

Inspiring  
spaces

**Martela**

**2013**

**responsibility report**



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# Contents and scope of report

This is Martela's fourth corporate responsibility (CR) report. The report has been written in accordance with the Global Reporting Initiative (GRI) guidelines (version G3) on sustainability reporting. No amendments were made in 2013 to Martela's Corporate Code of Conduct adopted by its Board of Directors in 2011 or to the other management principles guiding Martela's corporate responsibility approved by the Group Management Team in 2011.

The Sustainability Steering Group chose the performance indicators for the report on the basis of a materiality assessment made in 2010, and the indicators have been reviewed annually on the basis of the Steering Group's assessment.

Any deviations from the GRI guidelines and any shortcomings in presenting indicators that are material to Martela are listed in the GRI comparison table, in which we also present the self-declaration of our reporting level as required by the GRI. We regard ourselves as a C-level reporter.

## REPORTING STRUCTURE

At the beginning of the report we briefly introduce Martela as a company and present information on its values, strategy and governance. After that, we present the stakeholder analysis prepared by the Sustainability Steering Group and the core risks and opportunities regarding corporate responsibility.

When presenting Martela's management of corporate responsibility, we give a summary of the related management

principles and the nature of the commitments. The full texts of our principles can be found at [www.martela.com](http://www.martela.com). We do not present our governance and risk management principles in detail here, as they are dealt with in the Martela Annual Report. In the section "Organization of corporate responsibility", we describe the roles and duties of the Board of Directors, the Group Management Team and the Sustainability Steering Group in developing corporate responsibility.

The performance in our different areas of operation is presented in the economic, social and environmental sections of this report. Nearly all of the disclosed results include monitoring data for a period of three years. We report on the monitoring of the responsibility programme for 2013–2016 and the new action plan for 2014–2017.

## REPORT SCOPE

The reporting covers all of Martela's operations; any deviations or limitations are reported in connection with the relevant indicators. Reporting boundaries and the data reported have been determined in accordance with the recommendations of the GRI Boundary Protocol.

For business units outside Finland, the coverage of performance indicators is not yet at the level of the coverage of Finnish operations.

For most indicators we can show retrospective statistics for 2011–2012, and we intend to use three-year periods in the future, too.

## GLOBAL COMPACT REPORTING

Martela joined the United Nations' Global Compact Initiative in 2011. Global Compact has approved the use of the GRI G3 guidelines as indicators of the level and progress of actions. In this report, we continue Global Compact reporting by marking in the GRI comparison table the indicators that we use to measure the extent to which the principles of human rights, labour rights, environmental protection and anti-corruption are in place.

## PURPOSE OF REPORT

The report has been written in Finnish and English. No printed copies of the report have been made, but it is possible to print it out as a PDF document.

The report has not been independently verified. The figures in the sections "Martela as a company" and "Economic responsibility" were reviewed by the auditors when conducting the audit of the consolidated financial statements and Board of Directors' Report.

This report gives the responsibility results for 2013, and in most cases it also contains 2011 and 2012 data for comparison. The 2014 report will be published in spring 2015.



## CEO'S REVIEW



# CEO's review

You are reading our fourth responsibility report, which provides a summary of our responsibility actions in 2013. In addition to the traditional metrics, we have included a few stories which describe what we do around the company to promote responsibility. At Martela, responsibility stems from each employee. 'Responsibly' is how we do things at Martela.

Responsibility plays a significant role in today's changing market. Martela has an important mission to offer the best services in its field for the lifecycle management of furniture. Recycling is an essential part of our corporate responsibility, and we can help our customers adopt more responsible solutions. The Martela Outlets are part of Martela's recycling service, which allows us to care for furniture throughout its lifecycle.

Our new data management services have further strengthened the role of Martela Outlets in Finland. We support our customers' business operations by streamlining their management of fixed assets and related reporting. For example, well-timed maintenance and recycling of furniture produces savings for customers. Martela's data management services enable us to offer more comprehensive solutions for the lifecycle management of furniture. Martela has secured significant deals through its portfolio of services and concepts, which also focuses strongly on responsibility. A good example is the five-year cooperation agreement signed between Martela and Nordea Bank, covering comprehensive office furniture deliveries and a number of furniture lifecycle management services for Nordea Bank's facilities in Finland, Sweden, Norway and Denmark. These serve to ensure the efficiency and ecological sustainability of Nordea Bank's refurbishing programme, which spans several years.

In the area of economic responsibility, we announced significant measures to improve our operations and competitiveness and reduce costs. The programme aims to achieve cost savings equivalent to an annual EUR 6 million by the end of 2014. The principal measures include production transfers among the Group's different business locations and merging of support functions as well as reorganising and improving the productivity of poorly performing businesses.

Our social responsibility work continued in 2013. We finalised our employee wellbeing model that defines employee wellbeing and identifies how to enhance it. We continued our work to support the occupational wellbeing of employees over the age of 50. This programme was featured in our 2012 Responsibility Report. A project to help factory employees with different musculoskeletal diseases was started. This project strengthens the ability of these employees ability to continue working with us. We also moved forward to the implementation phase in the Great Place to Work action plans.

Besides the wellbeing of Martela staff, we also have the opportunity to have a broader impact on the wellbeing of our customers' employees. For Martela, the customer need for more efficient use of space is a key trend. Mobile work is increasing, which sets new requirements for spaces and furniture. Customers are using their premises more efficiently, and this is increasing the demand for new types of interior solutions. We have developed work environment solutions that reduce costs but also support employee wellbeing and the customer's business operations, as well as the brand. During 2013, Martela registered the Inspiring Office® by Martela concept,

which offers highly customisable comprehensive solutions for constantly changing work environments.

Environmental responsibility has always played a decisive role in the lifecycle philosophy of our products. We design our products to stand the test of time. Our two classic chairs, Kilta and Kari, are great examples of this: they have both been in our collection for more than three decades. In addition, Kilta continues to be a sought-after item for those looking for a good-quality recycled product.

Responsibility is an essential part of Martela's values, strategy and everyday actions. We fulfil responsibility through our promise, Inspiring Spaces. By innovating more inspiring workspaces and taking care of them over their entire lifecycle, we are building a better world together.

Heikki Martela  
CEO

# Martela in brief

Martela is a family company founded nearly 70 years ago and its shares are quoted on NASDAQ OMX Helsinki Ltd. The company has production facilities in Finland, Sweden and Poland. Our main market area is the Baltic region. In 2013, Martela Group's revenue was EUR 132.3 million and it employed 767 employees at the end of the year.

Martela Corporation transforms working environments and public interiors. Martela's interior solutions bring added value to the customer's business and brand, and improve the customer's working environment and the wellbeing of staff. Martela's collection includes both classics and new

innovations that are in tune with changes in workplace culture. Quick deliveries and an extensive distribution network support the efficiency of operations. Martela's objective is to offer its customers ergonomic and innovative furniture and the best service in its field.

Martela is the largest company in its sector in Finland and one of the three largest in the Nordic countries. Martela offers the widest range of after-sales support and modification services for interior solutions in the entire sector. Martela offers a comprehensive service that covers everything required for customers making changes

in their working environments, from initial inventory and layout planning to an efficient removals service and furniture repair and maintenance. In addition to furnishing working environments and public spaces, Martela supplies furniture for learning environments and nursing homes.

Martela's product manufacturing is based on a strong chain of suppliers. The manufacture of items in Martela's collection involves final assembly at logistic centres in Finland, Sweden and Poland. Wood-based board is cut to size, machined and surface treated at Martela's subsidiary, Kidex Oy.

# Management of corporate responsibility at Martela

Managing corporate responsibility is normal everyday work at Martela. Responsibility is an integral part of Martela's values, operating principles and strategy. In addition, the company has defined specific management principles for guiding corporate responsibility work. All management principles

presented here were drawn up or revised at the beginning of 2011. Almost all employees received training in the principles of responsibility management in 2012 and our main partners were informed of the principles. We also arrange yearly training on responsibility issues for all of our

employees. Our purchasing principles continue to be a part of the normal trading negotiations with new suppliers.





# Values

Our corporate values are expressed by the terms: **Family business, Passion for Innovations, User Driven Design** and **Finnish**.

**Family business** explains the long-term approach that we take. We look further than just the next quarter, and we maintain contacts over generations. We look to the future, and we value both the environment and our roots.

**Passion for Innovations** is in our DNA. Innovation applies to our products but is also evident in our endeavours to improve everything we do.

**User Driven Design** can be seen and felt in our products and services in a very tangible sense. We can improve the everyday lives of our customers in many ways.

Martela was founded in 1945 and it has grown and developed along with the

country itself over the decades since. We are very proud of our Finnish roots. A key aspect of being Finnish is keeping your word. At Martela this means keeping our customer promises: we finish the work we have started, with pride. Therefore our fourth value is represented by the word **Finnish**.

# Responsibility stakeholders

The Martela Sustainability Steering Group has conducted a stakeholder analysis on which to base our CR management model. The analysis focuses on the responsibility expectations of Martela's key stakeholders,

Martela's actions to meet these expectations, and the indicators that will allow us to measure how well these actions have succeeded. The stakeholder analysis was conducted in the early stages of the re-

sponsibility project internally by the Group's specialists, utilizing available surveys and studies of stakeholder opinions. The latest update was reviewed by the Sustainability Steering Group in Spring 2014.

## CUSTOMERS

### Their expectations

Customers expect to receive information on product emissions, supply chain and materials. They require information on Martela's and its suppliers' compliance with laws and contracts. Key account customers require a Code of Conduct to be in use. It is also important that Martela makes a commitment to the international agreements and ensures responsibility issues in the supply chain. Customers in Sweden expect third party environmental labelled products to be available.

### Our actions

We collect information for product declarations based on customer request. We update and communicate our Code of Conduct both internally as well as within our supply chain, and we openly report our responsibility performance through annual responsibility reporting. In Swedish and Norwegian markets we have obtained Swan labelling for our major portfolio.

### Indicators

To indicate our performance on responsibility issues we publish our metrics according GRI to the GRI model.

## SPECIFIERS

### Their expectations

Specifiers are looking for information on the latest environmental trends and the brand value.

### Our actions

To fulfil these expectations we conduct material studies and brand image surveys.

### Indicators

Survey results.

## EMPLOYEES

### Their expectations

Employees expect to be covered by their work contract and they also expect career opportunities. It is important to have training for new skills and good health and safety practices.

### Our actions

We monitor employee satisfaction and wellbeing with surveys, create training opportunities, arrange regular personal appraisals and provide activation with help of employee clubs.

### Indicators

Training days/costs, sick days, accidents, employee turnover, appraisal %, internal job rotation.

## DEALERS

### Their expectations

Dealers' expectations coincide predominantly with customer expectations. A reliable business partnership is also important for them.

### Our actions

To fulfil the expectations we are doing our best to exceed other suppliers' performance.

### Indicators

To provide an overall understanding of our responsibility performance we openly communicate our GRI metrics.

## SUPPLIERS

### Their expectations

Suppliers expect steady development and trust. They need clear communication on the operational instructions as well as our expectations.

### Our actions

We invest in long-term cooperation and communicate our responsible purchasing principles.

### Indicators

We measure the length of contracts and communicate compliance with Martela requirements.

## OWNERS AND INVESTORS

### Their expectations

Owners and investors expect our steady development and successful risk management. Our competitiveness and our corporate responsibility performance is observed closely.

### Our actions

We constantly develop systematics on our Corporate Responsibility reporting to give more in-depth information.

### Indicators

Cost savings and competitive advantage indicators as well as indicators for brand image and value.



# Memberships and influence

With respect to legislation and collective bargaining issues, Martela's voice is heard through its membership of the Association of Finnish Furniture and Joinery Industries, which is a member of the Confederation of Finnish Industries. In Sweden we are a member of Trä- och Möbelföretagen. Martela does not support any politicians or political parties in any of its countries of operation.

# Strategy, risks and opportunities

The current strategy of the Martela Group is as follows: "We are the responsible partner for inspiring and complete workspace solutions. We help our customers to define, plan and run their working environments as the way of working is changing. Our inspiring solutions help to improve the quality of working life, strengthen customers' brands and efficiency. We focus on direct customer and specifier relationships". In practice, responsibility is evident in our comprehen-

sive solutions comprised of products and services that suit customers' needs and have been produced responsibly.

The latest corporate risk assessment did not reveal any corporate responsibility risks that would require particular action. Responsibility risks are discussed in the Board of Directors' risk assessment under *Business risks*.

# Management principles

## **CORPORATE CODE OF CONDUCT**

Martela Corporation's Board of Directors approved the Martela Corporate Code of Conduct at its meeting on 8 February 2011 and re-confirmed this at its meetings of 14 March 2012, 14 March 2013 and 3 February 2014. The Code includes guidance and requirements for the benefit of those who work at Martela and Martela's partners. The Code states Martela's position on good financial management, responsibility in personnel issues, environmental responsibility, cooperation with suppliers of goods and services, customer relations, communications and stakeholder relations, among other things. Martela's international commitments are also recorded in the Code.

The Martela Management Team approved the set of CR policies (Human Resources Policy, Environmental Policy, Purchasing Principles and Social Requirements for Suppliers) that support the Code at its meeting on 5 January 2011 and re-confirmed them at its meetings of 17 April 2012, 19 March 2013 and 25 January 2014.

The complete text of the Corporate Code of Conduct, and the Human Resources Policy, the Environmental Policy, the Purchasing Principles and the Social Requirements for Suppliers that support it can be found on Martela's website at [www.martela.com](http://www.martela.com).

## **CORPORATE GOVERNANCE PRINCIPLES**

As corporate governance principles and issues are dealt with in Martela's Annual Report, in the Board of Directors' Report, and in stock exchange releases on the resolutions passed by the organizational meeting

of Martela Corporation's Board of Directors and by the Annual General Meeting, they are not treated separately in this report.

## **RISK MANAGEMENT**

Risk management is also dealt with in more detail in the Annual Report and the Board of Directors' Report, and so it has not been included in this report.

## **HUMAN RESOURCES POLICY**

Martela's Human Resources Policy, approved by the Group Management Team, outlines the principles on which responsible HR management is founded. These principles clarify and harmonise the HR management process, and show how to maintain and develop a good corporate and employer image. Martela's success is dependent on a skilled and motivated personnel who enjoy their work. Through responsible HR management, the company ensures that these personnel qualities are maintained in both the short and long run.

## **ENVIRONMENTAL POLICY**

Martela's Environmental Policy, approved by the Group Management Team, aims to decrease the company's environmental impacts and promote recycling. The policy gives detailed instructions on how to apply an environmental approach to developing Martela's collections and production processes, choosing materials, enhancing the recyclability of products, and in leasing, maintenance and recycling services. Our environmental activities are managed in accordance with the ISO 14001 management system, which is presented in more detail in the environmental section of this report.

## **PURCHASING PRINCIPLES**

Martela's Purchasing Principles, approved by the Group Management Team, present Martela's core requirements for suppliers of goods and services. The principles deal with suppliers' compliance with laws, regulations and the Martela Corporate Code of Conduct, as well as delivery reliability, environmental and other issues. Product-specific and supplier-specific quality and technical requirements, and environmental and social requirements, are dealt with in more detail in separate guidelines.

## **SOCIAL REQUIREMENTS FOR SUPPLIERS**

Martela's Social Requirements for Suppliers, approved by the Group Management Team, complement the Purchasing Principles. The requirements are designed to cover purchasing that, in our assessment, has a reputation risk attached to it. Such purchasing is mainly from suppliers and subcontractors in developing countries. The suppliers are required to comply with national labour laws and ILO conventions. The aspects which are monitored are working hours, pay, child labour, forced labour, discrimination, freedom of association and collective bargaining, and health and safety at work. The requirements state how suppliers are to be monitored. Only a few of Martela's suppliers are regarded as risk suppliers.

Martela



# Responsibility organization

Corporate responsibility is managed at Martela as part of the normal planning process and everyday work. Therefore, no separate organization is required.

However, a Sustainability Steering Group has been set up to prepare development actions, coordinate these in the business units and make all the necessary proposals to the Group Management Team. Once a year, the Sustainability Steering Group reviews the results of the responsibility work undertaken, the plans for further work and the reporting. The Steering Group

will continue to do this until it is felt that the CR management procedures have become well established. The Sustainability Steering Group has representatives from Supply Chain Management, HR, Finance, Administration and IT, Business Unit Finland, Business Unit International and Business Unit Sweden and Norway. Martela's Responsibility Specialist acts as the secretary for the Sustainability Steering Group and prepares the necessary material. The chairman of the Steering Group is the Martela Group's

Marketing and Corporate Responsibility Manager.

The *Group Management Team* follows the progress of the responsibility programme and considers proposals put forward by the Sustainability Steering Group, the Management Team member in charge of responsibility matters or other Management Team members. The Management Team will approve the principles guiding responsibility, except those that require the approval of the Board of Directors, and will



approve the annual Responsibility Report before it is published.

Of the principles guiding responsibility, the *Board of Directors* approves the Corporate Code of Conduct, the governance policies and risk management policy. The Group Management Team will submit other responsibility proposals to the Board as necessary. The Board has not nominated any of its members to specialize in CR issues.

The *Business Units* will implement the Corporate Code of Conduct in their own

operations within the normal planning process and management framework. The CR action plan for 2014–2017 aims to visibly incorporate responsibility development in future annual planning processes.

Martela's CR management principles, performance indicators and reporting responsibilities have been collected into an internal CR Handbook, which is available on Martela's intranet in both Finnish and English.

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# Monitoring of the responsibility programme for 2013–2016

Martela’s second responsibility programme, covering the period 2013–2016, was published in the 2012 responsibility report. The Sustainability Steering Group reviewed the attainment of programme goals in April 2014. The following table presents a summary of the review.

- Goal attained
- Work continues

Goal and timetable	Action by	Status	Review comments and further action
<b>Economic responsibility</b>			
Increasing shareholder value by end of 2014	Financial administration	■ Work continues	Ongoing
Increasing working capital and cash flow by end of 2013	Financial administration		Target postponed to the end of 2014
Continue surveying customer satisfaction with completed deliveries and expanding it to the analysis of customer needs in the near future by end of 2013	Business Unit Finland	■ Goal attained	Customer future need analysis was agreed not to be included in the customer satisfaction survey. Separate survey was implemented January 2014
<b>Social responsibility</b>			
Great Place to Work 2013 – 2015: Action plans based on study, implementation in 2013	Human Resources	■ Work continues	Action plans made and implementation started
Martela Citizen day: Opportunity for Martela Corporation sales staff in schools and care sectors to donate one working day 2013 and additionally white collar workers a half of a working day to voluntary work at a school or care facility of their choosing	Human Resources		Pilot was implemented during 2013, but actual start of the Martela Citizen Day was postponed to the beginning of 2014
Fulfilling various Martela’s customer requirements concerning environmental and responsibility matters by end of 2013	Kidex Oy		A lot of investigation on the different kinds of customer need as well as possibilities to fulfil them
Adoption of Martela’s wellbeing model at Kidex Oy to halve sickness absences by end of 2013	Kidex Oy / Human Resources		Wellbeing model was implemented with the required results
Accreditation of the test laboratory at the Nummela logistics centre by end of 2013	Products and Communications		Approval of accreditation was confirmed 4th of April 2014



# MANAGEMENT OF CORPORATE RESPONSIBILITY AT MARTELA

- Goal attained
- Work continues

Goal and timetable	Action by	Status	Review comments and further action
<b>Environmental responsibility</b>			
Replacing Nummela's heating system with a more environmentally friendly one by end of 2016	Business Unit Finland	■ Goal attained	Change to the district heating was decided to implement during 2014
Planning and investment proposal for Nummela's new heating system by end of 2013	Business Unit Finland	■ Goal attained	Investment proposal to the district heating was done in 2013
New and more efficient oil burner at POK; investment and refurbishing current burners to burn wood by end of 2013	P.O. Korhonen Oy	■ Goal attained	Implemented in the beginning of 2013
Proportion of electricity from renewable sources raised to 20% of purchased power to reduce CO <sub>2</sub> emissions by end of 2014	Purchasing	■ Work continues	Currently in 10% level and will be increased during 2014 to 20% level concerning manufacturing sites in Finland
Meeting new Swan criteria by mid-2013 (current certificates extended to Jun 2013)	Business Unit Sweden and Norway	■ Goal attained	Combo and BIG storage series, Cupio, Pinta I, II, E, ES, EQ and Silence table series as well as Screen IT Swan labelled according to new criteria by the end of 2013
Active search for suppliers whose manufacturing meets Swan criteria during 2013 – 2016	Purchasing	■ Work continues	Ongoing
EU Flower for the Menu and Kari products by end of 2014	P.O. Korhonen Oy	■ Work continues	Based on changed situation target is transferred to Supply Chain Management for re-evaluation
Increasing local manufacture to reduce environmental impact of transportation during 2013 – 2016	Business Unit Poland	■ Work continues	Based on reorganization target is transferred to Supply Chain Management for re-evaluation
New product line (ALKU) for local manufacture in Poland by end of 2013	Business Unit Poland	■ Work continues	Based on reorganization target is transferred to Supply Chain Management for re-evaluation

# Responsibility programme for 2014–2017

At the beginning of 2014, the Sustainability Steering Group approved Martela’s new CR action plan for 2014–2017. The plan includes overall goals including economic, social and environmental aspects of responsibility.

Goal	Schedule	Action by
Increasing shareholder value as well as working capital and cash flow.	2014	Financial administration
Great Place to Work 2013 – 2015: Survey	2014	Human Resources
Martela Citizen Day: Opportunity for Martela’s white collar workers to donate a half of a working day to voluntary work at a school or care facility	2014	Human Resources
Energy savings by moving final assembly production in Finland to one location; 750 MWh compared to 2013 level.	2016	Supply Chain Management
Proportion of electricity from renewable sources raised to 20% of purchased power to reduce CO <sub>2</sub> emissions	2014	Supply Chain Management
166 tons in 2014 and 123 tons in 2015 of CO <sub>2</sub> savings with vehicle updates in service production.	2015	Business Unit Finland
Decrease in overtime and sickness leaves in service production with efficiency improvement	2014	Business Unit Finland
Space efficiency improvement achieved by moving sales and logistics to new locations in Poland	2014	Business Unit Poland
Environmentally labelled products made up 60% of Martela’s product sales in Sweden and Norway	2017	Business Unit Sweden and Norway
Product program capability to fulfil the customer needs with increase in inventory turnover as well as reduction in scrapping and depreciation expense	2017	Group R&D
Process to increase and monitor wellbeing in office environment with office space efficiency metrics within Martela. Targets set during 2014	2017	All Business Units
Improving service products for lifecycle model for Martela’s home markets	2017	Martela Group
Actions to study and meet various customer environmental requirements for products	2014	Supply Chain Management



# Responsibility results

Martela's performance in the area of corporate responsibility is measured using indicators compatible with the GRI recommendation which were chosen on the basis of the materiality assessment made by the Sustainability Steering Group. The Steering Group chose six economic, nine environmental, eleven social and three product responsibility indicators for the 2013 report-

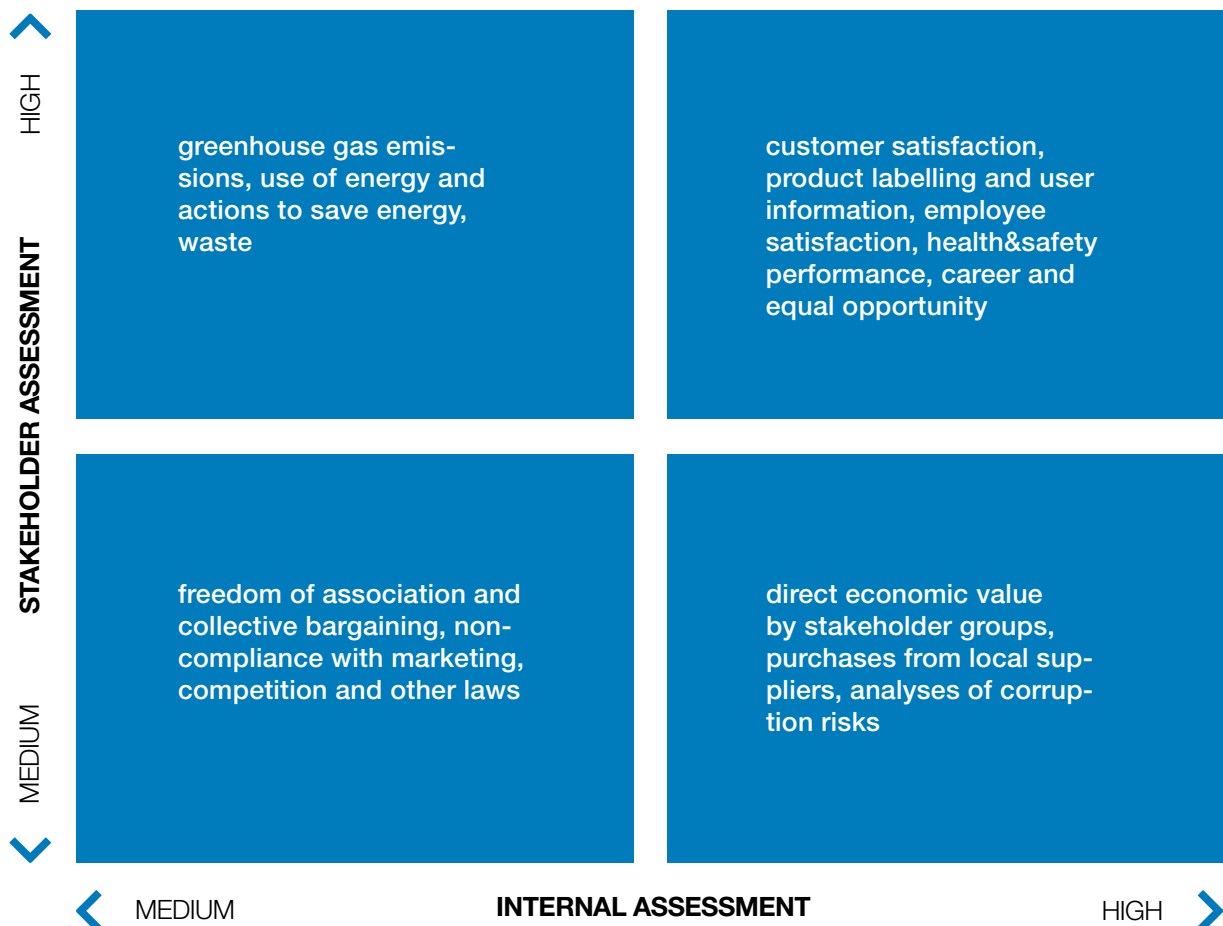
ing. The intention is to continue this practice in the 2014 reporting with no changes.

## MATERIALITY ASSESSMENT OF GRI METRICS

The Sustainability Steering Group has conducted a materiality assessment as a basis for responsibility reporting. The GRI recommendations were assessed in relation to the

expectations of Martela's key stakeholders, and the significance of the measures for Martela was considered. The materiality assessment was carried out by the company's internal specialists and was updated according to key customer interviews.

## MATERIALITY ASSESSMENT OF GRI METRICS



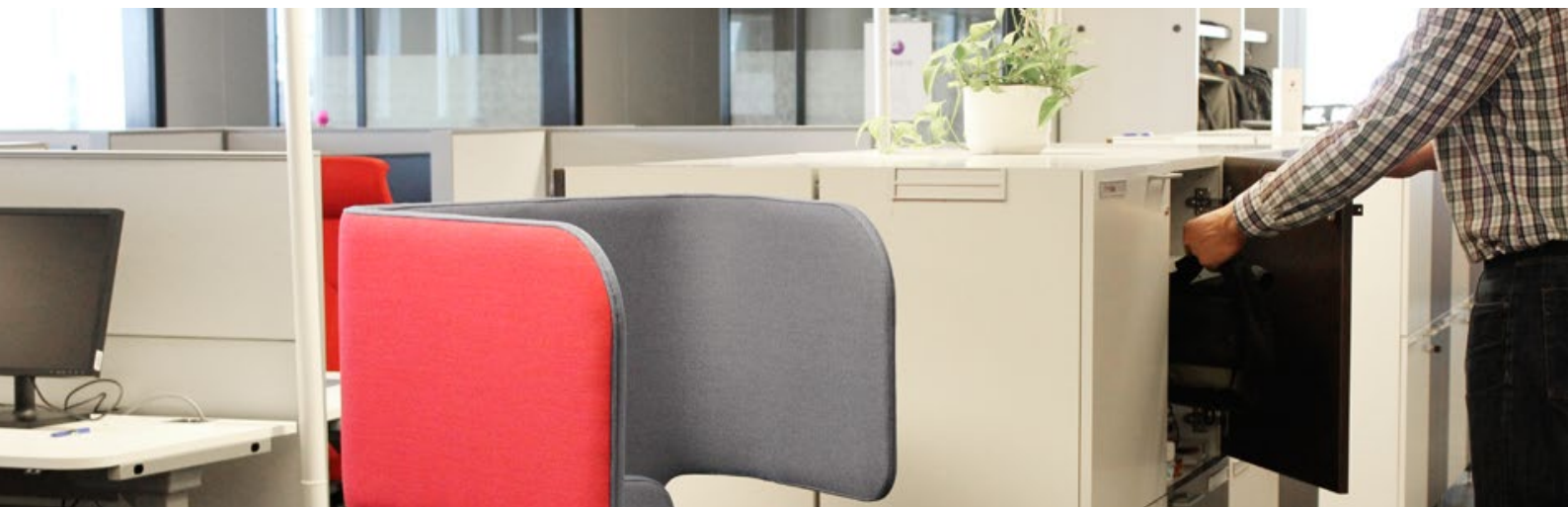
# Key responsibility indicators 2011–2013

	2011	2012	2013
<b>Economic responsibility indicators</b>			
Revenue (million €)	130,7	142,7	132,3
Profit before tax (million €)	1,9	-1,8	-4,4
Income Taxes (million €)	0,3	0,2	-0,5
Return on investment (%)	6,0	-2,7	-7,9
Equity to assets ratio (%)	44,7	42,6	37,6
Dividends paid (million €)	1,8	1,8	0,8
Wages and salaries (million €)	24,7	31,0	30,1
Number of employees (average)	683	765	690
Purchases from suppliers (million €)	97,6	105,4	97,5
Gross capital expenditure (million €)	6,8	4,0	3,0
Customer satisfaction (scale 0–5)	4,39 <sup>1)</sup>	4,29 <sup>1)</sup>	4,15 <sup>1)</sup>
<b>Social responsibility indicators</b>			
Average age of employees (years)	45,2 <sup>2)</sup>	45,4 <sup>2)</sup>	43,8 <sup>2)</sup>
Average length of employment (years)	15,2 <sup>2)</sup>	15,4 <sup>2)</sup>	x
Employee turnover (%)	11,2	14,7	15,3
<b>Reasons for leaving (incidents)</b>			
- terminated by employer	3	17	17
- terminated by employee	69	70	61
- retirement	8	11	10
Absences due to illness (% of work time)	4,4	5,0	3,0
Training days per employee	1,0	2,5	x
Investment in training (€ / person)	285	237	360
Development discussions (% of staff)	80	82	75
<b>Environmental responsibility indicators</b>			
Material use (1,000 kg)	9267 <sup>1)</sup>	9348 <sup>1)</sup>	12253 <sup>1)</sup>
<b>Direct thermal energy (GJ)</b>			
- Wood-based	4275	1125	0
- Heating oil	16424	17382	14509
<b>Indirect energy (GJ)</b>			
- District heating	12876	16361	14290
- Electricity	32947	31793	25741
<b>Carbon dioxide emissions (1,000 kg)</b>			
- from direct energy	1281	1338	1117
- from indirect energy	3482	2713	2216
- from own transport equipment	234 <sup>2)</sup>	992 <sup>2)</sup>	994 <sup>2)</sup>
- from company cars	241 <sup>1)</sup>	228 <sup>1)</sup>	187 <sup>1)</sup>
- from business flights	208 <sup>2)</sup>	219 <sup>1)</sup>	166 <sup>1)</sup>
<b>Waste (1,000 kg)</b>			
- hazardous waste (1,000 kg)	22	23	19
- recovery (%)	99	98	99

x no measurement

1) Business Unit Finland

2) Martela Group Finland operations



Better future by Inspiring spaces

# Greener office with lifecycle aspect

TeliaSonera chose to use Green Office certification to demonstrate accountability in environmental issues back in 2010. The Sonera Head office in Helsinki, Vallila was the first Golden level campus LEED certification in Finland in 2013. Environmental requirements were also considered in the modifications made to the interior design at the Elimäki office in 2013, which were launched in the spring and carried out during the summer. The target of the modification was to transform the interior that was based around employee-specific workstations to a more diverse approach. To increase the space-efficiency, the number of storage units was reduced and more space was added for new project work stations and the number of meeting rooms was increased.

One aspect of TeliaSonera’s Green Office activities is to use old furniture in interior design modifications. In their operational model TeliaSonera relocates existing furniture. Also in this project a large number of desktops were relocated and put into a new use. Tables were partially altered by shortening the base and replacing the table tops. However, the biggest change was carried out on the storage units. Martela cabinets with sliding doors that were originally intended for a single user were modified to make either a shared cabinet for two workstations cabinet with doors or lockers adequate for four users. Martela R&D designed add-ons suitable for the original structure and modifications were carried out on-site during renovations.

This allowed the use of materials to be minimised for reduced environmental impact. The environmental impact of transport was also kept low and usable furniture was recycled. It will also be possible to utilise the creative idea of product change in the future in the offices of other customers as well. The cabinet modification solution has now been tested in practice and is proven to work.

# Economic responsibility

Martela Corporation is a Finnish public limited company that is governed in its decision-making and management by Finnish legislation, especially the Limited Liability Companies Act, by other regulations concerning public listed companies, and by its Articles of Association. In addition, Martela has a Code of Conduct, which includes sound financial management policies.

As a stock exchange listed company Martela complies with the NASDAQ OMX guidelines for insiders and the Finnish Corporate Governance Code 2010, published by the Securities Market Association.

Most indicators of economic responsibility are derived from the consolidated financial statements, the preparation and disclosure of which are based on the IFRS standards.

## SHAREHOLDERS

Martela has two share series, A and K, with each K share entitling its holder to 20 votes at a General Meeting and each A share entitling its holder to one vote. Private holders of K shares have a shareholder agreement that restricts the sale of K shares to any party outside the existing holders of K shares. There are altogether 604 800 K shares and 3 550 800 A shares. K shares account for 14.6% of all shares and 77.3% of the total votes. Almost all the stock exchange trading is in A shares, the turnover rate in 2013 being 17.8%. The fifty largest shareholders held 69.3% of the company's shares at the end of 2013, and the company's market capitalization was EUR 13.6 million.

## REVENUE AND OPERATING RESULT

The consolidated revenue in 2013 was EUR 132.3 million, a decrease of 7.3% on the previous year. Business Unit Finland contributed EUR 92.3 million to the revenue. The consolidated operating result for 2013 was EUR -2.9 million (-0.9). Business Unit Finland's operating result was EUR 1.4 million (3.9). The Group's equity ratio was 37.6% (41.4), the gearing ratio was 51.2% (32.8%) and gross capital expenditure was EUR 3.0 million (4.0). The capital expenditure was mainly on the ERP project and production replacements.

### DIRECT ECONOMIC VALUE BY STAKEHOLDER GROUP

Around 70% of the Martela Group's EUR 132.3 million revenue is distributed to suppliers and service providers as payments for purchases of materials, goods and services. The second highest portion of economic value goes to the personnel in the form of employee salaries and wages, and associated with these are indirect employee benefits (pension contributions and other social security). Shareholders receive economic

value in the form of dividends, which are paid annually. Income taxes are paid according to the legislative requirements of each country of operation, and the tax rate differs depending on the economic value retained in the local units.

### WAGE AND SALARY COSTS

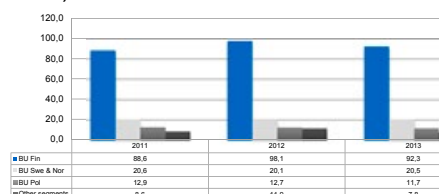
Due to an increase in the number of employees in the Martela Group, the total salaries, wages and social costs increased during 2010–2012, but remained on the

previous year's level in 2013. The graph shows the proportion of salaries and wages, indirect employee costs and taxes in the main market areas. The biggest proportion is naturally in Finland, as it has the highest number of employees, while the rest is divided between Sweden and Poland. Sweden's annual figures also include those for Norway, while Poland's figures for 2011 contain those for Hungary as well. 'Others' contains minor markets.

Economic value by stakeholder group



External segment revenue (million EUR)



Operating profit by segment (EUR million)	2011	2012	2013
BU Fin	6,5	3,9	1,4
BU Swe & Nor	0,3	-0,7	-1,4
BU Pol	-0,6	-1,2	-0,7
Other segments	-2,3	-3,0	-1,6
Other	-1,2	0,2	-0,7
<b>Total</b>	<b>2,6</b>	<b>-0,9</b>	<b>-2,9</b>

Economic value by stakeholder group	2011	2012	2013
Product and service providers	70,4 %	70,2 %	69,9 %
Employee wages	18,3 %	20,6 %	21,6 %
Dividends paid	1,4 %	1,2 %	0,6 %
Interest paid	0,4 %	0,5 %	0,9 %
Taxes	0,3 %	0,1 %	-0,3 %
Social security & pension	4,3 %	4,8 %	5,4 %
Investments	5,0 %	2,6 %	1,9 %
Donations given	0,0 %	0,0 %	0,0 %



The minimum monthly salary in the joinery industry in Finland has been EUR 1,619 as of 1 October 2013. The minimum hourly salary in the removals business is EUR 9.99. Martela employees' minimum monthly salary was EUR 1,712 in 2013, the same as in 2012.

In Sweden trade unions have set a minimum salary. For example, in production the minimum salary depends on years of service and for the first year the salary is 114.15 SEK/hour. At Martela AB minimum wages are paid to temporary employees and permanent employees are paid more, depending on competence. The minimum wage for officials in Sweden is 18,040 SEK/month and all officials in Martela AB are paid more than the minimum wage.

In Poland there is nationwide minimum wage of 1,680 PLN and all the employees of Martela Sp z o.o. are paid more than the minimum level. In summary Martela employees are paid at least the minimum salary level that is set in the countries of operation.

**FINANCIAL ASSISTANCE**

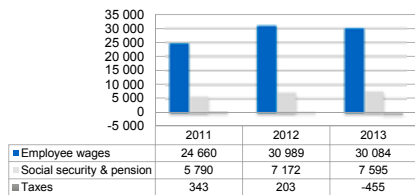
The Martela Group started applying for and receiving public financial assistance in 2009. The assistance was granted by Finland's Ministry of Employment and the Economy to support Martela's presence at international design fairs. Research and development has also benefitted from financial assistance given by TEKES (the Finnish Funding Agency for Technology and Innovation).

In 2013 the level of assistance received remained on the previous year's level, but the distribution was different. Product development did not receive any assistance, but the proportion of the other assistance grew. This financial assistance was allocated to the development of integrated processes.

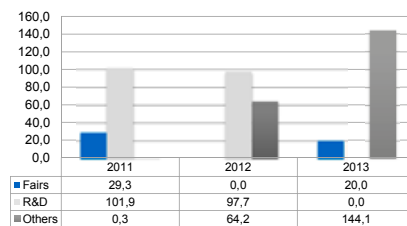
**PURCHASES FROM LOCAL SUPPLIERS**

Martela has logistics centres in Finland, Sweden and Poland. Purchases from all these countries are considered as purchases from local suppliers. However, the country of manufacture of components, sub-assemblies and products is not always the same as the supplier's home country. Therefore, assessments of the social risk of purchases the main suppliers must be supplier-specific.

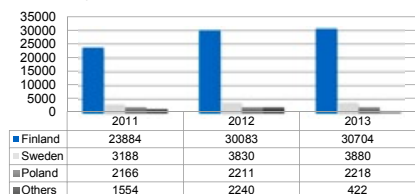
Salaries, employee costs, taxes distribution (1000 EUR)



Public subsidies (1000 EUR)



Salaries, employee costs and taxes by countries (1000 EUR)



# RESPONSIBILITY RESULTS | ECONOMIC RESPONSIBILITY

The percentage of purchases from outside Europe has decreased.

In 2013, 61% of total purchases were for materials, components and finished products supplied to customers. The remaining 39% of purchases included marketing costs and products and services related to real estate and information management.

In 2013, Martela used about 250 suppliers of materials and components for standard products. Three quarters of material purchases originated from Finland

and Sweden. About half of all material costs were for the purchase of metal and wood based materials and components.

### CORRUPTION RISKS

The Martela Group has identified the corruption risks in its market areas. Such risks arise mainly in the Russian and Eastern European markets. Martela does not accept corrupt practices of any kind in its business transactions in any market. The giving or receipt of bribes is not acceptable in any circumstances.

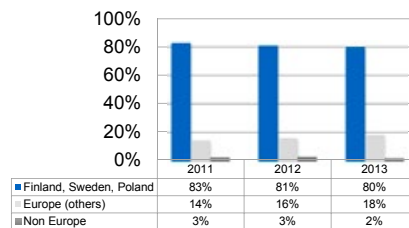
Martela ensures the integrity of its local personnel, especially in markets with a high corruption risk, by engaging recruitment companies with a reliable reputation in its recruitment processes.

All financial transactions are recorded in each subsidiary's financial administration/accounting, and Martela's external auditor KPMG inspects all accounting and transactions annually in each subsidiary. An auditor's report is presented at each Annual General Meeting of the Martela Group. All accounting is fully transparent to the Group's Finance Director.

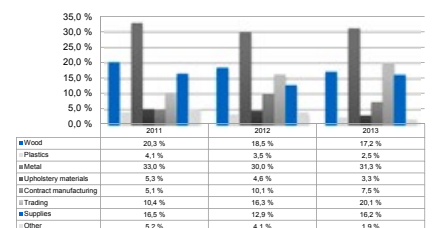
Purchases 2013

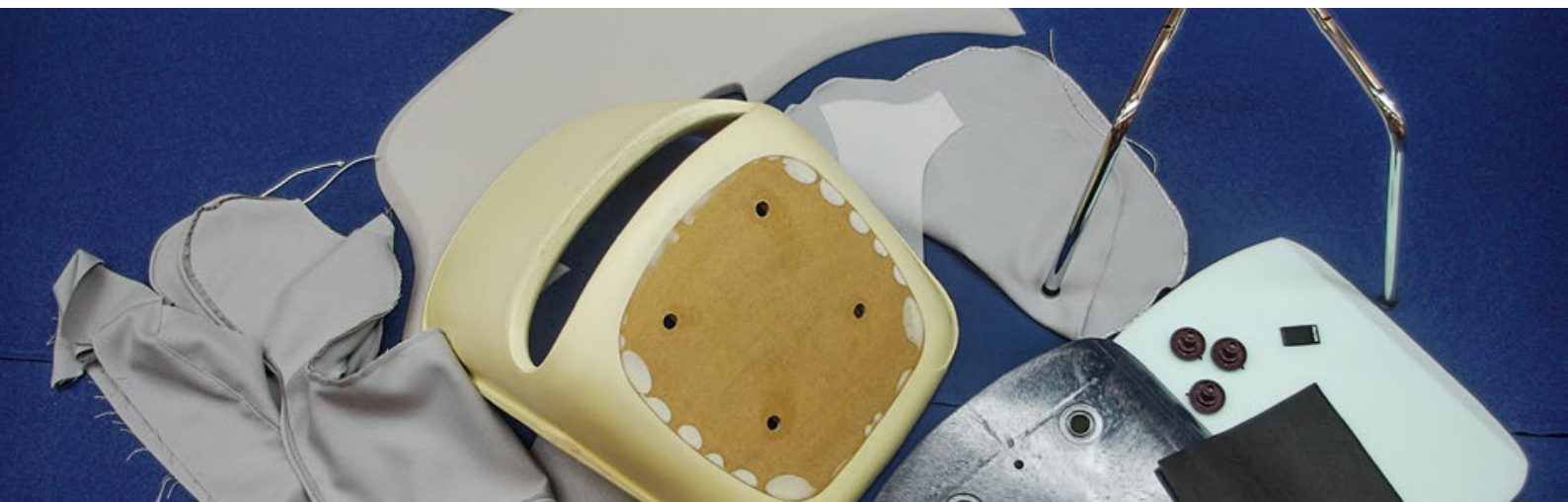


Purchased by areas



Material spend 2011 - 2013 (%)





Better  
future by  
Inspiring  
spaces

# From components to a design object

To make one Mini Kilta-chair you need the contribution of many skilled workers and various materials from many countries. The most identifiable part is the seat that takes its first form at the Artekno Oü factory in Estonia. The polyol for the seat comes from Holland and the MDF comes from Austria. A plastic plate for the seat, is formed in Helsinki, Finland very close to our headquarters. As the plate is not visible in the final product it is possible to use factory-internal recycled material, but the ABS originally come from South-Korea. Recycled material may even include pieces of a tray that has travelled thousands of miles in an aeroplane.

All the cut foams come from Recticel's Kouvola factory in Finland. The raw materials for the cut foams come from Holland, Belgium, France, Finland and Switzerland. Depending on the foam type some raw materials also come from Poland, Germany and Austria. Steel tubes for the four-legged base are sent from Raahe, Finland to our supplier Metallipiironen in Salo, Finland. Here they are cut into pieces, moulded, welded, surface treated and foot pins are assembled and the parts are delivered to our factory in Nummela, Finland.

Fabric can vary depending on customer requirements, but in this case Steelcut was chosen as it was in production when the photo was taken. Wool for the fabric comes from New Zealand and is made into fabric in England. Rolls of the fabric are delivered to our Logistic Centre in Nummela, where they are cut and sewn into the right form and stapled on the seat parts. Finally, the base is screwed onto the seat and the chair is covered with a plastic bag and delivered to the customer.

# Social responsibility

Martela's Human Resources Policy, approved by the Group Management Team, outlines the principles on which responsible HR management is founded, clarifies and harmonizes the HR management process, and shows how to maintain and develop a good corporate and employer image. Martela's success depends on skilled and motivated employees who enjoy their work. Through responsible HR management, the company ensures that these personnel qualities are maintained in both the short and long run.

The HR indicators are designed to provide a comprehensive picture of Martela's employees and their importance to the company. The indicators also demonstrate

how Martela structures its activities and organizes its human resources to implement its overall strategy. They present information on the number and composition of the personnel, employee turnover, notice procedures in the event of major organizational changes, personnel competence, health and safety, and remuneration systems.

There are key indicators for Finland, Sweden and Poland, which are the biggest regions by number of personnel. Since the units in other countries have such a small workforce, they have not been included separately in the report but are included in the Group figures. The figures for Finland include Business Unit Finland, Business Unit International, Group functions and

Kidex Oy. P.O. Korhonen Oy, which is only partly owned by Martela, has been from figures since the beginning of 2013. Grundell Henkilöstöpalvelut Oy is also excluded from figures.

The HR indicators are based on 2013 events and results.

## REVIEW OF 2013

The Group's personnel have a very significant role to play, because motivated, committed and skilled people are the key to Martela's success. Year 2013 was a year of changes. Main development projects that were started in 2012 were continued. The group-wide ERP system was adopted in Finland and now covers the working



methods and processes of the Group's entire personnel. To improve the efficiency of operations substantial organizational changes were implemented, and to reduce the cost level the number of employees were reduced.

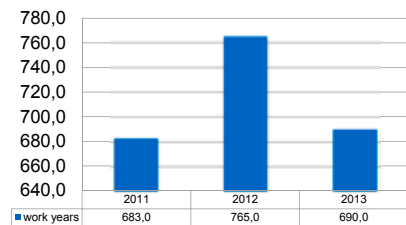
**NUMBER AND COMPOSITION OF PERSONNEL IN GROUP**

At the end of the year, the Martela Group employed 712 people, 22 of whom were on unpaid leave. The number of personnel decreased by 61. Most of the employees

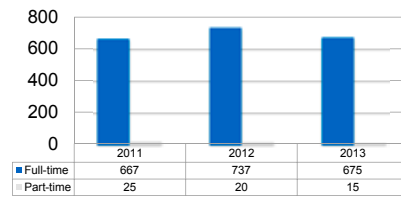
were permanent and worked full-time. Temporary employees such as summer workers and temporary agency workers were also recruited to help with seasonal peaks. An important aim is to ensure that the number of employees is never disproportionate to the company's goals, which is why considerable attention is given to managing the number of employees. This is monitored on a monthly basis, and each new employee must be approved in advance.

Employment relationships are typically long at Martela, with 20+ years in service being typical in Finland and Sweden. In Poland the employment relationships are shorter, but even there 22% of the workforce has 11-20 years of service. Office employees were the largest personnel group in 2013. The gender split was 33% women and 67% men. The largest age group was 40-49 year-olds. Martela's oldest employee in Finland turned 67 during the year. The proportion of employees under 30 increased to 14% from the 2012 figure.

Average personnel



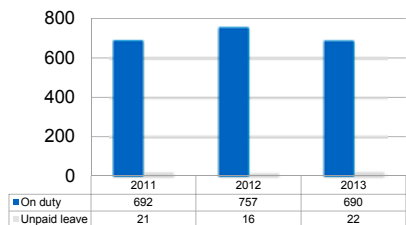
Personnel, full-time and part-time at year end



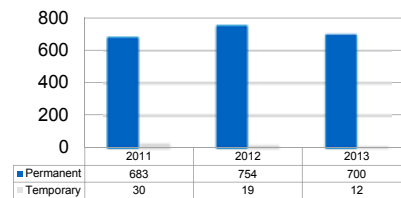
Years in service (%)



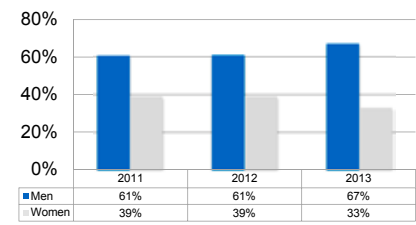
Number of personnel at year end



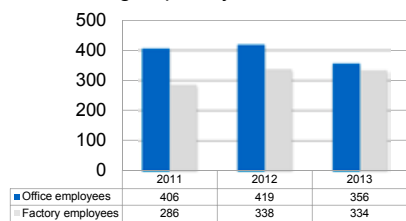
Personnel, permanent and temporary at year end



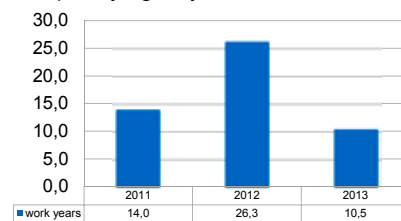
Gender distribution (%)



Personnel groups at year end



Temporary agency workers



Age distribution (%)



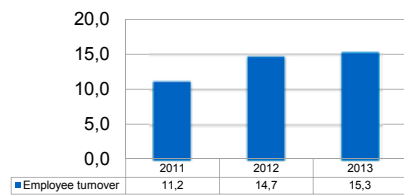
In 2013 the Martela Group's Board of Directors comprised seven members (one woman and six men). The Group Management Team had nine members (one woman and eight men). Of all the office employees, 54% were men and 46% women, while 80% of factory employees were men and 20% women.

**EMPLOYEE TURNOVER IN GROUP**

Employee turnover among permanent staff has typically been low at Martela. However the number of staff leaving Martela's employment is increasing and it was higher in 2013 than in 2012, partly as a result of redundancies. In 2013, 109 employees left Martela, 71% of them voluntarily and 17% due to notice being given, while 12%

retired. In the Group, the average age of retirement for Martela employees is 64. Most of the leavers were men aged below 30. The leaving rate was highest in Finland and in Poland. In Finland, the figure is affected by the number of temporary contracts and redundancies, and in Poland by the overheated labour market.

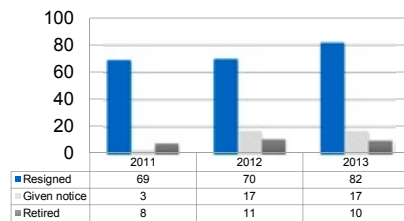
Employee turnover of personnel (%)



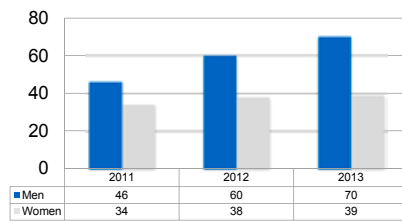
Employee turnover by gender (%)



Reason for ending employment



No longer employed by gender



## NUMBER, COMPOSITION AND TURNOVER OF PERSONNEL BY UNIT

	Finland			Poland			Sweden		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Number of personnel at year end	523	603	<b>558</b>	93	81	<b>80</b>	67	66	<b>65</b>
Number of employees at work at year end	504	590	<b>540</b>	92	78	<b>77</b>	67	66	<b>65</b>
Number of employees on unpaid leave at year end	19	13	<b>18</b>	1	3	<b>3</b>	0	0	<b>0</b>
Office employees at year end	267	293	<b>243</b>	78	68	<b>67</b>	37	37	<b>38</b>
Factory employees at year end	237	297	<b>297</b>	14	10	<b>10</b>	30	29	<b>27</b>
Full time employees at year end	491	578	<b>533</b>	92	78	<b>77</b>	59	60	<b>57</b>
Part time employees at year end	13	12	<b>7</b>	0	0	<b>0</b>	8	6	<b>8</b>
Permanent employees at year end	498	586	<b>551</b>	93	81	<b>80</b>	63	64	<b>60</b>
Temporary employees at year end	25	17	<b>7</b>	0	0	<b>0</b>	4	2	<b>5</b>
Average personnel, work years	499	596	<b>544</b>	91	81	<b>76</b>	65	64	<b>63</b>
Temporary agency workers, work years	8	6	<b>3</b>	0	9	<b>0</b>	6	10	<b>4</b>
No longer employed	60	66	<b>89</b>	14	19	<b>11</b>	5	7	<b>6</b>
No longer employed, men	34	44	<b>59</b>	8	10	<b>6</b>	4	2	<b>3</b>
No longer employed, women	26	22	<b>30</b>	6	9	<b>5</b>	1	5	<b>3</b>
Employee turnover, (%)	12	13	<b>16</b>	16	23	<b>15</b>	8	11	<b>9</b>
Employee turnover (%), men	7	9	<b>11</b>	9	12	<b>8</b>	6	3	<b>5</b>
Employee turnover (%), women	5	4	<b>9</b>	7	11	<b>7</b>	2	8	<b>5</b>
Resigned	53	50	<b>66</b>	12	15	<b>10</b>	3	1	<b>3</b>
Given notice	1	11	<b>16</b>	2	4	<b>1</b>	0	0	<b>0</b>
Retired	6	5	<b>7</b>	0	0	<b>0</b>	2	6	<b>3</b>

### CHANGE MANAGEMENT

Significant operational changes such as restructuring, outsourcing or acquisitions may have an impact on the personnel. In these cases Martela follows the standard negotiation procedures and, in the case of dismissals, the minimum notice period

defined by the law or collective agreements in each country. The negotiation procedures vary according to the country in question and commonly depend on the size of the company, the number of employees and the type of contract.

There are also some differences in minimum notice periods. For example, the notice period for employees who have worked for Martela for 3 years is 1 month in Finland, 2 months in Sweden and 3 months in Poland.





### HEALTH AND SAFETY

Martela complies with the legal requirements for labour protection and has established a health and safety committee in all countries where this is required by law. In the case of Poland, which has no such law, there are health and hygiene regulations that each company must fulfil before starting any activity. Fulfilment of the requirements is supervised by authorized persons operating independently.

The expertise of the health and safety committees is utilized in both preventive and corrective actions. Martela has 17 occupational health and safety employees in Finland and two in Sweden, and their area of responsibility covers the whole of the Finnish and Swedish operations. As occupational wellbeing has a major impact on

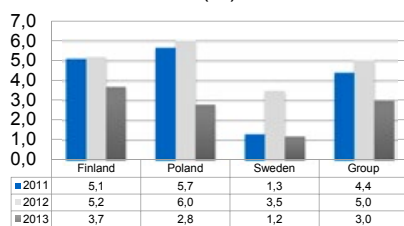
the level of employee satisfaction, positive developments in this field are important for Martela.

To ensure the health and safety of its personnel, Martela works closely with its occupational health partners. In Finland, only 39% of Martela's employees have been included in more intensive health monitoring related to work environment exposure. These employees are exposed to surface treatment materials and to sanding dust. There are no work phases involving such exposure in Martela's other countries of operation.

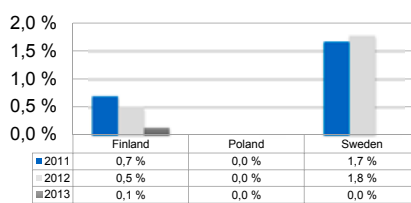
Martela pays considerable attention to the occupational health of its personnel. Well-run occupational health services and systematic health, safety and leisure time activities promote wellbeing and

employee satisfaction. In 2013, the focus was on employee wellbeing. A Group-wide employee wellbeing model was designed and launched. Age management and occupational wellbeing pilots were carried out in chair production at the Nummela plant, the purpose of which is to promote long careers and coping at work and to reduce sickness absences. A further goal is to ensure that Martela employees can retire in good health. The number of sickness absences has been growing among factory employees in recent years, which is why it is vital that measures are developed to reduce them. Days of absence due to work-related sickness and occupational accidents with resulting sickness absences decreased from 0.55% to 0.10% of all work days for the entire Group. Also the number of sick-

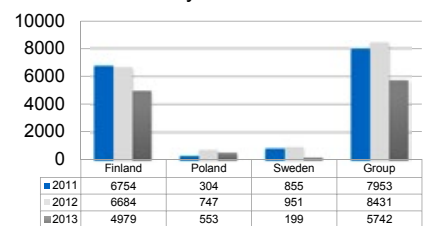
Sickness absence (%)



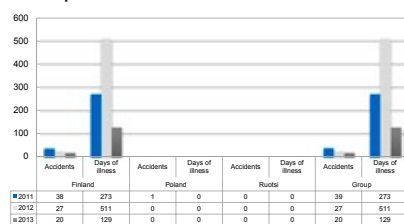
Lost day due to occupational disease



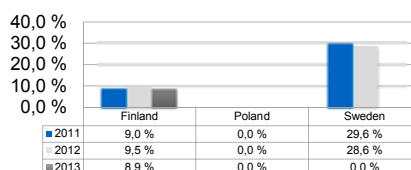
Sick leave in days



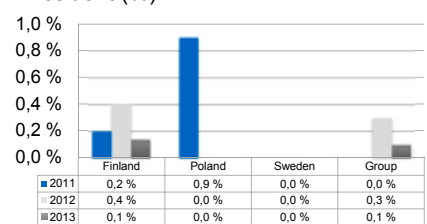
Occupational accidents



Occupational disease of all sickness absences



Accident (%)



ness absences has decreased compared to 2013 mainly because Kidex Oy and Business Unit Sweden and Norway have done a lot of work to improve employee wellbeing.

**PERSONNEL COMPETENCE**

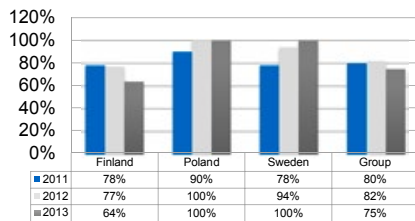
Personal development discussions are an important part of Martela’s management system. The aim is to give feedback to employees about their recent performance, set future targets, make an employee development plan and discuss issues related to the work environment. Each employee should be able to discuss her/his personal development with a supervisor. The number of these discussions is monitored annually, with 75% of employees attending such discussions in 2013. The number is lower than it has been in previous years, mainly because in Finland supervisors and employees were focused on implementing a number of changes.

On-the-job learning is one of the most effective ways to improve competence. Many development projects were in progress in 2013 and the competence of those participating in the projects was significantly enhanced during the work. Training and coaching on systems, responsibility and supervisor skills, among other things, was provided to personnel.

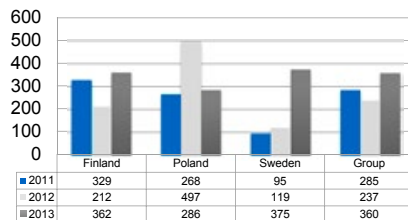
**STAFF SUGGESTIONS**

Martela operates a system whereby employees can submit suggestions for improvements in the company’s operations. This includes not only the traditional method of submitting suggestions but also methods focusing on continuous improvement, which are mostly used by the production units. The extent to which employees are active in submitting suggestions is measured as the number of suggestions per 100 employees. In 2013 there was a decrease in the number of suggestions to 5.2 per 100 persons. Ac-

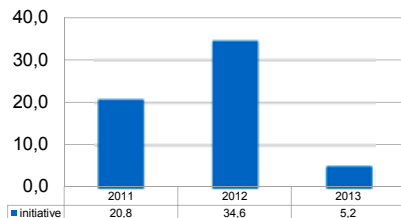
Development discussions



Training (€/employee)



Initiatives per 100 persons



tions were planned to improve the number of suggestions and implementation of the planned action will be in 2014. The suggestion system covered Martela Corporation's Business Unit Finland and Kidex Oy.

Inspiring Empowerment is one critical success factor in Great Place to Work action plans, which were created in 2013. All units planned how to utilize employee's ideas and thoughts more efficiently.

### REMUNERATION SYSTEMS

The remuneration system plays an important role in motivating and committing

personnel, giving them an incentive to engage in independent self-development and produce good results. Annual bonus and incentive plans are used in Martela to promote the achievement of long and short-term objectives.

As Martela's salary system varies according to the region, the salary data is not comparable for the whole Martela Group. The average annual salary in the Martela Finland was about EUR 44,300. In Finland, all employees are covered by a collective agreement in accordance with their duties. Salary costs and development

are monitored in each region. In Finland the salary system is based on the difficulty rating of the job and is drawn up together with the personnel. Its functioning and salary progression are followed up regularly with personnel representatives. Each job is classified according to the difficult rating based on the job description. Salaries are monitored by difficulty rating and, within these ratings, by gender. If any deviations occur, an action plan is made together with personnel representatives.





Better  
future by  
Inspiring  
spaces

# Inspiring activity based office

Martela made a big change to the layout at its headquarters in September 2012. The change was made according to our Activity Based Office concept: Inspiring Office by Martela. This was not just to test the change ourselves but an honest attempt to increase employee satisfaction, improve office space efficiency and minimize the environmental effects of energy use in the space needed.

Office space efficiency and accompanying energy savings are easy to calculate, but user satisfaction and improvements in the inspiring index requires a perspective. During 2013 a user satisfaction survey and an employee well-being survey were carried out. After the surveys the data was analysed and an open employee info event on the results was organized. Employees were very satisfied with the fresh and inspiring visual change. The possibility to use different kinds of spaces for working based on the requirements of the task at hand was welcomed by those who lost their dedicated work space. The library is handy for solitary work requiring concentration. Now there is a selection of different kinds of meeting places for various kinds of group work and a private space for making phone calls. Employees were also very satisfied with the ergonomics of the workstations.

Acoustics, mainly noise, was noted as an area in need of improvement. As work spaces are closer the information flows freely, but so does the sound. In a building made of glass, steel and tiles the echoes of every disturbance are multiplied. At an employee info meeting it was decided that activity based office rules will be designed in 2014 to improve job satisfaction and work efficiency.

# Environmental responsibility

Martela's product selection relies on a strong chain of suppliers. Its own manufacturing concentrates on final assembly at logistic centres in Finland, Poland and Sweden, and the Outlet logistics centre in Riihimäki. Wood-based board is cut to size, machined and surface treated at the Martela subsidiary Kidex Oy, located in Kitee, Finland.

The Martela Group's head office is in Pitäjänmäki, Helsinki. Martela has several sales offices around Finland and Poland as well as sales offices in Sweden, Russia and Norway. Sales of Martela products in other countries are mainly through dealers.

P.O. Korhonen Oy, previously part of Martela Group, have been operating as a joint venture from the end of 2011, owned by Martela Corporation and Artek Oy. P.O. Korhonen Oy manufactures wooden chairs and form-pressed components. Until the end of 2012 its entire operation was included in the responsibility statistics, but from the beginning of 2013 it has no longer been included in any reported metrics.

The direct environmental impact of Martela's logistics centres and offices is mainly from building services such as heating, lighting and ventilation systems. There are also significant environmental impacts from the use of materials, transportation, business travel and journeys to and from work.

Martela Corporation and Kidex Oy (originally part of Martela Corporation) have both had a certified environmental management system since 1999. The environmental management system was certified also at Martela AB in 2010. All the Group's operations except for manufacturing in Poland, the Outlet logistics centre and local sales offices are covered by environmental management system certification.

## MATERIALS

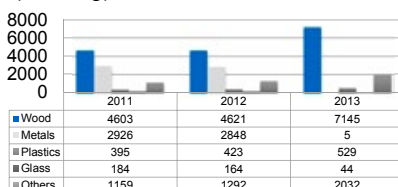
Martela's products are mainly made of recyclable materials such as wood-based panels, metal components and recyclable plastic. Martela uses only commercially grown wood-based material such as birch, beech and oak for its products. As all the logistics centres currently use the same ERP system, we now have data available from all the manufacturing sites. Nummela and Kidex adopted new ERP system from the beginning of May 2013. Material usage numbers have been calculated for Nummela and Kidex by usage over eight months as an average to evaluate the usage for the whole year. The most significant change to the previous amounts are due to the fact that Kidex is a major user of wood based materials. Intercompany material was omitted from the statistics.

Metrics show that materials used in Martela production during 2013 amounted to 12 million kilograms of materials, components and sub-assemblies. Purchase item data reveals that almost 60% of the purchased items were wood-based materials and less than 20% metal-based. Use of materials was considerably higher than in 2012 as statistics are more comprehensive.

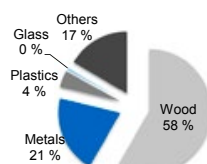
Of the materials used by Martela, metals included the highest amount of recycled raw material. Some use is made of recycled plastics for various purposes, and of recycled fibre for upholstery fabrics. The recycled material content of metals is estimated at about 33%, based on the amount of the major supplier Ruukki's average factory level recycled material. Using that as the only base of information to calculate the recycled material use, the recycled materials used by Martela account for about 6% of the total estimated material usage.

The reliability of the statistics is affected by the limitations of the data saved in the ERP system. The system allows only one material to be stated for each component and subassembly, and only the total weight of the component is entered. Usually no weight information is recorded for customer-specific product variations as well as traded products. Statistical determination of the recycled material content of purchased items is almost impossible, since the degree

Purchased items by materials (1000 kg)



Purchased materials 2013 (kg)



of processing varies and there are many suppliers for the same item, and production chains are often long.

It is possible to determine the probable amount of recycled materials for individual products by using the average recycled material content of metal-based components, for instance. The determination of recycled material is of course easier for components that are designed and manufactured by Martela itself. A barrier to the use of recycled plastic material is often the lack of an effective material-specific recycling system. Problems with the appearance and technical usability of components usually prevent the use of mixed recycled plastics. Martela, however, constantly examines opportunities for incorporating products utilizing recycled materials into its product portfolio.

**ENERGY**

The last Martela units to produce the energy from heating oil were the Nummela and

Riihimäki sites. Kidex Oy switched over to district heating in 2011 and the Bodafors logistics centre in Sweden has been using district heating since 2008. Both of these units supply a district heating station nearby with wood waste. In 2013, the total amount of direct energy used decreased by 19% on the previous year to 14,500 GJ. Of the total energy production 100% was generated using fossil fuels.

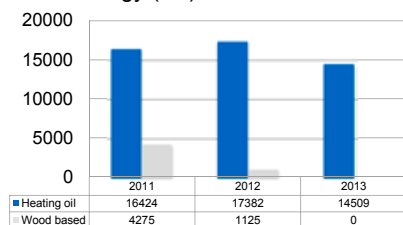
Martela's indirect energy consists mainly of electricity and district heating. This report takes into account the district heating used by the head office, Kidex Oy, Bodafors logistics centre and the Oulu sales office. The head office in Finland and the units in Nummela and Kitee purchased their electricity from a single supplier, while the logistics centre in Sweden, the Outlet unit in Riihimäki and the sales offices used local suppliers. As the amount of electricity used in the local sales offices (Oulu, Tampere, Jyväskylä, Kuopio and Turku) has counted as

only 3% of the total value, the figures have no longer been retrieved for 2013. Electricity used by P.O.Korhonen has not been included since the beginning of 2013. The metrics of energy usage are not available for the logistics centre in Poland as they are included in the rent.

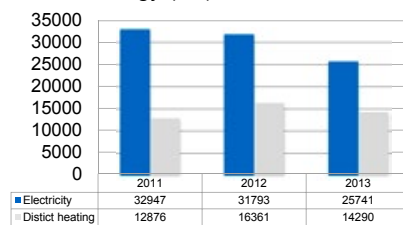
The sources of purchased energy have been determined on an annual basis for the main energy supplier for the Finnish and Swedish operations and the calculations for 2011-2013 use energy coefficients determined for 2011 and 2012. Based on these figures, the total amount of indirect energy used in 2013 was about 40,000 GJ, of which 41% was produced from fossil fuels, 33% from renewable energy sources and 26% from nuclear power.

Local environmental working groups monitor the environmental indicator results and initiate and monitor necessary energy-saving measures. At the Nummela plant internal heating production was changed to

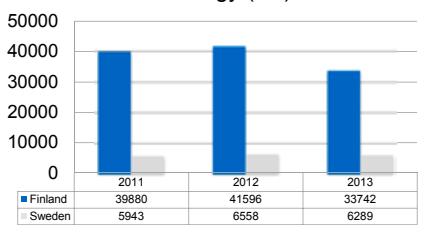
Direct energy (GJ)



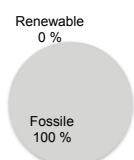
Indirect energy (GJ)



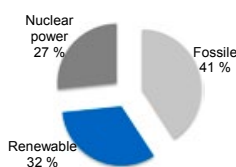
Use of indirect energy (GJ)



Direct energy division 2013



Indirect energy division 2013



district heating from the beginning of 2014 after a careful evaluation of different energy choices, environmental effects, investment requirement and use of resources.

**EMISSIONS**

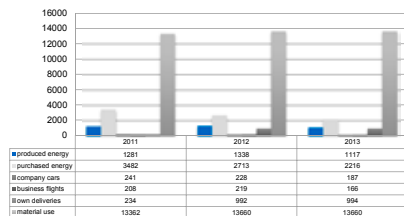
The CO<sub>2</sub> emissions from the use of materials were estimated on the basis of material use using coefficients provided by the Footprinter software. The total greenhouse gas effect from material usage decreased 13% from the previous year, being about 11,700

tonnes during 2013. The main reason for this was a reduction in the amount of metal and glass used in production. However, the change could be the result of including other logistics centres where the environmental statistics are not yet as dependable as in Finland. The metal based materials still contributed 82% of the climate effect. Wood-based material usage increased significantly but had a much smaller greenhouse gas effect, and the total effect was decreasing. A considerable amount (20%)

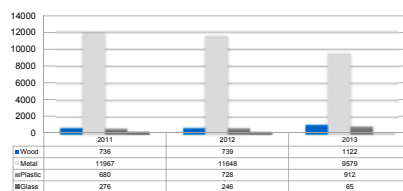
of the materials were other materials and thus not included in the calculation. Materials usage accounts for approximately 71% of estimated CO<sub>2</sub> emissions, while indirect energy accounts for approximately 14%, direct energy about 7% and deliveries with own fleet about 6%.

The greenhouse gas emissions from Martela's energy use have been calculated using 2011 and 2012 values from the main energy suppliers for Finland and Sweden as the energy coefficients. The country-specific

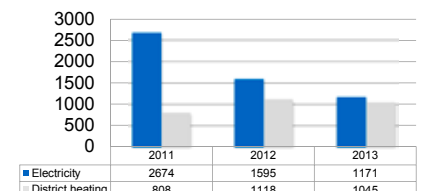
CO<sub>2</sub> emission division (1000 kg)



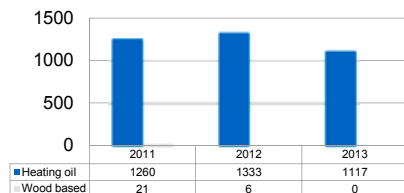
CO<sub>2</sub> emissions of materials used (1000 kg)



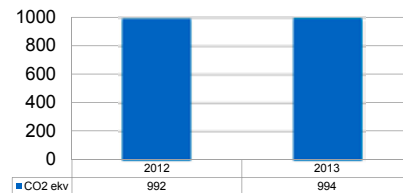
Indirect energy CO<sub>2</sub> (1000 kg)



Direct energy CO<sub>2</sub> (1000 kg)



Emissions of own fleet (1000 kg)



# RESPONSIBILITY RESULTS | ENVIRONMENTAL RESPONSIBILITY

coefficients have mainly been used for the other energy usage. In calculating the greenhouse gas emissions for heating oil, wood-based fuels and district heating, general coefficients obtained from the literature were used. The results show that carbon dioxide emissions from direct energy in 2013 decreased to just over 1,100 tonnes. Emissions from indirect energy decreased considerably to almost 2,200 tonnes as Kidex's electricity use decreased by 13%.

Martela's transport operations and Grundell's removal services operations were reorganized, and as a result Martela's transport equipment was transferred to Grundell. Using the data on the transportation vehicles used by service production in Finland, the environmental impact of transportation was calculated with the help of Lipasto coefficients to be in 2013

994 tonnes of CO<sub>2</sub>. More comprehensive information on the environmental impact of transport operations will become available in 2014 when a fuel consumption monitoring of the entire service business is planned to be taken into use.

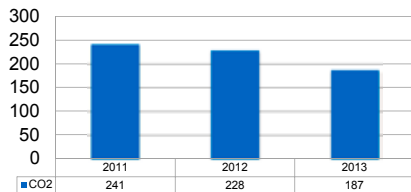
The average CO<sub>2</sub> emissions from the company cars in use at Martela in Finland decreased in 2013 and is now 135 gCO<sub>2</sub>/km. From the beginning of 2013 the required emission level for the leased cars was lowered from 180 to 150 gCO<sub>2</sub>/km. Currently there are 11 company cars over the 150 level. The lease period is ending for six of these cars during 2014 and for five of these cars during 2015. Based on the estimated yearly agreement kilometres for company cars and the car-specific CO<sub>2</sub>

emissions, the total CO<sub>2</sub> emissions from Martela's company cars in 2013 came to about 187 tonnes.

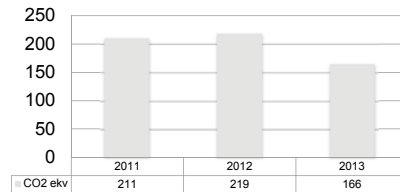
About 80% of the business trips made by Martela's personnel are ordered via the centralized reservation system. According to the reservation system data, the CO<sub>2</sub> emissions of Martela's work-related flights in 2013 dropped 24% to about 166 tonnes.

Special emissions from production consist of organic solvents in surface treatment processes. In the Martela Group, surface treatment is only undertaken at the premises of Kidex Oy. Water-soluble and UV hardening varnishes have been used in treating level surfaces since the 1990s. Kidex Oy has never needed an environmental permit for its operations, as the emissions have always been below the permit limit. The 2013 volatile organic compound (VOC)

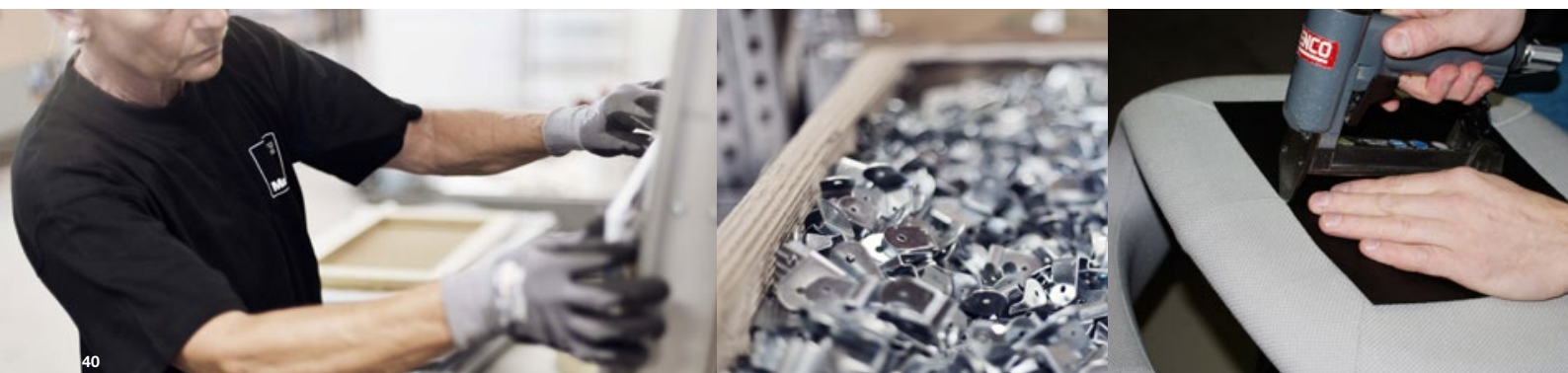
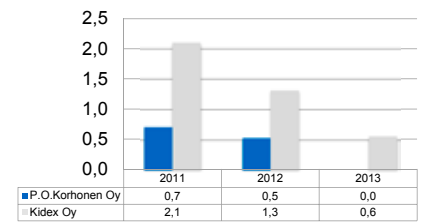
Company car emissions (1000 kg)



Business flight emissions (1000 kg)



VOC emissions (1000 kg)





emissions were 0.6 tonnes at Kidex Oy being now less than half of the level of year 2012.

The Footprinter software was used to calculate the CO<sub>2</sub> footprint of several products in 2012 to assess their environmental impact. During 2013 more product-specific carbon footprints were calculated and old ones updated. Most of the data used is based on the materials breakdown for a product or sample products in the case of product families. In addition, an estimate was made of the average transport distances per material type from component or material supplier to the Martela logistics centre and the average distance from the centre to customers. Product-specific packaging material volumes and the energy and waste impact per product unit for each

logistics centre were also estimated. This produced mutually comparable results on the climate impact of Martela's products.

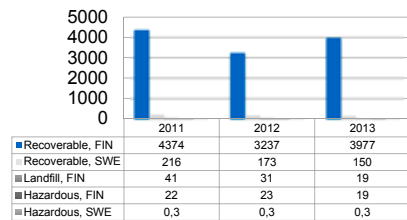
**WASTE**

The waste volume generated by the Martela Group increased to 4,200 tonnes in 2013. The largest changes since 2012 has been in wood waste at Kidex Oy. Already 99% of the Group's waste in Finland and nearly 100% of the waste in Sweden was sent for recovery. In all, 86% of the recovered waste in Finland and 76% of the recovered waste in Sweden consisted of wood-based materials in 2013. Wood waste is generated from production processes, packaging, pallets and damaged components, as well as from the regional scrapping of used furniture. Other usable by-products from produc-

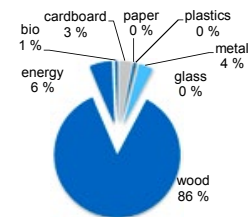
tion processes include cardboard, metal and combustible waste. The Nummela, Kitee, Raisio (until the beginning of 2013), Riihimäki and Bodafors factories and the Pitäjänmäki head office have been included in the calculation of these waste volumes.

Product transportation to the customer site and subsequent installation is an integral part of Martela's operation. Products are unpacked at the customer site and useful packaging material is returned to the manufacturing units or sorted by material according to the local waste disposal limitations. Almost all the packaging material is recyclable, either as material or as combustible waste. At the Nummela logistics centre in particular, used packaging materials that are returned in good condition from customer sites are re-used

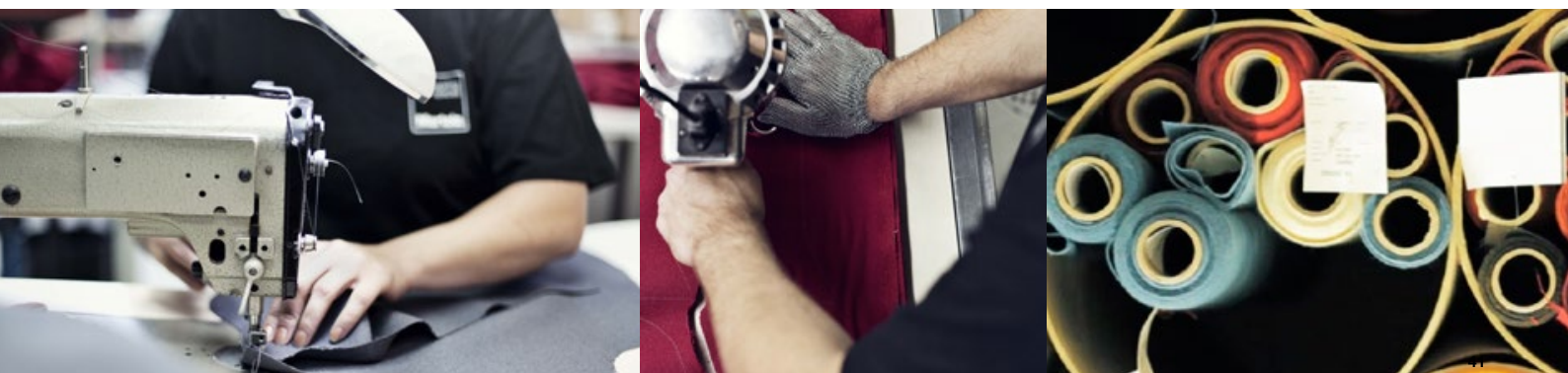
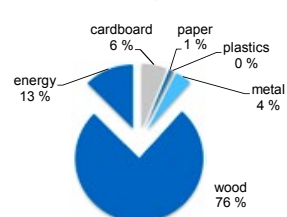
Waste (1000kg)



Recovered waste, Finland 2013



Recovered waste, Sweden 2013



for packaging new products. Since 1998, Martela has met its statutory packaging waste producer responsibility obligations via the Environmental Register of Packaging PYR Ltd in Finland and FIT Förpacknings & Tidnings Insamlingen in Sweden.

The effective use of materials forms part of the planning at the research and development phase for the product. The amount of waste generated during production is monitored locally by environmental working groups and they launch and then monitor measures needed to reduce waste volumes. Employees also participate by pointing out development needs as part of the staff suggestions process.

Only a very small amount of hazardous waste is generated, mainly in surface treatment and gluing processes and in everyday property management and maintenance. Operations in Finland produced 19 tonnes of hazardous waste in 2013 and in Sweden only 300 kg. This waste is processed by local service providers that transport the

waste away from the property to hazardous waste treatment facilities. The keeping of hazardous waste tracking records on site and the inspection of the permits of hazardous waste service providers are a normal part of every waste-generating unit's operations.

### RECYCLING SERVICE

Martela offers a wide spectrum of recycling services as part of its portfolio. In 2010, Martela acquired the two business locations and production unit of the Martela Poistomyynti business. Renamed Martela Outlet, the chain has expanded to include six locations around Finland at the end of 2013, selling used and refurbished furniture to small businesses and home offices.

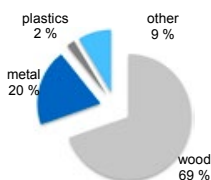
Used furniture in good condition is cleaned and refurbished and then made available to Outlet store customers across the country. About 38% of used furniture

requiring more demanding refurbishment tasks were handled in the Riihimäki logistics centre.

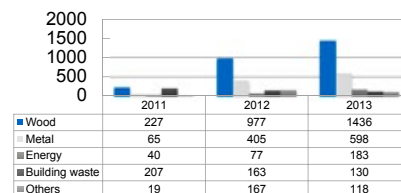
More than half of all furniture sold by the Martela Outlet chain in 2013 was totally or partly recycled furniture, while the rest comprised unused furniture such as various factory items, discontinued products, old models and special Outlet items. About 40,000 pieces of used furniture found a new home through the Martela Outlet chain.

Part of the furniture is unrepairable and forwarded to material recycling through suppliers. Material recycling was increased from the previous year and was almost 2.5 million kilograms during 2013. 58% of furniture waste could be recovered as wood fractions, 24% as metal and 7% for energy production. The statistical survey does not include minor regional recycling as well as WEEE scrap, which was forwarded for recycling under the producer responsibility scheme.

Materials received by recycling service 2013



Material forwarded to further recycling (1000kg)





Better  
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Inspiring  
spaces

# Helping customers create inspiring spaces

“Martela Dynamic Solutions for storage and workstations provide optimal availability and support employees in their daily work. For our business, the solution is perfect. The goal is for the solution to contribute to increased learning, collaboration, innovation and efficiency”, says Director Geir Inge Lunde.

The office, which has been designed by Ramboll Architects, has been decorated with Martela Dynamic Storage and Workplace solutions that provide employees with access to storage and work wherever they are in the building. Strategically placed monitors make it easy for employees to get an overview. All the employees have to do is swipe their ID cards, which are also used for the entrance, parking, printers and other necessary functions.

The system also shuts down automatically when the employee checks out of their temporary workplace, which meets PwC high confidentiality requirements. The number of workstations is less than the number of employees, but the system ensures that there is always a place for everyone.

“Martela solutions provide better mobility. We change workstations more frequently and stand up more when we work. We see it as a way towards better health for our employees“, says Geir who pointed out, that the chosen solution was considered very carefully.

“The open office poses a challenge and there are disturbances. We have managed to reduce these to a minimum with Silence technology in desktops and thoughtful choice of materials. I’m not saying that activity-based work fits all workplaces. But at PwC we are very excited. This solution supports our business perfectly.”



# Product responsibility

Martela products are mainly furniture items for use in normal office environments and they do not have any specific product liability risks. There is no particular public authority overseeing these products, nor is there any mandatory certification requirement. The products do not pose any specific health risks. All chemicals used in the manufacturing processes are identified and controlled on the basis of employee health and safety requirements.

Environmental requirements for furniture focus on the source of any wood used, the extent of recycled materials in metal and plastic components and the chemicals used in the product, such as in surface treatment and adhesives. In the Nordic countries, the Nordic Swan ecolabel is one of the best known labelling systems used in connection with environmental requirements for furniture. At the beginning of 2010 Martela received the right to use the Nordic Swan ecolabel in the Swedish and Norwegian markets for its most significant product lines. The Swan label is a voluntary, commercial, environmental label that is specific for each manufacturing-site and product group. During 2013 many Martela products were also Möbelfakta marked for the Swedish and Norwegian market. Möbelfakta is environmental labelling created by the Swedish furniture producers' association. In addition to environmental criteria it now also includes requirements for social responsibility and the technical quality of the product.

During 2013 customers have become more and more interested in LEED certification of their properties and interiors. LEED certification is an American system with various requirements for different types of buildings. The criteria includes the use of recycled or rapidly renewable material as

well as the radius of the material origins and the final assembly. For certified wood it rewards the use of FSC-certified wood. These requirements are evaluated regarding the total interior furniture and furnishing materials. Customers wishing to obtain most of the rewarded credits in LEED must consider the whole material selection of their interior as an entity. To help our customers to obtain LEED or other environmental credits, Martela will supply information on the extent to which specific furniture items fulfil the required environmental criteria specified by the customer.

The technical characteristics of products can be analysed on the basis of specific standards for particular product groups or intended uses. Martela has its own research laboratory at the Nummela logistics centre, where product tests specified in European EN standards are performed. The technical durability and usability of products is verified at the product development stage through testing. Martela does not have the instruments necessary for studying volatile substances of products, but instead usually relies on manufacturer's material-specific emission tests. Where necessary, product-specific tests can also be made by external research facilities.

## CUSTOMER SATISFACTION

The purpose of measuring customer satisfaction is to enable us to enhance customer experiences of our sales process, deliveries and customer service. Martela measures customer experience with a continuous mobile customer satisfaction survey. This survey has been in use since 2012. Until then customer satisfaction was measured with a broader survey conducted twice a year. Therefore, no fully comparable data

is available for the period before 2012. However, one of the questions in the mobile survey can be compared with the continuous survey's question on general satisfaction. A comparison of customer satisfaction with Martela as a whole according to the continuous survey and satisfaction with deliveries and installation according to the mobile survey shows that customer satisfaction has remained in a good level in Finland for the last four years.

The purpose of the continuous mobile survey is to identify deviations in customer transactions in order to immediately rectify errors and solve problems. The aim is to monitor and develop the standard of service at the function, project and personal levels. After each transaction exceeding a certain sum, customers receive a survey either as an SMS or by e-mail and can respond using their mobile phones or on the web. If for some reason the customer gives a low score, the feedback is e-mailed directly to the regional sales director or service director and analysed, after which action is taken together with the customer to rectify the matter at the customer's location as soon as possible. Supervisors have continuous access to a real-time web portal where they can follow the performance and results of their team. The management team of Business Unit Finland follows the mobile feedback as a whole on a monthly basis. No customer surveys were conducted in other Business Units during 2013.

## CUSTOMER FEEDBACK

All Martela units started using the same customer relationship management system in June 2012. Unified systems allow more effective introduction of preventive measures, improved transparency (also between

Martela's units) and more comprehensive cost monitoring. Further development work on the new tools is still continuing. Customer feedback is classified as follows:

- Complaints
- Inquiries to which responses are expected
- General feedback to which no written response is expected

With unified tools, Martela's complaint process as a whole was renewed. The definition of a complaint also changed. Previously, complaints were defined as significant deviations in product quality indicated directly by customers, whereas now complaints include all cases where the customer is not invoiced. These could also include errors in orders which can lead to refunds or replacement orders for products, components or work. Complaints may also be deviations that occur in the logistics chain before delivery. This means that new customer feedback may be initiated not only by a customer but by service production or sales in the case of a deviation observed during delivery, installation or final

inspection, or even by the logistics centre in the case of deviations observed before deliveries leave the logistic centre.

During 2013 extensive training was provided for the staff to improve their use of the customer feedback tool as well as to find new ways to improve the process as an entity. In the majority of the cases the reason for the customer complain was delivery and handling damage as well as different malfunctions with electrically adjustable tables. The root causes for the electrical table malfunctions have been errors in the final assembly as well as batch-related component production errors. The amount of products that have gone missing or disappeared has been bigger in Finland during the implementation of the new ERP system at the beginning of May. The overall level of complaints was 2.28% calculated with the delivered sales order lines in 2013.

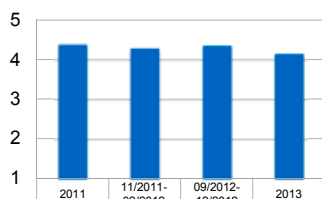
**MARKETING COMMUNICATIONS AND PRODUCT MARKINGS**

Since most of Martela's products are simple furniture items for daily use, they usually do

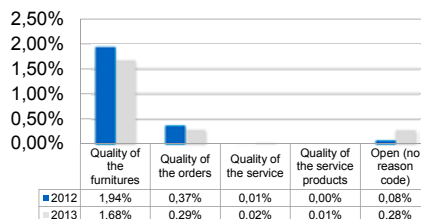
not include special labels or instructions. Martela's products are delivered, installed and adjusted for the customer by professional staff. For furniture that users can adjust themselves, ergonomics instructions are also supplied, such as for task chairs and electrically adjustable desks. The latter are classified as desks and not as electronic equipment. Martela nevertheless requires of its suppliers that the electronics components meet the materials requirements of the RoHS directive.

Cleaning and maintenance measures for Martela products are consistent with the normal upkeep of home furniture. General instructions for keeping furniture in good order can be found on Martela's website or in its brochures. Mechanical joints are preferred in Martela's products, enabling maintenance of furniture without special tools and allowing re-upholstery. Mechanical joints also make it easy to separate the materials at the end of the product's life.

General satisfaction to Martela



Reasons for customer feedback





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spaces

# Inspiring value chain

Martela is a family business. Relationships within the family are important as are relationships with our customers. We are in a people business; helping our customers to create inspiring spaces for their employees as well as their customers. To be able to do this, we keep a keen eye on the changes in interior design and create lasting partnerships with our customers for the best win-win co-operation.

To build a sustainable business we need to take care of the quality and longevity of our new products. We also need to provide our customers with the possibility to find new uses for their old furniture and give new life to the furniture left without purpose. This is also true for Nordea, with whom Martela signed a five-year cooperation agreement covering comprehensive office furniture deliveries and a number of furniture life-cycle management services for their facilities in Denmark, Finland, Norway and Sweden.

A third party evaluation is an important ingredient in any improvement. The non-biased view of the company management is usually obtained by employing a consultancy company to carry out a review for them. In this case our customer has a shared interest in our future success. Succinct questions and a detailed investigation of the issues that our customer is interested in give us valuable guidance to improve our performance. This benefits both us and our customers.

# Comparison of the report with the GRI Guidelines

GC	GRI	Responsibility Report 2013	Shortages/deviations/ explanations
<b>1. Strategy and analysis</b>			
	R	CEO's Review	
<b>2. Organisational profile</b>			
2.1.	R	Martela in Brief	
2.2.	R	Martela in Brief	
2.3.	R	Martela in Brief	
2.4.	R	Martela in Brief	
2.5.	R	Martela in Brief	
2.6.	R	Martela in Brief	
2.7.	R	Martela in Brief	
2.8.	R	Martela in Brief	
2.9.	R	Responsibility Results	
2.10.	N/A		
<b>3. Reporting principles</b>			
3.1.	R	Introduction	
3.2.	R		
3.3.	R	Introduction	
3.4.	R	Management of Responsibility	
3.5.	R	Introduction	
3.6.	R	Introduction	
3.7.	R	Introduction	
3.8.	R	Introduction	
3.9.	R	Introduction	
3.10.	R		
3.11.	R		
3.12.	R	Introduction	

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	GC	GRI	Responsibility Report 2013	Shortages/deviations/ explanations
<b>4. Governance, commitments and engagement</b>				
4.1. Governance structure		R	Management of Responsibility	
4.2. Independence of the Chair of the Board of Directors		N/A		
4.3. Independence of the Board members		R		Resolution passed by the organizational meeting of Martela Corporations's Board of Directors
4.4. Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		N/A		
4.5. Linkage between compensation and corporate responsibility		RP		
4.6. Processes to avoid conflict interests in the Board		N/A		
4.7. Expertise of the Board members for guiding corporate responsibility		RP		
4.8. Mission, values and ethical principles guiding corporate responsibility		R	Management of Responsibility	
4.9. Procedures of the Board for overseeing management of corporate responsibility, inc. Risks		R	Management of Responsibility	
4.10. Processes for evaluating Board's own performance		RP		Self-assessment
4.11. Addressing a precautionary approach		NM		
4.12. External corporate responsibility initiatives to which the organization subscribes		R	Management of Responsibility	
4.13. Memberships in associations		R	Management of Responsibility	
4.14. Stakeholder groups engaged by the organization		R	Management of Responsibility	
4.15. Basis for identification and selection of stakeholders		R	Management of Responsibility	
4.16. Approaches to stakeholder engagement		RP		
4.17. Key topics and concerns highlighted by stakeholders		RP		
<b>Management Approach and Performance Indicators</b>				
<b>ECONOMIC RESPONSIBILITY</b>				
<b>Management approach to economic responsibility</b>		R	Responsibility Results	
<b>Economic performance</b>				
EC1 Direct economic value generated and distributed		R	Responsibility Results	
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	COP	N/A		
EC3 Coverage of benefit plan obligations		R		Annual Report
EC4 Financial assistance from government		R	Responsibility Results	
<b>Market presence</b>				
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	COP	R		
EC6 Locally based suppliers		R	Responsibility Results	
EC7 Local hiring	COP	RP		
<b>Indirect economic impacts</b>				
EC8 Infrastructure development		N/A		
EC9 Significant indirect economic impacts		N/A		
<b>ENVIRONMENTAL RESPONSIBILITY</b>				
<b>Management approach to environmental responsibility</b>		R	Responsibility Results	
<b>Materials</b>				
EN1 Use of materials	COP	R	Responsibility Results	
EN2 Use of recycled materials	COP	R	Responsibility Results	

		GC	GRI	Responsibility Report 2013	Shortages/deviations/ explanations
<b>Energy</b>					
EN3	Direct energy consumption	COP	R	Responsibility Results	
EN4	Indirect energy consumption	COP	R	Responsibility Results	
EN5	Energy saved due to conservation and efficiency improvements.	COP	RP	Responsibility Results	Monitored by local environmental groups
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	COP	NM		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	COP	RP	Responsibility Results	Monitored by local environmental groups
<b>Water</b>					
EN8	Water withdrawal	COP	N/A		
EN9	Water sources significantly affected by withdrawal of water.		N/A		
EN10	Percentage and total volume of water recycled and reused.		N/A		
<b>Biodiversity</b>					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		N/A		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		N/A		
EN13	Habitats protected or restored.		N/A		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	COP	N/A		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	COP	N/A		
<b>Emissions and waste</b>					
EN16	Total direct and indirect greenhouse gas emissions by weight.	COP	R	Responsibility Results	
EN17	Other relevant indirect greenhouse gas emissions by weight.	COP	NM		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	COP	RP	Responsibility Results	
EN19	Emissions of ozone-depleting substances by weight.	COP	NM		
EN20	NOx, SOx, and other significant air emissions by type and weight.	COP	R	Responsibility Results	
EN21	Total water discharge	COP	N/A		
EN22	Total weight of waste by type and disposal method.	COP	R	Responsibility Results	
EN23	Spills of chemicals, oils etc.	COP	NM		
EN24	Hazardous waste handled/transported	COP	N/A		
EN25	Water bodies significantly affected by the organization's water discharge	COP	N/A		
<b>Products and services</b>					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	COP	R	Responsibility Results	Development of recycling service
EN27	Products and their packaging materials reclaimed	COP	R	Responsibility Results	
<b>Compliance</b>					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	COP	NM		
<b>Transports</b>					
EN29	Environmental impacts of transportation	COP	RP	Responsibility Results	

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<b>General</b>					
EN30	Total environmental expenditures and investments	COP	N/A		
<b>SOCIAL PERFORMANCE</b>					
<b>Management approach to social responsibility</b>					
<b>Employment</b>					
LA1	Total workforce by employment type, employment contract, and region.		R	Responsibility Results	
LA2	Total number and rate of employee turnover by age group, gender, and region.	COP	R	Responsibility Results	
LA3	Benefits to full-time employees only	COP	R	Responsibility Results	
<b>Labor/management relations</b>					
LA4	Percentage of employees covered by collective bargaining agreements.	COP	R	Responsibility Results	
LA5	Minimum notice periods regarding significant organisational changes	COP	R	Responsibility Results	
<b>Occupational health and safety</b>					
LA6	Percentage of workforce represented in formal health and safety committees	COP	R	Responsibility Results	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	COP	R	Responsibility Results	
LA8	Training of workforce regarding serious illnesses	COP	N/A		
LA9	Health and safety topics covered in formal agreements with trade unions.	COP	N/A		
<b>Training</b>					
LA10	Average hours of training per year per employee by employee category.		R	Responsibility Results	
LA11	Programs for skills management and lifelong learning		R	Responsibility Results	
LA12	Percentage of employees receiving regular performance and career development reviews.		R	Responsibility Results	
<b>Diversity and equality</b>					
LA13	Diversity of governance bodies	COP	R	Responsibility Results	
LA14	Ratio of basic salary of men to women by employee category.	COP	RP	Responsibility Results	Monitored by local wage and salary group
<b>HUMAN RIGHTS</b>					
<b>Investment and procurement practices</b>					
HR1	Human right issues in investment decisions	COP	N/A		
HR2	Screening of human rights in the supply chain	COP	NM		
HR3	Employee training on relevant human rights issues and procedures	COP	NM		
<b>Discrimination</b>					
HR4	Total number of incidents of discrimination and actions taken.	COP	NM		
<b>Freedom of association and collective bargaining</b>					
HR5	Operations identified in which freedom of association and collective bargaining may be at risk	COP	NM		
<b>Child labour</b>					
HR6	Significant risks of child labour and actions taken	COP	N/A		
<b>Forced labour</b>					
HR7	Significant risks of forced labour and actions taken	COP	N/A		
<b>Security practices</b>					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	COP	N/A		

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<b>Indigenous rights</b>					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	COP	N/A		
<b>SOCIETY</b>					
<b>Community</b>					
SO1	Managing the impacts on communities		N/A		
<b>Corruption</b>					
SO2	Percentage and total number of business units analyzed for risks related to corruption.	COP	R	Responsibility Results	
SO3	Percentage of employees trained in anti-corruption policies and procedures	COP	R	Responsibility Results	
SO4	Actions taken in response to incidents of corruption.	COP	N/A		
<b>Public policy</b>					
SO5	Public policy positions and participation in public policy development and lobbying.	COP	R	Responsibility Results	
SO6	Donations to political parties and candidates		R	Responsibility Results	
<b>Anti-competitive behaviour</b>					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		N/A		
<b>Compliance</b>					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		N/A		
<b>PRODUCT RESPONSIBILITY</b>					
<b>Customer health and safety</b>					
PR1	Health and safety impacts of products	COP	R	Responsibility Results	
PR2	Non-compliances of product health and safety regulations	COP	N/A		
<b>Product and service labeling</b>					
PR3	Product and service information		R	Responsibility Results	
PR4	Non-compliances with regulations and voluntary initiatives		N/A		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		R	Responsibility Results	
<b>Marketing communications</b>					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		N/A		
PR7	Non-compliances with regulations and voluntary initiatives		N/A		
<b>Customer privacy</b>					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		N/A		
<b>Compliance</b>					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		N/A		

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