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#### ATRIA PLC

Atria Plc is a growing Finnish food company that is expanding its international presence. The company's success is built on three pillars: people, food and heritage.

Atria is a leading food company in the Nordic countries, Russia and Estonia. Atria's net sales in 2014 amounted to around EUR 1,426 million, and it employed an average of 4,715 persons. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

The company's roots go back to 1903, when its oldest shareholding cooperative was founded.

## Atria corporate responsibility map 2014

Atria's focus areas in corporate 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 and provides examples of key achievements in 2014.

#### **ATRIA FINLAND**

Plants	Key indicators	Focus areas	Results 2014
<ul> <li>Nurmo</li> <li>Kuopio</li> <li>Forssa</li> <li>Kauhajoki</li> <li>Seinäjoki</li> <li>Jyväskylä</li> <li>Sahalahti</li> </ul>	<ul> <li>Net sales, EUR million</li></ul>	<ul> <li>Finance</li> <li>Product safety</li> <li>Nutrition</li> <li>Personnel</li> <li>Animal welfare</li> <li>Environment</li> <li>Communications</li> </ul>	<ul> <li>Atria Finland continued to expand full traceability to various product groups. Atria Family Farms were widely covered in Atria's communications.</li> <li>Attention was paid to the nutritional quality of products, and 38 new Heart Symbol products, which are low in sodium and contain good-quality fat, were brought to the market.</li> <li>Animal welfare was further improved. For example, tail-biting of pigs was further reduced.</li> <li>Atria Plc and Saarioinen Oy signed a preliminary agreement in July 2013 for the acquisition by Atria of</li> </ul>

#### **ATRIA SCANDINAVIA**

Plants	Key indicators	Focus areas
<ul> <li>Sköllersta</li> <li>Malmö</li> <li>Tranås</li> <li>Skene</li> <li>Moheda</li> <li>Borås</li> <li>Horsens</li> <li>Falköping</li> </ul>	<ul> <li>Net sales, EUR million</li></ul>	<ul> <li>Finance</li> <li>Product safety</li> <li>Nutrition</li> <li>Personnel</li> <li>Environment</li> <li>Communication</li> </ul>

	Focus areas	Results 2014
ion371.9 14.9	<ul> <li>Finance</li> <li>Product safety</li> <li>Nutrition</li> </ul>	<ul> <li>At Atria Scandinavia, the management and the practical implementation of corporate responsibility were reorganised by appointing a dedicated working</li> </ul>
1,014	<ul> <li>Nutrition</li> <li>Personnel</li> <li>Environment</li> <li>Communications</li> </ul>	<ul> <li>In the reporting the Atria's Handprint programme.</li> <li>In the reporting year, Atria Scandinavia also focused on the development of management systems for product information and customer feedback, ensuring more effective data processing to support various</li> </ul>
		<ul> <li>processes.</li> <li>In the area of nutritional responsibility, special attention was paid to the amount of salt and the quality of fat. In the reporting year, 10 per cent of Atria Scandinavia's products bore a Keyhole symbol, which is the set of the set o</li></ul>

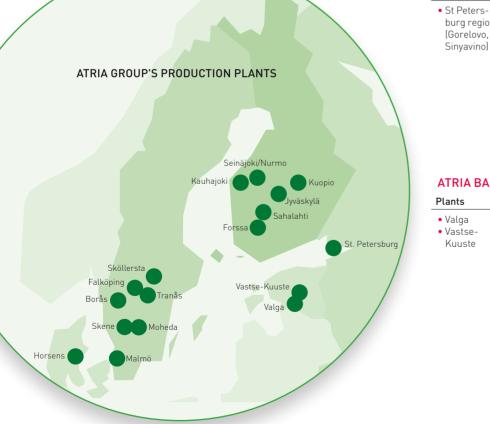
indicates that these products are a better choice.
The sale of Atria Scandinavia's Falbygdens cheese business to Arla Foods AB was initiated.

Saarioinen's procurement, slaughtering and cutting operations for beef, pork and chicken. The operations were consolidated into Atria as of 1 February 2014.

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#### **ATRIA RUSSIA**

Plants



#### Results 2014 Key indicators Focus areas Finance • At Atria Russia, the Atria's Handprint burg region • EBIT, EUR million.....-5.7 Product safety programme has focused on the development • Personnel (Gorelovo, • Average number of employees..... .... 1,004 Sinyavino) product quality.

#### of personnel competence, product safety management systems and the consistency of • The concentration of Atria Russia's operations in the Sinyavino and Gorelovo plants in the St Petersburg region was initiated in 2013 by discontinuing primary production. In late 2014, production also ended in Moscow and the real estate company located in Moscow was sold.

#### **ATRIA BALTIC**

Plants	Key indicators	Focus areas	Results 2014
• Valga • Vastse- Kuuste	Net sales, EUR million	<ul> <li>Finance</li> <li>Product safety</li> <li>Personnel</li> <li>Nutrition</li> </ul>	<ul> <li>At Atria Baltic, the focus has been on increasing the use of domestic raw materials in products and improving the nutritional content of products. Particular attention has been paid to reducing the amount of salt and</li> </ul>

#### fat. • In 2014, Atria Baltic's Maks & Moorits minced meat products were awarded the prestigious Approved Estonian Taste label, also known as the Swallow Label, which is an indication of a product's high quality and Estonian origin.

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#### Interview with the CEO

# "Our operational ability and skills are the most important investment in the future"

#### Atria is a large food industry company with a long heritage, and it is present at the meals of hundreds of thousands of people every day. CEO Juha Gröhn, Atria's responsibility for its operations is huge, isn't it?

- Yes, it is. Atria's 110-year history and continuing operations are proof of the company's responsibility. I'm sure that not as much consideration was given to corporate responsibility principles a century ago, but operations were still responsible and built on a solid foundation.

As a major food industry player, Atria must recognise and acknowledge its responsibility. We must provide people with safe and good food that they can eat with pleasure. This is also reflected in our motto and mission: Good food – better mood.

Food production and manufacturing requires natural resources, and the necessary resources should be used as fully as possible. The same principle applies to work performed by people in all parts of the food production chain. Good productivity is equal to responsibility.

We have recently made great efforts to improve the productivity of work and reduce wastage in production. For example, valuable meat raw material must not be wasted in industrial processes. Our efforts have led to excellent results, from the perspective of economy, the environment and product quality. No one is on the losing side in these development projects.

People's interest in the origin of food and raw materials is growing. The reason is partly the increasing importance of food safety and sustainable production, but also the construction of the national economy's future through everyday purchase decisions. You mentioned the improvement of productivity as part of Atria's ability to make a profit. How would you describe Atria's financial performance in general in 2014?

- Besides the slight growth, we can be satisfied with Atria's profitability. The Group's net sales grew to approximately EUR 1.4 billion and EBIT to around 40 million. Productivity increased, as did our earnings.

Atria's business environment was challenging in 2014. The desired improvement in demand and people's trust for a stronger economy did not occur, and the turnaround towards better times continued to be delayed. The situation was particularly difficult in Russia due to the import bans on pork and the high volatility of the rouble.

We also made structural and operational changes in 2014, with only one goal in mind: securing Atria's profitable growth. Profitability is also essential for Atria's corporate responsibility.

Atria has blown new life into its organisation by renewing its procedures and values as well as its management practices. How important is the personnel's role from the point of view of Atria's responsibility and competitiveness?

– Our approach to work and values form the basis for today's operations, but also for the implementation of more demanding actions and strategies in the future. Our operational ability and skills are the most important investment in the future. Ultimately, the people – our personnel – make us Atria. Our work produces good food and better mood in all of our business areas: in Finland, Sweden, Denmark, Russia and Estonia.



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#### To the reader

# Responsible choices for the benefit of stakeholders

Atria's good food chain consists of primary production, industrial production, customers and consumers. Stakeholders are strongly present in the food chain, all the way from raw material procurement to the finished products and their use. Listening to stakeholders and their wishes is one of the key pillars of corporate responsibility for Atria.

Atria conducts various materiality, customer, personnel and stakeholder surveys in order to identify the needs and expectations of its stakeholders. However, what is most important is the development of operations in continuous and close interaction with stakeholders. Information gained from studies, surveys, feedback and personal meetings also forms the basis on which this Corporate Responsibility Report 2014 has been built. The report discusses responsible actions that are material from the standpoint of the company's stakeholders. These actions have been categorised under six themes in the report:

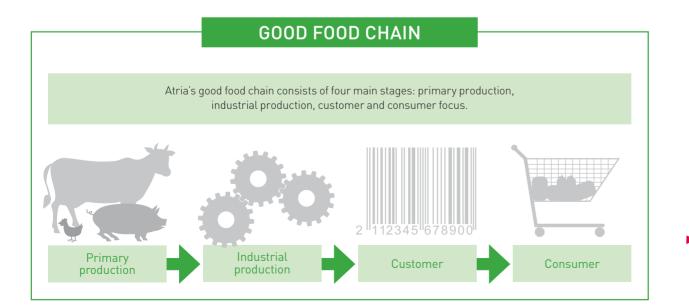
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Since 2010, the principles, practices and results of Atria's responsible operations have been brought together in the Atria's Handprint programme. Providing employees and external stakeholders with information on responsibility is also part of the Handprint programme – as is this Corporate Responsibility Report.

Enjoy the journey!



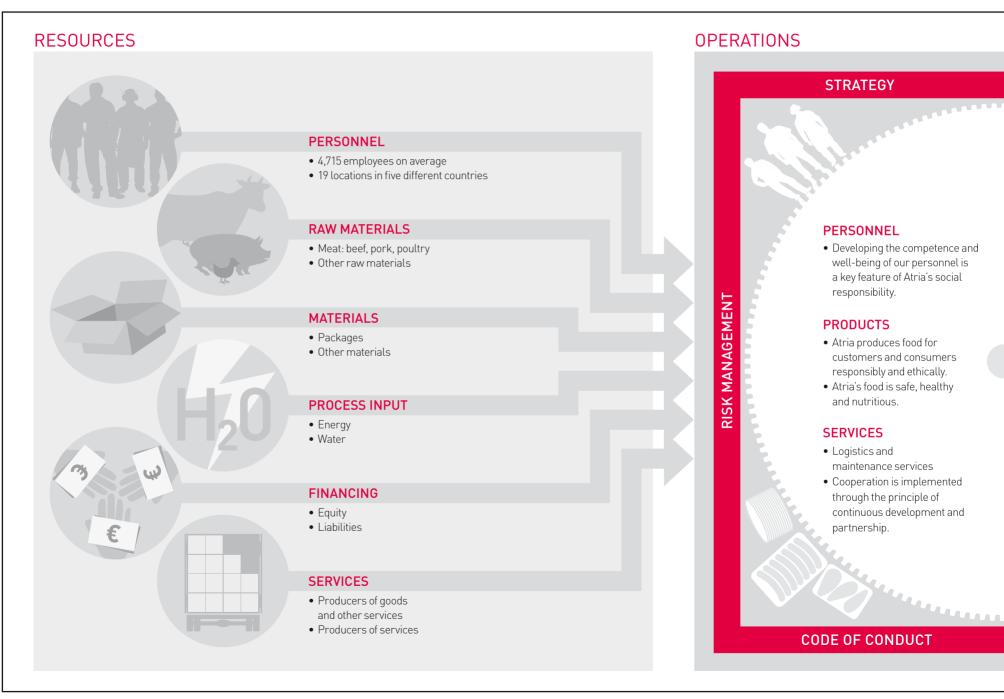
**Eeva Juva** Corporate Responsibility Manager Atria Finland



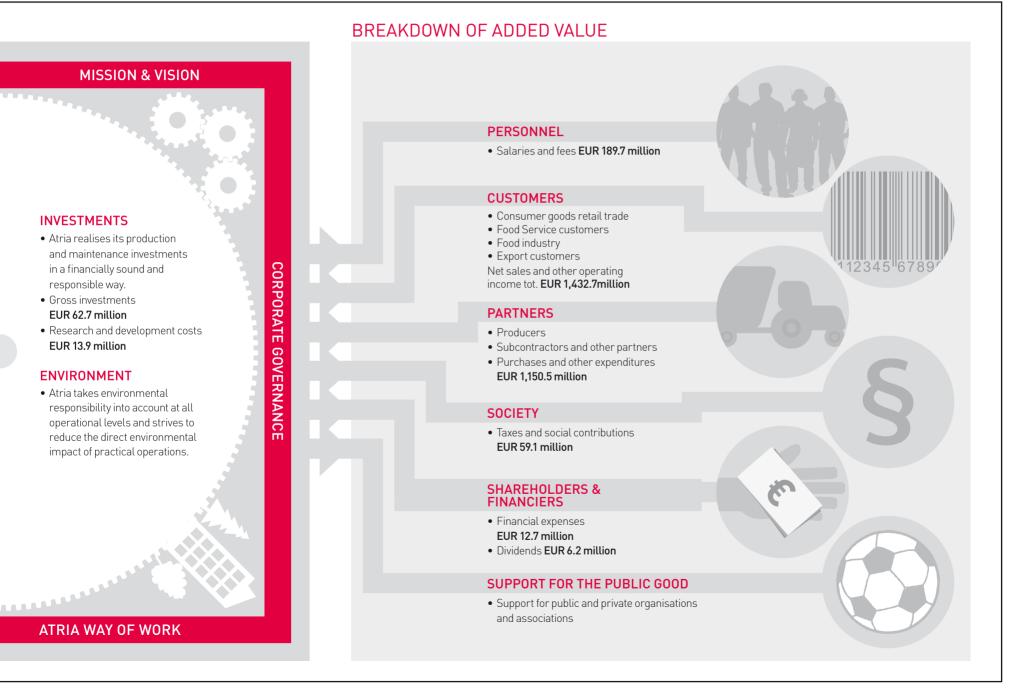
More information on the Handprint programme can be found on the Atria Group's website at www.atriagroup.com/en/corporateresponsibility/ and on page 56 of this report.

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#### Atria's value creation



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# Stakeholders are important to Atria

Atria's corporate responsibility policy is embodied in the day-to-day work with stakeholders. Atria uses various studies, surveys and analyses, as well as personal interaction with stakeholders to gain extensive knowledge of their expectations. Consumers, customers, personnel, meat producers and shareholders are strategically important stakeholders to Atria. Other stakeholders include raw material and material suppliers, authorities, financial institutions, educational institutes and the media.

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#### ATRIA'S STAKEHOLDERS

Stakeholder	Stakeholder's expectations	Atria's expectations	Interaction channels		Examples of meeting the stakeholder's expectations
Customers	<ul> <li>competitive prices</li> <li>safety and quality</li> <li>customer-oriented service</li> <li>reliability in deliveries and in other activities</li> </ul>	<ul> <li>common operating models</li> <li>implementation of the agreed actions</li> <li>forecasts</li> </ul>	<ul> <li>personal interaction</li> <li>marketing communications</li> <li>online services</li> <li>social media</li> </ul>	<ul> <li>mass media</li> <li>product launches</li> <li>campaigns</li> <li>visits</li> <li>customer magazines</li> </ul>	Retail stores praise collaboration in Finland: see page 8.
Consumers	<ul> <li>products for consumer needs</li> <li>affordable prices</li> <li>safety and quality</li> <li>reliability</li> <li>ethically sound products</li> </ul>	<ul> <li>selecting Atria's products</li> <li>confidence in and willingness to pay for the Atria brand</li> </ul>	<ul> <li>marketing communications</li> <li>online services</li> <li>social media</li> </ul>	<ul> <li>mass media</li> <li>product launches</li> <li>campaigns</li> </ul>	Pioneer in traceability: see page 8.
Personnel	<ul> <li>pay</li> <li>continuity of employment</li> <li>social security benefits</li> <li>comfortable and safe working conditions</li> <li>opportunities for career advancement</li> </ul>	<ul> <li>work contribution</li> <li>innovation</li> </ul>	<ul> <li>personal interaction</li> <li>online services</li> <li>mass media</li> <li>appraisals</li> <li>personnel surveys</li> </ul>	<ul> <li>training</li> <li>seminars and events</li> <li>personnel magazines</li> <li>units' own communication channels</li> </ul>	Rehabilitation counsellor helps to extend careers: see page 34.
Producers	<ul> <li>reliable and long-term business partner</li> <li>expert advice</li> <li>competitive producer prices</li> </ul>	<ul> <li>commitment</li> <li>raw material that meets the quality criteria</li> <li>reliable and long-term cooperation</li> </ul>	<ul> <li>personal interaction</li> <li>online services</li> <li>social media</li> </ul>	<ul> <li>producer magazines</li> <li>seminars and other events</li> </ul>	Atria's training programme for producers: see page 9.
Shareholders, investors	<ul> <li>return on investment</li> <li>continuation of business operations</li> <li>decision-making power</li> <li>returns of capital</li> </ul>	<ul> <li>carrying the risk in the form of capital</li> </ul>	<ul> <li>personal interaction</li> <li>annual report</li> <li>online services</li> <li>mass communication</li> </ul>	<ul> <li>General Meeting</li> <li>Capital Markets Day</li> <li>press and stock exchange releases</li> </ul>	Atria's value creation: see pages 4–5.
Financiers	<ul> <li>repayments of loans at the agreed time</li> <li>reliability</li> <li>continuity</li> <li>debt-carrying capacity</li> </ul>	agreed borrowing costs	<ul> <li>annual report</li> <li>online services</li> <li>mass communication</li> <li>press and stock exchange releases</li> </ul>	<ul> <li>personal interaction</li> </ul>	Atria's economic responsibility: see pages 43–45.
Authorities	<ul> <li>income from taxes</li> <li>employment</li> <li>international competitiveness</li> <li>investments</li> <li>openness</li> <li>cooperation</li> <li>consideration for the environment</li> </ul>	<ul> <li>legislation</li> <li>public services such as hygiene monitoring and financing</li> </ul>	<ul> <li>personal interaction</li> <li>annual report</li> <li>online services</li> <li>mass communication</li> <li>stakeholder survey</li> </ul>	<ul> <li>seminars and events</li> <li>cooperation with authorities</li> <li>press and stock exchange releases</li> </ul>	Safe Atria Quality management: see page 13.
Subcontractors and partners	<ul> <li>Reliable payment of invoices</li> <li>long-term customer relationship</li> <li>predictability and growing demand</li> </ul>	• delivery of factors of production such as raw materials, services and finished products of the agreed quality and in accordance with the agreed delivery terms	<ul> <li>personal interaction</li> <li>marketing communications</li> <li>annual report</li> <li>online services</li> <li>mass media</li> <li>stakeholder surveys</li> </ul>	<ul> <li>product launches</li> <li>campaigns</li> <li>seminars and events</li> <li>research and development project</li> </ul>	All operations are guided by the Atria Code of Conduct: <mark>see page 56</mark> .
Opinion leaders and media	<ul> <li>transparency</li> <li>industry expertise</li> </ul>	<ul> <li>influencing general opinion</li> </ul>	<ul> <li>personal interaction</li> <li>marketing communications</li> <li>annual report</li> <li>online services</li> <li>social media</li> </ul>	<ul> <li>customer magazines</li> <li>press and stock exchange releases</li> <li>media cooperation</li> </ul>	Diverse influence in social media: <mark>see page 9</mark> .
Local communi- ties and educa- tional institutes	<ul> <li>employment</li> <li>cooperation</li> <li>taking care of the environment</li> <li>trainee positions</li> </ul>	<ul> <li>skilled and motivated potential employees</li> <li>public services such as training</li> <li>infra technology</li> </ul>	<ul> <li>personal interaction</li> <li>online services</li> <li>mass media</li> <li>seminars and meetings</li> </ul>	<ul> <li>visits</li> <li>trainee positions and thesis positions</li> <li>research and development projects</li> </ul>	Support for children's club activities: see page 10.
Research	<ul> <li>partner</li> <li>research needs</li> </ul>	<ul> <li>reliable partner</li> <li>specialist</li> <li>research quality</li> </ul>	<ul> <li>personal interaction</li> <li>mass media</li> <li>seminars and meetings</li> </ul>	<ul> <li>visits</li> <li>research and development projects</li> </ul>	Food innovations for the growing senior market: see page 22.

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## Pioneer in traceability

Atria Finland was the first company in its sector to introduce farm-level traceability for all types of meat: chicken, beef and pork 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, Atria extended the Family Farm Chicken product range to wings and drumsticks, and also launched a traceable cooked nugget product – Atria Family Farm Chicken Fillet Nuggets. This was the first time that traceable convenience food was brought to the shelves.

There are currently 42 fully traceable Atria Family Farm Chicken products available in retail stores and six products in the Food Service selection.

In beef products, full traceability is provided for three Kulinaari steak products. The farm of origin is also declared for some corn-fed pork tenderloin and sirloin products.

In May 2014, Atria Finland launched the first traceable cold cuts. This was pioneering even on an international



scale. Information on the farm of origin can now be found on three ham and three chicken cold cuts.

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.

## Retail stores praise collaboration in Finland

Atria's retail trade customers are highly satisfied with Atria Finland's operations. This was indicated by responses received both from retail-chain executives and from individual stores in the Factum customer satisfaction survey 2014.

People working in the field are very satisfied with the market data provided by Atria, the profitability of products and collaboration with Atria. The Atria brand is also found to be important.

Retail-chain executives are also particularly satisfied with collaboration and the quality of the information provided by Atria. Delivery reliability could be further improved, but in terms of overall impression, both stores and chain executives find Atria's performance to be excellent.

The results of the customer satisfaction survey are just one part of the ongoing dialogue between Atria and its customers. The sales organisation works with customers on a daily basis and conveys customers' wishes and thoughts regarding future cooperation to the organisation.

Improved customer satisfaction for Food Service Food Service customers in Finland rated Atria Food Service number one in its category in terms of overall impression in 2014. The category included suppliers of fresh products in the Finnish HoReCa market.

Atria came first in nine out of 14 areas, thereby improving on its second place last year. Apart from overall impression, the areas rated were as follows: importance of products, delivery reliability, product development, price-quality ratio, development solutions, cost-efficiency, customisation and objectives. Customers found delivery reliability to be the most important area.

Among customer groups, the highest scores were given to Atria by hotels and restaurants, public procurement partners and staff restaurants. The following were identified as areas in need of improvement: product replaceability and contacts with roadside and FS wholesale customers, in particular.

In line with Food Service's customer relationship strategy, Atria helps customers to succeed in their business. The good results achieved in the customer satisfaction survey, especially in the areas of development solutions, cost-efficiency and customisation, prove that the strategy has been successful. Atria's ability to solve problems and the expertise of its contact persons were also felt to be excellent.

Atria Finland aims to further consolidate its position as the industry's number one partner.

The Factum customer satisfaction survey conducted by Finfact Oy measures the satisfaction of retail trade customers and the food service sector with suppliers. The survey covers the leading players in both sectors.

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# Stakeholder responsibility plays a key role

Atria only deals with those primary producers and subcontractors, customers and other business partners who are known to be trustworthy and honest. The company 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 system.

Customers and consumers are the most important external stakeholders for Atria's business operations. Partnership with customers means long-term 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.

## Diverse influence in social media

Atria is present in several social media channels, both at Group and business area level. Through these channels, the company wants to participate in and involve its stakeholders in discussion about matters that are important to Atria.

The Group-level LinkedIn page is a source of varied content that is intended to strengthen Atria's employer and corporate image. Current news and releases shared on Twitter also concern the entire Group.

Facebook is used by each business area as a marketing tool and for stakeholder dialogue with consumers.

In Atria Finland's blog, both Atria employees and stakeholder representatives write about topical themes related to food and food production.

In addition to providing information, all of Atria's social media channels serve as platforms for stakeholder interaction. All questions are answered openly and honestly.

# Training in support of production

Atria Finland's primary production launched a development programme for pig farms – Bacon Academy – a little over a year ago. In spring 2014, it was followed by Beef Academy, intended for cattle farms. The programmes aim to increase the productivity and competitiveness of farms. They both focus mainly on improving day-to-day activities, coupled with long-term planning and management. Stakeholders

The Beef and Bacon Academies include development and guidance activities conducted on farms, training days with various themes, meetings in small groups and factfinding trips. Farms have welcomed the programmes, and development visits paid to farms have been particularly popular.

### Investments in crisis management and communications

Atria Scandinavia revised its crisis management guidelines in 2014. The new guidelines were implemented at all Atria Scandinavia business units. An extensive crisis exercise will be run in early 2015, involving the company's entire management.

Atria Scandinavia also introduced new guidelines for managing media relations, and media training for key personnel was initiated at the same time. The management of media relations is based on trust, transparency and accessibility of information.

Atria Finland organised a wide-scale crisis exercise in the summer, led by Finnish Food Safety Authority Evira, in order to test crisis management and communications in the event of an African swine fever infection.

## Improved customer satisfaction for Atria Scandinavia

Atria Scandinavia managed to significantly increase its customer satisfaction in 2014. Atria Retail, which delivers meat products and convenience food to retail stores, was ranked 28th in Sweden's national retail chain barometer in 2014, 16 places higher than the previous year. Atria Deli, the manufacturer of fresh delicacies, also improved its ranking by 17 places. The chain barometer is a national customer satisfaction survey conducted in Sweden every year. It measures retail chains' satisfaction with suppliers' sales and marketing efforts. The survey covers all major retail chains in Atria Scandinavia's market.

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### The food industry has a strong corporate responsibility image

Consumers' views of the corporate responsibility of various industries were studied in late 2014. Consumers' image of the food industry's ability to demonstrate environmental responsibility is fairly good – among the best compared to other industries.

In the maintenance of employment and promotion of employee well-being, the image of the food industry is slightly below the benchmark group. Meanwhile, when it comes to responsibility for the quality of products and services, the food industry is felt to be the second most responsible, right after the pharmaceutical industry. In terms of national economy, the food industry's corporate responsibility image is rather good. The food industry is felt to be very responsible in meeting its tax payment obligations, and its image as an investor is reasonably good as well.

The food industry was felt to offer an extensive product selection and a fair amount of nutrition information. More than half of respondents also found that the food industry has succeeded in its efforts to promote animal welfare.

Source: Toimialojen yhteiskuntavastuu, YouGov 2014



# Good food and better mood for senior citizens

In 2014, Atria Scandinavia's Foodservice successfully organised theme weeks of food appealing to people from older generations in various parts of Sweden. Foodservice put together a menu entitled "Maten Man Minns" (Foods That We Remember) around which the theme weeks were built. The menu consisted of 32 tasty, traditional homemade dishes that bring people's memories to life.

In Sweden, some 90,000 elderly people live in retirement and nursing homes as well as homes for dementia patients. The Swedish media have long discussed the deficiencies in elderly care and especially in the food served to the aged.

This criticism gave Atria Foodservice the idea of focusing on simple, traditional home-made food – the kind of food that elderly people like. Idea was worked with a few municipalities and the bakery and dessert company Femtorp.

The recipes, chosen together with customers, were familiar from years gone by. Special attention was paid to the nutrient content of the foods. The nutrient values of each portion were designed to meet the requirements in Sweden's elderly care.

# Support for children's club activities

Atria Finland raised money for children's club activities through a web campaign called "The World's Fairest Barbecue Table". The campaign was a success: the total amount – EUR 10,000 – was enough to open ten clubs.

In summer 2014, Finns could contribute to the campaign by sitting down at a virtual barbecue table. For every person who came to the table, Atria donated one euro to the campaign.

The funds were given to WAU, a Finnish association that organises low-threshold sports club activities for children. Atria thereby wants to support Finnish families with children and the children's growth.

"The assets raised through the campaign will enable us to set up ten new clubs and offer free places for up to 200 children," says **Katri Einamo**, Marketing Manager of WAU.

WAU is a Finnish non-profit welfare association founded in 2009 that promotes children's and young people's health and social well-being.

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## Me & MyCity – learning about society

Encouraged by positive experiences, Atria Finland has been involved for several years in the operation of Me & MyCity, a learning environment for fifth and sixth graders. The company also participates in Me & MyCities in Vaasa, Kokkola and Seinäjoki in the 2014–2015 school year.

In Me & MyCity, pupils can spend a day as an adult. By working and using money as consumers, they begin to understand where they need the skills and knowledge they learn in school. All pupils have professions in which they work for a day. They earn a salary and act as members of society in the roles of citizens and consumers.

Me & MyCity has an Atria restaurant maintained by pupils who are its employees. In their free time, other pupils can buy Sibylla hot dogs using play money that they have earned.

The Me & MyCity project was awarded as Europe's best partnership project at the International education business Partnership Network (IPN) conference held in South Africa in autumn 2012.

# Support for children's rights

Atria Scandinavia supports the important work of Swedish NGO Bris (Children's Rights in Society). In autumn 2014, Atria Foodservice organised a campaign entitled "Köp en godsak för en god sak!" (Buy good things for a good cause). It was targeted at Sweden's 1.4 million pupils and students from preschool to upper secondary school.

For every kilogram of products bought by schools from Foodservice sales representatives, 50 Swedish öre were donated to BRIS. Atria also offered schools BRIS posters, to be attached to the walls of canteens, for example.

Year 2014 Atria donated as much as SEK 89,000 towards Bris's operations. The campaign was run for the first time in autumn 2013.



# Campaign to raise the appreciation of school food

Atria Scandinavia's "Gilla skolmat" (School food is good) campaign, held every year, aims to reduce the amount of food thrown away and make the school meal an enjoyable experience. In autumn 2014, Atria brought street food to Swedish schools, in cooperation with spice company Santa Maria.

Colourful, easy-to-cook street food was offered during a theme week, and schools were delivered festival material containing useful information, to be put on canteen walls. Atria also held a raffle, in which the first prize was cooking food for a day with a chef from Sweden's junior culinary team and lunch for the whole school in Atria's street food tent.



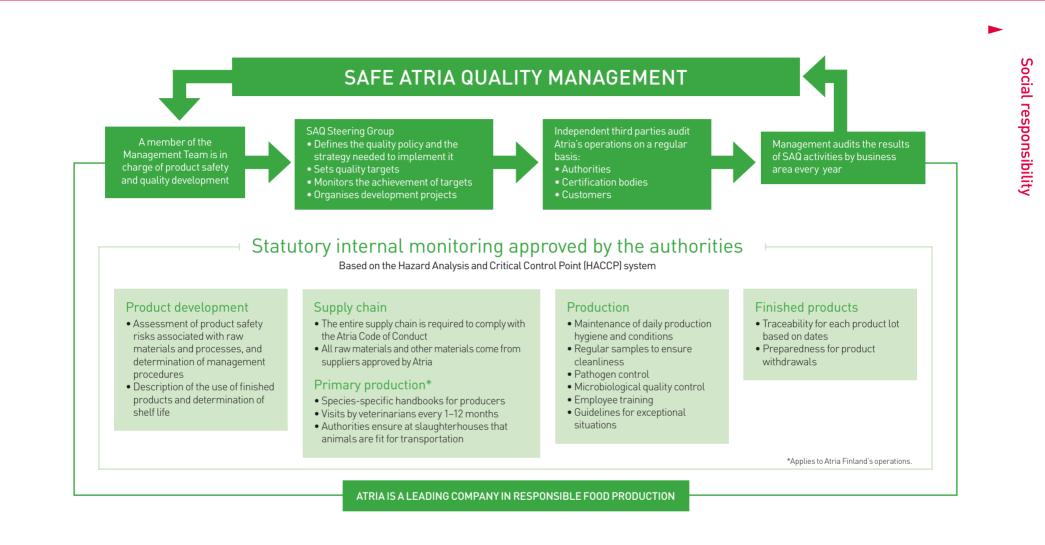
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#### Safe food

# Safe Atria Quality

The Safe Atria Quality programme covers safety, healthiness, ease of use and environmental impact assessment throughout each product's life cycle. The programme helps Atria to offer sustainable and responsible alternatives to all of its stakeholders.

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## Regulatory supervision and internal monitoring ensure high quality

The Safe Atria Quality programme encompasses regulator-approved internal 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 regulatory approval and regular audits, Atria ensures that the plans comply with the latest legislation and product safety standards in the industry, and with the requirements of international trade. Atria has a dedicated organisation whose principal task is to implement measures that ensure product safety and quality. Atria's employees have been trained in their respective duties and in the special requirements of the food industry. Products are exported from Atria's production sites to customers abroad, and they must therefore meet several countries' export requirements. Statutory internal monitoring is effective and, at Atria, the functioning of internal monitoring is ensured in cooperation with regulatory authorities and plant personnel.

No complaints were filed for Atria's activities during the 2014 reporting period, and no major sanctions were issued for breaches of legislation or regulations regarding products or services.

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#### Safe food

## FSSC 22000 standard improves food safety management

Atria Finland aims to have all of its production facilities certified according to the Food Safety System Certification (FSSC) 22000 scheme. The bovine slaughterhouse in Kauhajoki was certified in August 2014. In Forssa, Jyväskylä, Nurmo and Sahalahti, certification audits were conducted in December 2014, and these plants are expected to be certified over the course of 2015.

Atria currently uses the ISO 22000 Food Safety Management System. The new standard will further improve food safety management.

"In practice, FSSC – or Food Safety System Certification 22000 – is the ISO 22000 food safety standard expanded with technical specifications for production support systems," says **Seija Pihlajaviita**, Quality Director of Atria Finland. Pihlajaviita explains that the benefits of FSSC 22000 include increased transparency, the minimisation of food-related risks, more efficient management of internal processes and better motivation among employees due to the focus on good performance.

A certified management system is proof of Atria's proactive attitude to food safety. "Food safety systems are primarily tools for developing the company's own operations, but many of our customers also require a certified food safety standard from us. FSSC 22000 is also more comparable with other international quality standards, such as the British Retail Consortium (BRC) Food Safety Standard and IFS Food," Pihlajaviita says.

The FSSC 22000 scheme is part of the continuous development of the Atria Safe Quality programme. Safe



products made from Finnish meat raw material are at the core of Atria Finland's responsible business operations.

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

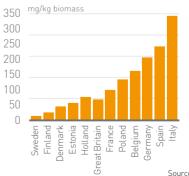
The provision of safe food products for consumers starts with clean and high-quality raw materials. The management of infectious animal diseases in primary production provides a foundation for product safety, since some infectious diseases may also be transmitted from animals to humans or from humans to animals. These diseases are known as zoonoses. To promote public health, it is of primary importance to minimise animals' need for medication. This reduces significantly the emergence of resistant strains of bacteria, which may also be transmitted to humans (e.g. MRSA, ESBL).

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 per cent 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. However, 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.

The most significant risk in the management of infectious diseases in Finland is the increase in farm size, which may lead to more contacts and thereby contribute to the spread of diseases. Procedures at farms are critically assessed and guidelines are specified and revised as the need arises.

#### CONSUMPTION OF ANTIMICROBIALS BY ANIMALS IN EU-COUNTRIES



Source: EDCD/EFSA/EMA 2013

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### Effective precautions prevent the spread of African swine fever

In September 2014, African swine fever (ASF) was detected in a wild boar in southern Estonia. ASF is a serious, highly contagious animal disease found in pigs. If it spreads to production pig farms, it can result in major economic and material damage.

In order to prevent the spread of ASF, Atria stepped up disease prevention measures at its production pig farms in Estonia. Fences and lockable gates were built around farms. All people and vehicles entering and exiting the farms pass over disinfection mats. Traffic from other farms to Atria



farms was minimised, and special attention was paid to the purity and heat treatment of feed. Hygiene instructions for personnel were tightened; for example, workers were prohibited from moving from one farm to another.

Estonian authorities have not placed any restrictions on pork trade, since production pig farms have been successfully protected from ASF. Regulatory compliance and the introduction of stricter disease prevention measures ensures that ASF will not spread to production facilities.

#### KEY TARGETS AND RESULTS OF THE SAFE ATRIA QUALITY PROGRAMME

	Targets 2014	Results 2014	Targets 2015
Group	• No product withdrawals.	<ul> <li>Atria Scandinavia. Three withdrawals: Two withdrawals of cheese manufactured in Falköping, the first because of E. coli and the second because of listeria. One withdrawal of hamburgers manufactured in Sköllersta because of incorrect product information.</li> <li>Atria Finland. Two withdrawals: sausages and chicken fillet strips. The reasons for both withdrawals were incorrect product information and a potential allergen risk.</li> </ul>	<ul> <li>Ensuring product safety and high- quality operations in all stages of the chain so as to eliminate the need for product withdrawals.</li> </ul>
Developmen	t projects by country		
Atria Finland	<ul> <li>Development of traceability.</li> <li>Certification of the quality management system according to FSSC 22000:2011 (Food Safety System Certification)</li> </ul>	<ul> <li>Laatuvastuu (a national quality system for pork production) integrated into the operations.</li> <li>The Kauhajoki plant certified according to the requirements of the FSSC 22000 scheme. Audits conducted at other plants.</li> </ul>	<ul> <li>Communication of the Laatuvastuu quality system to consumers.</li> <li>FSSC 22000 certification for all of Atria Finland's production facilities.</li> <li>Reduction of instances of non- compliance detected during audits.</li> </ul>
Atria Scandinavia	<ul> <li>No product withdrawals.</li> <li>Switching to FSSC 22000 compliance at all of Atria Scandinavia's plants.</li> <li>Reduction of the number of customer complaints by ten per cent compared to 2013.</li> </ul>	<ul> <li>Three withdrawals at Atria Scandinavia. More information can be found in the section "Group, Results 2014".</li> <li>All of Atria Scandinavia's production plants certified according to the requirements of the FSSC 22000 standard.</li> <li>The customer feedback system was reformed during the reporting year and the scale changed, meaning that the reduction target of ten per cent cannot be verified. The aim is to further reduce the number of complaints.</li> </ul>	<ul> <li>Ensuring product safety and high- quality operations in all stages of the chain so as to eliminate the need for product withdrawals.</li> </ul>
Atria Baltic	• Development of a product safety management system in compliance with ISO 22000:2005.	<ul> <li>Audits of the ISO 22000:2005-compliant product safety management system conducted and approved.</li> </ul>	<ul> <li>Development of ISO 22000:2005-compliant food safety operations.</li> </ul>



# Screen for good raw materials

Atria Scandinavia owns 17 significant brands of meat and cold cuts, including Lithells, Sibylla and Lönneberga. Since there are already thousands of products, every supplier must pass through Atria Scandinavia's screen – purchasing principles of meat raw materials – in order to ensure that all of these products meet customers' demands.

"The purchasing principles ensure that our suppliers meet consumers' demands for quality, traceability and knowledge of the food industry," says **Hans Christian Hesseldal**, Meat Purchasing Director.

In practice, this means that Atria only uses suppliers that it really trusts and that can comply with the standards set by the company.

"Once we have approved a supplier, we establish a close relationship and dialogue with it. Our most used suppliers have their slaughtering and cutting operations in the same building," Hesseldal says.

He emphasises that every animal has its own identity, and if something happens, Atria can trace raw materials all the way to the farm of origin.

Atria Scandinavia has an extensive audit programme, which includes regular visits to suppliers in Sweden and the rest of Europe.

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#### Healthy & nutritious food

# Support for healthy and nutritious choices

At the core of Atria's nutritional responsibility is the healthiness and nutritional value of raw materials and processed products, as well as the provision of sufficient product information to support consumer choices. The company understands its responsibility for consumers and public health – and this is also taken into account in R&D operations.

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# Balancing nutritional recommendations and consumers' wishes

At Atria Group, product development is guided by a philosophy of balancing consumer preferences and nutritional recommendations. For example, the responsible use of additives and development of low-sodium products are an integral part of the Group's nutritional responsibility.

The need for additives is assessed in terms of both consumer health and product safety. Only important additives necessary for product safety are used, and only if they all have a proven safety record.

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

Atria actively monitors legislation and recommendations regarding additives. An example of this is the elimination of phosphates from all of Atria Finland's meat preparations in 2014. The interpretation of legislation on meat preparations changed, and the entire industry had to quickly make their products phosphate-free.

Atria was able to carry out the change by the due

date without any compromises on product quality. When phosphate was eliminated, the sodium content of the products was not raised. An exception is Finnish Christmas ham, in which the use of phosphates is allowed by special permission. If no phosphates were used in hams, the sodium content would have to be increased to achieve proper salting results.

Salt is an essential ingredient in all meat and cold cut products. It is used to improve flavour, texture and shelf life, among other things. In many western countries, people consume unhealthy levels of salt. Atria complies with national recommendations on sodium content and aims to actively develop low-sodium products.

### Domestic origin and healthiness important in Finland

Atria Finland only uses domestic meat in its Atriabranded products. The company also provides full traceability for an increasing number of products, thereby contributing to consumers' nutritious food choices.

In Finland, meat protein (a powder made of dried meat) is not added to products, and only GMO-free raw materials are used.

Atria Finland also applies the Group's policy of aiming to continuously and actively reduce salt in its products. The Heart Symbol indicates that a product is a healthier choice for consumers. To be eligible for the Heart Symbol, meat products must meet criteria for the amount of sodium and the amount and quality of fat.

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Atria Finland is constantly increasing the number of products bearing the Heart Symbol in all of its product groups – these products are developed both for consumers and Food Service customers. In 2014, Atria introduced 38 new Heart Symbol products, bringing their total number to 120.



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#### Healthy & nutritious food



# High-quality alternatives for specific needs in Sweden and Denmark

Atria Scandinavia encourages consumers to eat tasty and healthy food, and provides inspiring recipes and videos in an effort to help them cook balanced meals.

Meat is a good source of nutrition, as it contains important vitamins and minerals. Atria's selection of meat and cold cuts in Sweden is complemented by vegetarian options and an extensive range of sustainably caught fish bearing the Marine Stewardship Council (MSC) label, sold under the brand Dagens Rätt Fisk.

Nearly all of Atria Scandinavia's sausages carry the SärNär label. SärNär products are special diet products that are free of lactose, gluten, milk protein and egg protein.

Around 10 per cent of Atria Scandinavia's current products are also labelled with the Nyckelhålet (Keyhole) symbol. Nyckelhålet product contains less sugar, salt and fat and more fibre than other food products of the same type.



## Country of origin label to Maks & Moorits minced meat

Atria Baltic's four Maks & Moorits minced meat products were awarded the prestigious Approved Estonian Taste label, also known as the Swallow Label, which is an indication of a product's high quality and Estonian origin. The Swallow also differentiates Maks & Moorits minced meats from competing products on store shelves, since it has so far not been awarded to other minced meats in Estonia.

The packaging for Maks & Moorits minced meats has also undergone a transformation. Next to the product name and the Swallow Label are clear symbols that indicate the types of meat used in the product. The products were also reformed by reducing the fat content of all minced meats.

## Food Quiz teaches children responsibility

Atria Finland is involved in the organisation of Food Quiz, an educational initiative targeted at Finnish lower secondary school students, in the 2014–2015 school year. The quiz aims to introduce young people to the food chain, from the field to the table, to help them grow into adults who consume responsibly and value food producers. Atria wants to contribute to this important educational activity.

The quiz package, provided for schools every year, consists of online learning material, an online quiz and events. After the online quiz, completed under the guidance of teachers, the three best classes are selected for the final, based on their average scores.

The quiz themes for the 2014–2015 school year are nutrition, economy and local food, as well as responsible consumer. When the quiz is over, the online materials will be freely available to anyone.

The Food Quiz has been organised since 2012 by Finnish Food Information, the Central Union of Agricultural Producers and Forest Owners (MTK) and the Finnish Association of Home Economics Teachers.

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# Nutrition game – a new perspective on nutrition education

Atria aims to help consumers to eat nutritious and healthy food. The most important channel for providing nutrition information, apart from packaging, has been the nutrition tables found on Atria's website. However, reaching children through packaging information and the website is particularly challenging.

"We wanted to make a nutrition game for children, since we know that traditional educational methods no longer work with the young generation," says **Mirva Lampinen**, nutrition specialist at Atria Finland.

"We ran a competition for gaming students to find an idea for a nutrition game. We received many great ideas, and the best was chosen by public vote. The objective in the game is to learn the proper timing of meals. Players also practise distinguishing between healthy and not-sohealthy snacks."

The game has been well received by children, and



Social responsibility

lots of positive feedback has been provided. Creating the game has been a step in the right direction in nutrition communication targeted at children.

To take a look at the game, go to www.kokkaamo.fi/ruokaryntays/.

#### KEY TARGETS AND RESULTS IN TERMS OF ATRIA'S NUTRITIONAL RESPONSIBILITY DEVELOPMENT

Business area	Targets 2014	Results 2014	Targets 2015
Atria Finland	<ul> <li>Development of Atria's external and internal nutrition communication.</li> <li>Reduction of salt and introduction of new Heart Symbol products in all product groups.</li> <li>Participation in research projects increasing nutrition knowledge.</li> <li>Application of the EU Food Information Regulation to Atria's labelling in a clear and consumer-friendly manner.</li> <li>Implementation of changes to packaging information by the due date.</li> </ul>	<ul> <li>Atria's internal and external nutrition communication was increased particularly in the social media (e.g. on Twitter), in a blog and by launching an online nutrition game for children.</li> <li>The reduction of salt has been continued in products such as meat preparations. A total of 38 new Heart Symbol products were developed.</li> <li>The Food for Seniors project was completed.</li> <li>The changes required by the EU Food Information Regulation were successfully implemented by the due date. The new labels are clear, consistent and consumer-friendly.</li> </ul>	<ul> <li>Further development of Atria's nutrition communication, with a focus on revising the contents of Atria's website.</li> <li>Reduction of salt and introductior of new Heart Symbol products in all product groups.</li> <li>Updating of the nutrition strategy</li> <li>Participation in new projects which increase nutrition knowledge and are in line with Atria's research strategy.</li> </ul>
Atria Scandinavia	<ul> <li>Elimination of unnecessary additives from products. Only additives required to guarantee sensory quality and adequate shelf life are used.</li> <li>Development of low-sodium products.</li> </ul>	<ul> <li>Yeast extract was eliminated from three Food Service sous vide products.</li> <li>Special attention has been paid to the sodium content of new products. Several new low-sodium products were launched in Denmark.</li> <li>Packaging information for more than 1,800 products was changed to meet the requirements of the new EU Food Information Regulation.</li> </ul>	<ul> <li>Reduction of salt in cold cuts and sausages.</li> <li>Creation of uniform nutrition principles particularly for the use of sodium and additives in various products.</li> </ul>
Atria Baltic	<ul> <li>Increasing the use of domestic raw materials in products.</li> <li>Smaller package sizes for consumers.</li> <li>Reduction of salt and soy in products.</li> </ul>	<ul> <li>Five new barbecue sausages containing only domestic meat raw material were brought to the market. Sausage sales grew by 35 percent.</li> <li>A new low-sodium product was launched under the Wôro product family.</li> <li>The amount of soy was reduced in new sausage products.</li> </ul>	<ul> <li>Increasing the use of domestic raw materials in products.</li> <li>Smaller package sizes for consumers.</li> <li>Reduction of salt and soy in products.</li> <li>Reduction of the use of additives in products.</li> </ul>

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NUCLE

#### Research & development

## Investments in research and marketing

Atria Group aims to serve its stakeholders by utilising R&D activities in a variety of ways. The company also participates in applied research in the areas of product and packaging technology and food science.

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# Efforts in research and marketing

Product development and marketing constitute an integrated function at Atria on both a strategic and operational level. The company's research and development operations focus on studying consumer behaviour and market data. They form a strong base for the development of new products.

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 one 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.

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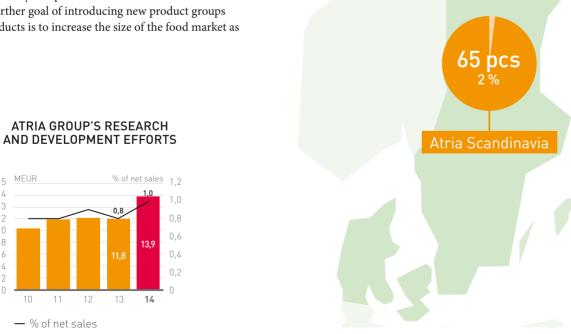
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- % of net sales

12



# NEW PRODUCTS (PCS) IN 2014 AND THEIR SHARE (%) OF ALL SALES 120 pcs Atria Russia Atria Baltic 10 pcs 40 pcs 10 %

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#### Research & development

# Using data to shape the future



Market and consumer insight has always been among Atria's strengths. In 2014, Atria Finland established a new market data organisation – a so-called Info Team – in order to ensure that all possible information on consumers and the market would be better available and in a form that would help all Atria specialists in their work. The Info Team performs thorough analyses on matters such as how consumers' attitudes and changes in their cooking habits influence grocery shopping.

"Atria has access to large amounts of market and consumer data. I can confidently say that we are a leading user of consumer market data in the Finnish food business. The challenge has been the dispersion of data across Atria's various organisations in a

multitude of formats. The Info Team has created a systematic way of performing thorough analyses on matters such as how consumers' attitudes and changes in their cooking habits influence grocery shopping," says **Paula Virtanen**, director in charge of market data and leader of the Info Team.

The market data organisation consists of three teams: consumer studies and data, shopper studies data, and market data. Where necessary, the Info Team uses special studies to gain more detailed information, or develops new consumer research methods. It is also responsible for various market data systems and knowing how to use them.



## Guiding consumers to the right minced meat

Finns consume large quantities of minced meat. It accounts for around 40 per cent of all consumer-packed meat sold in Finland\*. To make everyday cooking easier, Atria Finland has included information on product packaging regarding the recommended uses of different types of minced meat.

Introduced in 2014, the packaging information directs consumers to use minced meat with a lower fat content

(approx. 10%) in soups and fatty sauces, in particular. Minced meat containing slightly more fat (approx. 17%) is ideal for meatballs and burgers. More fatty minced meat (approx. 20%) is suitable for foods that are slowly baked in the oven.

\* Source: Jauhelihanykytilatutkimus 5/2012

## Food innovations for the growing senior market

The Food for Seniors project, which ran for three years and ended in 2014, aimed to develop tasty foods for group meals and retail sales targeted at elderly consumers. Attention was also paid to package sizes and ease of use.

Atria Finland was one of the business partners involved in the project coordinated by VTT Technical Research Centre of Finland and Consumer Society Research Centre. Using consumer research, the project looked into the wishes, needs and views of senior consumers. On the basis of the results, new prototypes of good meals and packaging were developed. Atria's goal was to gain new insights into how catering services for the aged should be implemented.

The consumer surveys conducted during the project indicated that senior citizens did not appreciate the convenience foods currently on offer because they were felt not to meet the criteria for a good meal. In addition, many seniors have a strong preference for making their own food, which also stands in the way of trying out ready meals.

The research report estimates that future generations of seniors will eat more convenience foods. However, elderly people often have a reduced appetite, meaning that they eat smaller meals. Special attention should therefore be paid to the intake of important nutrients, such as protein and fibre, as well as to the quality of fat and amount of salt. Packaging should be developed with the following in mind: easy opening, the possibility to see the product through a transparent film and the clarity of product information.

Sources: Food for Seniors, Final Report. VTT Technical Research Centre of Finland, 2014

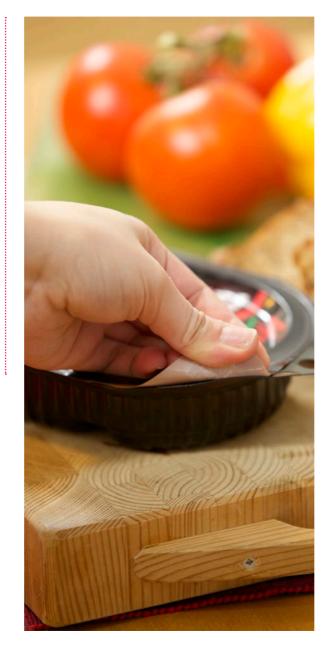
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# Support for food and logistics research in South Ostrobothnia

Atria Finland has for several years now been sponsoring research professorship projects of Epanet, the South Ostrobothnian University Network. The company is currently sponsoring the following projects: Logistics research for the benefit of South Ostrobothnia 2, Consumer behaviour in the food sector, and Promoting the safety of food chains in South Ostrobothnia.

Epanet is a collaboration network of Finnish universities operating in South Ostrobothnia. The network aims to reinforce the community of regional researchers and professionals engaged in development activities. Epanet research teams make up a research community that brings together many disciplines and universities. Through its member universities, Epanet's networks extend throughout the Finnish and international world of science.

Read more about Epanet at www.epky.fi/epanet.



# Cold cuts packaging wins prizes

The new-generation packaging for cold cuts launched by Atria Finland in spring 2014, which is easy to open and can be securely resealed, received much praise and recognition.

In October, the packaging was awarded in the ScanStar competition organised by the Scandinavian Packaging Association (SPA). The results were announced in conjunction with the FoodTech fair in Denmark.

In December 2014, the new-generation packaging was the only Finnish packaging awarded in the annual WorldStar competition of the World Packaging Organisation (WPO). There were entrants from 37 countries.

In early autumn 2014, the packaging also received a commendation from Lihastautiliitto (The Finnish Neuromuscular Disorders Association) for being easy to open and well designed. Moreover, in July it was voted the Packaging Innovation of the Month in an international competition.

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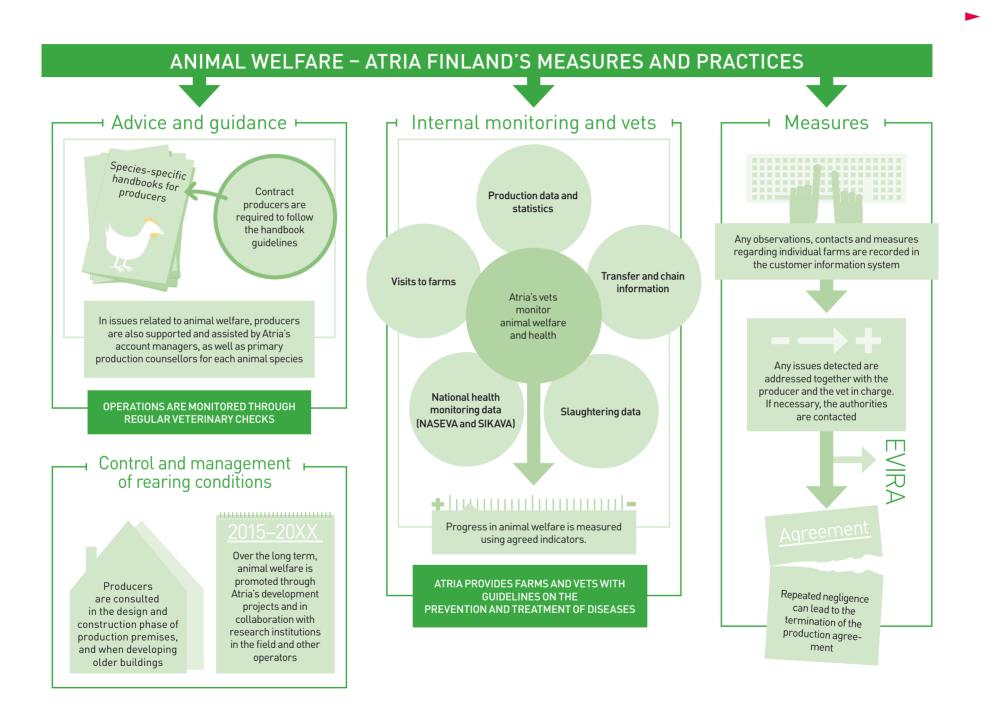
#### Healthy & well-kept animals



# Ongoing efforts to promote 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. Atria actively supports producers in the development of animal welfare, and openly communicates these issues to its stakeholders.

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#### Healthy & well-kept animals

### A valuable life without unnecessary pain and medication

In Atria Finland's meat chain, animals do not undergo any unnecessary painful physical alterations. Procedures considered necessary for the time being include male pig castration and calf dehorning.

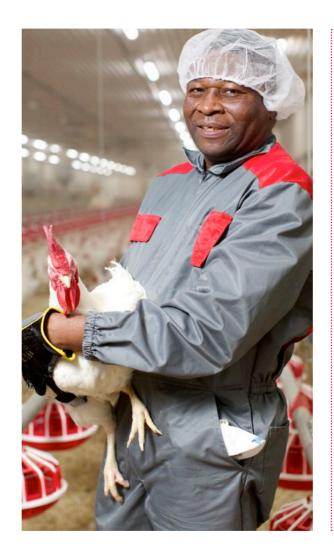
Within its "End to Castration by 2016" project, Atria is actively investigating alternative solutions to eliminate castration in the chain.

Calf dehorning is considered to be necessary, since 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 dehorned by a veterinary officer using analgesia in group rearing facilities. At the end of 2014, calf dehorning was performed by a veterinarian using analgesia at more than 80 per cent of farms covered by the Naseva cattle health care system.

The following procedures are not performed on animals reared for Atria: tail docking, debeaking of chicken and castration of bull calves.

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 develops its production chain with a long-term view so as to minimise animal ill health and the need for drugs.



# Investigations in the End to Castration project continue

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 ethical benefits, 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 2014, Atria completed an assessment of the rearing trial of male pigs. The rearing went well and the production results were promising, but more work is needed before castration can be eliminated across the chain.

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. Duplication of the trial of male pig rearing and slaughter line detection was postponed in the hope of seeing progress in international development projects.

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# Varied personnel training to support competence

The AtriaNauta service within Atria Finland's primary production launched an extensive personnel training programme in 2014. The programme aims to cascade Atria's beef procurement strategy to all relevant parties and create new shared models for daily work. The training programme was attended by account managers from all over the country, sales representatives working in the producer services, logistics planners and transport entrepreneurs.

The AtriaNauta service purchases beef from some 6,000 Finnish cattle farms.

In addition to the training programme, Atria Finland organised a so-called Academy for Professionals in 2014, to provide training for account managers of dairy and meat farms working in the field. The Academy deepened the professional skills of Atria's account managers in areas such as the planning of feeding, management of automatic milking and observation of animals.

# Quality system label for pork was well received

Evira granted the Finnish pig health classification register, Sikava, the status of a national quality management system in 2013. The system, called Laatuvastuu, was certified in spring 2014.

Laatuvastuu significantly exceeds the statutory requirements for product safety and animal health. According to a follow-up study, consumers find the following dimensions of the system the most important: work performed to prevent salmonella and animal diseases, and the fact that very little medication is needed in Finnish farms.

The Laatuvastuu label was introduced in Atria's fresh pork products in spring 2014. The label will be extended to meat preparations and cooked products in spring 2015.

"Atria's Food Service customers have been very interested in the Laatuvastuu label. Now their expectations are focused on its extension to meat products and cooked meat. Customers are interested in animal welfare, and Laatuvastuu has already been used as a criterion in public procurement," says Taija Haiko, Sales Manager at Atria Finland's Food Service.

The national quality management system arose from sustained cooperation between the entire industry 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.

Raw material for Atria-branded products is only acquired from farms covered by the Laatuvastuu system.



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#### Healthy & well-kept animals

# Atria Scandinavia's raw material suppliers supervised extensively

Atria Scandinavia wants to support Swedish agriculture, which is why it acquires the bulk of its meat raw material – about 65 per cent – from Sweden. In addition, raw material is purchased from Atria's farms in Finland and from selected, approved suppliers in Germany, Denmark, the Netherlands, Austria and Ireland.

Atria Scandinavia collaborates with approximately 50 suppliers. The company's purchasing principles ensure that every supplier meets the demands for traceability, animal care, quality and the availability of raw materials.

The procurement procedure also involves checking how well suppliers comply with the rules of the Miljöstyrningsrådet (Swedish Environmental Management Council), which are based on the country's animal protection legislation.

Atria only partners with reliable suppliers that have a good reputation and are known to abide by the law. The company's most used suppliers have their slaughtering and cutting operations in the same building. New assessment tool facilitates supervision

A new tool was adopted in Scandinavia in autumn 2014 that enables all information on suppliers to be consolidated in a single system. Suppliers are required to answer questions about matters such as business ethics, health, the environment and safety. On the basis of the answers given, Atria can form a more complete impression of suppliers and their operations. After the roll-out of the new system, the company has dismissed suppliers, on the grounds that they have not fulfilled Atria's requirements.

Atria Scandinavia has an extensive audit programme, which includes regular visits to suppliers in Sweden, Denmark and the rest of Europe. Following the horsemeat scandal in early 2013, the company has also introduced DNA analyses for incoming raw materials, implemented through regular random inspections.

# Closer national collaboration on the cattle chain

Atria Finland has had a strong influence on the development of national cattle health care activities. The company is involved in a new project on traceability systems for the dairy and beef chain, which provides a forum for discussion in the dairy and beef sector about measures designed to improve the quality and responsibility of the entire production chain.

The project aims to create for the beef sector a new national model for controlled and responsible management of the cattle chain and animal trade. The work has already begun. The safe operation of the cattle chain and the changes required in Naseva (the national cattle health care register) to support it were specified together with cattle chain operators in 2014. A decision was made to launch the new model in early 2016.

To support the new model, the project will create an electronic health certificate for animal trading. A farm classification system will also be created in Naseva, dividing farms into four levels: special, national, basic and risk level.

Training will be organised for farms and stakeholders to introduce them to the new system. The project is also looking into the possibility of applying for the status of a national quality management system and the related auditing practices.



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#### KEY TARGETS AND RESULTS IN TERMS OF ATRIA FINLAND'S ANIMAL WELFARE

Targets 2014	Key results in 2014	Targets 2015
AtriaSika (pigs)		
<ul> <li>Following international discussion and research results in seeking alternatives to pig castration.</li> <li>Reduction of tail-biting. Provision of guidance to producers on arranging stimulation for piglets.</li> <li>Reduction of whole and partial carcass condemnations. In 2014, development actions focused on feeding and rearing conditions. The aim is a consistent quality of pork.</li> <li>Research cooperation to promote animal welfare.</li> <li>Auditing and certification of the Laatuvastuu quality management system.</li> </ul>	<ul> <li>Assessment of the uncastrated male pig trial. Monitoring of and investigation into alternatives to castration continue.</li> <li>Tail-biting was further reduced. In the reporting year, only 2.3 per cent (2013: 2.6%) of the animals going for slaughter displayed marks of tail-biting.</li> <li>Good progress in the reduction of carcass condemnations. Whole carcass condemnations declined by 25 per cent.</li> <li>Evira granted the Finnish pig health classification register, Sikava, the status of a national quality management system in 2013. The system was certified in spring 2014.</li> <li>Atria is involved in a pilot group investigating the expansion of the WQ system to cover animal transport and slaughter.</li> </ul>	<ul> <li>Research and follow-up of alternatives to castration will continue.</li> <li>Continued reduction of tail-biting.</li> <li>Reduction of whole and partial carcass condemnations.</li> <li>Research cooperation to promote animal welfare.</li> <li>Development of the Sikava quality management system in industry collaboration. Changing the database and server platform of the Sikava system.</li> </ul>
AtriaNauta (beef)		
<ul> <li>Agreeing on a national course of action for the cattle chain with the sector. The Association for Animal Disease Prevention [ETT] coordinates the project.</li> <li>Changing Naseva's database and server platform.</li> <li>Internal development work to reduce respiratory infections in calf rearing facilities jointly with the facilities and animal haulage staff. Looking into possibilities for restricting the facilities' outgoing cattle rooms.</li> <li>The Mycoplasma bovis research project in collaboration with the industry. The University of Helsinki coordinates the project.</li> <li>Completion of the KESTO project [sustainable animal husbandry].</li> <li>Summarising the results of the QBA (Qualitative Behaviour Assessment) project. In the project, animal behaviour is observed visually.</li> <li>Completion of the "Impact of cattle welfare on profitability in meat production" doctoral thesis project.</li> </ul>	<ul> <li>The safe operation of the cattle chain and the changes required in Naseva to support it were described. A decision was made to launch the model on 1 January 2016.</li> <li>The changing of Naseva's database platform progressed according to plan.</li> <li>Preliminary analyses were performed on the results of Naseva health care visits. The results seem promising, and they enable the creation of indicators for animal welfare.</li> <li>A plan was prepared for meeting the requirements for exports to Sweden with the IT department and slaughterhouses.</li> <li>The Mycoplasma bovis research project was initiated in collaboration with the industry. The University of Helsinki coordinates the project.</li> <li>The KESTO project (sustainable animal husbandry) was completed. According to MTT Agrifood Research Finland's final report, group size has an impact on the treatment of respiratory infections in calves.</li> <li>AtriaBeef veterinarian Tuomas Herva's thesis "Animal welfare and economics in beef production" was approved for publication.</li> </ul>	<ul> <li>Launch of the project "Traceability systems for the dairy and beef chain" - transparent, verifiable and responsible primary production.</li> <li>Development of cattle health through the national cattle health database [Naseva] will continue. The main focus will be on the development of health care in production and summary reporting. The usability of information gained from health care visits for the financial planning of farms will be investigated.</li> <li>The development of logistics and the practices of rearing facilities in order to reduce respiratory infections as part of the future development projects in primary production.</li> <li>Advancing the use of rubber coating on slatted floors as part of primary production projects and farm-specific development work.</li> <li>Development of Atria's IT systems and their interfaces in order to improve the availability of animal welfare data Continuing the Mycoplasma bovis research project.</li> <li>Completion of the investigation into the suitability of the visual assessment based QBA indicator, which is part of the WQ welfare standard, as a production development tool.</li> </ul>
AtriaSiipi (poultry)		
<ul> <li>Commissioning of a new feed plant.</li> <li>Integration of the Sahalahti chicken slaughterhouse into the Atria Way of Work.</li> </ul>	<ul> <li>Since the commissioning of the new feed plant, daily growth and feed efficiency have improved.</li> <li>The hatching results of the Nurmo hatchery have improved.</li> <li>Updating of poultry health care documents (initial survey form, health care visit report and plan).</li> <li>Participation of an AtriaSiipi veterinarian as a trainer in continuing education for veterinarians.</li> <li>The Sahalahti chicken slaughterhouse was successfully integrated into the Atria Way of Work.</li> </ul>	<ul> <li>Management of risks associated with the import of chicks.</li> <li>Changing the breed of the parent stock.</li> <li>Introduction of elements increasing animal welfare that are related to welfare subsidies.</li> <li>Clarification of hatchery operations and improvement of the production results of farms.</li> </ul>

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#### Employee well-being

# Competence, fairness and transparency

At Atria, social responsibility for personnel covers employee well-being, development of skills and fair pay. Smooth and open interaction with the company's stakeholders is part of Atria employees' daily work, which is why cooperation is based on values defined by the employees.

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# Well-being and competence at the core of development

Developing the competence and well-being of personnel is a key component of Atria's social responsibility. It forms the foundation for the quality of Atria's operations and products, and for the achievement of future growth and profitability targets.

In 2014, the focus in Atria's HR work was on cascading the Atria Way of Work throughout the Group. The way of work and values were defined on the basis of value discussions conducted with Group personnel. Around 75 per cent of Atria employees participated in these discussions, which were held in 2013.

As part of the Talent Management process, uniform

recruitment practices were reinforced and several strategy-driven programmes for personnel development and training were implemented in all business areas. In addition, Atria's employer image was built more systematically, for example, by creating a LinkedIn page for the Group.



# Stakeholder engagement is part of daily work

Smooth and transparent interaction with stakeholders – including consumers, customers, producers, authorities and shareholders – is of primary importance to Atria. That is why employees have also been actively engaged in discussions guiding the company's daily practices. An example of this is the Atria Code of Conduct, updated in early 2015, in whose creation Atria employees played a key role.

The new Code of Conduct, revised on the basis of the Atria Way of Work value discussions held in 2013 throughout the Group, was bring out by employees' views of what they value in their workplace, what the shared guidelines for workplaces are and what kinds of expectations they have towards Atria's partners. Read more about Atria Code of Conduct on page 56.

## Atria Group's employees engaged via LinkedIn

LinkedIn is one of Atria's key channels for employer communications. Through LinkedIn, the company aims to increase awareness of Atria and highlight the opportunities it provides as an employer.

Atria encourages all employees to participate in important employer communications on LinkedIn. They are invited to like, comment on and share Atria's publications.

LinkedIn also offers employees great opportunities to grow their personal professional networks and improve their professional expertise by following various groups of experts and engaging in discussions on current topics.

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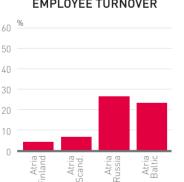
**PROPORTION OF** 

WOMEN/MEN

#### Employee well-being



\*Employed on average is calculated based on full-time equivalent (FTE)



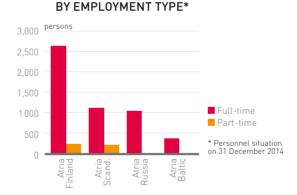
## TOTAL NUMBER EMPLOYEES

Atria

Atria Scand.

Atria Russia

Atria Baltic



#### TOTAL NUMBER OF EMPLOYEES **BY EMPLOYMENT CONTRACT\***

Atria Scand.

Atria Russia

Atria Baltic

AVERAGE NUMBER

**OF PERSONNEL** 

2012

2013

2014

persons

Atria Finland

2.500

2.000

2012

Women Men

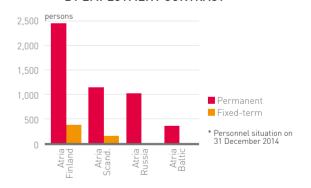
Women

2014

Women

Men

Men



## Values cascaded in a variety of ways

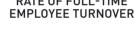
In 2013, Atria Group's employees defined together the Group's way of work and values. The Way of Work (WoW) discussions conducted in various countries and business areas were a great success: some 75 per cent of Atria employees in Finland, Sweden, Denmark and Estonia wanted to have their say on the shared ways of work. At Atria Russia, value discussions had already been held previously.

The Atria Way of Work values were defined following the discussions, and in 2014 they were cascaded down to all employees. The values were communicated in different ways in the various business areas. For example, discussion and pop-up events were organised in Finland.

At Atria Scandinavia, the Way of Work principles were linked to daily work by means of a WoW game. Almost all of Atria Scandinavia's 1,200 employees and 15 sites participated in the game. The idea was to show connections between the practices of units and the relevant Way of Work principles. Finally, teams had to come up with two ways of improving the operations and practices.

Shared values lead to better cooperation When the Atria Way of Work was cascaded across Atria

# RATE OF FULL-TIME





OF NEW

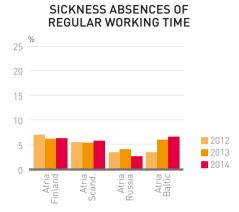
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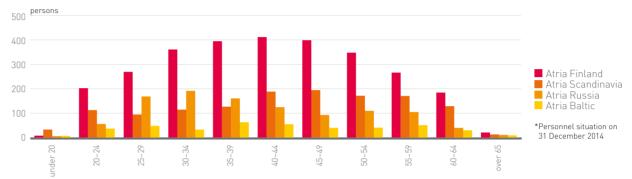
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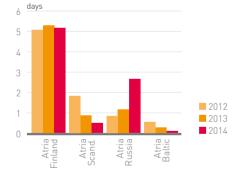
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#### AVERAGE TRAINING DAYS PER EMPLOYEE



Russia, the employees were asked to provide ideas for

the development of cooperation and productivity, and

for clarifying what the shared ways of work mean for

improve cooperation between employees: if the flow of

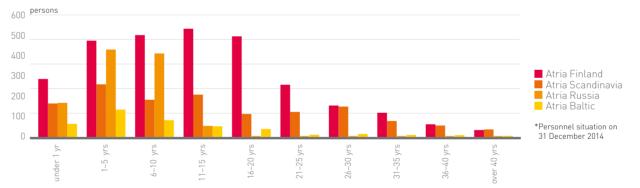
information regarding the operations, targets and results

of various departments were smoother, it would be easier

One concrete idea was put forward that could further

employees on a daily basis.

SERVICE STRUCTURE\*



# for the departments to cross the boundaries and work for common goals.

On the basis of this idea, the HR and communications functions created a plan in 2014 that includes about 15 meetings between various functions and teams. At the meetings to be held in 2015, Atria Russia's functions, departments and teams will talk about their work and goals to colleagues in other departments. As part of the cascading of the shared ways of work, a light-hearted competition was launched at Atria Russia where employees could nominate colleagues in other departments who are setting a great example and following the Atria Way of Work values. Examples of concrete dayto-day work are spotlighted on information boards telling employees about the shared ways of work.

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#### Employee well-being

## High job satisfaction improves employee motivation

Atria Scandinavia wants to be a sought-after employer that values the joy of work, equality and diversity. The company therefore gives its employees an opportunity to voice their opinions through an extensive personnel survey.

"The survey asks employees what they think of Atria as a place of work and what they feel should be improved. Using their answers, we can try and create the best possible conditions for employees to succeed in their work," says **Lars Ohlin**, Director of Human Resources at Atria Scandinavia.

Training, equality and diversity A high-quality training programme has in recent years been drawn up for employees at Atria Scandinavia.

"We organise several internal training courses every year on topics such as project management and labour law, as well as joint training events for the sales and marketing departments." To support and improve leadership, there are three courses of different lengths, targeted at various organizational levels.

In the future, Atria Scandinavia also intends to introduce Atria's Way of Leading principles, which apply to all of Atria Group's managers. For this purpose, the Group has defined four keywords that are characteristic of a good leader: communicate, involve, develop and act.

Female managers currently account for 20 per cent of Atria Scandinavia's management. The company is in the process of preparing a plan for increasing equality in management.

Another priority is cultural diversity.

"To be able to produce tomorrow's food, we must be more effective in recruiting employees who have lived in other culinary cultures and been influenced by them," Ohlin states. Tools for health promotion Atria Scandinavia invests in promoting the health of its employees. Examples of actions taken in 2014 to encourage employees to be more active include increasing



the support for promoting a healthy lifestyle among permanent employees and extending the gym at the Malmö plant.

Meanwhile, the Sköllersta plant is piloting a service – Frisklinjen – which aims to significantly reduce sickness absence. The service provides all production employees and their families with free health advice over the phone.



## Rehabilitation counsellor helps to extend careers

Atria Finland is presumably the first and only employer in Finland that has established a rehabilitation counsellor service in order to aid Atria employees who have problems with their work capacity to find a new path.

If an illness causes the threat of disability or substantially reduces an employee's earning capacity, he or she is entitled to receive appropriate vocational rehabilitation that will prevent disability or improve his or her work and earning capacity. Atria has a vocational rehabilitation instructor – a career and adult education specialist – or 'rehabilitation counsellor' for short, who employees can turn to if they experience problems.

The purpose of vocational rehabilitation is to improve or maintain the employee's work capacity and earning opportunities by means of vocational guidance, rehabilitation research, work and educational trial periods, work coaching and retraining, for example.

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# Peer support in Russia

People often compare their workplace to a family. Atria Russia's personnel has taken this idea seriously and set up a programme, 'We Together!', to support their co-workers.

**Мы вместе!** Атриа Россия

In summer 2014, the employees raised money for a bone marrow transplant for one employee's daughter. This daughter, Anja, had developed leukaemia and urgently needed a bone marrow donor. Atria employees raised EUR 17,000 in all for finding one. The rest of the money needed was collected by charity foundation Rusfond. In autumn 2014, a suitable donor was found and little Anja could peacefully begin to wait for the operation.

At the end of August 2014, one of the company's chauffeurs also needed his colleagues' help. As a result of a serious traffic accident, he was admitted to intensive care and operated on several times.

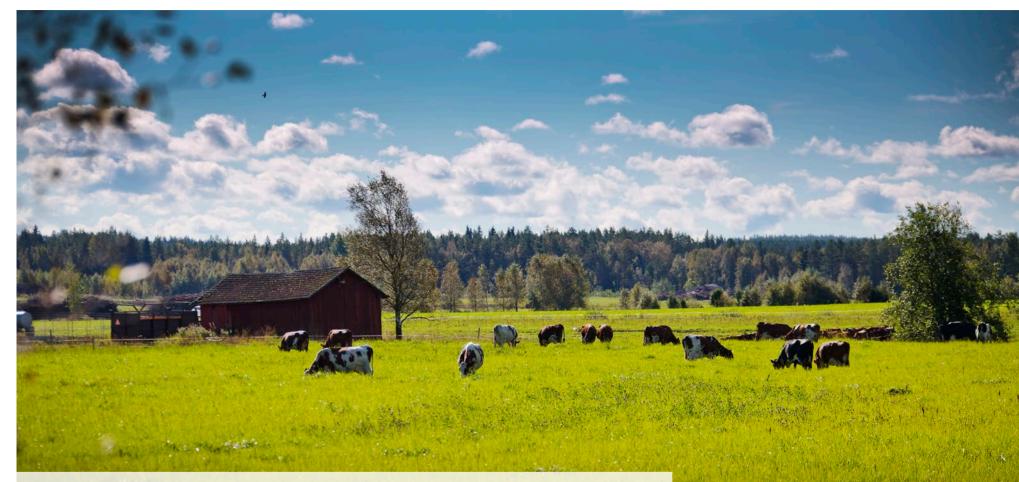
Over the course of two weeks, dozens of Atria employees visited the hospital and donated blood to their fellow worker, encouraged by the We Together! programme.

#### ATRIA'S KEY SOCIAL RESPONSIBILITY RESULTS AND TARGETS REGARDING EMPLOYEE WELL-BEING

Business area	Results 2014	Targets 2015
Atria Group	<ul> <li>Joint LinkedIn pages established for the entire Group.</li> <li>Shared models created for internal recruitment.</li> <li>Talent management tools and practices developed across the Group.</li> <li>Uniform occupational health and safety practices developed across the Group.</li> <li>The Atria Way of Work values cascaded throughout all functions.</li> <li>The Atria Way of Leading principles defined.</li> </ul>	<ul> <li>Defining shared goals and activities to develop the Group-level employer image.</li> <li>Conducting a personnel survey.</li> <li>Developing the Talent Management programme and internal job rotation.</li> <li>Developing Group management through the Atria Way of Leading programme.</li> <li>Further developing employees' meat technology expertise at the Atria Meat Technology seminar.</li> <li>Developing uniors for measuring occupational health and safety across the Group.</li> </ul>
Atria Finland	<ul> <li>The Jyväskylä and Sahalahti units successfully integrated into Atria's HR processes.</li> <li>Employer image developed: target groups, core messages and channels defined.</li> <li>Occupational instruction and guidance developed: electronic occupational instruction cards, regular training of persons responsible for occupational instruction and guidance.</li> <li>Health and safety at work practices instilled as part of the management system.</li> <li>Development of skills: an extensive training and development plan created and implemented to serve business needs.</li> <li>The Talent Management process developed.</li> </ul>	<ul> <li>Developing employer image communication and materials and content to support it, to correspond to the definition created in 2014.</li> <li>Developing the recruitment process, with a focus on electronic tools.</li> <li>Developing internal communication: new electronic channels, accessibility of information for personnel.</li> <li>Embedding the Atria Way of Leading in competency assessments, recruitment profiles, training content and other processes.</li> <li>Further developing occupational safety management and practices.</li> <li>Managing employee well-being: encouraging employees to maintain their work capacity.</li> </ul>
Atria Scandinavia	<ul> <li>Successful cascading of the Atria Way of Work values continued.</li> <li>Orientation activities for new and existing employees developed.</li> <li>Working conditions harmonised at all sites.</li> <li>The Talent Management programme further developed.</li> </ul>	<ul> <li>Developing the working environment at all sites.</li> <li>Launching web-based stakeholder training.</li> <li>Launching a training programme for new employees.</li> <li>Increasing internal recruitment.</li> </ul>
Atria Russia	<ul> <li>Employer image developed.</li> <li>Internal communication channels developed.</li> <li>Employee remuneration practices developed.</li> <li>The Talent Management programme cascaded.</li> <li>Leadership practices developed: training and development programmes implemented throughout the organisation.</li> </ul>	<ul> <li>Motivating employees and increasing employee well-being in daily work.</li> <li>Cascading the Atria Way of Work values and the Atria Way of Leading practices in all locations.</li> <li>Cascading the results of the Group-wide personnel survey.</li> <li>Responding to the changes in the job market situation, e.g. in terms of remuneration practices.</li> <li>Continuing the active networking of professionals.</li> <li>Further developing talent management processes.</li> <li>Developing internal communication.</li> <li>Developing international networking and HR work.</li> </ul>
Atria Baltic	<ul> <li>Occupational health and safety risks analysed, and related guidelines and practices developed.</li> <li>A new electronic working time and payroll system completed.</li> <li>Development meetings organised in line with management's strategy.</li> </ul>	<ul> <li>Updating occupational health and safety guidelines and risk analyses.</li> <li>Deploying the new electronic working time and payroll system.</li> <li>Performing medical examinations in 2015.</li> <li>Completing the study on employee engagement.</li> <li>Further developing management's skills.</li> </ul>

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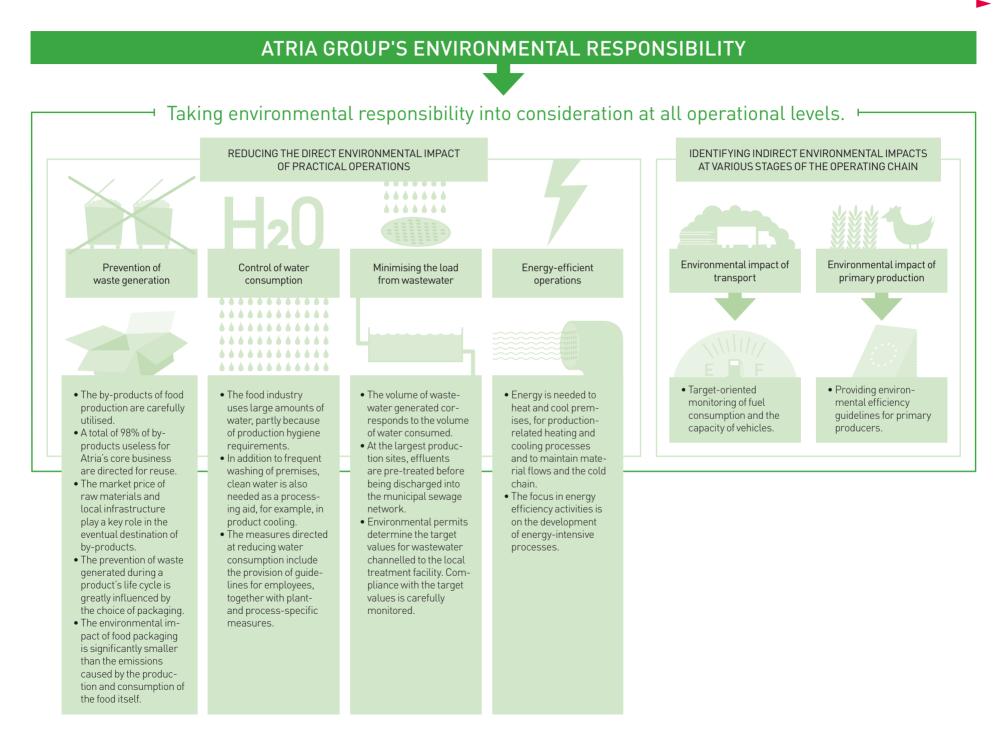
## A healthy environment



# Environmental responsibility at all operational levels

Environmental management at Atria is based on environmental legislation and the fulfilment of stakeholder expectations. Environmental responsibility is taken into consideration throughout the food chain. Structured and managed environmental activities are a prerequisite for safe, well-functioning production.

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## A healthy environment

# Results of active environmental work

DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE



Slowly newabel sources ... 67,281 MWh

Newable sources ..... 128.814 MWh ■ Non renewable sources.. 199,522 MWh

#### Energy consumption

The heat and steam needed by Atria are generated using natural gas, wood-based renewable fuel and peat. In electricity consumption, the ratio of renewable and non-renewable sources of energy depends on the market situation and is determined computationally using Energiakolmio Oy's statistics.

In the period under review, total energy consumption decreased by three per cent and consumption in relation to the kilograms produced by almost eight per cent. The main reason for the former was the renovation of the production plant in Russia and for the latter the measures taken at Atria Finland.

#### ENERGY EFFICIENCY **BY BUSINESS AREA**

DIRECT ENERGY

CONSUMPTION BY

**BUSINESS AREA** 

MWh

11

12

Atria Russia......34,963 MWh

Atria Scandinavia .....97.952 MWh

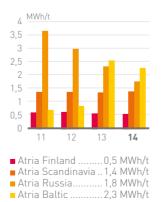
Atria Finland ......242,429 MWh

14

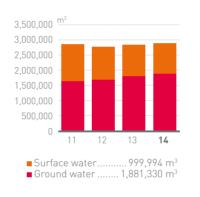
600.000

400.000

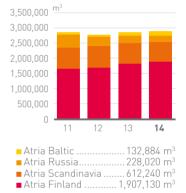
300.000



#### WATER CONSUMPTION BY MAIN SOURCE



#### WATER CONSUMPTION BY BUSINESS AREA



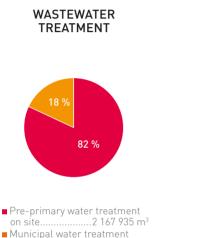
#### Water consumption

At Atria, clean water is indispensable for the operation of processes and washing of production facilities. The origin of water does not have a major environmental impact in Atria's operating environment, but the adequacy of water and pumping capacity are critical for Atria's operations. That is why the company aims to constantly increase water efficiency and work with local entities to secure an uninterrupted supply of water.

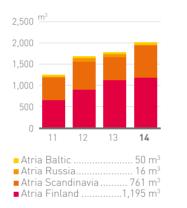
Atria Finland uses the most water, and its absolute water consumption increased by five per cent in the period under review. However, Atria Finland uses water efficiently compared to other national industry players.

Consumption at Atria Scandinavia and Atria Russia fell by nine and seven per cent respectively. The entire Group's absolute water consumption grew by one per cent. Aggregate water consumption relative to production output in the three business areas decreased by three per cent.

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#### BOD7 EMISSION TOTAL



#### Wastewater

Of all wastewater generated by Atria, 80 per cent is pretreated at production plants before being flushed into the municipal sewage network. Plant-specific environmental permits determine the threshold values for wastewater quality. The plants monitor compliance with the values carefully. A predictable, stable organic load in wastewater is important to the operation of wastewater treatment plants.

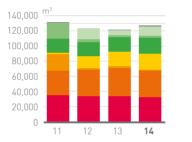
In the period under review, BOD7 load\* increased slightly at Atria Finland, but wastewater quality was in compliance with the permit requirements.

As BOD7 values are not measured in the Atria Scandinavia and Atria Baltic business areas, their load has been estimated in reporting on the basis of loads generated by similar facilities.

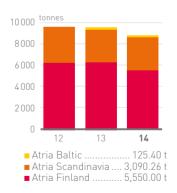
\* The BOD7 value illustrates the amount of oxygen required for the microbiological oxidation of organic material over seven days.

Material-efficient food production About 98 per cent of the by-products of Atria's core operations are channelled to reuse. Of all incoming materials, only about one per mille ends up as waste to landfill or hazardous waste for which there is no use. The market price of raw materials and local infrastructure play a key role in the eventual destination of by-products. The prevention of waste generated during a product's life cycle is greatly influenced by the choice of packaging.

#### TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD



MATERIALS USED FOR PACKAKING PURPOSES



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## A healthy environment

# Certified environmental activities

Atria Finland and Atria Scandinavia's largest plant in Sköllersta have in place an environmental management system certified in compliance with the ISO 14001 standard. In the Group's other business areas, production facilities comply with the same principles.

Every plant has an environmental team that meets frequently to discuss issues such as how to reduce the plant's emissions and energy and chemical impacts. For example, transportation is carefully planned to be as effective as possible, so that vehicles do not drive from plant to plant half empty.

# Tools for saving energy at Atria Scandinavia

Atria Scandinavia's seven plants are working hard to find alternative cleaning methods. The Malmö plant will participate in the Green Cleaning project, which aims to minimise energy consumption and chemical impacts.

In Sköllersta, new sausage smokers were introduced in 2014 that considerably cut down power consumption. The new smokers will save 2 821 MWh per year. The drying process of the sausage smokers includes an in-built energy recovery system.

In 2015, the Sköllersta plant's oil boiler will be replaced by a pellet boiler, which will significantly reduce the plant's climate impact. Thanks to the new boiler, the plant's carbon dioxide emissions will decrease by almost 4,000 tonnes per year, and fossil fuels will no longer be needed in production.

# Proper packaging reduces food waste

The design of food packaging plays a crucial role in reducing household food waste. Packaging is an essential part of each food item – it protects the product to ensure that it will remain edible until it reaches the consumer.

Atria chooses its packaging solutions using criteria aimed at waste prevention. The primary purpose of packaging is to protect the product and inform the consumer of the product's characteristics. If the packaging fails in this, the result is food waste and unnecessary environmental impacts, as the impacts of food production will have originated in vain.

Atria always strives to find a solution that is technically and economically the best and requires as little packaging material as possible. It is also important to find and test packaging materials that are environmentallyfriendly in themselves. All of Atria's packaging materials can be either recycled or reused in energy production.

# KEY RESULTS AND TARGETS IN TERMS OF ATRIA'S ENVIRONMENTAL RESPONSIBILITY

#### Results 2014

#### Targets 2015–2017

- Relative consumption of utilities
- has intensified. • No cases of environmental damage or environmental negligence leading to sanctions or reprimands at Atria's production plants.
- Management of direct environmental impacts.
   Identification of environmental impacts throughout the production chain and promotion of eco-efficiency.

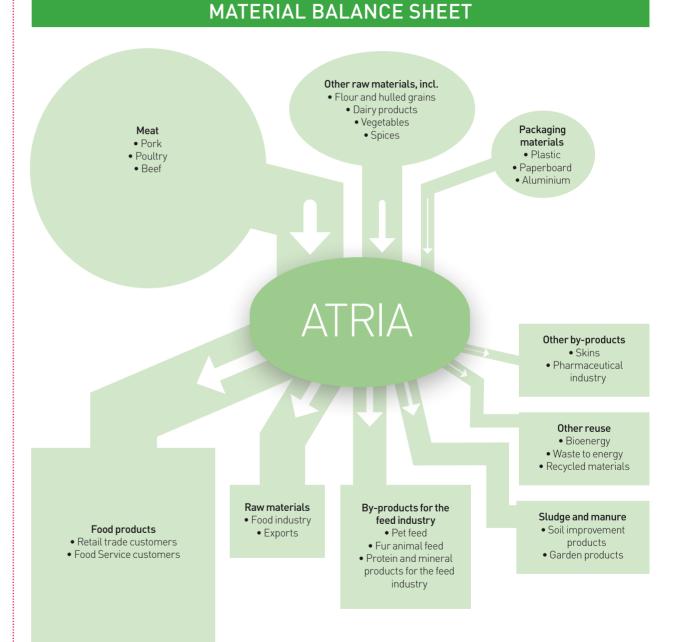


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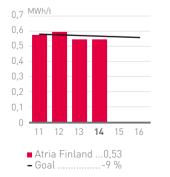
# Systematic efforts to improve energy efficiency

Atria Finland has been involved in the energy efficiency agreement scheme supervised by the Ministry of Trade and Industry since 2009. The scheme sets companies a nine per cent energy conservation target by 2016. Figures are compared to the consumption level in 2005.

Atria Finland has systematically identified areas where energy can be saved, and new investments have been made taking into account the energy efficiency of the solutions. Atria Finland achieved the overall target as early as 2013. Despite this, the company has further increased the efficiency of its energy consumption relative to production output by three per cent in the period under review, for example, by adjusting and optimising air conditioning equipment and improving heat recovery.



#### ENERGY EFFICIENCY IN ATRIA FINLAND



Dimension of the inputs and outputs are approximate.

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## Economic responsibility

# Added value to stakeholders

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

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# Economic responsibility

## **ECONOMIC RESPONSIBILITY AT ATRIA GROUP**

# Compliance with healthy and responsible business practices constitutes the foundation for all of Atria's operations

#### Legislation:

- The Finnish Securities Markets Act
- OECD Code of Conduct and Principles of Corporate Governance
- Competition legislation
   International and national legislation and decrees

#### Accuracy of financial information:

- Accounting and reporting follow national and international laws, financial reporting standards and corporate governance recommendations for listed companies.
- Investors are provided with truthful, up-to-date and accurate information on operations.

#### Protection of assets and financial information:

- Atria protects the company's financial, tangible and intangible property.
- The company's property is only used to achieve the company's business goals.
- Atria protects its business secrets and other confidential information.
- The company also requires its partners to do the same.

# Anti-corruption activities:

• Atria does not accept any kind of bribery in its operations.

# Prevention of conflicts of interest:

• Employees must be loyal to Atria in all of their activities.

BUSINESS INTEGRITY AT ALL LEVELS OF THE COMPANY IS GUIDED BY THE ATRIA CODE OF CONDUCT, WHICH IS BINDING ON ALL EMPLOYEES

Atria also requires its partners to comply with the Code of Conduct in their operations

# 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 Livsmedelsföretag, Kött och Charkföretagen (the Swedish Meat Industry Association), Djupfrysningsbyrån (Swedish Frozen Food Institute), Dagligvaruleverantörers förbund (Grocery Manufacturers of Sweden), Institutet för livsmedel och bioteknik (the Swedish Institute for Food and Biotechnology), Ideon Agrofood and 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.

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## Economic responsibility



# Quality goes hand in hand with efficiency

Atria Finland's High-Quality Atria is a production development programme that targets the focus areas set out in the strategy, concentrating on efficiency and quality in everyday operations. The programme aims to take the daily work of Atria employees in a direction where practices and routines will support the company's strategic targets and priorities even better.

"We wanted to turn strategic targets into practical tools and procedures that would allow all production employees to participate in strategy execution and contribute to achieving our efficiency and quality targets," says **Antti Laukkonen**, project manager of the High-Quality Atria programme.

The High-Quality Atria programme is scheduled to run for several years, since it is not just a project with a start and an end date. The programme is divided into various phases that will lead the company along the chosen path towards set targets. The programme also aims to reinforce a corporate culture in which every Atria employee is responsible for quality.

Quality, in particular, is a value that frequently comes up in Atria's personnel surveys: Atria employees want to provide high-quality products. Despite this, the development programme focuses evenly on efficiency and quality targets.

"Also our customers buy efficiency and quality in the same package, so we must balance their development," Laukkonen sums up.

# Atria adjusted its operations at the Jyväskylä plant

In February 2014, Atria purchased Saarioinen's procurement, slaughtering and cutting operations for beef, pork and chicken in Jyväskylä and Sahalahti, Finland. The deal improved Atria's cost-efficiency in meat procurement, slaughtering and cutting operations. Atria also concluded a cooperation agreement with Saarioinen for the delivery of meat raw material for its meat and convenience food products. Saarioinen employees were transferred to Atria on their existing terms of employment.

To improve the profitability and productivity of the operations acquired from Saarioinen, Atria decided to

increase the efficiency of its Jyväskylä plant. Overlapping functions in meat procurement and administration, caused by the acquisition, were eliminated, and the plant will in future concentrate on bovine and pig slaughtering and cutting. The slaughtering and cutting operations were greatly streamlined, and the production capacity and organisation were later adjusted in the production and packing of consumer-packed meat. Operational restructuring and improved efficiency will result in annual savings of about EUR 5 million.



# 3-Stjernet obtained export licence to China

After six years of negotiations, 3-Stjernet obtained an authorisation in 2014 to export heat-treated meat to China's enormous market, as one of only three companies in the world. This is the first time that Chinese authorities have granted foreign businesses permission for meat exports to the country.

"In the first phase, we will be targeting mainly East China, where there are 400 million residents. We have an ambitious plan for how to succeed in exporting our products. I'm rather confident that the plan will work," says **Anders Laursen**, Managing Director of 3-Stjernet.

3-Stjernet has been working on the project for many years, and a great deal still remains to be done. For example, the company needs a certificate describing in detail what it is authorised to produce and how.

"We need to be very patient, since it will take a long time before we can launch sales. Then again, this will give us time to do our homework well and bring the right products to the market," Laursen notes.

Chinese authorities have visited a 3-Stjernet plant, and Laursen and his colleagues have travelled several times to China to put out feelers. In November 2014, they presented their ideas to potential customers, importers and distributors in China.

"It's extremely important to choose the right partners that have contacts with the right chains and stores. We want to sell our products primarily through leading hypermarkets in major cities, such as Carrefour, Metro and Wal-Mart," Laursen says.

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# Atria sold its industrial and logistics centre in Moscow

In late 2013, Atria launched an efficiency improvement programme in the Russian business area and decided to divest itself of the production plant and logistics unit in Moscow by the end of 2014. Production was to be centralised to the Sinyavino and Gorelovo plants in the St Petersburg area. In late 2014, Atria sold a real estate company in Moscow for EUR 12 million.

Atria continued to lease the real estate in Moscow until the end of 2014. The transaction had no impact on Atria's results.

# Atria decided to focus on its core business in Sweden

Atria is focusing on its core business in Sweden and concluded an agreement for the sale of the Falbygdens cheese business to Arla Foods Ab in the autumn 2014. After the sale, Atria Scandinavia will focus on meat products, cold cuts, delicacies and the Concept business.

The sale includes the transfer of the following to Arla: the Falbygdens cheese business and its employees, the production plant in Falköping and the Falbygdens brand. Around 100 employees will be transferred to Arla Foods on their existing terms of employment.

The transaction will reduce Atria's annual net sales by approximately EUR 52 million and EBIT by some EUR 3 million.

In March 2015, the Swedish Competition Authority announced its approval of the transaction. The operations will be consolidated into Arla Foods on 1 April 2015.



# Poultry feed plant improves the entire poultry chain's competitiveness

The poultry feed plant built by Itikka Co-operative and South Ostrobothnian chicken producers was commissioned in late 2013. The feed is produced and sold by A-Rehu Oy.

The new plant's selection includes feed for all ages of chickens. The plant gives Atria an opportunity to engage in the product development of feed, and also to better achieve the targets set for animal welfare and growth, the transparency of the chain and the development of production. A further important goal is to improve the entire poultry chain's competitiveness. Apart from feed being the largest cost item in chicken production, it also has a major impact on the egg production, growth, health, meat yield and meat quality of chickens. Having the entire production chain from start to finish in the same hands makes it possible to develop it as a whole.

The most important raw materials for the plant are Finnish wheat, oats and barley. The launch of feed production also has profound effects on grain growers in the nearby regions.

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## Description of the organisation

# People, food and heritage

Atria Plc is a growing Finnish food company that is expanding its international presence. The company's success is built on three pillars: people, food and heritage.

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# International listed company

Atria Group is a leading food company in the Nordic countries, Russia and Estonia. The parent company, Atria Plc, and its subsidiaries make up the international Atria Group, which has its registered office in Kuopio, Finland. Atria's head office is located in Seinäjoki, Finland.

Atria's net sales in 2014 amounted to around EUR 1,426 million, and it employed an average of 4,715 persons. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

Atria's customer groups are consumer goods retail trade, Food Service customers and the food industry. In addition, Atria has a Fast Food concept business based on its own brands.

The company's roots go back to 1903, when its oldest shareholding cooperative was founded. Atria Plc's shares are listed on NASDAQ OMX Helsinki Ltd.

Atria's products include fresh and consumerpacked meat, meat products, convenience foods, poultry products and delicatessen products. 

 1
 ATRATEGY

 1
 ATRATA

 1
 COMMERCIAL

 1
 EFFICIENCY

 1
 WAY OF WORK

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 T

# Striving for market leadership

Through its strategy, Atria strives to improve profitability, boost growth and increase the company's value. It implements this strategy by developing the following three operational dimensions: commercial excellence, efficiency and the 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 other meat products.

Atria's vision is to provide good food for all meals. Enthusiastic people and the most desirable brand form the foundation for the company's success.

Read more about Atria's strategy on the Group website at www.atriagroup.com/atria-konserni/strategia.

		2014	2013
Net sales	EUR million	1426.0	1411.0
EBIT	EUR million	40.6	19.7
EBIT	%	2.8	1.4
Non-recurring items*	EUR million	1.0	-17.3
Balance sheet total	EUR million	923.5	978.1
Return on equity	%	6.6	-1.0
Equity ratio	%	44.0	42.2
Net gearing	%	61.8	74.3

\*Non-recurring items are included in the reported figures.

# Atria's strategic projects in 2014

- Achieving a leading position in the use of consumer information.
- Ensuring domestic origin and traceability of meat in Finland.
- Expanding the Sibylla business to the Russian market.
- Adjusting the operations in Jyväskylä and Sahalahti, Finland.
- Making packaging investments in Sweden.
- Cascading the Atria Way of Work to all employees across the Group.
  Defining the Atria Way of Leading principles.

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### **Business areas**



#### ATRIA FINLAND

develops, produces and markets Finnish fresh food products and related services. Atria Finland's net sales in 2014 was EUR 945.5 million and had an average of 2,376 employees.

#### Brands

Atria Finland's leading brand is Atria, one of the bestknown 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 25 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 delicacies mostly in Sweden and Denmark. The company's net sales in 2014 amounted to EUR 371.9 million and the number of employees was 1,014.

#### 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 bestknown brand is 3-Stjernet. Atria Scandinavia holds second position in the cold cuts and sausages product groups in Sweden and is the market leader in cold cuts in Denmark.

#### Customers

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

#### Core product groups

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



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#### ATRIA RUSSIA

markets its products mainly in the St Petersburg and Moscow regions. Production is centered in St. Petersburg. Atria Russia's net sales in 2014 amounted to EUR 98.8 million and the number of employees was 1,004.

#### 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. Sibylla's growth in Russia is significant.

#### 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
- Fast Food



## ATRIA BALTIC

produces and markets its products mainly in Estonia. Its net sales in 2014 amounted to EUR 34.5 million and the number of employees was 321. Atria has its own primary production in Estonia and is the country's second largest pork producer.

#### Brands

Atria Baltic's own brands in Estonia are Maks & Moorits, VK and Wõro. Atria's market share in cold cuts and sausages is around 15 per cent and 20 per cent respectively. Also Sibylla products are available in the Baltic countries. The sales of Sibylla products is operated by Atria Scandinavia.

#### Customers

- Consumer goods retail trade
- Food Service customers
- Export and industrial customers
- Concept customers (Sibylla)

#### Core product groups

- Meat products, such as sausages
- Cold cuts
- Fresh meat
- Five pig farms in Estonia, annual production approx 75,000 slaughter pigs

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## Comparison of content with the recommendations of the GRI guidelines

Atria reports relevant key information and indicators of its corporate responsibility. The calculation principles set out in the Global Reporting Initiatiave (GRI) guidelines have been observed in reporting to the extent applicable to Atria's operations. In the 2014 reporting period, Atria adopted the GRI 64 reporting framework. Atria also reports Specific Standard Disclosures for the Food Processing Sector Indicators (FPSS), which supplement the G4 Standard Disclosures.

AR: Annual Report CoC: Atria Code of Conduct FPSS: Food Processing Sector Specific Indicator Reported Partly reported Not reported

GRI				■ Not reported
indicator		Included	Page	Additional information
	Strategy and analysis			
G4-1	CEO's review		2	
G4-2	The organisation's key impacts, risks and opportunities		AR	
	Organisational profile			
G4-3	Name of the organisation		47	
G4-4	Primary brands, products and services		48-49	
G4-5	Location of the organisation's head office		47	
G4-6	Geographical location of the operations		1	
G4-7	The organisation's ownership structure and legal form		47	
G4-8	Market areas		48-49	
G4-9	The reporting organisation's size		47	
G4-10	Number of employees by employment type, employment contract, region and gender		32–33	Not reported by gender, no data available.
G4-12	The organisation's supply chain		3, 47-49	
G4-13	Significant changes in the organisation's size, structure, ownership or supply chain during the reporting period			Atria Plc acquired Saarioinen Oy's procurement, slaughtering and cutting operations for beef, pork and chicken. The operations were transferred to Atria in February 2014. The acquired operations employed approximately 400 people.
G4-14	Application of the precautionary approach		AR	
G4-15	Principles and initiatives of external parties approved or endorsed by the organisation		56	
G4-16	Memberships in associations and advocacy organisations		43	
	Identified material aspects and boundaries			
G4-17	Group boundaries		3, 57	
G4-18	Definition of report content		3, 57	
G4-19	Material aspects		3, 57	
G4-22	Changes in information provided in previous reports			Any deviations from and limitations to boundaries have been reported in the context of the relevant key indicators. If previously reported key indicators, their scope, boundaries or measurement techniques have changed, those changes are reported in the context of the relevant key indicators.
G4-23	Significant changes in the scope of the report and aspect boundaries			As a result of the transaction between Atria Plc and Saarioinen, Saarioinen's production plants were consolidated into Atria in February 2014. All areas of sustainability reporting for 2014 also cover the operations of these new production plants and the personnel transferred to Atria. In the 2014 reporting period, Atria adopted the GRI G4 reporting framework. G4 indicators specify, for example, the calculation and boundaries of the company's greenhouse gas emissions. In the 2014 reporting period, Atria does not report greenhouse gas emissions, since the scope and accuracy of this information does not currently comply with what is required by G4 indicators.
0/ 0/	Stakeholder engagement		7	
G4-24	List of the organisation's stakeholders		7	
G4-25	Identification and selection criteria for stakeholders		6	
G4-26	Principles of stakeholder engagement		8	
G4-27	Key topics and concerns raised by stakeholders		7	

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GRI indicator		Included	Page	Additional information
	Report profile			
G4-28	Reporting period		57	
G4-29	Date of the previous report			Corporate Responsibility Report 2013 was published on 25 March 2014.
G4-30	Reporting cycle		57	
G4-31	Contact details for ordering the report and requesting additional information		57	
G4-32	GRI content index		50-53	
G4-33	Policy on external assurance		57	
	Governance			Coprorate Governance is not icluded to Atria's Corporate Resbonsibility Report. It is available on Atria's Annual Report 2014 at www. atriagroup.com.
	Governance structure and composition			
G4-34- G4-47	Governance structure, role in setting values and strategy, evaluation of competencies and performance, risk management		AR	
G4-48	Approval of the Corporate Responsibility Report		56	
G4-49- G4-55	The Board of Directors' role in evaluating performance, remuneration and incentives		AR	
	Ethics and integrity			
G4-56	Values and Code of Conduct		56, AR	
	Description of management		56-57	The management of corporate responsibility at Atria is described at the end of the report, in the section "Management and reporting of corporate responsibility". The management of sustainability aspects has been integrated into business operations and is described in the context of each area of corporate responsibility.
- ·				
Economic r	responsibility			
0/ 501	Economic performance		-	
G4-EC1	Direct economic value generated and distributed		5	Any viele and annaty viting prints from alignate change are taken into account in hypings.
G4-EC2	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 in the business environment.
G4-EC3	Coverage of the organisation's defined-benefit plan obligations		AR	
G4-EC4	Financial assistance received from the government		AR	
Environme	ntal responsibility			
	Materials			
G4-EN 1	Materials used		39	Reported amount of purchased packaging materials. The data is available for Atria Finland, Atria Scandinavia and Atria Baltic.
	Energy			
G4-EN 3	Energy consumption within the organisation		38	
G4-EN 5	Energy intensity		38	
G4-EN6	Reduction of energy consumption		38	
	Water			
G4-EN 8	Total water withdrawal by source		38	
0/ 5100	Effluents and waste		0.0	
G4-EN22	Total water discharge by quality and destination		39	
G4-EN23	Total weight of waste by type and disposal method		39	
G4-EN24	Total number and volume of significant spills			No spills in the reporting period.

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## Comparison of content with the recommendations of the GRI guidelines

GRI indicator		Included	Page	Additional information
	Products and services			
	Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations			No non-compliance.
	Supplier environmental assessment			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria			Atria Finland: All new suppliers are audited. The auditing criteria, which focus on product safety, also include environmental aspects No data available for other business areas.
Social resp	onsibility			
	Labour practices and decent work			
	Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region		32-33	Turnover by age group and gender is not reported, no data available.
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation			Benefits exceeding the statutory level are not reported in detail, since the practices vary by business area.
	Labour/management relations			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements			Activities are in compliance with applicable legislation in each business area.
	Occupational health and safety			
G4-LA6	Types of injury, rates of injury, occupational diseases, lost days, absenteeism, total number of work-related fatalities by region and gender		33	Sickness absences are reported. Breakdown by gender is not available.
	Training and education			
G4-LA9	Average hours of training per year per employee by gender and by employee category		33	Not reported by gender and by employee category, no data available.
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings			Atria Finland has in place a training and development plan that applies to all functions and personnel groups. It is discussed with all personnel groups, and its implementation is monitored annually. Business-driven training plans are drawn up in all of the Group's business areas.
	Human rights			
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		CoC	The Atria Code of Conduct contains guidelines for the equal treatment of employees and the ban on forced and child labour. All new employees are familiarised with the Code of Conduct as part of Atria's new employee orientation programme.
	Society			
	Anti-corruption			
G4-S04	Communication and training on anti-corruption policies and procedures		CoC	The Atria Code of Conduct discusses policies related to the acceptance of gifts and hospitality, for example. All new employees are familiarised with the Code of Conduct as part of Atria's new employee orientation programme.
	Anti-competitive behaviour			
G4-S07	Total number of legal actions for anti-competitive behaviour, anti- trust and monopoly practices and their outcomes			No cases in 2014.
	Compliance			
G4-S08	Monetary value of significant fines and total number of non- monetary sanctions for non-compliance with laws and regulations			No non-compliance in 2014.

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	GRI indicator		Included	Page	Additional information
		Product responsibility			
		Customer health and safety			
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement			The health and safety impacts of products are constantly assessed and improved as part of product development. Percentages are not reported. No data available.
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes		15	In the reporting period, there were no legal actions or fines concerning the health and safety impacts of products. Due to the risk associated with product safety, Atria Scandinavia had to implement two product withdrawals. There were three withdrawals within the Group due to incorrect packaging information.
		Product and service labelling			
	G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements			Atria complies with statutory obligations in labelling. Depending on the product, packaging may also contain information that exceeds the requirements of legislation, such as information on domestic origin and information on the farm of origin for meat.
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes		15	There were three withdrawals during the year due to incorrect packaging information: two at Atria Finland and one at Atria Scandinavia. Atria Scandinavia also changed the labelling of one product following a reprimand issued by a local authority. The reprimand concerned the Lithells sausage concept "Oskar Lithells Finaste". Atria Scandinavia is allowed to use the expression "Oskar Lithells Finaste", but the argument "best meat raw material" may not be used in product packaging.
	G4-PR5	Results of surveys measuring customer satisfaction		8-9	
		Marketing communications			
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes			See G4-PR4
		Customer privacy			
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			No breaches in the reporting period.
		Compliance			
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			No fines in the reporting period.
FPSS	G4-FP5	Kilograms of product produced at certified plants			In the reporting period, 99.7 per cent of Atria's production was manufactured at sites certified according to ISO 22000 or FSSC 22000.
FPSS	G4-FP6	Percentage of total sales volume of products with a low salt, fat and/or added sugar content.			The percentage of total production of these products is not calculated separately. The amount of salt and fat in products is subject to attention in all markets. Atria Finland launched 38 new Heart Symbol products in the reporting period.
FPSS	G4-FP7	Percentage of total sales volume of products with health impacts			Atria does not use official, EU-approved health claims in its products.
		Animal welfare			Animal welfare indicators are reported only for Atria Finland because of strategic differences in meat procurement in the various business areas. A more extensive description of the good production and operating practices followed by Atria and its partners is available at www. atriagroup.com/vastuullistalihantuotantoa (in Finnish). The assessment and measurement of animal welfare at Atria relies on continuous monitoring and analysis of production, transfer and chain information, slaughterhouse data and national health monitoring data. There are not yet any internationally approved and harmonised animal welfare indicators. The 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, in addition to the GRI indicators.
FPSS	G4-FP9	Volume of animals processed by species			All animals processed by Atria Finland are acquired directly from contract producers. Volumes of animals processed at Atria Finland's production plants in the reporting period: pigs for fattening 74.8 million kg, sows 3.2 million kg, cattle 38.5 million kg and chickens 51.7 million kg.
FPSS	G4-FP10	Replacement of routine procedures which cause pain, and pain analgesia by species		26	
FPSS	G4-FP12	Animal medication practices and the use of growth promoters by species		26	
FPSS	G4-FP13	Fines imposed for violations of animal transport, treatment and slaughter regulations and voluntary good operating practices observed by the organisation in animal transport, handling and slaughter.			No fines were imposed in 2014 concerning animal transport, handling and slaughter. Moreover, Atria Finland did not receive any administrative decisions in the reporting period regarding the handling or slaughter of animals. The authorities conduct transport checks at slaughterhouses for incoming loads. In 2014, 13 administrative decisions were issued regarding pig transport and one administrative decision regarding chicken transport. The good operating and production practices followed by Atria and its contractors can be found online on Atria's Corporate Responsibility website.

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# Atria's quality and enviromental systems

#### Quality and enviromental systems in Atria Group 's plants

ВА	Quality system	<b>Environmental system</b>	Plants affected
Atria Finland	ISO/IEC 17025:2005 (Laboratory accreditation)		Nurmo, Kauhajoki
	SFS-EN ISO 9001:2008		Nurmo, Forssa, Kuopio, Kauhajoki, Seinäjoki, Jyväskylä, Sahalahti
	ISO 22 000:2005		Nurmo, Forssa, Jyväskylä, Sahalahti
	FSSC 22 000		Kauhajoki
		SFS-EN ISO 14 001:2004	Nurmo, Kuopio, Forssa, Kauhajoki, Seinäjoki, Jyväskylä, Sahalahti
		Organic production in compliance with Council Regulation (EC) No 834/2007	Kauhajoki, Nurmo, Jyväskylä
Atria Baltic	ISO 22 000:2005		Valga, Vastse-Kuuste
	ISO/IEC 17025:2006 (Laboratory accreditation)		Valga
Atria Russia	FSSC 22 000		St. Petersburg Gorelovo
	ISO 22 000:2005		St. Petersburg Sinyavino
Atria Scandinavia	FSSC 22 000		Sköllersta, Tranås, Moheda, Borås, Horsens, Malmö, Falköping, Skene
	The IKEA Way on Purchasing Food (IWAY)		Borås, Falköping, Sköllersta
	DS/EN ISO 9001:2008		Horsens
		ISO 14 001:2004	Sköllersta
		Organic production in compliance with Council Regulation (EC) No 834/2007	Tranås, Moheda, Borås
		Organic production in accordance with the KRAV regulations	Falköping

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# Atria's corporate responsibility development projects

FINANCE		Ends
Improving the efficiency and harmonisation of purchasing within the Group	Atria Plc	continue
Improving the efficiency of production	Atria Plc	continue
Investment in the Nurmo pig cutting plant and improving its efficiency	Atria Finland	2017
Integration of operations acquired from Saarioinen and leveraging	Atharintana	2017
of synergy benefits	Atria Finland	2015
High-Quality Atria project	Atria Finland	2014
Improving cooperation with primary producers	Atria Finland	continue
Increasing the efficiency of cattle slaughter	Atria Finland	2014
Development of a supplier assessment system	Atria Scandinavia	2014
Meat procurement practices	Atria Scandinavia	2014
Modernisation of the ERP system (ERP implementation)	Atria Baltic	continue
PERSONNEL AND SOCIAL RESPONSIBILITY		
Atria Way of Work	Atria Plc	continue
Atria Way of Leading	Atria Plc	2015
Atria Talent Management programme	Atria Plc	continue
Personnel survey	Atria Plc	2015
Development of meat technology expertise, Atria Meat		0045
Technology Seminar, continued	Atria Plc	2015
Early caring, self-initiated maintenance of work capacity among employees	Atria Finland	2015
Improvement of safety at work	Atria Finland	continue
Establishment of a CSR organisation	Atria Scandinavia	2014
Improvement of employee well-being	Atria Scandinavia	continue
ASC Sales skills development programme	Atria Scandinavia	continue
ASC Training programme for middle and general management	Atria Scandinavia	continue
ASC Development of project skills	Atria Scandinavia	continue
LEAN training programme	Atria Scandinavia	continue
Labour law awareness among managers	Atria Scandinavia	continue
Development of brand management skills	Atria Scandinavia	2014
Deepening of the Atria Way of Work activities	Atria Scandinavia	continue
Development of equality	Atria Scandinavia	continue
Performance evaluation training	Atria Scandinavia	continue
BRIS (Children's Rights in Society)	Atria Scandinavia	2014
Development of employee remuneration practices	Atria Russia	2014
Improvement of in-house communication in cooperation with the communications department	Atria Russia	2014
Development of leadership practices; implementation of training and development programmes throughout the organisation	Atria Russia	2014
Development of the new employee orientation programme	Atria Russia	2014
NUTRITION		
Updating of the nutrition strategy	Atria Finland	2015
Development of nutrition communication	Atria Finland	continue
Creation of a uniform nutrition policy	Atria Scandinavia	2015
Reduction of salt in products	Atria Finland, Scandinavia, Baltic	continue
Reduction of additive use	Atria Scandinavia, Baltic	continue
ENVIRONMENT		
Adjusting the management system to meet the requirements		
of the Energy Efficiency Directive	Atria Finland	2016
Creating a measurement and monitoring system for material efficiency	Atria Finland	2017

En service d'As	Abria Carallia i	Ends
Energy audits	Atria Scandinavia	2015
Ensuring recycling throughout the business	Atria Scandinavia	2015
Reduction of wastage	Atria Scandinavia	continue
Calculating the climate impact of production	Atria Scandinavia	continue
ANIMAL WELFARE		
Development of the painless castration of piglets	Atria Finland	2016
Intact pig-tails at Atria	Atria Finland	continue
AtriaSika: reduction of carcass condemnations	Atria Finland	continue
Development of the Sikava quality management system in industry collaboration	Atria Finland	continue
Laatuvastuu – Increased transparency in the primary production of pork	Atria Finland	continue
National promotion of cattle health care	Atria Finland	continue
Development of the AtriaNauta (beef) chain's IT systems and interfaces to support the measurement of animal welfare	Atria Finland	continue
KESTO project to promote calf health and dairy cow longevity	Atria Finland	2014
Management of risks associated with the import of chicks and changing the breed of the parent stock	Atria Finland	2015
Clarification of hatchery operations and improvement of the production results of farms	Atria Finland	continue
results of farms Animal care issues are included in all contracts	Atria Finland Atria Scandinavia	continue
Animal care issues are included in all contracts	Atria Scandinavia	continue
PRODUCT SAFETY		
ISO 22000 or equivalent certification for production plants	Atria Plc	2014
Transfer of production plants from the ISO 22000 standard to compliance with FSSC 22000:2005	Atria Finland	2015
Compliance of suppliers with ISO 22000 or an equivalent product safety standard	Atria Finland	2015
Development of sensory assessment of quality (training project)	Atria Scandinavia	2014
Product information management system	Atria Scandinavia	2014
Product quality assurance	Atria Scandinavia	continue
Reform of the customer feedback system	Atria Scandinavia	2014
Development of an electronic traceability system in Sköllersta	Atria Scandinavia	continue
COMMUNICATION		
Development of corporate responsibility reporting and related		
communications	Atria Plc	continue
Blogs by Atria specialists at www.atriablogi.fi	Atria Finland	continue
Welcome to Atria!	Atria Finland	continue
Crisis communications exercise, African swine fever	Atria Finland	2014
Atria in social media	Atria Finland	continue
Increasing the transparency of the food chain	Atria Finland	continue
Redesign of the Atria website	Atria Finland	2015
Evaluation of internal communications	Atria Scandinavia	2015
Gilla Skolmat (School food is good) campaign in school canteens to promote tasty food and reduce waste	Atria Scandinavia	continue
Maten Man Minns (Foods that we remember) campaign in retirement homes to offer well-composed meals	Atria Scandinavia	2014
Development of crisis communications preparedness	Atria Scandinavia	2015
Changing product information to meet the requirements of amended legislation	Atria Baltic	2014
Strengthening of the Maks & Moorits brand and development of the Facebook page	Atria Baltic	continue

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Management & reporting of corporate responsibility

# Corporate responsibility is managed at Group and local level

Atria's corporate responsibility policy is managed at two levels. Group-level activities include determining shared corporate responsibility principles and ensuring compliance, as well as designing joint development programmes for all business areas. Atria's annual corporate responsibility reporting is also implemented at Group level.

The promotion of responsibility is part of everyday operational management across Atria's business areas. Steering groups in the business areas analyse the expectations their key stakeholders have for Atria's responsibility and initiate development programmes.

In Finland, corporate responsibility management is organised under the Safe Atria Quality function. The team is chaired by Quality Director Seija Pihlajaviita. 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. Corporate Responsibility Manager Eeva Juva is in charge of operational responsibility management at Atria Finland. Director Merja Leino has Group-level responsibility for quality and corporate responsibility issues.

# All operations are guided by the Atria Code of Conduct

The Atria Code of Conduct contains ethical guidelines for the everyday operations of Atria employees. It is based on the laws and collective labour agreements of the country of operation and international agreements and recommendations related to responsible operations.

The Atria Code of Conduct was revised in autumn 2014 following the extensive value discussions within the Group. The updated Code of Conduct was strongly influenced by the shared ways of work and values defined by the employees: "We focus on consumers and customers, we deliver quality, we are hungry for success and we enjoy our work." By honouring these values and complying with the joint Code of Conduct, Atria can guide its practical operations towards sustainable development and success.

The Code of Conduct applies to all Atria employees in all business areas. Personnel will be trained in complying with the Code of Conduct in accordance with a training plan. Atria Plc's Board of Directors approved the new Code of Conduct at its meeting on 16 December 2014.

#### Atria's Handprint defines and develops responsibility

The Atria Code of Conduct is part of the extensive Atria's Handprint programme. The programme brings together the principles, practices and results of Atria's corporate responsibility operations, and informs employees and external stakeholders of these. Under the Handprint programme, corporate responsibility is developed and measured in seven areas. The areas are as follows:

- Economy
- Environment
- Animal welfare
- Product safety
- Nutrition

• Personnel

Communications

The symbol of the Atria's Handprint programme is the Atria's Handprint logo. It represents the personal contribution of each Atria employee participating in the food chain, and its colours communicate the effects of responsibility. The Atria's Handprint programme was launched in August 2010, when the Group's Management Team approved it.



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# Atria Scandinavia works for sustainable development



Atria Scandinavia has been working for several years on corporate social responsibility issues as part of its Handprint programme, but it has not had a clear plan for the operations so far.

At the end of 2013, the company's management decided to review the entire area of social responsibility. About a dozen employees got together to identify the most important matters to the company. In addition, a working group was set up and visions, objectives and action plans were created.

"We felt that commitment to corporate responsibility issues should be more clearly linked

to our core business. We are rather good at it, but practical corporate responsibility work must be further developed," says **Sara Andersson**, head of communication at Atria Scandinavia.

Practical activities have since then been promoted on the basis of a list of actions containing 26 projects. These projects address topics such as health, product safety, animal care, the environment, job satisfaction and working environment.

# Principles of corporate responsibility reporting

This report describes the impact Atria has on its operating environment and, through its numerous important stakeholders, on society as a whole. The report gives an account of the key events, results and effects in 2014 from the perspective of corporate responsibility, and illustrates how Atria takes corporate responsibility into account in its current and future operations.

In applying its general principles of corporate responsibility, Atria complies with good practice in all of its business areas, while also respecting the various views of its stakeholders with regard to corporate responsibility and ethical business. The company's operations may not, however, be in conflict with local or international legislation, Group management principles or Atria's values.

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

This Atria Corporate Responsibility Report has not been certified independently. The text and other presentations in the report do not follow the order or headings recommended by the GRI for the key indicators. However, the table on pages 50–53 contains a comparison of the report's coverage in relation to the GRI recommendations.

The report covers the company's operations mainly during the financial period 1 January to 31 December

2014, but some of the matters raised have taken place in 2015.

As a rule, Atria's Corporate Responsibility Report covers the entire Group. It is an independent report of Atria's corporate responsibility. The report does not include a governance section, which can be found in Atria's 2014 Annual Report, available on the Group's website at www.atriagroup.com.

The indicators used to measure corporate responsibility vary greatly across Atria's various business areas. This is because of the different nature of the operations in these countries. From the point of view of reporting, the most comprehensive set of key indicators is provided for Atria Finland.

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 actively and in a comprehensive and systematic manner. The Safe Atria Quality team is responsible for monitoring and developing Atria's corporate responsibility.

Atria's first Corporate Responsibility Report was published in 2009.

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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 table. Atria's good food is sustainably produced, nutritious and safe. Such food leads to a better mood at all meals.

#### Atria Corporate Responsibility Report 2014

Safe Atria Quality team: Seija Pihlajaviita, Chairman Management of reporting activities: Eeva Juva, Corporate Responsibility Manager Design and writing of the report: Selander & Co Communications Agency Infographics: Selander & Co Communications Agency Photographs: Atria (unless otherwise indicated) Printed by: Hämeen Kirjapaino Oy, 4/2015



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