Right in Society) -project	Atria Scandinavia	cont'd
Improved work safety	Atria Baltic	cont'd
Development of employee remuneration practices	Atria Russia	2014
Improved internal communications in cooperation with the	A D .	001/
communications department	Atria Russia	2014
Development of management practices; training and development	A D .	001/
programmes throughout the organisation	Atria Russia	2014
Development of the orientation programme for new employees	Atria Russia	2014
NUTRITION		
	Atria Finland,	
Reducing the sodium content of products	Scandinavia, Baltic	2013
Reduction of use of additives	Atria Scandinavia	cont´d
Sensory training	Atria Baltic	cont´d
Development of meat products; low sodium content and promotion		
of natural additives	Atria Baltic	cont'd
ENVIRONMENT		
Energy efficiency agreement	Atria Finland	2016
Reduction of food wastage in the food chain through packaging	Au Id Filitaliū	2010
solutions	Atria Finland	cont´d
Packaging materials project: new kinds of aluminium packages	Atria Scandinavia	2013
r ackaging materials project: new kinds of aluminum packages	Allia Scallulliavia	2013

ANIMAL MELEADE		Ends
ANIMAL WELFARE	Atria Finland	2016
Development of painless castration of pigs Intact pig-tails	Atria Fintand Atria Fintand	cont´d
	Atria Finland	cont d
Reduction of slaughter rejections in the pig chain  Development of the SIKAVA health register system in cross-sector	Atria Fintand	cont a
collaboration	Atria Finland	2013
Quality responsibility: traceability in pork meat production	Atria Finland	cont´d
National promotion of cattle health care	Atria Finland	cont d
Health indicator for Atria's bovine chain	Atria Finland	cont d
	Atria Finland	cont d
KESTO programme for improving health of calves and milch cows	Atria Fintano	cont a
PRODUCT SAFETY		
ISO 22 000 certification of production plants	Atria Plc	2014
Harmonisation of good hygiene practices	Atria Plc	2013
ISO 22 2000 product safety certification (or similar) requirment	Attialite	2010
from suppliers	Atria Plc	2013
Vetävä – a development project for quality control of raw materials	Atriaric	2013
and finished products	Atria Finland	2013
New guidelines for pathogen management	Atria Finland	2013
Improved risk management of allergens in production	Atria Finland	2013
Developing a product information management system	Atria Scandinavia	2013
Accreditation of the Sköllersta laboratory	Atria Scandinavia	2013
OEE (Overall Equipment Effectiveness) - improvement of process	7 ttria Scariamavia	2010
efficiency	Atria Scandinavia	2013
FSSC 22000 certification of Gorelovo plant	Atria Russia	2013
Recipe development: deloping new products containing natural	711110 1103510	2010
additives	Atria Russia	2013
additives	711114 1143314	2010
COMMUNICATIONS		
Development of corporate responsibility reporting and related		
communications	Atria Plc	cont´d
Updating the Group communications strategy	Atria Plc	cont´d
Atria in social media	Atria Finland	cont´d
Developing the transparency of the food chain	Atria Finland	cont´d
Atria.fi website redesign	Atria Finland	cont´d
Internal responsibility communications	Atria Scandinavia	cont'd
Renewal of website structures to serve the needs of responsibility		
communications	Atria Scandinavia	cont´d
Changing product information according to law	Atria Baltic	2014
Development of brands (Maks & Moorits, Woro) and company		
website	Atria Baltic	2014
Revision of the online strategy for the company and brands	Atria Russia	2013

## Management of corporate responsibility

Atria's corporate responsibility policy is managed at two levels. A Group-level workgroup determines the main principles of corporate responsibility and ensures that the business areas' development programmes support the Group's common goals.

Steering groups in the business areas analyse the expectations their key stakeholders have regarding Atria's responsibility and initiate development programmes.

Atria's corporate responsibility management has been organised under the Safe Atria Quality function. The promotion of responsibility is a part of everyday operational management across Atria's business areas.

The chair of the Safe Atria Quality group, Merja Leino, acting jointly with the country organisations, is in charge of the strategic planning of corporate quality and responsibility issues and the implementation of Group-level projects.

Seija Pihlajaviita was appointed Atria Finland's Quality Director in 2013. She is in charge of the company's product safety and quality as well as of the implementation and development of the Atria's Handprint corporate responsibility programme. Responsibility manager Eeva Juva is in charge of operational responsibility management at Atria Finland.

## Atria's ethical principles and guidelines

Atria has compiled its ethical principles and guidelines in the Atria Code of Conduct guidelines. These guidelines reflect the values and practices guiding the company's operations in compliance with sustainable development and continuous improvement.

The Atria Code of Conduct covers five themes:

- Safe Atria
- Stakeholder relations quality<sup>1</sup>
- Respect for the environment<sup>2</sup>
- Motivated staff
- Business integrity

The ethical guidelines apply to all Atria employees and partners as well as members of the management team, the Board of Directors and the Supervisory Board. They cover all business areas and also the partnerships and joint ventures in which Atria has a controlling interest and/or positions of responsibility.

1) Including guidelines on GMO-free products, the responsible use of additives, etc. 2) Including a statement regarding the welfare of production animals, etc

## Corporate responsibility reporting

This report outlines the impact Atria has on its operating environment and on society as a whole, and how Atria takes corporate responsibility into account in its current and future operations. The report describes Atria's key events, results and impacts in 2013 from the point of view of corporate responsibility.

In applying the general principles for corporate responsibility in its various business areas, Atria complies with best practices while respecting the various views of its stakeholders with regard to responsibility and ethical operations. These views and operations cannot, however, be in conflict with local or international legislation, Group management principles or Atria's values.

The Safe Atria Quality team, which has members from every business area, is responsible for monitoring and developing Atria's corporate responsibility. The team is led by the Vice President for Group product safety and quality affairs, who reports to the management team.

As the basis for its reporting, Atria uses the international Global Reporting Initiative (GRI) guidelines, in which corporate responsibility is viewed from the economic, social and environmental perspective. Atria has selected from the GRI guidelines the essential measurements and indicators relevant to its operations and stakeholders. The essential elements have been defined on the basis of stakeholder surveys and various reports.

This Atria Corporate Responsibility Report has not been externally audited. The text and other presentation of the Corporate Responsibility Report do not follow the order or headings recommended by the GRI for

the key indicators. The table on pages 46-50 contains a comparison of the report's coverage in relation to the GRI recommendations.

Atria's first Corporate Responsibility Report was published in 2010. This report covers the Group operations in the 2013 financial period. Atria publishes the report in Finnish and English. The English report is published in electronic format only.

As a rule, Atria's Corporate Responsibility Report covers the entire Group. The report is an independent entity reporting on Atria's corporate responsibility. However, the administration section is not included in the report. Instead, it can be found in Atria's 2013 Annual Report, which is available on Atria's website at www.atriagroup.com.

The methods used to measure corporate responsibility vary greatly across Atria's various business areas. The reason for this is the dissimilar nature of business operations in the different areas.

From the point of view of reporting, the most comprehensive set of key indicators is provided under Atria Finland. A set of animal welfare indicators is still lacking in other business areas due to strategic differences in meat procurement.

The transparency and openness of operations are an integral part of Atria's corporate responsibility policy. Accordingly, Atria communicates on its corporate responsibility activities to its internal and external stakeholders in a comprehensive and systematic manner.

Some of the matters raised in this report are so recent that they actually take place in 2014.



For queries on Atria's corporate responsibility and additional copies, contact Anne Hirvelä anne.hirvela@atria.fi +358 40 183 7271

Atria's corporate responsibility website can be found at www.atriagroup.com/en/corporateresponsibility.

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Atria's corporate responsibility is crystallised in its mission: "Good food – better mood." For Atria, good food covers the entire food chain, from primary production to the consumer's dinner table. Atria's good food is produced in a responsible and ethical manner; it is nutritious, safe and it has the potential to lift the mood at any Finnish meal.

#### Atria Corporate Responsibility Report 2013

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