# People Heritage Ecodd

# Corporate Responsibility Report 2015



# Corporate Responsibility Report 2015

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#### Our corporate responsibility covers the entire chain - from field to table

Atria's corporate responsibility is visible for the entire journey through our chain, from primary production via the operations in our own plants to customers and the end users of products – consumers. We are in constant interaction with our various stakeholders for the entire journey through the food chain. Listening to stakeholders and taking their wishes into account is one of the main pillars of corporate responsibility.

Atria's corporate responsibility programme is called the Handprint programme and it covers the journey of food from field to table. We take responsibility for monitoring and improving animal welfare, and for the safety, nutritional value and healthiness of our products. We take environmental responsibility into account throughout the entire life cycle of our products, and we develop our employees' expertise and take care to ensure their well-being. Atria is a significant employer and creator of well-being in its region – we have a responsibility to ensure the competitiveness of our company now and in the future.

Atria's aim is to be open, interactive and transparent. We plan our communications in all channels in compliance with these principles and we are in constant interaction with society via social media. Join us on a journey that follows corporate responsibility work in Atria's chain from field to table. On the way, we will learn about our future objectives for developing corporate responsibility.



Atria - Finnish with international presence

Atria is a growing Finnish food company with an international presence. Its success is built on three pillars: food, people and heritage. Atria is one of the leading food companies in the Nordic countries, Russia and the Baltic region, with experience stretching over 110 years.

Atria's net sales in 2015 exceeds EUR 1,3 billion, and it employed an average of 4,270 personnel. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

Atria's customer groups are consumer goods retailers, food service customers and the food industry. Atria also has a fast food concept based on its own brands.

Atria's roots go back to 1903, when its oldest shareholding co-operative was founded. Atria Plc is listed on Nasdaq Helsinki.



# Transparent operations are essential in the food sector, particularly in the meat industry. CEO Juha Gröhn, how would you describe the significance of openness and responsible conduct in general to Atria's business?

Atria is a large food company that produces food for hundreds of thousands of people in Finland, Sweden, Denmark, Russia and Estonia on a daily basis. I don't think I'm far off the mark in saying that everyone is interested in what their food tastes like. The majority of people also want to know where food comes from, what it contains and how it was made. And almost everyone is interested in the price of food, or the right price-quality ratio.

Atria must have – and we do have – a simple answer to all these concerns. It adds up to a long list of questions and answers that encompasses dozens of stages throughout the food chain, from the field to the consumer's table. People expect our entire chain to be transparent and open, and we are meeting these expectations. Openness is an integral part of Atria's responsible conduct and daily operations.

Particularly in the Nordic countries, people are interested in the origin of food and its raw materials. I can confidently say that Atria is a trailblazer in this industry in telling about the origin of meat and about the meat chain. By operating openly, providing information and contributing to an open and honest discussion, we can build trust between us and our stakeholders. This creates a win-win situation, despite the fact that certain matters may still need to be improved.

I think excellent daily operations form the foundation for Atria's corporate responsibility, as they do for nearly all other matters. They are a source of security and satisfaction not just for us at Atria, but also for customers and consumers, partners and shareholders.

# Atria was able to consolidate its financial basis in 2015. For example, its equity ratio increased. However, the business environment was challenging from the perspective of growth and profitability. How would you describe it?

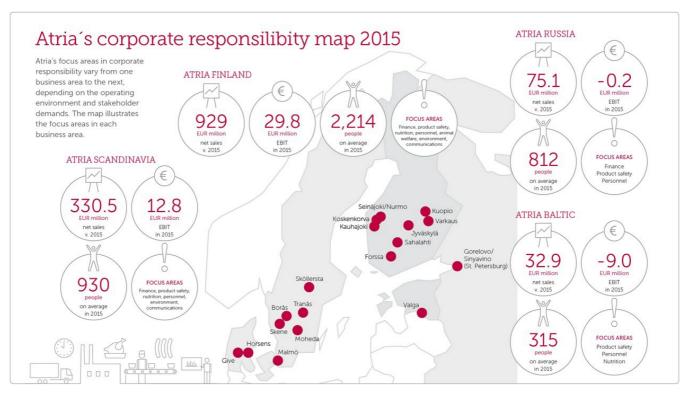
There were three key challenges in Atria's business environment: falling sales prices in Finland, historically low meat export prices and a shift in demand towards lower-priced products. This structural change in demand could be observed in all of Atria's home markets. There is naturally plenty of variation within product groups. For example, some convenience food segments showed strong development and growth was also seen. Perhaps the most positive aspect of the year was growth in volumes: in Finland, Sweden and Denmark, more food was sold than in the previous year. However, more attention must be paid to the price of food and, thereby, to the profitability of the food chain as a whole, particularly in Finland.

Given the economic climate, Atria's results were reasonable. In recent years, we have made progress in productivity and process management in all of our business areas. Our net sales and EBIT decreased from the previous year. The two main reasons for this were the sale of the Falbygdens cheese business to Arla in Sweden and the weak exchange rate of the rouble against the euro.

#### The name of Atria's new strategy for 2016–2020 is Healthy Growth. What kind of growth does it mean?

In short, it means growth in business volumes – in euros and in kilos – without endangering profitability. We need an organic element to growth in our current home market and with our current product groups, but we also keep an open mind towards new opportunities. Acquisitions could be one way of achieving growth.

We are driving Healthy Growth in seven focus areas. One of these is resource optimisation. In practice, this means careful and economical use of both natural and human resources and other factors of production. For example, valuable meat raw material must not be wasted in industrial processes. Besides technology, this requires the continuous development of competence and attitudes. When everyone involved in the long food chain does their work conscientiously, the impact is huge: products, jobs, the economy and the environment are all affected.



## Corporate responsibility highlights 2015

#### Atria Finland

- Atria Finland completed an extensive survey of its stakeholders to identify their expectations with regard to corporate responsibility. Atria is seen as a reliable, experienced supplier, which customers, partners and employees will continue to work with.
- The principles of Atria's Way of Leading were incorporated into HR development tools: competence analysis, performance evaluations, supervisor training.
- Atria Finland methodically improved its employer image using various communications channels and forms of collaboration.
- Atria Finland continued to expand full traceability to various product groups. Atria Family Farms were highly visible in communications. Stating the name of the farm of origin on meat packaging increases the transparency and trust in the operations of the entire chain.
- The management system, which has received ISO 9001:2008 and ISO 14 001:2004 certification, was recertified on 16 December 2015 at all of Atria Finland's plants.
- The construction of new production facilities began in Nurmo next to the pig-cutting facilities. The new cutting facilities will improve productivity and enable products to be traceable. A project began at the Sahalahti plant to improve poultry production. Enhancing production efficiency also had an impact on personnel.

#### Atria Scandinavia

- Atria Scandinavia updated its corporate responsibility programme in 2015. 12 new objectives for 2020 were defined.
- The principles of Atria's Way of Leading were taken into use. Additionally, Atria Scandinavia carried out a personnel survey and used the results to draft an action plan within the framework of the Atria Way of Work. A standardised orientation programme for new employees was prepared.
- In autumn 2015, the Sköllersta plant's oil boiler was replaced with a pellet boiler, which will significantly reduce the plant's climate impact.
- In august Atria Scandinavia launched a new policy fo nutrition and health. The policy summarizes the company's

ambitions concerning ingredients, additivies and different product symbols.

- Constant attention is paid to the amount of salt in products. The number of products bearing the keyhole symbol (Nyckelhålet), which denotes healthy choices, increased to 34 per cent from 21 per cent in 2014 (excludes coldsmoked and cured products).
- Atria acquired Denmark's largest manufacturer of organic cold cuts, Aalbaek Specialiteter. Last year, Atria also concluded the sale of the Falbygdens cheese business in Sweden.
- Atria Scandinavia started a new business unit Atria Meat that focuses on Finnish meat.

#### Atria Russia

- At Atria Russia, the focus areas of the Handprint programme have been developing personnel competence and management. Additionally, projects have been initiated to improve product safety and quality.
- Expertise related to the practices involved in the Atria Way of Work was expanded and the Atria Way of Leading was presented at management level.
- At the Gorelovo plant in St Petersburg, the efficiency of production processes was increased and investments were made in a new pizza production line.

#### Atria Baltic

- Atria Baltic focused on corporate responsibility measures intended to prevent the spread of African swine fever. Atria has introduced several precautions in order to prevent the disease from spreading into its production facilities, and is thereby managing the existing risk.
- Special attention was paid to the health and safety of personnel. Based on a personnel survey, an action plan for improving personnel well-being was prepared.
- As part of operational development, production was centralised at the Valga plant.



#### Stakeholders are important to Atria

Atria's <u>good food chain</u> 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 uses various studies, surveys and analyses, as well as personal interaction with stakeholders to gain extensive knowledge of their expectations. However, what is most important is the development of operations in continuous and close interaction with stakeholders.

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.

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

#### 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.

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.

## Atria's stakeholders

| Stakeholder                | Stakeholder's expectations   | Atria's expectations   | Interaction channels  |
|----------------------------|--|--|---|
| 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>visits, fairs and events</li> <li>online services</li> <li>social media</li> <li>mass media</li> <li>product launches</li> <li>campaigns</li> <li>customer magazines</li> </ul>    |
| 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<br/>pay</li> <li>for the Atria brand</li> </ul>    | <ul> <li>marketing communications</li> <li>online services</li> <li>social media</li> <li>mass media</li> <li>product launches</li> <li>campaigns</li> </ul>  |
| 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> <li>training</li> <li>seminars and events</li> <li>personnel magazines</li> <li>units' own communication channels</li> </ul> |
| Meat producers             | <ul> <li>reliable and long-term business<br/>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> <li>producer magazines</li> <li>seminars and other events</li> </ul>  |
| Shareholders,<br>investors | <ul> <li>return on investment</li> <li>continuation of business operations</li> <li>decision-making power</li> <li>returns of capital</li> </ul>   | • carrying the risk in the form of capital   | <ul> <li>personal interaction</li> <li>annual report</li> <li>online services</li> <li>mass communication</li> <li>General Meeting</li> <li>Capital Markets Day</li> <li>press and stock exchange releases</li> </ul>                                       |
| Financiers                 | <ul> <li>repayments of loans at the agreed<br/>time</li> <li>reliability</li> <li>continuity</li> <li>debt-carrying capacity</li> </ul>  | • agreed loan costs  | <ul> <li>annual report</li> <li>online services</li> <li>mass communication</li> <li>press and stock exchange releases</li> <li>personal interaction</li> </ul>   |

| Stakeholder                                       | Stakeholder's expectations  | Atria's expectations   | Interaction channels  |
|---|---|--|---|
| 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<br/>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> <li>seminars and events</li> <li>cooperation with authorities</li> <li>press and stock exchange releases</li> </ul>                                  |
| Subcontractors and<br>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<br>such as raw materials, services and<br>finished products of the agreed<br>quality and in accordance with the<br>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> <li>product launches</li> <li>campaigns</li> <li>seminars and events</li> <li>research and development project</li> </ul> |
| Dpinion leaders<br>Ind media                      | <ul> <li>transparency</li> <li>industry expertise</li> </ul>  | • influencing general opinion  | <ul> <li>personal interaction</li> <li>marketing communications</li> <li>annual report</li> <li>online services</li> <li>social media</li> <li>customer magazines</li> <li>press and stock exchange releases</li> <li>media cooperation</li> </ul>  |
| Local communities<br>and educational<br>nstitutes | <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<br/>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> <li>visits</li> <li>trainee positions and thesis positions</li> <li>research and development project</li> </ul>  |
| Research  | • partner<br>• research needs   | <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> <li>visits</li> <li>research and development project</li> </ul>   |

# At the core of Atria Finland's corporate responsibility Finnishness and traceability

During summer 2015, Atria Finland asked its stakeholders to evaluate the company's corporate responsibility and set out their expectations about how corporate responsibility could be developed. More than 3,000 people responded to the online stakeholder survey.

The respondents highlighted the following aspects of Atria's corporate responsibility and food production:



More than 3,000 Finns gave their opinions about Atria's corporate responsibility and the core aspect was "a reliable Finnish company with safe, traceable products".

"The number of respondents and the effort that the respondents went to was a positive surprise. It was great to see that Atria's corporate responsibility is acknowledged and people want to have their say,"

> Eeva Juva, Corporate Responsibility Manager, Atria Finland

4/5 Half of the respondents gave Atria's corporate responsibility a grade of 4/5

3.7

Atria's corporate responsibility grade is highly positive. The average grade given by all of the respondents for Atria's corporate responsibility was 3.7/5.

# Atria guarantees product safety

Atria has its own Safe Atria Quality programme, which sets out a framework for product safety work, including operating methods and monitoring procedures. Taking care of quality and product safety matters is a part of strategic management and everyday management.



A member of Atria's management team is in charge of product safety and quality development. Development activities are managed by the Safe Atria Quality steering group, which contains expert representatives from primary production, production and productisation. The group is tasked with creating a quality policy and the strategies required to implement the policy, setting quality objectives, monitoring quality trends and organising development projects. The senior management reviews the results of Safe Atria Quality activities by business area annually.

## Certified product safety systems - what are they and why use them?

All of the product safety management systems used by Atria's production plants are certified. A certified management system is proof of Atria's proactive attitude to food safety. Food safety systems are tools for developing the company's own operations. They also prove to our partners that we have systematic operating methods for managing food safety and that these have been externally audited.

#### BA Standard System type Manufacturing plants ISO 9001:2008 Atria Finland Forssa, Helsinki (sales), Jyväskylä, Kauhajoki, Quality system Nurmo, Sahalahti, Seinäjoki (sales) ISO 14001:2004 Forssa, Jyväskylä, Kauhajoki, Nurmo, Sahalahti Environmental system FSSC 22000 Forssa, Jyväskylä, Kauhajoki, Nurmo, Sahalahti Product safety system Organic production (EY) N:o Jyväskylä, Kauhajoki, Nurmo 834/2012 ISO/IEC 17025:2005 Laboratory accreditation Kauhajoki, Nurmo Atria Scandinavia ISO 9001:2008 Horsens Quality system ISO 14001:2004 Sköllersta Environmental system ISO 22000:2011 Product safety system Horsens FSSC 22000 Product safety system Sköllersta, Tranås, Moheda, Borås, Horsens, Malmö, Skene IKEA WAY Quality system Sköllersta, Skene Organic production (EY) N:o Sköllersta, Tranås, Moheda, Borås, Horsens, 834/2012 Farre, Malmö Atria Baltic ISO 22000:2005 Product safety system Valga, Vastse-Kuuste ISO/IEC 17025:2005 Laboratory accreditation Valga Atria Russia FSSC 22000 Gorelovo Product safety system Product safety system ISO 22000:2005 Sinyavino

#### Atria's quality and enviromental systems

# The purpose of self-monitoring is to ensure that processes are functioning correctly and that products are safe for consumers.

Atria's self-monitoring system is based on the Hazard Analysis Critical Control Points (HACCP) system and supporting systems. Atria's self-monitoring system comprises a self-monitoring plan and process-specific HACCP plans. The self-monitoring plan describes matters that are common to all units. The supporting systems consist of monitoring good production practices and other monitoring required by law. Process- and site-specific procedures are described in separate documents, which are all included in Atria's quality manual.

Any potential hazards in the production process that could pose a risk to consumer health are identified and their severity and probability assessed. The assessment is conducted by the SAQ team nominated for the specific process and advice is provided by official veterinarians. The HACCP plan includes the documented inspection points and critical inspection points where operations are subject to guidelines. Supervisors are responsible for everyday self-monitoring. The effectiveness of the self-monitoring process is monitored using tests to control the microbiological and sensory quality of the products, along with monitoring of the quality of cleaning and internal audits. Process functionality is evaluated by the SAQ groups four times per year based on the aforementioned monitoring results and internal and external feedback. Additionally, the authorities constantly monitor Atria's self-monitoring in the plants themselves.

# Key targets and results of the Safe Atria Quality programme

Atria Group

| Targets 2015   | Results 2015   | Targets 2016  |
|--|--|---|
| • No product withdrawals.  | <ul> <li>Four withdrawals in total.</li> <li>There were two public product withdrawals in Atria Finland. Both were due to inaccurate labelling of allergen risks.</li> <li>There were two withdrawals in Atria Scandinavia: Falbygdens Ost: Roquefort Papillon 32% and Aalbaek EKO Oxspegelpölse.</li> <li>No public product withdrawals in Atria Russia and Atria Baltic</li> </ul> | • Ensuring product safety and high-quality operations in all stages of the chain so as to eliminate the need for product withdrawals  |
| Atria Finland<br>Targets 2015  | Results 2015   | Targets 2016  |
| <ul> <li>Communication of<br/>the Laatuvastuu<br/>quality system to<br/>consumers.</li> <li>FSSC 22000<br/>certification for all of<br/>Atria Finland's<br/>production facilities</li> <li>No product<br/>withdrawals.</li> <li>Reduction of<br/>instances of non-<br/>compliance detected<br/>during audits.</li> </ul> | <ul> <li>Finland. More information can be found in<br/>the section "Atria Group, Results 2014".</li> <li>Instances of non-compliance detected<br/>during audits down by half, no serious<br/>instances of non-compliance.</li> </ul>   | <ul> <li>No serious instances of non-compliance detected during audits.</li> <li>Ensuring product safety and high-quality operations in all stages of the chain so as to eliminate the need for product withdrawals</li> <li>Grade of "Good" or above in Oiva evaluations.</li> </ul> |

# Nutritional responsibility

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 integral parts of the Group's nutritional responsibility.



#### Nutritional responsibility policies

- 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. For example, sodium nitrite is 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 improving the product's shelf life. Atria actively monitors legislation and recommendations regarding additives.
- 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. At the end of
  2015, Atria began using iodised salt in its products in accordance with
  recommendations issued by the National Institute for Health and
  Welfare to improve citizens' health.
- Atria Finland only uses Finnish meat in Atria brand products.
- Meat protein (a powder made of dried meat) is not added to products, and only GMO-free raw materials are used.

# Responsible products Product development

Responsible products are safe, healthy and nourishing and they fulfil the expectations of consumers and customers. This section describes the principles and operating methods of Atria's product development work and nutritional responsibility.

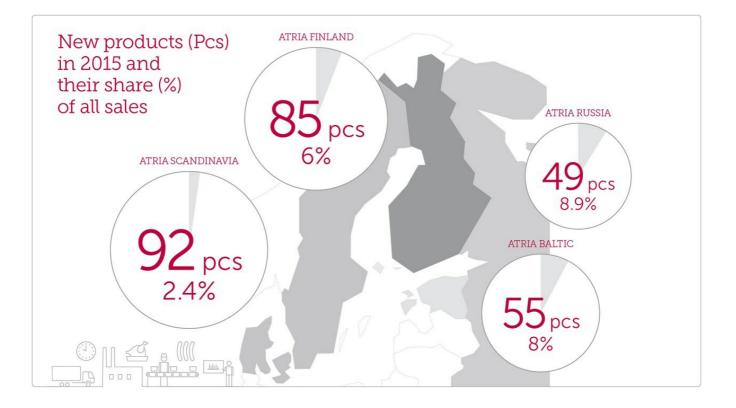


# Product development takes account of the safety, healthiness and flavour of products, as well as the market need.

Atria's main product groups are fresh and consumer packed meat, meat products such as sausages and cold cuts, convenience foods and poultry products. Product development work encompasses further development of existing products and brainstorming and realisation of completely new products.

Strong market and consumer insight is key to the success of product development work. In 2014, Atria Finland established a new market data organisation known as the "Info Team" to ensure that all possible information on consumers and the market is made available in a form that helps all of Atria's experts to succeed in their work. The Info Team analyses matters such as how consumers' attitudes and changes in their cooking habits influence grocery shopping.

For example in the course of the year 2015 there were 85 new Atria products launched to the Finnish market, representing 6 per cent of all the sold Atria products in Finland.



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

#### Atria Finland

| Targets 2015  | Results 2015   | Targets 2016   |
|---|--|--|
| <ul> <li>Atria's communications about<br/>nutrition will be further<br/>improved, with a focus on<br/>revising the contents of Atria's<br/>website.</li> <li>Reduction of salt and<br/>introduction of new Heart<br/>Symbol products in all product<br/>groups.</li> <li>Updating the nutrition strategy.</li> <li>Participation in new projects<br/>that increase nutritional<br/>knowledge and are in line with<br/>Atria's research strategy.</li> </ul> | <ul> <li>Atria's updated consumer website has features to enable people with special dietary requirements to search for food.</li> <li>The salt and fat content has been reduced in Food Service-sector products in accordance with recommendations for schools and institutes of higher education, and some of the recipe changes have also been used in retail products.</li> <li>Due to organisational changes, the nutrition strategy was not updated in 2015. The policies were considered up to date.</li> <li>No participation in new national development projects in 2015.</li> </ul> | website.<br>In accordance with the<br>recommendations of the<br>Finnish National Institute for<br>Health and Welfare, Atria wil<br>begin using iodised salt for<br>reasons of national health. |

#### Atria Scandinavia

| Targets 2015   | Results 2015   | Targets 2016  |
|--|--|---|
| <ul> <li>Reduction of salt in cold cuts<br/>and sausage.</li> <li>Creation of uniform nutrition<br/>principles.</li> </ul> | <ul> <li>21 per cent of our meat products met the requirements for the keyhole salt criteria in 2014. This number increased to 34 per cent in 2015.</li> <li>Nutrition policy developed and launched in the organisation.</li> </ul> | <ul> <li>Reduction of salt in cold cuts<br/>and sausage. 100 per cent of<br/>our meat products should fulfil<br/>the keyhole criteria for salt<br/>(excluding cold-smoked<br/>products and cured products<br/>where the process makes it<br/>impossible) by 2020.</li> <li>Implement the nutrition policy<br/>in our work.</li> <li>Increase the number of products<br/>groups containing products<br/>marked with the Keyhole<br/>symbol.</li> </ul> |

#### Targets 2015

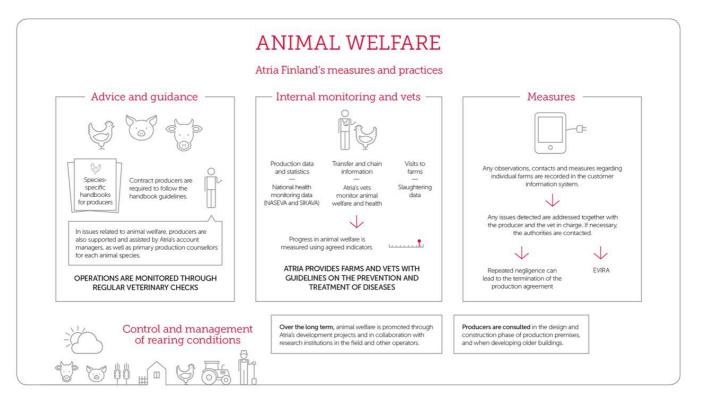
•

Results 2015

- Increasing the use of domestic Increasing the use of domestic in products.
- Smaller package sizes for consumers.
- Reduction of salt and soy in products.
- Increasing the use of domestic raw materials in products (we expanded the use of Estonian raw material in grill products).
- Smaller package sizes for consumers (new premium line and 150g packages).
- Reduction of salt and soy in products: a longterm goal that we consider in everyday product development and proceed step by step.
- Reduction in the use of additives in products (we reduced the use of E120 in recipes).

- Greater emphasis on research into consumer habits.
- To complete the labelling adjustments according to EU Regulation No 1169/2011.
- A new product line for children without any E numbers and a new product line with higher meat content and fewer E numbers.
- Modernisation of packaging lines (lower material consumption), use of more innovative packaging.

#### Targets 2016



## Animal welfare in Atria's chain

Treating animals well is the key to profitable and responsible production. Animal health and good output primarily depend on the professionalism of producers, good care of animals, systematic feeding and sound management of conditions. Atria ensures that animals are treated well in its chain by means of quality requirements included in its production contracts and the terms and conditions of animal purchases and sales. Atria has prepared production handbooks on each production species to assist producers; these handbooks provide clear guidance on the breeding, feeding, living conditions and health care of animals.

Atria's contract producers are required to comply with the instructions in the handbooks, and their operations are monitored through veterinary checks at intervals of 1-12 months, depending on the type of farm.



## Animal welfare No unnecessary pain

#### In the Atria meat chain, animals do not undergo any unnecessary painful physical alterations

Procedures considered necessary for the time being include male pig castration (to stave off boar taint) and calf dehorning. Male pigs are surgically castrated within five days of birth using pain analgesia. We are actively investigating alternative solutions to eliminate castration in the chain.

Calves are reared in freely roaming groups and sharp horns constitute a physical risk for other animals and a safety risk for carers. The Atria bovine service pays extra to have calves de-horned by a veterinary officer using analgesia in group rearing facilities. In Atria's chain, animals do not have their tails docked, chickens are not debeaked and bull calves are not castrated.



Pork marked with the Laatuvastuu (quality responsibility) label

Meat marked with the Laatuvastuu label is produced on farms that belong to a certified national programme concerning animal health and product safety. In practice, this means that the farms are constantly at the Sikava national level. All of Atria's contract farms are Laatuvastuu farms. When the producers provide chain information, they also provide assurance that all of the animals they send for slaughter are from locations that were at the Sikava national level on the date of collection for slaughter.

Laatuvastuu is based on the Sikava health care and monitoring system for pigs, which is maintained by Animal Welfare (ETT) and which enables information to be transferred between farms, industrial companies and veterinarians. Sikava is used to monitor the implementation of health care programmes, carry out health classifications for pig farms and communicate current affairs.



## Animal welfare at Atria's chain Animal welfare protects consumers

#### The health of Finnish animals is also a form of consumer protection

<u>A good disease status</u> and first-class animal welfare are among the greatest assets of Finnish production animals. Healthy and well-kept animals are the cornerstone of efficient, economical and safe domestic food production. Production animals receive very little medication by international comparison – particularly antibiotics – and the occurrence of drug residues in food is extremely rare. Antibiotics are not used for preventive treatment in Finland. Instead, diseased animals are treated with appropriate care, avoiding unnecessary medication. Drug dosages are determined by a veterinary officer who also oversees the pharmaceutical records and drug use at farms. The prudent use of antibiotics also reduces the emergence of strains of bacteria resistant to antibiotics.No growth enhancers or hormone preparations are used at Finnish farms.

Infectious animal diseases are systematically resisted in accordance with resistance programmes prepared in collaboration with Animal Welfare (ETT). Atria's preventive health care work has been fruitful. Decades of determined work has led to us completely eliminating porcine enzootic pneumonia, mange and dysentery from our pig chain. Salmonella has been identified extremely rarely in Atria's production animal chain, and deviations are subject to immediate intervention. All identified infections of salmonella are eliminated.

# Key targets and results in terms of Atria Finland's animal welfare

#### AtriaSika (pigs)

| Targets 2015  | Results 2015   | Targets 2016   |
|---|--|--|
| <ul> <li>Research and monitoring of castration alternatives will continue</li> <li>Research cooperation to promote animal welfare.</li> <li>Reduction of full and partial slaughter rejections.</li> <li>Development of the Sikava quality management system in industry collaboration. Changing the database and server platform of the Sikava system.</li> <li>Further reduction of tail-biting.</li> </ul> | <ul> <li>Identifying a solution from among the castration alternatives has proven more challenging than anticipated. We continue to closely monitor developments in genetics and analytics.</li> <li>The rate of whole carcass rejection (0.3 per cent) remained the same as in 2014. Partial rejections decreased to 7.0 per cent from 7.7 per cent in the previous year.</li> <li>Laatuvastuu operating procedures in use throughout Atria's chain. The database and server platform of the Sikava system changed. The new platform is more userfriendly, enabling better reporting and statistics.</li> <li>Tail-biting decreased significantly last year. In 2014, tail-biting affected 2.3 per cent,</li> </ul> | <ul> <li>Well-being: We are<br/>participating in the University<br/>of Helsinki's free-range pig-<br/>breeding project. The objective<br/>is to study and pilot functional<br/>free-range pig sties.</li> <li>Biosafety: we are improving the<br/>management of biosafety risks<br/>in the chain, with the main<br/>focus on logistics and primary<br/>production farms.</li> <li>Animal welfare: Developing,<br/>validating and deploying the<br/>welfare aspects of the<br/>Sikava/Laatuvastuu system</li> </ul> |

while the figure for 2015 was 1.6 per cent.

#### AtriaSiipi (poultry)

| argets 2015   | Results 2015  | Targets 2016  |
|---|---|---|
| <ul> <li>Management of risks<br/>associated with the<br/>import of chicks.</li> <li>Changing the breed of<br/>the parent stock.</li> <li>Welfare support.</li> <li>Clarification of hatchery<br/>operations and<br/>improvement of the<br/>results of farms.</li> </ul> | <ul> <li>No infectious diseases were detected in quarantine investigations.</li> <li>Ross 508 changed to Ross 308. The switch went well.</li> <li>The majority of farms use one or more practices entitling them to welfare compensation.</li> <li>Several actions taken in order to improve egg quality and hygiene. The quality of chicks has improved thanks to active advice, monitoring and breed changes. A more consistent flock produces eggs and chicks of more consistent quality.</li> </ul> | <ul> <li>Improving egg hygiene at<br/>rearing facilities.</li> <li>Improving quality control at<br/>hatcheries</li> <li>Continuous management of<br/>risks associated with imports</li> </ul> |

#### Targets 2015

#### Results 2015

Targets 2016

- Launch of the project
   "Traceability systems for the dairy and beef chain transparent, verifiable and responsible primary production".
- 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.
- 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.
- Advancing the use of rubber coating on slatted floors as part of primary production projects and farm-specific development work.
- 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.
- 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.

- The "Traceability systems for the dairy and beef chain – transparent, verifiable and responsible primary production" project got off to a promising start. The ground rules for safe operating practices were created e.g. for animal trading on special levels and on the national level. The Naseva electronic health certificate and health status report was prepared to support operating. Separate instructions were created for transactions involving animals for trading and slaughter.
- The Naseva information system was switched to a new platform. The new system enables better monitoring of animals on farms in regard to welfare, completed studies, disease status, administered medication, product safety and mortality.
- Data on Naseva health care visits was analysed. An evaluation was carried out to determine the suitability of the data for raising issues of animal welfare as part of marketing.
- The use of rubber coating on slatted floors was promoted at producer events and as a part of development work.
- The Mycoplasma bovis research project continued. The project has found that incidences of infection are decreasing in relation to the implementation of risk management activities.
- Investigation into the suitability of the visual assessment based QBA indicator, which is part of the WQ welfare standard, as a production development tool was completed. The good conditions evaluated on the basis of the A-Index were connected to good QBA scores received by cattle. Good QBA scores were connected to improved meat content on carcasses.

- Finishing the "Traceability systems for the dairy and beef chain – transparent, verifiable and responsible primary production" project. A two-way interface will be created for Naseva to enable farms' health indicators to be transferred directly to transportation planning systems.
- A Naseva extra will be created for slaughter cows to support animal welfare and safe operating methods in the beef chain.
- Naseva summaries related to use of medication and chain-level monitoring of mortality will be further developed.
- Data that is produced by Naseva in relation to health care visits and that indicates levels of animal welfare will be put to use.
- Continuing the Mycoplasma bovis research project. A resistance strategy, farm-specific instructions for avoiding infection and managing risks on infected farms, both on the form itself and as a part of animal trading, will be prepared in collaboration with Animal Health (ETT). The financial impact of M. bovis infections on the beef chain will be assessed.
- Productive Beef Production development projects: Improving cowrearing facilities and logistics operating procedures to reduce rates of respiratory infection and using rubber coating on slatted floors will be promoted to improve foot health and comfort when cattle lie down.
- Participation in work related to limiting rates of respiratory infection in the "Calf-breeding problems and alternatives for change" project: evaluation of the impacts of breeding methods, logistics operating procedures and immunisation programmes.

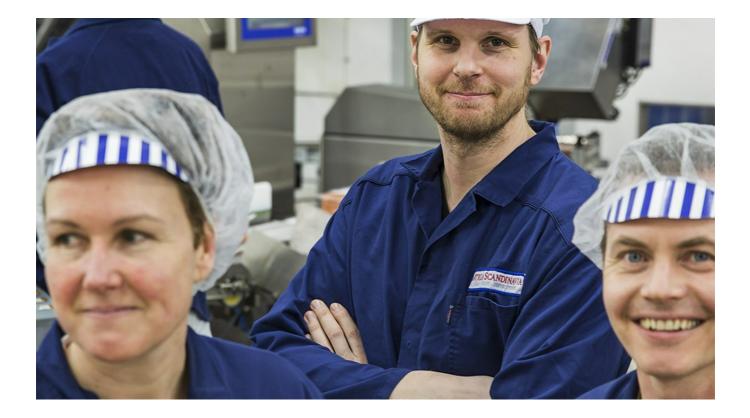
# Personnel responsibility

Atria

ATRILA SUON OY MIKKO MAKHONISTO

Atria is a large international food company which operates in the whole food chain – from field to the table. In Finland Atria employs some 2,200 professionals, in Scandinavia 930, in Russia 810 and in Baltic 300. All Atria employers have a common Atria Way of Work which gives guidelines for the everyday work.





# Personnel responsibility Well-being at work

Atria recognises the importance of occupational well-being and working capacity.

#### Employee's own resources

 We observe:
 Achievements:

 • Physical and mental resources
 • In Atria Finland the average retirement age of employees is 63 and the rate of absence due to illness is 5%.

 Professional competence
 Our target:

 We take note of:
 Our target:

 • Targets and basic duties
 • Focus on personal development of all employees and learning at work

#### Functionality of the work community

We make observations:

This is what we do:

systematic development.

- Opportunities for each employee to influence the direction of his/her own work
- Receiving feedback
- Support from supervisors
- Support from colleagues and atmosphere

#### Working conditions

We pay attention to:

#### Methods:

- Tools and methods
- Working-time arrangements
- Health and safety at work
- Burden of work and distributing the burden within the work community
- Every Atria employee can launch initiatives and can report dangerous situations.

• Thanks to the personnel survey, performance evaluations, initiative

practices, occupational safety practices and regular information

events, employees are able to give feedback as part of continuous,

Atria uses systematic, standardised occupational safety and occupational health practices. These practices are preventive measures aiming to maintain occupational health throughout employees' careers.





# Personnel responsibility Developing skills

#### Skilled, motivated employees guarantee safe, tasty products

The quality of all of the company's operations and products depends on the personnel. The well-being of personnel is also a key factor for Atria's sustainable growth. Only satisfied, healthy personnel can create a working atmosphere and employer image that make it possible to recruit skilled and motivated personnel.

We use several different indicators to monitor the occupational well-being of our personnel. Our personnel survey has shown that the dedication of Atria's personnel is significantly higher than in organisations in general. The most significant strengths of Atria are the employer image, motivation and management culture. The largest positive changes relate to fair remuneration and effective decision-making.

#### How does Atria develop employees' skills?

- Every production employee has a work guidance card, which is reviewed during every occupational well-being meeting
- Office-based employees undergo a skills analysis known as Oskari, which is reviewed as part of the annual appraisal
- The focus is on learning at work
- Business-orientation
- Proactiveness and planning
- Making use of internal experts

## Atria's key social responsibility results and targets regarding employee well-being

#### Atria Group

| Result 2015   | Targets 2016   |
|---|--|
| <ul> <li>Common targets and process for employer branding at<br/>Group level.</li> <li>An employee survey was run in every BA and development<br/>actions connected to Atria Way of Work (=values)</li> <li>Development of Atria Group Leadership according to the<br/>Atria Way of Leading - information about the principles<br/>and implementation in tools.</li> <li>Employees' expertise in relation to meat technology was<br/>boosted at the Atria Meat Technology seminar.</li> </ul> | <ul> <li>Continued: taking into account within the Group the consistency of communications related to Atria's employer image and corporate communications. More methodical collaboration between HR and communications.</li> <li>Atria's Way of Leading: Group-level coaching for Atria Way of Leading trainers.</li> <li>Atria's Way of Leading: a standardised, Group-level foundation course and module structure in each business area.</li> </ul> |
| • Developing uniform indicators for measuring occupational health and safety across Atria Group.  | <ul> <li>Further developing consistent occupational safety<br/>operating practices.</li> </ul>   |
| <ul> <li>Launch the Way of Work and Way of Leading in<br/>performance evaluations and the employee survey.</li> </ul>   | <ul> <li>Atria's Way of Leading: trains Atria's supervisors on the<br/>principles of leadership at Atria and how the principles can</li> </ul>   |

#### Atria Finland

#### Results 2015

#### Targets 2016

be seen in terms of tools.

- Improving employer image communication and the supporting materials and content: methodical construction of an employer image using various communications channels and forms of collaboration.
- Further improving the recruitment process with a focus on electronic tools.
- The principles of Atria's Way of Leading have been incorporated into HR development tools: competence analysis, performance evaluations, supervisor training.
- Further developing occupational safety management and practices.
- Managing employee well-being: encouraging employees to maintain their working capacity.

- Recruitment: applying a new interview model when recruiting seasonal employees.
- Further improving the culture of occupational safety: updates to tools, monitoring and HR development.
- To reduce total rate of absence due to illness (including all accidents) from 5.67 per cent (2015) to 5.50 per cent.
- To reduce accident frequency (LTA1) from 49 (2015) to 30.
- Strategy-oriented training for all personnel groups in accordance with the training plan.
- Atria's Way of Leading: ensuring that the principles are visible in all supervisory tools and training events. Building separate training modules.
- Investment in the pig line: personnel involved in planning and realisation.

#### Atria Scandinavia

#### Results 2015

#### Targets 2016

- Started implementation of the Atria Way of Leading principles.
- Conducted an employee survey and an action plan based on the results, using the Way of Work framework.
- Introduced e-learning training modules.
- Introduced a common orientation programme for new employees.
- Increased the rate of internal recruitment to 42 per cent.
- Atria Scandinavia launched online stakeholder training.

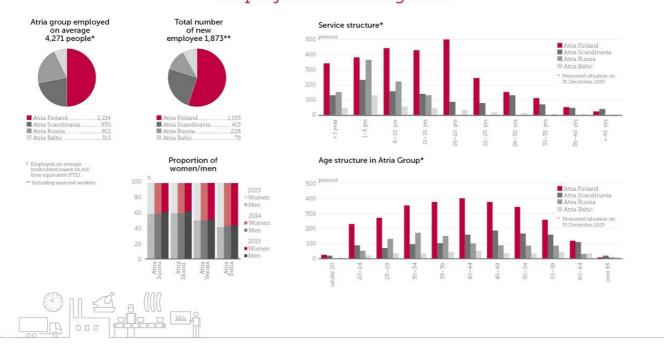
- Internal recruitment: increase from 42 per cent to 45 per cent
- Increase the number of women in managerial positions: increase from 21 per cent to 23 per cent
- Safety: reduce accident frequency from 20 per million hours to 10.
- Rate of absence due to illness: reduce the rate from 5.7 per cent to 5.5 per cent.

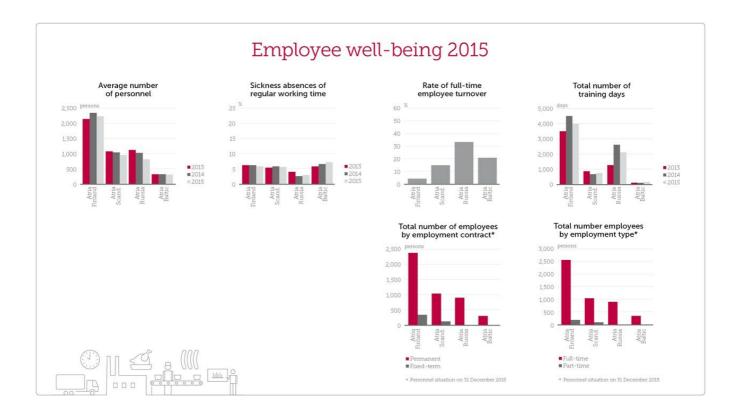
#### Atria Russia

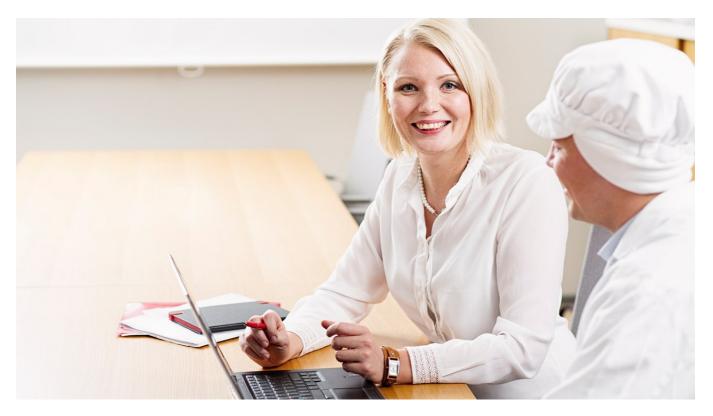
| Results 2015   | Targets 2016   |
|--|--|
| <ul> <li>Climate survey implementation, improvement action plan.</li> <li>WoW Awareness, WoL launch at all managerial levels.</li> <li>Company reorganisation support with no labour disputes.</li> <li>PE and talent management continues.</li> </ul> | <ul> <li>Support competitiveness and attractiveness in the labour market / Retention of human resources.</li> <li>Introduction of WoL and WoW into corporate culture.</li> <li>Internal communication and cooperation improvement.</li> <li>PE, talent management, T&amp;D activities continue.</li> <li>Adjustment of HR and business processes in view of major labour legislation changes.</li> </ul> |
| Atria Baltic<br>Results 2015   | Targets 2016   |

- Launch of the new salary and working time calculation software.
- Renewing occupational health & safety instructions and risk analysis.
- Completion of the employee engagement survey development actions done.
- Health & Safety at work: deploying Atria's Group-level practices at Atria Baltic.
- Familiarising supervisors with the principles of the Atria Way of Leading – the principles are visible in various HR tools (performance evaluations, recruitment)

## Employee well-being 2015







#### Atria employees are committed to their work

Atria carried out a Group-wide personnel survey at the beginning of 2015. The Group-wide response rate was an impressive 80.1%. In terms of employee job satisfaction, Atria falls into class AA, meaning that the company is at a good level. The responses also show that the employees are highly committed and are willing to recommend Atria as an employer.

The results vary by business area, and country-specific development measures based on the results constitute a key outcome of the survey. The goal is to integrate key development areas into day-to-day operations.

The development measures and positive aspects arising from the personnel survey have been linked to the Atria Way of Work values. The employees themselves have defined the Way of Work values which guide day-to-day work and HR activities at Atria.

Last year saw the coming of Atria's Way of Leading programme, aimed at improving the management culture in Atria Group. Management policy involves interaction, participation and development. Next step will be incorporating the principles of Atria's Way of Leading into HR development tools: competence analysis, performance evaluations and supervisor training.



Respecting the environment and using natural resources sustainably in all phases of food production and consumption is the responsibility of all of us. At Atria, we consider it important to reduce our own direct environmental impact and we require our partners to operate in an environmentally responsible way. Atria is most able to make a difference in terms of its energy and water consumption, while also preventing material and food waste.



# Environmental management at Atria

Environmental management at Atria is based on environmental legislation and the fulfilment of stakeholder expectations.

Our environmental system has had ISO 14001 certification since 1995 (Atria Finland), which demonstrates the comprehensive, goal-oriented approach to the management of environmental matters. Taking environmental matters into consideration is a part of Atria's management and operational planning in the various phases of product and service chains.

Shirt

A MARTINE

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

### Atria Group

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| Targets 2015–2017  | Results 2015   |
|--|--|
| <ul> <li>Management of direct environmental impacts.</li> <li>Identification of environmental impacts throughout the production chain and promotion of eco-efficiency.</li> <li>Standards compliance - no warnings issued by the authorities.</li> <li>Adjusting operations to comply with the requirements of the Energy Efficiency Directive.</li> </ul> | <ul> <li>Atria Group enhanced the efficiency of energy use in relation to production by 2 per cent. There was also an improvement of 3 per cent in terms of water consumption.</li> <li>Part of continuous operational improvement.</li> <li>In the reporting period, no leaks were reported, no warnings were issued by the authorities and no compulsory measures were imposed.</li> <li>See measures specific to the business areas.</li> </ul> |
| Atria Finland<br>Targets 2015–2017   | Results 2015   |
| <ul> <li>Measures in accordance with the<br/>requirements of the Energy Efficiency<br/>Directive (EED).</li> </ul>   | <ul> <li>Energy review undertaken at Atria Finland's largest unit, Nurmo, in 2015.</li> <li>Specification work has begun to prepare the Management System for</li> </ul>   |

ISO 50001 certification.

•

No warnings were issued by the authorities and no compulsory measures

Corporate Responsibility Report 2015

ISO 50001 certification.

Preparing the Management System for

• Standards compliance in operations.

were imposed. No repeated deviations from the wastewater limit values stated on the environmental permit. Nine incidents of disruption were reported by the wastewater pretreating system in Kauhajoki and corrective measures have been initiated.

### Atria Scandinavia

| Targets 2015–2017   | Results 2015   |
|---|--|
| <ul> <li>Energy efficiency.</li> <li>Measures in accordance with the requirements of the Energy Efficiency Directive (EED).</li> <li>Ensuring recycling throughout the business.</li> <li>Reduction of wastage.</li> <li>Calculating the climate impact of production.</li> </ul> | <ul> <li>The oil boiler in Sköllersta has been replaced by a pellet-based boiler.<br/>This is expected to reduce annual carbon dioxide emissions by<br/>approximately 4,600 tons.</li> <li>The company's own personnel have carried out energy reviews in all of<br/>the production plants in Sweden.</li> <li>Recycling takes place in all of the production plants and offices insofar<br/>as is financially and environmentally appropriate.</li> <li>Efforts are made to further reduce wastage. For example, the rate of<br/>wastage in Sköllersta previously amounted to 0.71 per cent of productio<br/>volumes but this has now decreased to 0.51 per cent.</li> <li>Work has begun to calculate climate emissions. A calculation system<br/>has been acquired for this purpose and climate data is currently being<br/>collected.</li> </ul> |

### Atria Russia

| Targets 2015–2017  | Results 2015   |
|--|--|
| <ul><li>Water utilisation efficiency</li><li>Energy efficiency</li></ul> | <ul> <li>Water consumption in relation to production has become 7 per cent<br/>more efficient.</li> <li>As a result of improvements to the efficiency of production processes a<br/>the Gorelovo plant, energy efficiency has improved by 5 per cent.</li> </ul> |
| Atria Baltic   |  |

| Targets 2015–2017  | Results 2015   |
|--|--|
| <ul><li>Energy efficiency</li><li>Water utilisation efficiency</li></ul> | <ul> <li>Centralisation of production at the Valga plant. Energy efficiency improved by 8 per cent.</li> <li>Water consumption in relation to production has become 20 per cent more efficient.</li> </ul> |



How do Atria's products affect the environment?

We have rough information about the magnitude of the environmental impact of different primary production methods and product groups. Assessing the environmental impact of individual products is not, in our view, a sensible undertaking as <u>food</u> <u>production is part of a more significant whole</u> in which the correct choices must be made. The environmental impact of Atria's products is minimised by choices made in procurement e.g. purchasing nationally-produced meat raw material and by processing the meat in a way that maximises material efficiency. Care is also taken to ensure that production lines are energy-efficient.

We continuously monitor the environmental efficiency of our production lines. In the industry, the highest quantity of energy and water is consumed by highly processed products, such as precooked meat products. However, processing raw materials so that they meet different consumer needs and situations reduces overall raw material wastage and, therefore, also reduces the environmental impact of products. We work to reduce food wastage at all stages of the food production chain.

### Tangible respect for resources

At Atria, environmental responsibility means tangible operational development. That is why we measure the direct environmental effects of our operations, including energy consumption, water consumption and wastewater values, and we have set targets for improving measurable results in these areas. We report annually on the achievements we have made in the field of environmental efficiency as part of our Corporate Responsibility Report.

We have not yet considered it appropriate to simplify the environmental impact of our products throughout their entire life cycles in such a way that it could be condensed into a single label on the packaging. Instead, we aim to use this website and dialogue in social media channels to communicate the overall environmental impact related to our products and provide information on how we are able to influence this.



Consumers' responsibility

Why the food waste is such a relevant environmental indicator when talking about food?

## Packaging materials

Consumers feel that the most tangible environmental effect of feed is the product packaging. However, packaging has an important role. The packaging must protect the product on its journey from the packaging plant via the shop to the consumer's home. This is also an effective way to prevent food waste. Atria develops optimal solutions for its products in such a way that the overall environmental impact of the packaged product is taken into consideration. The size and shape of packaging must address the customer's usage needs in the shop and the consumer's requirements when the product is used Atria's packaging materials and principles Atria chooses its packaging solutions in compliance with a waste hierarchy that aims to prevent waste from being produced.

- The primary function of packaging is to protect the product and inform the consumer of the product's characteristics, thereby preventing food waste.
- 2. Material efficiency of packaging. We are looking for the most technically and economically functional solution using the minimum possible amount of packaging material without compromising on the primary function of packaging.
- 3. Environmental friendliness of packaging material. The third most important factor is to look for environmentally friendly packaging materials, such as recyclable materials, for use in packaging solutions.
- 4. All of Atria's packaging can either be recycled or used to generate energy.

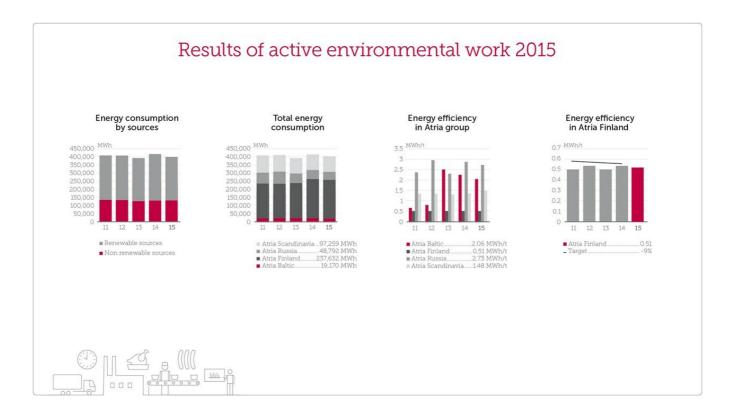
# Healthy environment

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

# **Energy consumption**

The heat and steam needed by Atria are generated using natural gas, wood-based renewable fuel, peat and fuel oil. 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 3.2 per cent and consumption in relation to the kilograms produced by 1.9 per cent.



# 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 decreased by six per cent in the period under review. However, Atria Finland uses water efficiently compared to other national industry players.

Consumption at Atria Scandinavia increased by eight per cent and Atria Russia decreased as much as 14 per cent. The entire

Group's absolute water consumption decreased by four per cent. Aggregate water consumption relative to production output in the three business areas decreased by three per cent.

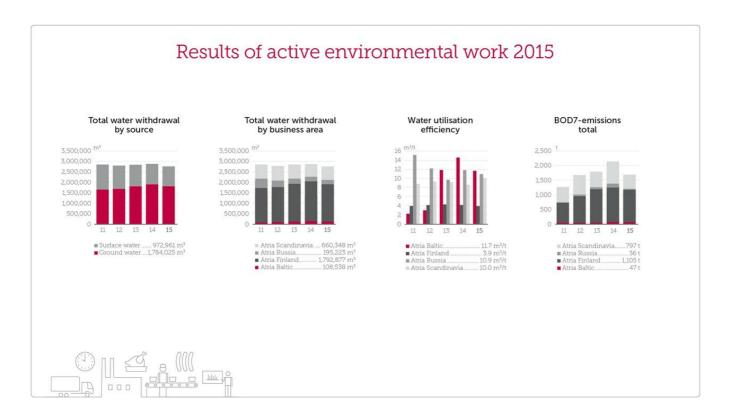
# Wastewater

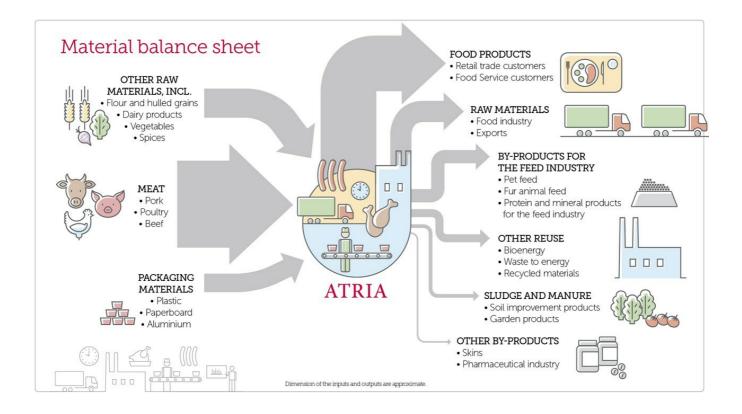
Of all wastewater generated by Atria, 80 per cent is pretreated at production plants before being flushed into the municipal sewage network. Plant-specific environmental permits determine the threshold values for wastewater quality. The plants monitor compliance with the values carefully. A predictable,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

In the period under review, BOD7\* load and wastewater quality was in compliance with the permit requirements.

The reported BOD load value is a sum of the amount of wastewater and the average BOD7 levels measured over one year. As BOD7 values are not measured in all 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.

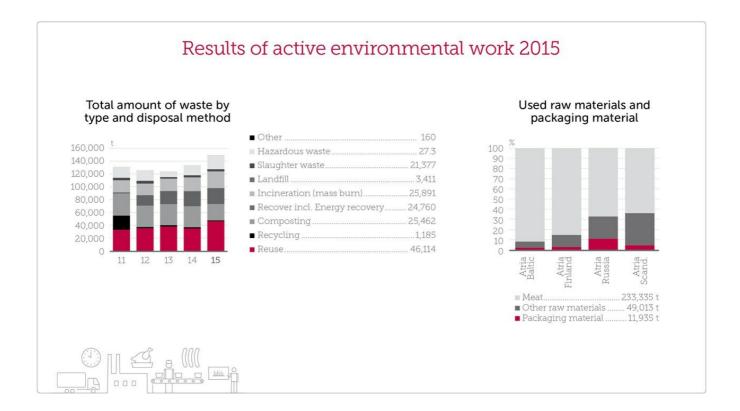


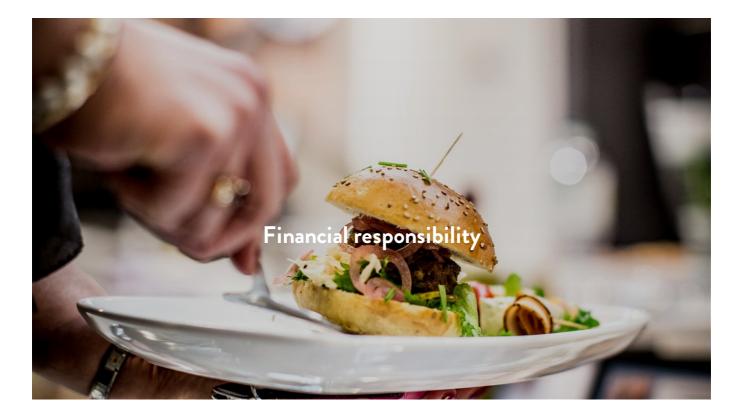


# Material-efficient food production

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.





Financial responsibility at Atria means achieving financial targets so that it produces long term added value to the stockholders but also to the other stakeholders. Welbeing locally and in the society is of utmost importance as well.





# Financial responsibility Memberships in organisations

### 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 Sweden: of the food industry employers' association Livsmedelsföretagen, 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 Russia: of the St Petersburg and Leningrad oblast meat association and food industry association and East Office, which promotes excellence in Russia.
- 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.

# Management and reporting - principles

### General principles\*

Corporate responsibility is an integral part of Atria's corporate culture, and we recognise our responsibility towards all of our stakeholders. Corporate responsibility is integrated into all levels of our operations: targets, values, business strategies, management and everyday work.

We aim to safeguard our current and future operating conditions through responsible operations. In accordance with the principle of sustainable development, we take into account the economic, social and environmental effects of our operations in all of our business areas.

We consider the satisfaction and trust of consumers and customers to be the key preconditions for business and success. Other preconditions for sustainable business are the profitability and competitiveness of operations, responsible management, the competence and commitment of personnel, and the continuous improvement of operations in all areas.

\* The Atria Group Management Team approved these general principles for corporate responsibility at its meeting on 22 January 2009.

### 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 Grouplevel responsibility for product safety, quality and corporate responsibility issues.



Atria's corporate responsibility development programme is known as Atria's Handprint. The programme brings together the principles, practices, projects and results of Atria's responsible operations and provides comprehensive updates on their progress. Under the Handprint programme, responsibility is developed and measured in seven sectors, which are as follows:

- \* Finance
- \* Environment
- \* Animal welfare
- \* Product safety
- \* Nutrition
- \* Personnel
- \* Communication

The symbol of Atria's Handprint programme is the Handprint logo. The logo represents the personal contribution – the handprint – made by every Atria employee to the food chain, and the colours of the logo communicate the effects of corporate responsibility.

The annual achievements and future targets of Atria's Handprint programme are reported upon every year in the corporate responsibility report.

# Atria's Code of Conduct

Atria's operating principles are ethical guidelines for the everyday operations of Atria employees. The operating principles concern all Atria employees in all business areas. Personnel are trained in complying with the Code of Conduct in accordance with a training plan.

The operating principles reflect the Atria Way of Work values defined by the company's personnel: "We focus on consumers and customers, we deliver quality-we rely on our brands, we are hungry for success and we enjoy our work". In accordance with these values and in compliance with shared operating principles, Atria can steer its practical operations towards sustainable development and success.

The foundation of Atria's operating principles is set out by the laws and collective agreements in the country of operation, as well as international agreements and recommendations related to responsible operations. The Board of Directors of Atria Plc approved these operating principles at a meeting held on 16 December 2014.

International declarations and conventions that Atria is committed to:

- UN Universal Declaration of Human Rights and Convention on Rights of the Child
- Agreement of the International Labour Organisation (ILO) on basic rights at work
- UN Global Compact initiative for the promotion of human rights, rights at work and environmental protection and the prevention of corruption
- OECD code of practice for multinational companies
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC) and ICC instructions against bribery and corruption
- Business Social Compliance Initiative (BSCI) purchasing principles

### Operating principles in brief:

### Safe Atria Quality

Atria's production plants and food processing processes follow international hygiene requirements and standards. Highquality raw materials, efficient manufacturing and delivery processes, and an uninterrupted cold chain guarantee that Atria's products are safe to consume.

### Environment

The starting point of Atria's environmental management is to ensure that all operations comply with local environmental legislation. At the same time, Atria continuously strives to further improve its results in environmental management and is committed to monitoring the environmental impacts of its operations, products and services and to identifying the significance of the environmental impacts of each stage of the operating chain.

### Stakeholders

Atria's corporate responsibility policy is embodied in its day-to-day work with stakeholders. The company 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.

### Personnel

Atria respects and supports internationally recognised human rights principles and promotes their implementation in all of its business areas. Compliance with local legislation and the key conventions of the Internal Labour Organisation (ILO) constitutes the foundation of Atria's HR principles.

Promoting the personnel's well-being and developing employees' skills are key features of Atria's social responsibility. If forms the foundation for the quality of Atria's operations and products, and for the achievement of future growth and profitability targets.

The Atria Way of Work values defined by Atria's personnel are:

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

### **Business integrity**

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

# 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 2015 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) G4 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 <u>stakeholder surveys</u> 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 <u>GRI content table</u> contains a comparison of the report's coverage in relation to the GRI G4 recommendations.

The report covers the company's operations mainly during the financial period 1 January to 31 December 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 2015 Annual Report, available on the <u>Group's website</u>.

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.

### For enquiries about Atria's corporate responsibility, please contact:

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# Management and reporting Development projects

| FINANCE   |                   | Ends      |
|---|-------------------|-----------|
| Improving the efficiency and harmonisation of purchasing within the Group             | Atria Plc         | continues |
| Improving the efficiency of production  | Atria Plc         | continues |
| Investment in the Nurmo pig cutting plant and improving its efficiency                | Atria Finland     | 2017      |
| Integration of operations acquired from Saarioinen and leveraging of synergy benefits | Atria Finland     | 2015      |
| Improving cooperation with primary producers  | Atria Finland     | continues |
| Further development of a supplier assessment system                                   | Atria Scandinavia | continues |
| Increased number of supplier controls and audits                                      | Atria Scandinavia | continues |
| Modernisation of the ERP system (ERP implementation)                                  | Atria Baltic      | continues |

| PERSONNEL AND SOCIAL RESPONSIBILITY |           |           |
|-------------------------------------|-----------|-----------|
| Atria Way of Work                   | Atria Plc | 2015      |
| Atria WoW Leading                   | Atria Plc | continues |

| Atria Talent Management -programme   | Atria Plc                 | continues |
|--|---------------------------|-----------|
| Personnel survey   | Atria Plc                 | 2015      |
| Development of meat technology expertise, Atria Meat 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,Scandinavia | continues |
| Atria Welcome programme for new employees  | Atria Finland,Scandinavia | continues |
| Improvement of employee well-being   | Atria Scandinavia         | continues |
| ASC Sales skills development programme   | Atria Scandinavia         | continues |
| ASC Training programme for middle and general management                                 | Atria Scandinavia         | continues |
| ASC Development of project skills  | Atria Scandinavia         | continues |
| Labour law awareness among managers  | Atria Scandinavia         | continues |
| Deepening of the Atria Way of Work activities  | Atria Scandinavia         | continues |
| Development of equality, work to increase diversity                                      | Atria Scandinavia         | continues |
| Performance evaluation training  | Atria Scandinavia         | continues |
| Stakeholder training   | Atria Scandinavia         | 2015      |
| ASC develompent of presentation techniques   | Atria Scandinavia         | continues |
| Launch and implementation of Atria Way of leading.<br>2015: Workshops with all managers. | Atria Scandinavia         | 2015      |
| Personnel survey   | Atria Scandinavia         | continues |
| Financial support to BRIS (Children's Rights in Society)                                 | Atria Scandinavia         | continues |
| NUTRITION  |                           | Ends      |
| Updating of the nutrition strategy   | Atria Finland             | 2015      |

| Development of nutrition communication | Atria Finland       | continues |
|--|---------------------|-----------|
| Creation of a uniform nutrition policy | Atria Scandinavia   | 2015      |
| Reduction of salt in products          | Atria Finland,      | continues |
|  | Scandinavia, Baltic |           |
| Daduction of additive use              | Raltia              | continues |

|  | Datuc                      | continues |
|--|----------------------------|-----------|
| Continuos product recipe improvements and review of additives.                                 | Atria Scandinavia          | continues |
| ENVIRONMENT  |                            | Ends      |
| Adjusting the management system to meet the requirements<br>of the Energy Efficiency Directive | Atria Finland, Scandinavia | 2015      |
| Creating a measurement and monitoring system for material efficiency                           | Atria Finland              | 2017      |
| Energy audits  | Atria Scandinavia          | 2015      |
| Ensuring recycling throughout the business   | Atria Scandinavia          | 2015      |
| Reduction of wastage   | Atria Scandinavia          | continues |
| Calculating the climate impact of production   | Atria Scandinavia          | 2016      |
| Elimination of palm oil in products  | Atria Scandinavia          | continues |
| Reduce climate impact of production. (2015: Investment in pelletspanna in Sköllersta)          | Atria Scandinavia          | continues |
| Reduce climate impact of transportation  | Atria Scandinavia          | continues |

| ANIMAL WELFARE  |                   | Ends      |
|---|-------------------|-----------|
| Development of the painless castration of piglets   | Atria Finland     | 2016      |
| Intact pig-tails at Atria   | Atria Finland     | continues |
| AtriaSika (pork): reduction of carcass condemnations  | Atria Finland     | continues |
| Laatuvastuu – Increased transparency in the primary production of pork  | Atria Finland     | continues |
| National promotion of cattle health care  | Atria Finland     | continues |
| Development of the AtriaNauta (beef) chain's IT systems and interfaces to support the measurement of animal welfare | Atria Finland     | continues |
| KESTO project to promote calf health and dairy cow longevity  | Atria Finland     | continues |
| 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     | continues |
| Animal care issues are included in all contracts  | Atria Scandinavia | continues |

| PRODUCT SAFETY   |                   | Ends      |
|--|-------------------|-----------|
| 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 an electronic traceability system in Sköllersta   | Atria Scandinavia | continues |
| COMMUNICATION  |                   | Ends      |
| Development of corporate responsibility reporting and related communications                           | Atria Plc         | continues |
| Redesign of Atria Group website  | Atria Plc         | 2016      |
| Blogs by Atria specialists at www.atriablogi.fi  | Atria Finland     | continues |
| Atria in social media, interactive communication   | Atria Finland     | continues |
| Increasing the transparency of the food chain  | Atria Finland     | continues |
| Redesign of the Atria website  | Atria Finland     | 2015      |
| Gilla Skolmat (School food is good) campaign in school canteens to promote tasty food and reduce waste | Atria Scandinavia | continues |
| Development of crisis communications preparedness  | Atria Scandinavia | 2015      |
| Launch of TV screens to get well-informed employees  | Atria Scandinavia | 2015      |
| Bris - sales campaign in school canteens to generate money to Bris                                     | Atria Scandinavia | continues |
| Strengthening of the Maks & Moorits brand and development of the Facebook page                         | Atria Baltic      | continues |



# Corporate responsibility reporting GRI content comparison

| General st | General standard disclosures                          |     | Link / Additional information                         |
|------------|---|-----|---|
| Strategy a | nd analysis   |     |   |
| G4-1       | CEO's review  | Yes | <u>CEO's review</u>                                   |
| G4-2       | Organisation's key impacts, risks and opportunities   | Yes | CEO's review, Annual Report 2015                      |
| Organisati | ional profile   |     |   |
| G4-3       | Name of the organisation                              | Yes | <u>Company</u>  |
| G4-4       | Primary brands, products and services                 | Yes | <u>Company, Brands</u>                                |
| G4-5       | Location of the organisation's head office            | Yes | Corporate governance                                  |
| G4-6       | Geographical location of the operations               | Yes | Atria's corporate responsibility map                  |
| G4-7       | The organisation's ownership structure and legal form | Yes | <u>Corporate governance</u>                           |
| G4-8       | Market areas  | Yes | Atria's corporate responsibility map                  |
| G4-9       | The reporting organisation's size                     | Yes | International Atria, Atria's corporate responsibility |

|            |  |           | map  |
|------------|--|-----------|--|
| G4-10      | Number of employees by employment type,<br>employment contract, region and gender                                      | Partially | <u>Employee well-being in numbers</u> . Not reported by gender, no data available.   |
| G4-12      | The organisation's supply chain  | Partially | <u>Corporate responsibility, Results of active</u><br><u>environmental work</u> , Atria creates value troughout<br>the food chain (Corporate Responsibility Report<br>2015, page 63)   |
| G4-13      | Significant changes in the organisation's size,<br>structure, ownership or supply chain during the<br>reporting period | Yes       | Atria Group acquired Denmark's largest<br>manufacturer of organic coldcuts, Aalbaek<br>Specialiteter. In Sweden, Atria concluded the sale<br>of Falbygdens cheese business. In Russia, Atria's<br>affiliate sold Campofarm pig farm and real estate.   |
| G4-14      | Application of the precautionary approach  | Partially | Annual Report 2015, Business risks   |
| G4-15      | Principles and initiatives of external parties approved or endorsed by the organisation                                | Yes       | <u>Atria Code of Conduct</u>   |
| G4-16      | Memberships in associations and advocacy organisations   | Yes       | Financial responsibility   |
| Identified | material aspects and boundaries  |           |  |
| G4-17      | Group boundaries   | Yes       | Principles of corporate responsibility reporting   |
| G4-18      | Definition of report content   | Yes       | <u>Principles of corporate responsibility reporting,</u><br><u>Stakeholders</u>  |
| G4-19      | Material aspects   | Partially | Principles of corporate responsibility reporting,<br><u>Stakeholders</u>   |
| G4-22      | Changes in information provided in previous reports  | Yes       | Any deviations from and limitations to boundaries<br>have been reported in the context of the relevant<br>key indicators. If previously reported key<br>indicators, their scope, boundaries or measurement<br>techniques have changed, those changes are<br>reported in the context of the relevant key<br>indicators.   |
| G4-23      | Significant changes in the scope of the report and aspect boundaries   | Yes       | In Finland, a project began at the Sahalahti plant to<br>improve poultry production. The project also had an<br>impact on personnel. Falbygdens cheese business<br>was sold in Sweden. In Denmark, Atria acquired<br>manufacturer of organic coldcuts Aalbaek<br>Specialiteter. In Russia, Atria's affiliate sold<br>Campofarm pig farm and real estate. Atria Baltic's<br>production. |
| Stakehold  | ler engagement   |           |  |

### Corporate Responsibility Report 2015

| G4-24          | List of the organisation's stakeholders  | Yes       | <u>Stakeholders</u>  |
|----------------|--|-----------|--|
| G4-25          | Identification and selection criteria for stakeholders   | Yes       | <u>Stakeholders</u>  |
| G4-26          | Principle of stakeholder engagemant  | Yes       | Atria Code of Conduct, Stakeholders  |
| G4-27          | Key topics and concerns raised by stakeholders   | Yes       | <u>Stakeholders</u>  |
| Report pro     | file   |           |  |
| G4-28          | Reporting period   | Yes       | Principles of corporate responsibility reporting   |
| G4-29          | Date of the previous report  | Yes       | Corporate Responsibility Report 2014 was published 24 March 2015.  |
| G4-30          | Reporting cycle  | Yes       | Principles of corporate responsibility reporting   |
| G4-31          | Contact details for ordering the report and requesting additional information  | Yes       | Principles of corporate responsibility reporting   |
| G4-32          | GRI content index  | Yes       |  |
| G4-33          | Policy on external assurance   | Yes       | Principles of corporate responsibility reporting   |
| Governanc      | e  |           |  |
| G4-34<br>G4-47 | Governance structure, role in setting values and<br>strategy, evaluation of competencies and<br>performance, risk management | Partially | Annual Report 2015, Management and reporting   |
| G4-48          | Approval of the Corporate Responsibility Report  | Partially | Principles of corporate responsibility reporting   |
| G4-49<br>G4-55 | The Board of Directors' role in evaluating performance, remuneration and incentives  | Partially | Annual Report 2015   |
| Ethics and     | integrity  |           |  |
| G4-56          | Values and code of conduct   | Yes       | Annual Report 2015   |
|                | Description of management  | Yes       | <u>Management and reporting</u> . The management of<br>sustainability aspects has been integrated into<br>business operations and is described in the context<br>of each area of corporate responsibility. |
| Economic       | responsibility   | Included  | Link / Additional information  |
|                | Economic performance   |           |  |
| G4-EC1         | Direct economic value generated and distributed  | Yes       | <u>Corporate Responsibility Report 2015</u> , page 63  |
| G4-EC2         | Financial implications and other risks and<br>opportunities for the organisation's activities due to<br>climate change       | Yes       | Annual Report 2015. Any risks and opportunities<br>arising from climate change are taken into account<br>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  | Partially | Annual Report 2015                   |
|------------------|--|-----------|--------------------------------------|
| G4-EC4           | Financial assistance received from the government  | Partially | Annual Report 2015                   |
| Environmer       | ntal responsibility  | Included  | Link / Additional information        |
|                  | Materials  |           |                                      |
| G4-EN1           | Materials used   | Yes       | Results of active environmental work |
|                  | Energy   |           |                                      |
| G4-EN3           | Energy consumption within the organisation   | Yes       | Results of active environmental work |
| G4-EN5           | Energy intensity   | Yes       | Results of active environmental work |
| G4-EN6           | Reduction of energy consumption  | Partially | Results of active environmental work |
|                  | Water  |           |                                      |
| G4-EN8           | Total water withdrawal by source   | Yes       | Results of active environmental work |
| G4-EN11-<br>EN15 | Biodiversity   | No        |                                      |
| G4-EN15-<br>EN21 | Emissions  | No        |                                      |
|                  | Effluents and waste  |           |                                      |
| G4-EN22          | Total water discharge by quality and destination   | Yes       | Results of active environmental work |
| G4-EN23          | Total weight of waste by type and disposal method  | Yes       | Results of active environmental work |
| G4-EN24          | Total number and volume of significant spills  | Yes       | No spills                            |
| G4-EN27-<br>EN28 | Products and services  | No        | Environmental aspects of products    |
|                  | Compliance   |           |                                      |
| G4-EN29          | Monetary value of significant fines and total<br>number of non-monetary sanctions for non-<br>compliance with environmental laws and<br>regulations. | Yes       | No fines or sanctions                |
|                  | Supplier environmental assessment  |           |                                      |
|                  |  |           |                                      |

| G4-EN32      | Percentage of new suppliers that were screened<br>using environmental criteria   | Partially | Atria Finland: All new suppliers are audited. The<br>auditing criteria, which focus on product safety,<br>also include environmental aspects. No data<br>available for other business areas. See also <u>Product</u><br><u>safety</u>  |
|--------------|--|-----------|--|
| Social respo | onsibility   | Included  | Link / Additional information  |
|              | Labour practices and decent work<br>Employment   |           |  |
| G4-LA1       | Total number and rates of new employee hires and employee turnover by age group, gender and region   | Partially | Employee well-being in numbers Turnover by age group and gender is not reported, no data available.  |
| G4-LA2       | Benefits provided to full-time employees that are<br>not provided to temporary or part-time employees,<br>by significant locations of operation.   | Partially | Benefits exceeding the statutory level are not<br>reported in detail, since the practices vary by<br>business area.  |
|              | Labour/management relations  |           |  |
| G4-LA4       | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements   | Partially | Activities are in compliance with applicable legislation in each business area.  |
|              | Occupational health and safety   |           |  |
| G4-LA6       | Types of injury, rates of injury, occupational<br>diseases, lost days, absenteeism, total number of<br>work-related fatalities by region and gender  | Partially | Employee well-being in numbers. Sickness<br>absences are reported. Breakdown by gender is not<br>available.  |
|              | Training and education   |           |  |
| G4-LA9       | Average hours of training per year per employee by gender and by employee category   | Partially | Employee well-being in numbers. Not reported by gender and by employee category, no data available.  |
| G4-LA10      | Programmes for skills management and lifelong<br>learning that support the continued employability<br>of employees and assist them in managing career<br>endings                                   | Partially | Developing skills, Atria's key social responsibility<br>results and targets regarding employee well-being.<br>Atria Finland has in place a training and<br>development plan that applies to all functions and<br>personnel groups. It is discussed with all personnel<br>groups, and its implementation is monitored<br>annually. Business-driven training plans are drawn<br>up in all of the Group's business areas. |
|              | Human rights   |           |  |
| G4-HR2       | Total hours of employee training on human rights<br>policies or procedures concerning aspects of<br>human rights that are relevant to operations,<br>including the percentage of employees trained | Partially | The <u>Atria Code of Conduct</u> contains guidelines for<br>the equal treatment of employees and the ban on<br>forced and child labour. All new employees are<br>familiarised with the Code of Conduct as part of  |

. .

|             | Society<br>Anti-corruption  |           |  |
|-------------|---|-----------|--|
| G4-SO4      | Communication and training on anti-corruption policies and procedures   | Partially | The <u>Atria Code of Conduct</u> discusses policies<br>related to the acceptance of gifts and hospitality<br>for example. All new employees are familiarised<br>with the Code of Conduct as part of Atria's new<br>employee orientation programme. |
|             | Anti-competitive behaviour  |           |  |
| G4-SO7      | Total number of legal actions for anti-competitive<br>behaviour, antitrust and monopoly practices and<br>their outcomes   | Partially |  |
|             | Compliance  |           |  |
| G4-SO8      | Monetary value of significant fines and total<br>number of nonmonetary sanctions for non-<br>compliance with laws and regulations   | Yes       | No fines or sanctions.   |
| Product res | sponsibility  | Included  | Link / Additional information  |
|             | Customer health and safety  |           |  |
| G4-PR1      | Percentage of significant product and service<br>categories for which health and safety impacts are<br>assessed for improvement   | Partially | The health and safety impacts of products are<br>constantly assessed and improved as part of<br>product development. Percentages are not<br>reported. No data available.   |
| G4-PR2      | Total number of incidents of non-compliance with<br>regulations and voluntary codes concerning the<br>health and safety impacts of products and services<br>during their life cycle, by type of outcomes. | Yes       | <u>Key targets and results of the Safe Atria Quality</u><br><u>Programme</u>   |
|             | Product and service labelling   |           |  |
| G4-PR4      | Total number of incidents of non-compliance with<br>regulations and voluntary codes concerning product<br>and service information and labeling, by type of<br>outcomes                                    | Yes       | No incidents of non-compliance<br><u>Key targets and results of the Safe Atria Quality</u><br><u>Programme</u>   |
| G4-PR5      | Results of surveys measuring customer satisfaction  | Partially | <u>Stakeholders</u>  |
| G4-PR7      | Total number of incidents of non-compliance with<br>regulations and voluntary codes concerning<br>marketing communications, including advertising,<br>promotion and sponsorship, by type of outcomes      | Yes       | No incidents of non-compliance<br><u>Key targets and results of the Safe Atria Quality</u><br><u>Programme</u>   |
|             |   |           |  |

|                         | Customer privacy  |           |  |
|-------------------------|---|-----------|--|
| G4-PR8                  | Total number of substantiated complaints regarding<br>breaches of customer privacy and losses of<br>customer data                                 | Yes       | No complaints  |
|                         | Compliance  |           |  |
| G4-PR9                  | Monetary value of significant fines for non-<br>compliance with laws and regulations concerning<br>the provision and use of products and services | Yes       | No fines for non-compliance  |
| <b>FPSS</b> G4-<br>FP5  | Kilograms of product produced at certified plants   | Yes       | All of Atria production plants are certified   |
| <b>FPSS</b> G4-<br>FP6  | Percentage of total sales volume of products with a low salt, fat and/or added sugar content.   | Partially | Nutritional responsibility   |
| <b>FPSS</b> G4-<br>FP7  | Percentage of total sales volume of products with health impacts  | Partially | Atria does not use official, EU-approved health claims in its products.  |
|                         | Animal welfare  |           | Animal welfare indicators are reported only for<br>Atria Finland because of strategic differences in<br>meat procurement in the various business areas. A<br>more extensive description of the good production<br>and operating practices followed by Atria and its<br>partners is available on pages <u>Responsible primary</u><br>production. The assessment and measurement of<br>animal welfare at Atria relies on continuous<br>monitoring and analysis of production, transfer and<br>chain information, slaughterhouse data and national<br>health monitoring data. There are not yet any<br>internationally approved and harmonised animal<br>welfare indicators. The Global Reporting Initiative<br>guidelines require that organisations processing<br>production animals report the number of animals<br>passing through as well as policies regarding<br>medication and physical alterations. Atria reports<br>on the progress of animal welfare through its own<br>development projects and indicators, in addition to<br>the GRI indicators. |
| <b>FPSS</b> G4-<br>FP9  | Volume of animals processed by species  | Yes       | All animals processed by Atria Finland are acquired<br>directly from contract producers. Volumes of<br>animals processed at Atria Finland's production<br>plants in the reporting period: pigs 77 million kg,<br>cattle 41 million kg and chickens 55 million kg.  |
| <b>FPSS</b> G4-<br>FP10 | Replacement of routine procedures which cause pain, and pain analgesia by species   | Partially | No unnecessary pain, Key targets and results in <u>terms of Atria Finland's animal welfare</u>   |
| <b>FPSS</b> G4-<br>FP12 | Animal medication practices and the use of growth promoters by species  | Yes       | Animal welfare protects the consumers  |

# FP13

slaughter.

FPSS G4- 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

Partially

No fines were imposed in 2015 concerning animal handling and slaughter.

In Atria Finland Tuoretie Oy is responsible for animal transportations. Two fines were imposed concerning animal transportatations.

Animal transportations

# How Atria creates value throughout the food chain

# Resources and investments

# Raw materials and other materials

- Meat raw materials: pork, beef, poultry
- Other raw materials
- Packaging and other materials

#### Production

• 17 production plants in five countries

# Human resources and development

- 4,270 food-industry
- experts • 4 days of training per
- employee per year

### Intangible capital

- Brands, patents, concepts
- Expertise, research and development activities: EUR 12 million

#### Investments

• Investments: EUR 57 million

### Financing

 Total equity and liabilities: EUR 855 million.

#### Natural resources

- Energy consumption of approximately 400 MWh, of which approximately 30% is from renewable sources
- Energy efficiency in terms of energy consumption per ton of production:
   Finland: 0.5 MWh,
   Scandinavia: 1.4 MWh,
   Russia: 1.8 MWh,
   Baltic: 2.3 MWh
- Water consumption of approximately
   2.75 million m<sup>3</sup>, of which ground water accounted for around 65% and surface water was around 35%



**Business** model

Our objective is Healthy Growth that will not endanger our company's profitability. We will grow via existing operations and new operations.

**PRODUCTION PROCESSES:** we operate efficiently.

**COMMERCIAL PROCESSES:** we will succeed commercially.

### VALUE AND MANAGEMENT PROCESSES:

we share a common Atria Way of Work and an Atria Way of Leading.

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We focus on customers. We deliver quality and we believe in our brand. We are hungry for success. We enjoy our work.



INDUSTRIAL PRODUCTION





Atria's good food produces sustainable value for all of our stakeholders. Our good food is responsibly and ethically produced, nutritious and safe.

# Atria's value and impacts

Good food – better mood. We create inspiring food for every occasion.

### For producers and partners

Purchases from producers, subcontractors and other partners

 Total purchases and other expenses: EUR 1,092 million

#### For customers

Foods for customers in the consumer goods retail trade, Food Service, industry and export sectors

• Net sales and other income: EUR 1,346 million

### For personnel

• Total salaries and remuneration: EUR 176 million

#### For society

• Total taxes and social security expenses EUR 55 million

# For shareholders and financiers

- Dividends: EUR 11 million
- Financial income and expenses: EUR 9 million

#### For communities

Direct and indirect support for public and private organisations and associations

### For other industries

Approximately 98% of by-products are exploited, with particular focuses on the animal feed and energy industries. Approximately 0.1% of all material flows end up in landfill or are treated as hazardous waste.

### Environmental impact

Approximately 80% of wastewater is pretreated before being discharged into the municipal sewage network. The vast majority of the energy used is for generating process heating and cooling. The indirect environmental impact is mostly due to primary production and transportation.