

## **Saarioinen Group**

### **Global Compact – Communication on Progress (COP) 2017**



COMMUNICATION ON  
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

## Statement of continued support

To our stakeholders

I am pleased to confirm that Saarioinen Oy reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Matti Karppinen  
CEO  
Saarioinen Group

## **Human Rights Principles**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### **Assessment, policy and goals**

*Description of the relevance of human rights for the company (i.e. human rights risk-assessment)*

*Description of policies, public commitments and company goals on Human Rights*

Saarioinen is a Finnish, privately owned food industry group and one of Finland's leading food manufacturers. Saarioinen's goal is to offer high-quality, safe food that tastes great and is easy to use. Saarioinen is the market leader in many of its operational areas. Saarioinen's main market area is Finland. Products are also exported to, for example, the Baltic countries and Sweden.

Saarioinen has on average 1340 employees, production on four locations and the head office in Tampere, Finland. The head office is responsible for administration, sales, marketing, finance, payroll, purchasing, export, communication and IT. Saarioinen also has a subsidiary in Estonia. Saarioinen Eesti's factory was established in 2009.

Saarioinen's role as an employer is significant at the areas of operation. Saarioinen employs people at the municipalities of Kangasala, Huittinen, Valkeakoski, and in Rapla municipality in Estonia. Saarioinen creates jobs also in primary production and in transportation.

As mentioned above, Saarioinen operates in Finland and in Estonia. According to the Transparency International's Corruption Perceptions Index 2017 Finland ranks extremely well, 3rd out of 180 countries, and Estonia reasonably well, 21st out of 180 countries. Therefore the immediate risk for serious human rights offenses in Saarioinen's main operating countries can be seen as reasonably low.

Saarioinen's most important stakeholders are its owners and authorities, customers and consumers, suppliers and subcontractors and media. The owners value appreciate financial results and profit, authorities expect Saarioinen to carry its responsibility as a member of society, the customers and the suppliers appreciate profitable cooperation and partnership, the consumers delicious and safe products and the media expects open cooperation from Saarioinen in all circumstances.



Saarioinen's values, customer focus, profitability, responsibility and appreciation of employees, are highlighted in all Saarioinen's activities. Saarioinen signed the Business Charter on Sustainable Development Principles for Environmental Management already in 1991. Sustainability and responsibility work at Saarioinen are guided by Quality Policy, Environmental Policy, Food Safety Policy, Personnel Policy, Communication Policy and Occupational Health and Safety Policy.

The implementation of sustainability and responsibility goals and targets is realised through standardized procedures. Saarioinen has a certified quality management system ISO 9001 (certified in 1996), environmental management system ISO 14001 (certified in 2003), food safety management system ISO 22000 and ISO/TS 22002-1 (certified in 2012, converted to FSSC 22 000 in 2014) and health and safety management system (not certified). Saarioinen's management system was updated according to the 2015 versions of ISO 9001 and ISO 14001 in 2016.

The SMETA audit (Sedex Members Ethical Trade Audit) was carried out in all sites of Saarioinen during 2014-2015. SMETA audit covers the occupational health and safety aspects, working conditions and environmental aspects and the scope of the audit also covers the operations of Saarioinen's service providers. The SMETA audit shall carry out again in all sites during the spring and summer 2018.

SMETA is designed to reduce duplication of effort in ethical trade auditing, benefiting retailers, consumer brands, and their suppliers. It was developed in response to member demand for an ethical audit report format that could more easily be shared. SMETA is not a code of conduct, a new methodology, or a certification process, but describes an audit procedure which is a compilation of good practice in ethical audit technique.

Saarioinen Ethical Principles are based on United Nations Global Compact initiative. Saarioinen has been the signee of the United Nations Global Compact initiative since 2013. According to the Ethical Principles Saarioinen is committed to abiding the international and national laws and generally accepted operating principles.

In connection to the joining to the Global Compact, Saarioinen drafted the supplier guidelines and instructions (Saarioinen Oy Supplier Code of Conduct). The Supplier Code of Conduct is in accordance with the ten principles of the Global Compact. Saarioinen is committed to the demands of the Code of Conduct and in order to ensure sustainability in all of its processes. Saarioinen requires all its suppliers to comply with the Code of Conduct.



This means that the suppliers have to comply with the laws of its country and look after their social responsibilities. Suppliers are expected to respect human rights and none of the supplier's employees should be object to any harassment, physical or mental punishment or any other forms of abuse.

Suppliers are also required to obey the laws of its country concerning the minimum salaries, overtime compensation and maximum working hours and suppliers should not use force over its employees and allow them to resign after a reasonable time of notice. Suppliers are expected not to use child labour and to comply with the ILO conventions and recommendations on child labour.

The employees of the suppliers shall have the right to freedom of association and collective bargaining in accordance with local laws. The suppliers should provide their employees a safe and healthy working environment. All suppliers must operate with care for the environment and ensure the compliance with all applicable laws and regulations in the country where products or services are manufactured or delivered to.

All suppliers should uphold the highest standards of business ethics and the suppliers should prohibit all forms of bribery, corruption, extortion and embezzlement in its business dealings with Saarioinen or any third parties. Suppliers should also ensure that its direct suppliers and subcontractors comply with the principles of the Code of Conduct.

Saarioinen reserves the right to verify the Supplier's compliance with the Code of Conduct. In case Saarioinen becomes aware of any actions or conditions not in compliance with the Code of Conduct, Saarioinen reserves the right to demand corrective measures. Saarioinen reserves the right to terminate an agreement with any supplier who does not comply with the Code of Conduct.

## **Implementation**

*Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.*

According to its Ethical Principles, Saarioinen is not, directly or indirectly through its partnerships or associates, complicit in human rights abuses. Saarioinen respects the freedom of association and employees' rights to advocacy and collective bargaining. Saarioinen considers safety as a matter of primary importance and promotes safety together with all its stakeholders.

It is the responsibility of each Saarioinen employee to follow the Ethical Principles in their daily duties and to keep themselves informed on any detailed instructions and guidelines related to the Ethical Principles. The employees can, at all times, report of any misconduct to their supervisors or to Saarioinen management. Transparent system shall be created during the spring 2018. Then employees can report unethical issues without fear of reprisals towards the reporter. The Saarioinen corporate culture, in general, emphasises trust between people and encourages employees to express and communicate their concerns openly to management.

Over 70 % of the raw material Saarioinen uses is of Finnish origin. All new meat suppliers are audited and Saarioinen always communicates the country of origin of the meat in the product labelling since 2013.

Regarding other raw materials Saarioinen develops responsibility through guidelines that set certain criteria for the purchasing of fish, palm-oil and the efficient use of all meat raw materials. Saarioinen also states that it does not use GMO or irradiated raw materials.

Saarioinen also has strict guidelines regarding the use of additives. Saarioinen prefers raw materials with fewer additives. Additives are only used in Saarioinen's products if necessary and monosodium glutamate is not used at all. Saarioinen only uses natural colourings. Natural aromas are used when possible.

Product safety is a fundamental part of food industry's responsibility work. At Saarioinen product safety (food safety) is ensured through flow charts, risk assessments and material flow chart prepared for product groups. The risk evaluations for new products are processed and handled in HACCP-groups (Hazard Analysis and Critical Control Points). Self-control guidelines are established and complied with in the production process. The compliance is monitored through self-control audits.

All products go through stability tests both in the development phase and after the development phase. The tests are run regularly and according to the plan. The production hygiene is studied regularly using microbiological samples. All products marketed and sold by Saarioinen have to fulfill the same product safety requirements as the products produced in Saarioinen's own facilities. Saarioinen has used the expiry date labeling in its fresh products since 1966. The practice was taken into use based on Finnish Consumer Association's request.

Traceability is a big part of product responsibility and product safety. Traceability at Saarioinen is developed through raw material traceability (batches of raw materials and



packaging materials received, supplier, date of delivery, date of use, purchasing and warehouse systems), through process traceability (raw materials used for the batch, process values from production, partly electronic, partly manual data collection) and through product traceability (traceability of product batches to customer level, product batch labelling (code/date on package), sales and delivery system).

Saarioinen uses BSCI (The Business Social Compliance Initiative) list of risk countries (countries identified to have high risk for problems in working conditions) as one tool in its efforts to develop supply chain responsibility. Companies working in these risk countries have to show proof of their responsibility through some reliable auditing schemes (e.g. BSCI, Fair Trade, UTZ).

Saarioinen does not source directly from BSCI risk countries, but some raw materials originate from BSCI risk countries, e.g. dried onion originates from India and the soya protein from Brazil. The company supplying the dried onion is a member of Sedex and the ETI Base Code has been implemented at the factory. The company supplying the soya protein product is also a member of Sedex.

## **Measurement of outcomes**

### *Description of how the company monitors and evaluates performance*

As a leading producer of processed food, Saarioinen wants to carry its responsibility for the nutritional needs of Finnish consumers. In spring 2015 a decision was made e.g. to start using iodised salt in all new products from autumn 2015 onwards. Since the beginning of 2016 iodised salt has been in use at all factories.

The responsibility work with Saarioinen suppliers and risk countries is a continuous effort. Saarioinen suppliers are expected to comply with Saarioinen Supplier Code of Conduct in their own activities. The implementation of the Supplier Code of Conduct work was initiated in the beginning of 2014 regarding the raw materials originating from risk countries (BSCI list of risk countries) and during 2014 and 2015 Saarioinen received confirmations of their compliance with Saarioinen Code of Conduct from all 17 suppliers trading raw materials from BSCI risk countries. During 2016 the self assessment questionnaire was created and the questionnaire was sent to the risk country suppliers in the beginning of 2017. All the risk country suppliers of Saarioinen answered to the questionnaire. All the suppliers seemed to understand responsible issues and they were able to be approved to continue as the suppliers of Saarioinen.



During 2017 Saarioinen audited 22 suppliers, including raw material suppliers, packaging material suppliers and service suppliers. Total of 52 non-conformities were discovered and corrective actions agreed upon.

To better inform and educate the employees on Saarioinen's corporate responsibility work, the corporate responsibility related pages in Saarioinen intranet (Santra) were launched in October 2014. The contents of responsibility pages was updated during 2017.

In 2017, in its own activities, Saarioinen has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Human Rights Principles.

## **Labour Principles**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

## **Assessment, policy and goals**

*Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities)*

*Description of written policies, public commitments and company goals on labour rights*

Saarioinen has on average 1 340 employees, 1149 in Finland and 191 in Estonia. The personnel structure of Saarioinen is labour intensive. 77 % of the personnel are working in the production process. 60 % of Saarioinen permanent personnel are women and an average person working at Saarioinen is aged of 44.0 years and has been employed by Saarioinen for 17 years.

The labour practices at Saarioinen are guided by the Saarioinen Values, Ethical Principles, the Management Principles of Saarioinen, the Personnel Policy, the Health and Safety Policy.

According to the Ethical Principles all employees at Saarioinen have the right to equal and fair treatment. Harassment or discrimination of any kind is not tolerated. Saarioinen employees are responsible for keeping confidential material and information inside the company.

The Management Principles of Saarioinen emphasise the importance of the clarity of goals, indicators and responsibilities. The principles encourage Saarioinen personnel to take part, to let others take part, to listen and to ask for opinions. The principles also ask for a good, fair and equal behaviour and a humane treatment of others. The principles encourage people to trust, to be trustworthy and to work independently. The important element of management at Saarioinen is to be enthusiastic and to lead by example.

The Personnel Policy of Saarioinen aims for a goal-oriented and encouraging management and leadership, active development of personnel, a safe working environment and equal opportunities. It also emphasises open cooperation and active and timely communications on relevant issues and topics.

The emphasis of the Saarioinen Health and Safety Policy is on prevention. The policy also states that Saarioinen offers a safe working environment, aims for disruption-free operations and invests in continuous development and improvement.

## **Implementation**

*Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations*

“Competent and Committed Personnel” is the strategic goal for 2015 – 2017 according to Saarioinen’s Personnel Strategy. The strategy was built around four key areas: (1) Leadership and management skills, (2) Competence development (3) Employment and salaries and (4) Occupational health and safety issues and the management of working abilities.

The topics discussed in the strategy include e.g. ensuring the high quality of leadership, developing new competences needed in the future, creating a simple and practical framework regarding remuneration and benefits and continuously improving the level of occupational health and safety. Clear and in most cases quantitative targets have been set for all the above mentioned topics.

Saarioinen sees personnel wellbeing as one of its success factors. Continuous development of competencies and wellbeing at work is safe guarded with systematic activities aimed at maintaining working abilities and with high-level training and



education. The training is divided into internal, external and voluntary individual training. Management and leadership skills are improved through trainings aimed at management and supervisors.

Competence development aims to ensure competencies that are crucial for supporting Saarioinen strategy. Career planning tools and career paths are created and communicated and a competencies recording system will be developed.

At Saarioinen it has always been important to put effort on employees' vocational education and systematic work has been done to promote education that aims for a diploma or a degree. Saarioinen also cooperates with vocational education institutions to ensure the supply of high quality work force in the future.

Saarioinen has its own model for supporting personnel's wellbeing at work. The model emphasises the importance of good working conditions but also the physical and mental wellbeing of personnel. Wellbeing also requires actions outside work. The responsibility of person's wellbeing is shared between the employer and the individual in question.

Wellbeing at work consists of the work itself but also of the leadership and management styles, development of working conditions (including health and safety), maintaining working abilities and reducing the amount of absences, competence development, promoting healthy living habits and cooperation in the work community. The wellbeing goals and targets are based on Saarioinen values and Personnel Policy. "Competent and Committed Personnel" was the strategic goal for 2017.

## **Measurement of outcomes**

### *Description of how the company monitors and evaluates performance*

The skills required by Saarioinen strategy have been defined. Those include e.g. result orientation, innovation, consumer and customer insight, leadership and work community skills. Also the human resources development plan has been launched and the implementation has been started.

Occupational health, safety management, reporting on near-misses, management of working abilities and better coordination of the occupational health services are all topics that have been developed during 2017. The annual target set to the reported near misses was almost reached.



At all Saarioinen factories/sites the level in occupational safety was positive in 2017. The work accident related absence rate was 0.4 % meaning that Saarioinen's important target of zero accidents is now close.

The commonly used indicator for measuring accidents at work is the number of accidents per million working hours. In 2017 this indicator was 19 at Saarioinen. Work accident frequency has been decreasing in the whole company, which means that there has been less serious accidents leading to longer absences.

Saarioinen has worked systematically with employees for a long time to improve the level of safety at work. The general development regarding accidents at work has been very good since in 2017 there were 15 % less accidents compared to 2016. The hard work pays off but it also needs to be continued.

Saarioinen has managed to establish a safety culture and as a result even if there was no campaign on reporting near-misses in 2016, the number of near-misses reported remained at a reasonable level.

At Saarioinen, five near-misses are reported per one accident at work. Reported near-misses, observations from Elmeri+ rounds and other observations and reports are all extremely important. All employees can influence their own safety and the safety of others. Developing and improving the level of safety at work is the responsibility of all Saarioinen employees.

In 2017, in its own activities, Saarioinen has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Labour Principles.

## **Environmental Principles**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## **Assessment, policy and goals**

*Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities) Description of policies, public commitments and company goals on environmental protection*

According to the Ethical Principles, the emphasis of Saarioinen's environmental work is on preventative actions. Saarioinen promotes the use of environmentally friendly technologies and invests in development of products with less environmental impact. Saarioinen expects positive attitude towards environmental responsibility also from its business partners and suppliers.

Saarioinen signed the Business Charter on Sustainable Development Principles for Environmental Management already in 1991.

Saarioinen's environmental system was audited in 2017 according to the version of SFS-EN ISO 14001:2015 by Inspecta Sertifiointi Oy. The certification covers food production, product development, quality control/management, sales and marketing, dispatch/deliveries and administrative functions.

Saarioinen Environmental Policy is built around four themes, precautionary and preventative actions, eco-efficiency, value chain responsibility and continuous improvement.

## **Implementation**

*Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents*

Saarioinen has identified its environmental challenges and systematically works to prevent any negative impact on the environment. Saarioinen also aims to prevent accidents and to minimise any negative impact on the environment resulting from such accidents.

Saarioinen follows the principles of sustainable development. Saarioinen offers training and education to its employees to help them to understand the importance of environmental work and to learn to minimise the environmental impact.

Saarioinen applies eco-efficiency in all its development activities and continuously improves the material and energy efficiency of production and the energy efficiency of logistics. Saarioinen always seeks ways to utilise all by-products resulted from production.



The food industry value chain is responsible for a large part of the total environmental impact in societies. Most of the impact is caused by primary production and the consumption of food products. The most important environmental impacts from production include energy and water consumption and waste management, where the main focus has been on minimising the amount of waste.

The food industry works together to reduce its environmental impact using energy efficient ways of working and efficient recycling of packaging materials.

The food industry also utilises the production by-products and prevents the creation of waste with high quality package and product design. Sustainability and responsibility viewpoints are also taken into account when purchasing raw materials.

Saarioinen promotes the value chain responsibility by keeping suppliers informed about Saarioinen's environmental challenges and by ensuring that suppliers fulfil Saarioinen's requirements. Saarioinen favours suppliers who demonstrate genuine commitment to responsibility and sustainability.

Saarioinen participates in environmental projects aiming for improve the environmental performance of food industry. Saarioinen openly communicates about its role in causing environmental load in the value chain.

Protecting the environment and looking after the environmental safety is a part of Saarioinen's business mind-set. Saarioinen acts responsibly and continuously improves its environmental performance.

### **Measurement of outcomes**

#### *Description of how the company monitors and evaluates environmental performance*

Environmental impacts at Saarioinen are regularly and systematically evaluated. The criteria for the evaluation include legal requirements and the severity of environmental impact and the frequency/duration/amount during normal activities.

Based on the evaluation the environmental goals and targets are set. Environmental programs ensure the implementation of the targets and goals through the organisation. The key environmental performance indicators are energy consumption and water consumption. From the beginning of 2016 the waste was not allowed to place to landfill anymore and that's why waste to landfill was not anymore as an indicator of environmental performance in Saarioinen.



The energy and water consumption at production sites is continuously monitored and the figures are based on real-time measured data. The amount of waste fragments are monitored monthly. New targets have been set in 2017 to environmental work: the amount of collected plastic and the recycle rate.

The group level production director and the site level factory director carry the responsibility regarding the environmental goals and targets. The group level quality director and the group level environmental manager act as professional advisors. The general focus areas of Saarioinen's environmental work are material efficiency and energy efficiency.

Besides the products, different waste fragments and by-products are generated in the food industry.

The first focus area for Saarioinen's environmental year 2017 was saving the energy in production. The campaign was been visible on information screens during week 41 in 2017. In production sites energy saving procedures and waste handling instructions have been checked.

From the beginning of 2016 it is not allowed to place waste to the landfill anymore. Recycling and incineration (energy utilization) are the ways how to manage the waste in Saarioinen. Collection of plastic has been investigated for two factories and in Sahalahti factory the collection shall start in the autumn 2017. At Huittinen factory the collection of so called clean plastic has already been started at the beginning of 2015.

Material efficiency reduces the amount of waste and environmental impact and also results in cost savings. At Saarioinen reducing the amount of waste is an important part of material efficiency. The amount of waste is reduced through a well-functioning self-monitoring system. The system also increases consumer trust and improves their perception of product quality.

With an efficient sorting and recycling process Saarioinen has been able to reduce the amount of waste.

In the year 2017 100 % of the waste was reused or recycled. Recycling rate was high, 82,5 % of waste in 2017. Organic waste is taking for composting or to a biogas plant. The packaging waste is taken to be reused as material or incinerated for energy. The very small amount of hazardous waste from maintenance and quality control laboratory is treated by an authorised waste company.

Other means of reducing the amount of waste used at Saarioinen are meticulous handling and labelling of raw materials and semi-finished products, and ensuring the recipe and working instructions are carefully followed.

Communication to customers and consumers about how to avoid food waste is important for Saarioinen. In Finland ca. 23 kilos of food per person is disposed of every year. Wasting food is bad for the environment and a waste of money.

Saarioinen has been the signee of the national food industry energy efficiency charter since 2007. The target was to reduce energy use 9 % by 2016 compared to the level of energy use in 2005. Saarioinen's target was a reduction of 15 000 MWh which has already been met by 2015 as a result of energy saving activities.

Energy savings have been accomplished by e.g. heat recovery at production sites. The investments to energy efficiency have resulted to savings of 20 740 MWh per year from 2008 to 2014. The latest energy saving investments that were decided based on energy analyses were finalised in 2015.

Saarioinen signed the new food industry energy efficiency charter in October 2016. The new target is to reduce energy use 7,5 % by 2025 compared to the level of energy use in 2015.

During the latest annual measuring period, the total energy consumption at Finnish production sites decreased by 3.7 % and the relative energy consumption decreased by 1 %.

The production of high-quality products requires clean and high-quality water and efficient cleaning and washing processes. Target-oriented activities are conducted in order to reduce water consumption and the related environmental impact. In 2017 the total water consumption increased by 12 % and also the relative water consumption increased by 16,3 %. Both the increase of energy consumption and the water consumption are due to higher degree of processing and shorter production series.

Preparing for environmental damage and accidents is crucial for production site personnel and for the environment at the production site. All sites have internal emergency and safety plans including e.g. instructions for in the event of different kinds of accidents. The plans are updated and the personnel is trained continuously by organising regular fire drills in cooperation with authorities. There were no significant environmental damage or environmental accidents at Saarioinen production sites in 2017.



The topic of the internal environmental audits for 2017 was the use of chemicals and the management of waste. The audits were conducted on four sites, Sahalahti, Valkeakoski, Huittinen and Rapla. All sites had 0-2 non-conformities. Inspecta conducted an audit with no non-conformities.

Skype video meeting facilities are in active use and working two days in a month at home is possible for white collar workers. Those will result in less work related travel, which in turn means lower environmental impact. Also employee training was organised related to cleaning, the use of detergents and on how to minimise the water use without compromising the end result.

The theme for the internal environmental communications for 2017 was saving energy. The campaign has been visible on information screens during 2017.

In 2017, in its own activities, Saarioinen has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Environmental Principles.

## **Anti-Corruption Principles**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### **Assessment, policy and goals**

*Description of the relevance of anti---corruption for the company (i.e. anti-corruption risk-assessment) Description of policies, public commitments and company goals on anti-corruption*

Saarioinen published the updated Ethical Principles in 2013. According to the Ethical Principles Saarioinen is committed to abiding the international and national laws and generally accepted operating principles. Saarioinen Ethical Principles are based on United Nations Global Compact initiative. Saarioinen guidelines regarding giving and receiving gifts were drafted and approved in 2013. The guidelines can be found on Saarioinen intranet pages.

### **Implementation**

*Description of concrete actions to implement anti---corruption policies, reduce anti---corruption risks and respond to incidents*



According to its Ethical Principles Saarioinen or its employees never give or receive money or gifts that could be interpreted as bribes. Saarioinen employees are not allowed to use their position, their access to information or company funds to pursue personal interests. Saarioinen sells and markets its products in an ethically sound manner and according to good business practices. Saarioinen treats its business partners in an equal and honest manner.

In 2013 Saarioinen joined, as the first food producing company on Finland, The Supply Chain Initiative, a joint initiative launched by 7 EU level associations with the aim to increase fairness in commercial relations along the food supply chain. The Supply Chain Initiative is in line with Saarioinen's Ethical Principles.

The purpose of the Initiative is to promote fair business practices in the food supply chain as a basis for commercial dealings. It aims to generate a culture change through the commitment of signatories to fair trading practices coupled with measures aimed at integrating the principles of good practice into company day-to-day operations and at controlling their application.

The Initiative also aims to ensure that companies address disputes in a fair and transparent manner whilst reassuring the complainant that they will not be subject to retaliation.

### **Measurement of outcomes**

#### *Description of how the company monitors and evaluates anti-corruption performance*

Saarioinen has organised training based on the contents of the Supply Chain Initiative. More training was organised in February and March 2014 for the sales personnel and to purchasing personnel. Currently Ethical Principles are always part of the orientation program of new employees.

Saarioinen has instructions regarding internal anti-corruption work. The instructions advise the employee always to contact his/her supervisor in all unclear situations and in suspected cases of corruption the employee is advised to contact Saarioinen Head of Legal.

In 2017, in its own activities, Saarioinen has not detected any indication that it would, directly or indirectly through its partnerships or associates, be complicit in activities in breach of the UN Global Compact Anti-Corruption Principles.