

# 2019

Sustainability report





# Martela in brief

**MARTELA IS A NORDIC LEADER SPECIALISING** in user centric working and learning environments. We offer our customers a single point of contact throughout the workplace lifecycle, from specifying needs to maintenance and optimisation of the workplace.

Martela is a family company founded in 1945 and its shares are quoted on the OMX Nordic Exchange Helsinki. Our main market areas are Finland, Sweden and Norway, and our solutions are also sold globally through our network of dealers. Our production facilities are located in Finland and Poland.

In 2019, the Martela Group's revenue was EUR 106.2 million and it employed an average of 494 employees.

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# Contents and scope of report

**THIS SUSTAINABILITY REPORT**, Martela's tenth, has been prepared in accordance with the GRI (Global Reporting Initiative) standards core option. The report covers all Martela's operations. Martela's Sustainability Steering Group has reviewed and selected the performance indicators for the GRI standard index based on the materiality assessment. We base the assessment on the expectations of Martela's key stakeholders and the significance of the most essential factors for business. It was mainly the company's internal specialists who carried out the assessment and the Sustainability Steering Group has updated it annually based on stakeholder interviews and discussions.

The disclosed results include monitoring data for a period of at least three years. Compared to the previous report published on 16 May 2019, the biggest change is the new company values. The carbon footprint of

component logistics was studied, although it is included in the footprint of material use. We explain other deviations and limitations in connection with the indicators in question and in the GRI standard index.

## Global Compact reporting

Martela joined the United Nations' Global Compact Initiative in 2011. We also use this report as Global Compact reporting to measure the extent to which the principles of human rights, labour rights, environmental protection and anti-corruption are in place in Martela. The GRI standard index includes the indicators that Global Compact has approved for measurement of the level and progress of actions.

## Reporting structure

At the beginning of the report, you can find a brief introduction of Martela as a company,

and information on its values, strategy and governance. After that, you can find the stakeholder analysis prepared by the Sustainability Steering Group and descriptions of the core risks and opportunities regarding corporate responsibility. The related management principles and the nature of the commitments are summarised. The full texts of our principles can be found at Martela home pages. The Martela Annual Report presents the governance and risk management principles. In the section 'Management of Sustainability', you can find the roles and duties of the Board of Directors (Board), the Group Management Team (GMT) and the Sustainability Steering Group in developing corporate responsibility. The economic, social and environmental sections of this report contain information on the performance in said areas of operation. In the beginning of each section, there is a materiality assessment of indicators used and a list

of the main targets. The sustainability report presents the progress of the sustainability programme for 2019 – 2030 and the new programme for 2020 – 2030.

## Assurance of the report

There is no external assurance of the sustainability indicators. We compile our economic responsibility metrics from information used in the Board of Directors' Report and the consolidated financial statements that KPMG have audited.

## Publication of the report

The annual sustainability report is published in PDF format in Finnish and English. We do not print copies of the report. The 2020 report will be published in spring 2021.

# Responsibility at the core of our offering and operations



On the left Matti Rantaniemi,  
Ville Taipale and Anne-Maria  
Peitsalo

The increase in knowledge-intensive work and technological advances are fundamentally changing the way we work and study. Many tasks can be performed regardless of time and place. On the other hand, work environments must provide facilities for a diverse range of needs and circumstances. The transformation of working life is proceeding at an accelerating pace. As a result, the outlook for future needs is becoming increasingly shorter. Martela addresses its customers' needs with its products and services, taking the impacts of their entire life cycle into consideration. Responsibility and the promotion of sustainable development are at the core of Martela's operations. In the following section, Matti Rantaniemi, CEO, Ville Taipale, Chair of the Sustainability Steering Group, and Anne-Maria Peitsalo, Secretary, discuss Martela's key sustainability themes.

**The key megatrends shaping our world today are globalisation, urbanisation, ecological challenges and technological advances. How are these reflected in Martela's operations?**

**Matti:** All of these trends impact our operations, especially through the changing needs of our customers. Urbanisation means that the cost of office premises in growth centres is increasing all the time. New technologies enable teleworking while, at the same time, combating climate change requires us to reduce energy consumption. Martela's idea of an efficient workplace that promotes wellbeing makes it possible to take all these megatrends into consideration. Our customers gain more functional premises at a lower cost and manage to shrink their carbon footprint in the process.

**Anne-Maria:** The progress of globalisation is most evident in our sourcing. Although we procure most of our materials and components from very nearby, some of the components of our suppliers may come from afar. It is important for us to monitor the responsibility of the procedures used in our supply chains and to require the same of our suppliers. Continuous improvement, the high quality of our products and mitigation of environmental impacts are important not only in our own design and production, but also in the operations of our contract suppliers.

**Ville:** Since we have always emphasised responsibility and developed our offering ac-

ordingly, I believe these megatrends will offer more opportunities than threats. We promote progress that aims at reducing the environmental load and increasing the wellbeing of working communities.

**Creating customer value is important for Martela. How is this evident in practice?**

**Matti:** Our goal is to create customer value through customer- and user-centric working and learning environments. To achieve this goal, we created the Martela Lifecycle® strategy a few years ago, which demonstrated pioneering thinking in the industry even on an international level. The strategy takes into account the development of working and learning environments as a whole and is evident in our offering as well as our operations. Every Martela employee is involved in executing this strategy every day.

**Anne-Maria:** An important cornerstone of our strategy is taking the impacts and costs of the entire life cycle of working and learning environments into consideration. According to this model, decisions on furniture are based on studied needs, the products are durable and of high quality and discarded furniture can find a home with a new user. Responsibility is right at the core of Martela's strategy.

**Ville:** Our continuously developing service offering is an integral part of our strategy. Our customers can acquire their work or learning

facilities as a service, meaning they do not need to invest in furniture. Acquiring a workplace as a service enables you to react swiftly to changes detected through monitoring.

**How is the user-centricity of premises ensured?**

**Ville:** We start by reviewing the customer's overall situation. We familiarise ourselves with the customer's operations, strategy and goals, taking into account the needs of the organisation and the individual. This enables us to design and implement a solution that best meets the customer's needs. Once the workplace is in use, we measure the usage of the facilities and develop them based on the feedback we receive. In other words, the optimisation of facilities is a continuous process, as ways of working also continue to change.

**Matti:** User-centricity is based on precisely the review, measurement and collection of feedback that Ville mentioned. Since the transformation of the way people work is so extensive and is advancing rapidly, our customers rarely know in advance what kind of solution would suit them best. That is why we implement our planning in close cooperation with our customers. Participatory planning is key to achieving a successful outcome.

**Anne-Maria:** We now know that wellbeing at work plays an important role in efficiency, which is why wellbeing is emphasised when re-

cruiting highly competent employees. In other words, user-centric facilities enhance the customer's competitive advantage in many ways.

**What were your most important successes in the area of responsibility in 2019?**

**Matti:** Our customer satisfaction rose to a very high level: our Net Promoter Score (NPS) increased to 48. As a purchasing decision criterion, responsibility has become equally important as more traditional criteria. This tells us that our customers value our responsible offering and operations.

**Ville:** We have actively studied and developed responsibility in our industry. That's why it is great to see that its importance is clearly growing. Customers are setting increasingly stricter criteria for products and services and are willing to invest in flexible and comfortable workplaces. We believe that, in the future, our customer base will place more value on the effects of the high quality of products on life cycle costs than on the procurement cost.

**Anne-Maria:** We track our systematic responsibility development with our responsibility report, which is published annually. Our 2018 report won the Best Value Creation award in the Responsibility Reporting Competition held by Finland's Sustainable Investment Forum (Finsif). This was a pleasant surprise and a great tribute to the long-term work performed by Martela.

# Transformation of workplaces continues

## A modern workplace boosts productivity

**DIFFERENT TRENDS HAVE** a strong influence on how the way we work changes. Digitalisation has enabled us to work no matter where we are and at any time. Urbanisation is increasing the cost of office space, especially in growth centres, and measures taken to curb climate change mean that we have to consume less energy. As a result, companies want to avoid wasting floor space and increase the efficiency of their premises.

Progress has advanced from individual offices to open-plan spaces and now to activity-based offices. Various open-plan and shared spaces have become more common and these days very few have a personal office. Telecommuting means that fewer workstations are needed in relation to the number of employees. There is less need for storage furniture as paperless methods of working have increased, which has also enabled shared workstations. The way we use meeting rooms has also changed thanks to the increase in telecommuting and video conferencing. Meetings are shorter, involve fewer people and are often spontaneous. Nowadays they usually in-

clude a group of two or three people, whereas traditional meeting rooms are built to accommodate large groups.

### Workplaces undergoing a continuous transformation

There has been a massive change in the content of work and work-related roles. This change is continuous and its pace is accelerating. Working is increasingly made up of thinking, exchange of ideas and collaboration among colleagues. Tasks requiring concentration alternate with moments of interaction and it is impossible to avoid interruptions. Organisations have flat hierarchies and success is rated by results rather than hours spent at the office, so there is more need for self-management. Knowledge workers experience more strain on their mental wellbeing than on their physical wellbeing, both of which are an increasingly important factor from the perspective of productivity.

Methods of working, the roles and duties related to work and management methods are all changing, so workplaces must also change.

These changes require comfortable workplaces that consider individual needs. User-centric workplaces have areas for collaboration, concentration, communication and chilling out. The workplace is a strong tool for managers with which they can profoundly impact an organisation's working methods, job satisfaction and productivity. A comfortable workplace is also a factor that can help employers stand out when competing for new talents. As future needs are impossible to predict, acquiring a Workplace as a Service will become more common. This will allow companies to implement continuous changes flexibly and in a way that saves money.

### Smart solutions

An optimal workplace boosts efficiency in the company's operations. Workplace planning is based on the company's goals, the nature of the work carried out in the work community and various work roles. By understanding the requirements of the workplace as a whole and taking all the needs of the work community into consideration, we can create comforta-



Optimal workplaces are created using the latest technology, analytics and IoT services.

ble workplaces that improve productivity and renew the work culture and management culture, and that are also ecological and cost-efficient. Optimal workplaces are created using the latest technology, analytics and IoT services. Smart solutions are employed to collect real-time information on the usage and functionality of premises, and this data is used to further adjust the premises to suit the organisation's needs better.

### Learning environments are changing

The operating culture at educational institutes is radically changing, and teaching and learning methods are increasingly varied. New practices and methods also require a new type of learning environment. Its renewal should be done in a user-centric and participatory way. Schools and learning environments have traditionally been designed to last for decades. However, the current pace of change makes it difficult to predict when and how ways of teaching and learning will change and what demands this will place on learning environments.



## Service models

### Workplace as a Service

Workplaces have traditionally been designed to last five to seven years. However, today's rapidly changing work environment makes it impossible to tell when and how your organisation, the size of its personnel and the way work is done will change. Martela's Workplace as a Service ensures that a company's workplace is always optimal. Under this service model, the customer will switch from individual furniture orders to a comprehensive solution for the entire lifecycle of the office that focuses on the premises, the furniture – and the people.

An essential aspect of the service is the continuous optimisation of the workplace in accordance with the changing needs of the users. The service model enables the organisation to pay only for what it genuinely needs, doing away with the problems related to owning furniture and thereby ensuring that the workplace always meets current needs and goals.

### Learning environment as a Service

The operating culture at educational institutes is radically changing and teaching and learning methods are increasingly varied. New practices and methods call for new learning environments. Developed in 2018 through service design and together with customers, Martela's Learning environment as a Service responds to this challenge. The new service model means that schools and educational institutes no longer need to own a single piece of furniture, as the whole package can be leased as a service instead. The greatest benefit of the Learning environment as a Service model is that it creates the framework for redesigning learning environments in a practical way and introduces the circular economy to schools in a concrete manner.

## Value for customer

 Durable and recyclable furniture to meet the real user needs

 Improved user-experience and increased wellbeing

 Increase in productivity and ability to innovate

 the space is renewed based on utilization rate monitoring and optimization

 Space efficiency reducing climate impact



# Values

## **Together**

Respect and trust for one another are at the heart of our culture. Diversity and learning from one another are our strengths. Together we will succeed and make it happen.

## **Boldly**

Visionary thinking has always driven us forward. It inspires us to be curious and innovative. We are the forerunner in creating better working and learning environments.

## **Listening**

Listening is the key to understanding our customers' needs. Our solutions are built on data and customer insights. This is how we make the difference and create a world-class customer experience.

## **Caring**

We are committed to sustainability in everything we do. Our solutions support ecological choices and the circular economy. Together we will create a brighter future.

# Sustainability at Martela



# Agenda 2030 goals



**Martela contributes to reaching Agenda 2030 goals with Martela Lifecycle®-model.**

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

**We develop material** efficiency and recycling business and create new service models to minimize the material use by customers. Read our case study how WaaS service is an alternative to the purchase of furniture <https://martela.com/reference/enfo-espoo-2019>

**8** DECENT WORK AND ECONOMIC GROWTH

**We help our clients** to create workplaces that promote collaboration and productivity without sacrificing resource efficiency. Read our case study how Martela Lifecycle® -model was used to create solutions to support working <https://martela.com/reference/holte-consulting>

**4** QUALITY EDUCATION

**The learning environment** supports that we create, support the pupils' insight, experimentality and communal-ity. Read our case study how Martela Lifecycle® -model was used to create an adaptable learning environment that is becoming a functional hub for the entire neighborhood <https://martela.com/reference/hiltulanlahti-school>

# Value creation

## RESOURCES AND CAPABILITIES

### COMPONENT AND SUBASSEMBLIES

- 10 million kg (wood based 58%, metal based 27%)

### PRODUCTION FACILITIES

- Laminate and melamine component production in Kitee, Finland
- Final assembly of new and re-manufacturing of used furniture in Nummela
- Upholstered furniture component manufacturing in Piaseczno, Poland

### PERSONNEL

- An average of 494 employees, including 258 factory employees and 235 office employees
- 154 External resources in many years
- Investments in staff development EUR 181 000 per year

### PARTNER NETWORK

- 150 suppliers, 50 re-sellers, 8 freelancer designers

### OWNERS

- 3 312 owners, of which 94.9% households, 4.2% companies, 0.3% foreign investors
- 78.3% owns 500 shares of less, 2.8% over 5000 shares

### INCOMPATIBLE CAPITAL

- Martela brand, Martela Lifecycle -strategy, 6 utility models, 1 registered design
- Versatile expertise

### FINANCE

- EUR 55 million equity and liabilities

### INVESTMENTS AND PRODUCT DEVELOPMENT

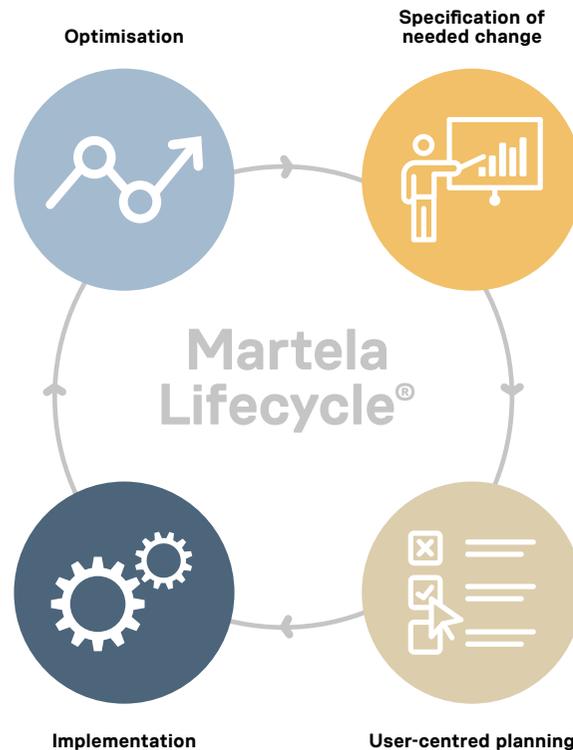
- EUR 2.3 million investments, EUR 2.2 million research and product development

### NATURAL RESOURCES

- Electricity 5 278 MWh
- District heating 4 587 MWh
- Heating by gas 197 MWh
- 87% renewable energy, 12% fossil energy and nuclear power 1%

## MARTELA'S ACTIVITIES

### MARTELA LIFECYCLE®



## OUTPUT AND IT'S DISTRIBUTION

### CUSTOMERS

- Workplace specifications, layout planning, implementation, maintenance, wellbeing, cost savings, new and re-manufactured furniture

### SUPPLIERS OF GOODS AND SERVICES

- Purchases total EUR 77 million incl. materials, components, energy costs, fuels, waste management, property rentals, rental of vehicles, services and IT licenses

### PERSONNEL

- EUR 21 746 000 salaries paid including share-paid contributions
- EUR 4 735 000 employee social security and pension

### SOCIETY

- EUR 159 000 taxes

### FOR OWNERS AND FINANCIERS

- EUR 414 000 dividends
- EUR 772 000 interest expenses

### WASTE

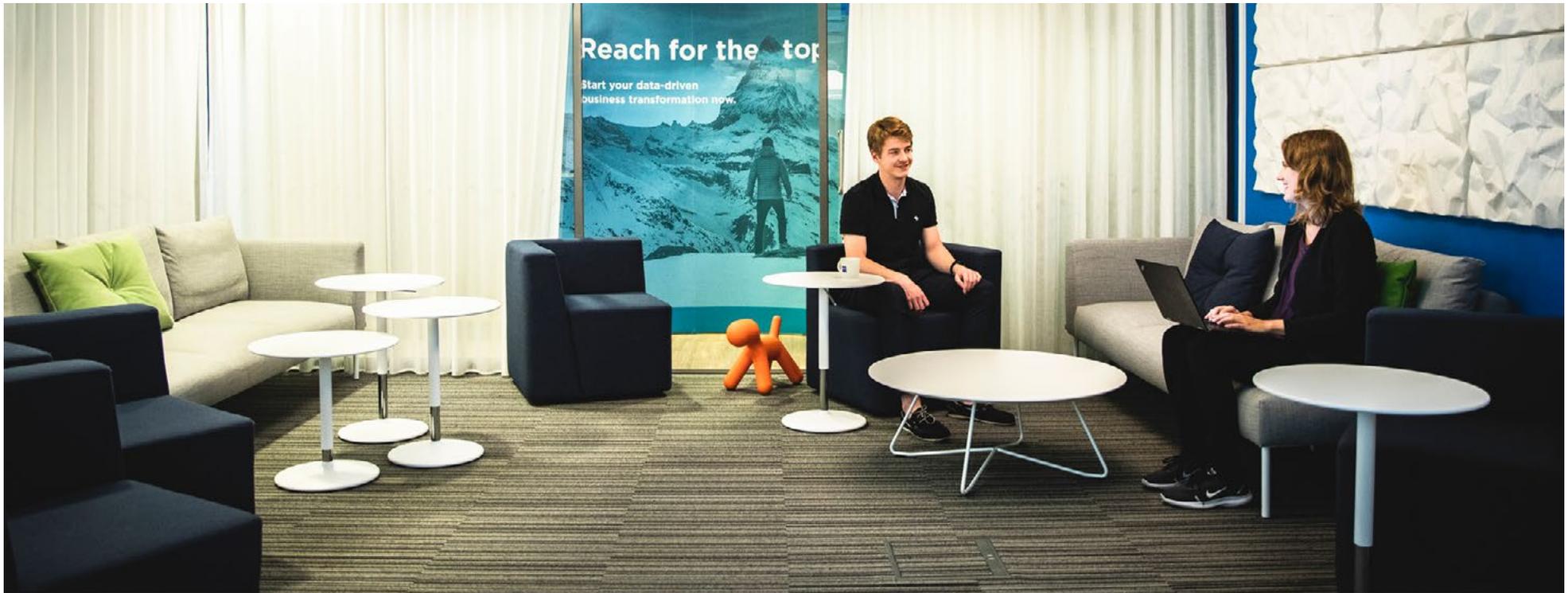
- 1.9 million kg, recovered 99.8%, less than 0.1% hazardous waste

### RECYCLING SERVICE FOR CUSTOMERS

- 3.1 million kg, of which 96% wood, metal and energy fractions

# Stakeholders and their expectations

	CUSTOMERS	SPECIFIERS	EMPLOYEES	DEALERS	SUPPLIERS	OWNERS AND INVESTORS	OTHER INTEREST GROUPS
<b>QUANTITY AND DESCRIPTION</b> 	<ul style="list-style-type: none"> <li>Companies and public purchasers. Private customers only through the Martela Outlet channel. 78.3% of turnover from Finland, 10.0% from Sweden, 7.3% from Norway and 4.3% from other countries</li> </ul>	<ul style="list-style-type: none"> <li>People responsible for customer definitions, architects, interior architects</li> </ul>	<ul style="list-style-type: none"> <li>464 employees in the end of the year: 52% factory workers, and 48% knowledge workers</li> <li>154 manyears of external resources</li> </ul>	<ul style="list-style-type: none"> <li>About 30 dealers, mainly in Martela home market</li> <li>A third working under Martela brand and others offer Martela products as part of their other offering</li> </ul>	<ul style="list-style-type: none"> <li>About 150 suppliers, of which about 70% in Martela's home market, ie Norway, Sweden, Poland and Finland</li> </ul>	<ul style="list-style-type: none"> <li>Major owners are Martela family and pension insurance company Ilmarinen and funding by the well-known Nordic banks</li> </ul>	<ul style="list-style-type: none"> <li>Media, areas of operations, industry organisations, schools and educational institutions</li> </ul>
<b>THEIR EXPECTATIONS</b> 	<ul style="list-style-type: none"> <li>High quality products and services</li> <li>Information on products, supply chain and materials</li> <li>Compliance with laws, principles of corporate governance and agreements both internally and in the supply chain</li> <li>Availability of eco labelled products, especially in Sweden, Denmark and Norway</li> <li>Some expect especially Finnish design</li> </ul>	<ul style="list-style-type: none"> <li>Information on products, materials, environmental trends and brand value</li> <li>Possibility to realise new ideas with respect to Finnish design traditions</li> </ul>	<ul style="list-style-type: none"> <li>Continuity of employment relationship</li> <li>Professional development opportunities</li> <li>Training on new skills and best practices in occupational safety</li> </ul>	<ul style="list-style-type: none"> <li>High quality products and services</li> <li>Information on products, supply chain and materials</li> <li>Compliance with laws, agreements and sustainable business principles</li> <li>Reliable business relationship</li> <li>Availability of eco labelled products, especially in Sweden, Denmark and Norway</li> </ul>	<ul style="list-style-type: none"> <li>Stable development and trust</li> <li>Clear communication of instructions and expectations</li> <li>Clarification of changing market expectations</li> </ul>	<ul style="list-style-type: none"> <li>Stable development</li> <li>Successful risk management</li> <li>Profitable business and ability to pay dividends</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of local social wellbeing by, among others, employment</li> <li>Open communication</li> </ul>
<b>OUR ACTIONS</b> 	<ul style="list-style-type: none"> <li>Ensuring availability of product information</li> <li>Ensuring compliance with Code of Conduct</li> <li>Open communication focusing on materiality</li> <li>Third party environmental markings and labels for origins to facilitate the selection</li> </ul>	<ul style="list-style-type: none"> <li>Material and brand studies</li> <li>Design events to enable interaction</li> <li>Designers' ideas and influence to offering</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction and wellbeing studies</li> <li>Training</li> <li>Appraisal discussions</li> <li>Open internal communication</li> </ul>	<ul style="list-style-type: none"> <li>Reliability of deliveries</li> <li>Exceeding the performance of other suppliers</li> <li>Open discussion on operational development</li> </ul>	<ul style="list-style-type: none"> <li>Investments in long-term cooperation</li> <li>Communication, tracking and discussion of sustainable procurement principles</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring of competitiveness and performance and open communication</li> <li>Development of sustainability and its reporting</li> <li>Constant development of Sustainability indicators</li> </ul>	<ul style="list-style-type: none"> <li>Co-operation with representatives of other stakeholders</li> </ul>



## Management of sustainability

**MANAGING SUSTAINABILITY** is normal everyday work at Martela. Sustainability 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. Martela reviews annually and, if necessary, revises the management principles originally drawn up in 2011.

Martela Corporation's Board, together with the CEO, leads the sustainability work. The Sustainability Steering Group prepares and coordinates practical development measures. The company's normal organisation controls the implementation of these. The sustainability programme summarises

annual sustainability objectives and gives them a longer time perspective. Operations implement the sustainability programme in the annual planning and monitor implementation at the management level. Since the beginning of 2018, the Vice President, Customer Supply Management has been responsible for sustainability matters in the GMT.

Martela's goal is to provide responsible solutions for its customers' workplaces and learning environments through the Martela Lifecycle® model. With the Martela Lifecycle® model, we can implement the changes in the workplace required by the transformation of work, while also fulfilling the re-

quirements for room efficiency, wellbeing at work and work efficiency. Sustainability in the whole value chain of production also plays an important role in corporate responsibility. Martela continued to communicate the principles for sustainability of the supply chain clarified at the beginning of 2018 to its supply chain.

Annual training sessions on management principles are organised to increase awareness and to engage the whole organisation. The goal is to ensure the correct and sufficient level of knowledge of each employee regarding the sustainability aspects of their duties and to involve them in the development of the company.

# Corporate Code of Conduct

**MARTELA CORPORATION'S BOARD** approved the Martela Corporate Code of Conduct for the first time in 2011. In February 2020, the Board approved updated version with the new values and renewed whistleblowing procedures. The Code states a 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. The Code also records Martela's international commitments.

The Martela Management Team defined the set of CR policies that support the Code in 2011. In June 2019 the Management Team approved the updated environmental policy with highlights on climate impact and logistics. In November, the Management Team confirmed the People Policy in the form in which it was updated in 2016 and the Social Requirements for Suppliers approved in 2018. In February 2020 the Management Team approved updated Quality Policy with the new company values. You can find the complete text of the Corporate Code of Conduct, and the Policies that support it, on Martela's website at [www.martela.com/responsibility](http://www.martela.com/responsibility).

## Corporate governance principles

Martela's Annual Report, the Board of Directors' Report, stock exchange releases and the resolutions passed by the organisational meeting of Martela's

Board and by the Annual General Meeting explain corporate governance principles and issues, thus they are not treated separately in this report.

## Risk management

The Annual Report and the Board of Directors' Report describe risk management in more detail, so it has not been included in this report.

## Human resources policy

Martela's People Policy, approved by the GMT, outlines the principles on which responsible HR management is founded. These principles clarify and harmonise the HR management process and describe how to maintain and develop a good corporate and employer image. Martela's success is dependent on skilled and motivated personnel who enjoy their work. The company ensures the maintenance of these personnel qualities with responsible HR management in both the short and long run.

## Environmental policy

The Environmental Policy, approved by the GMT, aims to decrease the company's environmental impacts and promote recycling. Martela manages its environmental activities in accordance with the ISO 14001 management system. We present it in more detail in the environmental section of this report. The policy gives guidance on how we apply an environmental approach to developing Martela's offering, with which the company indirectly affects the environmental impact of its customers. These indirect effects are the best way that Martela can fight global warming.

## Sustainability policy for the supply chain

Martela's Sustainability Policy for the Supply Chain, approved by the GMT, presents our core requirements for suppliers of goods and ser-

vices. The principles deal with suppliers' compliance with laws, regulations and the Martela Corporate Code of Conduct, as well as delivery reliability, environmental issues and other issues. In addition to the general procurement principles, suppliers and their supply chain are subject to social responsibility obligations. Suppliers are required to comply with national labour laws and ILO conventions. The areas that we monitor include working time, pay, child labour, forced labour, discrimination, the right to organise and collective bargaining, as well as health and safety at work. The policy describes supplier selection and control models. We apply the Sustainability Policy for the Supply Chain to suppliers of products with the Martela label and contract suppliers whose products are included in Martela's product programme.

## Sustainability organisation

Martela manages sustainability as part of the normal planning process and everyday work. We have set up a Sustainability Steering Group to prepare development measures, coordinate these in the operations and make all the necessary proposals to the GMT.

The Sustainability Steering Group also acts as the management review group for quality, environmental and occupational safety management systems.

Once a year, the Sustainability Steering Group reviews the results of the sustainability work undertaken, the plans for further work and the reporting. The Sustainability Steering Group approves the report before we publish it. The Sustainability Steering Group consists

of the Sustainability Team with the Martela Management Team. Martela's Sustainability Manager acts as secretary for the Sustainability Steering Group and prepares the necessary material. The chair of the Steering Group is the Vice President, Customer Supply Management.

The GMT follows the progress of the sustainability programme and considers proposals put forward by the Sustainability Steering Group, the Management Team member in charge of sustainability matters, the Vice President, Customer Supply Management or other GMT members. The GMT approves the principles guiding sustainability, except those that require approval by the Board.

Of the principles guiding sustainability, the Board approves the Corporate Code of Conduct, the governance policy and the risk management policy. The GMT will submit other sustainability proposals to the Board as necessary. The Board has not nominated any of its members to specialize in CR issues.

# Key responsibility indicators

	2016	2017	2018	2019
<b>ECONOMIC RESPONSIBILITY INDICATORS</b>				
Revenue (EUR million)	129.1	109.5	103.1	106.2
Profit before taxes (EUR million)	5.6	0.0	-2.5	-2.6
Income Taxes (EUR million)	2.3	-0.7	0.1	0.2
Return on investment, %	18.2	1.6	-4.9	-6.4
Equity to assets ratio, %	45.3	40.8	39.2	30.9
Dividends paid (EUR million)	1.0	1.5	1.3	0.4
Wages and salaries (EUR million)	23.8	21.9	21.5	21.7
Number of employees (average in man-years)	544.1	497.8	505.4	494
Purchases 2017, (EUR million)	87.8	77.7	76.1	76.8
Gross investments (EUR million)	2.9	2.1	1.7	2.3
<b>SOCIAL RESPONSIBILITY INDICATORS</b>				
Average age of employees (years)	45.1	44.0	45.0	45.0
Number of employees with more than 10 years' service, %	49.7	49.2	51.9	47.5
Employee turnover, %	26.2	17.8	14.7	17.5
Reasons for leaving (incidents)				
· terminated by employer	53	12	6	13
· terminated by employee	85	73	65	59
· retirement	12	8	6	12
Absences due to illness (% of work time)	3.0	2.5	2.8	3.5
Investment in training (EUR / person)	333	376	221	392
Development discussions (% of staff)	87	64	66	75
<b>ENVIRONMENTAL RESPONSIBILITY INDICATORS</b>				
Material use (1 000 kg)	10 423	10 928	9 215	9 726
Direct energy (GJ)	0	0	0	0
Indirect energy (GJ)				
· district heating	23 231	17 331	16 339	16 515
· electricity	22 291	19 019	18 820	19 001
· gas	682	702	757	708
Carbon dioxide emissions (1 000 kg)				
· from direct energy	0	0	0	0
· from indirect energy	1 742	1 268	477	495
· from own transport equipment	1 058	1 035	928	880
· from company cars	114	114	98	105
· from business flights	116	97	105	81
· from material use	11 826	18 314	13 214	12 393
Waste				
· total (1 000 kg)	1 288	1 237	1 670	1911
· hazardous waste %	0.7	0.7	0.4	0.1
· recovery, %	95.5	95.7	99.6	99.8

# Sustainability Programme 2020–2030

The Sustainability Steering Group has approved Martela's new CR action plan for 2020–2030. The plan includes overall goals including economic, social and environmental aspects of sustainability.

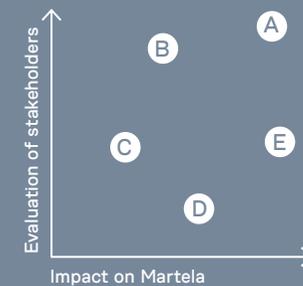
GOAL	SCHEDULE
EBIT level of 8% excluding non-recurring items Increase the share of the service business	Long term
Customer employee wellbeing, knowledge workers · 50% of new Martela Lifecycle® customer workplace change specifications lead to implementation · Minimum 30% of employees say that wellbeing has increased and minimum 50% of employees say that working efficiency has increased according to a user experience study	Mid term
Martela employee wellbeing: · People Power® rating to reach AAA level in People Spirit survey · Annual survey, action plans and implementation	Mid term
Improvements in working and learning environments and reducing environmental impact with Martela Lifecycle® ensuring the best customer experience · To identify the real need to develop efficient environment that support work, taking into account the opportunities offered by new working methods · Promoting the space efficiency with sustainable and multifunctional solutions, utilising existing and avoiding unnecessary · Continuous improvement of value chain to ensure the best customer experience optimising the use of materials and energy · Knowledge based optimisation, continuous development and maintenance of working environment, taking into account the circular economy	Mid term
Minimising climate impacts in logistics and in use of materials	Mid term
Developing occupational safety towards accident free working	Mid term
Demonstrating the social responsibility of the supply chain and fight against bribery and corruption · Written commitment on respect for human rights and the fight against corruption and bribery of the supply chain · Clear discount terms and decision patterns in the sales process · Training and raising awareness throughout the value chain	Short term

# Economic responsibility



## Materiality assessment

- A Customers' cost savings through space efficiency improvements
- B Customer satisfaction
- C Analyses of corruption risks
- D Purchases from local suppliers
- E Financial results



## Goals

- **EBIT 8% level excluding non-recurring items**
- **To identify the real need to develop efficient environment that support work**
- **To increase the share of the service business**
- **Continuous improvement of value chain to ensure the best customer experience optimising the use of materials and energy**

### Economic value by stakeholder group

Martela seeks to create economic value for its customers, shareholders, employees, partners and surrounding societies. User-centric work and learning environments designed and implemented for customers increase wellbeing at work and, consequently, customers' productivity and operational capacity. Of this economic value, more than 70% is distributed to providers of products and services, and around a quarter is distributed as salaries and social security contributions to employees. Out of every 100 euros spent by customers on products and services, 25 euros went towards the current or future income of Martela's direct employees. A similar contribution to indirect work in Martela's supply chain has not been calculated, as in practice it fluctuates depending on the service

and the degree and method of refinement of each product.

Of the companies providing products and services, more than 70% are based in Martela's countries of operation (Finland, Sweden, Poland and Norway) and around a quarter in other European countries. Martela seeks to be a reliable partner for its suppliers, service providers and financiers, a fair and encouraging employer for its employees, and a profitable investment for its shareholders. The distribution of financial benefits is presented in more detail in the value-creation diagram on page 11 of the report.

### A high level of customer satisfaction

Martela aims to offer the best customer experience in its field by providing working and learning environments that support customers' productive work. For this reason, the customer experience is measured regularly, developed based on feedback and managed so as to increase customer loyalty. Martela's unique corporate culture and its way of working lay a strong foundation that its competitors cannot imitate.

Martela monitors customer satisfaction through customer surveys carried out after deliveries, occasional extensive customer experience surveys and continuous monitoring of complaints. The results of continuous customer satisfaction monitoring fell by about 1% in 2019, to an average general customer satisfaction score of 8.52 (1–10). Nearly 700 customers responded to an extensive customer experience survey carried out in 2019. The Net Promoter Score (NPS)

was 48, an increase of 14% on the previous year, with 57% of the respondents being willing to recommend Martela, while 33% were neutral and 11% were critical. Martela's Customer Satisfaction Score (CSAT) was 4.1 on a scale of 0–5. The relative number of complaints decreased by almost a quarter in 2019, returning to the longer-term median level. Martela fared well in the TEP 2019 survey conducted by Taloustutkimus, a market research company. Among the 12 office furniture suppliers included in the survey, Martela received the best overall score, as well as scoring highest in half of the individual assessment criteria.

### Product offering changes with customers' needs

Martela's product and service development is based on customers' changing needs. Usability, durability and aesthetic and physical quality are the most important factors in products. These requirements remain unchanged, even though the trends are changing, and more functionalities are being added. Martela's offering is updated and new products are designed in response to customers' needs. Martela's portfolio constitutes a solid basis which can be adapted to trends with relatively minor modifications. In 2019, the product portfolio was expanded with the unveiling of the PodBooth phone booth and new products to Pod family. A new version of the popular Grip collection was also launched, and the Bit series was expanded with new products. In addition to physical products, an important area for influencing customer experience

is the follow-up of users' actions. We can achieve our desired results only by developing work and learning environments based on monitoring the actual user experience. New services are continuously being developed for these purposes.

### Supply chain management

An efficient, high-quality supply chain is one of Martela's key success factors. In its own operations, Martela focuses on final assembly and the service business. Purchases of materials related to products and services sold by Martela represented around 64% of Martela's total purchases, with the share of other products and services being 36%. Martela's purchasing function is responsible for acquiring sustainably produced products, materials and components that meet customers' needs. Its purchasing criteria are strict, and its suppliers are selected carefully.

A network of around 150 reliable suppliers delivers materials and components for products in Martela's standard range. To a significant degree, the supply chain is based on partnerships with a history of several decades. The role of suppliers varies greatly. In terms of sustainability, Martela's key suppliers produce custom components based on materials and product structures chosen by Martela's designers. This means that the cooperation begins as early as the product development phase. At the other end of the supplier spectrum are companies that supply their standard components and that Martela chooses based on product specifications.

REVENUE AND OPERATING PROFIT,  
EUR MILLION



To ensure efficiency and sustainability, Martela develops its supply chain in cooperation with the suppliers. As in previous years, the goals for purchasing operations in 2019 included cost savings and high delivery reliability. To achieve these goals, the company focused on increasing the efficiency of logistics, which will simultaneously reduce the resulting environmental load. Martela developed its own production capacity by launching an investment project for centralising the manufacture of wood panel components in Finland. During 2020, it will be possible to shorten the supply chain of storage unit and desktop components and further improve delivery reliability.

When selecting new suppliers, their ability to deliver products and produce quality is assessed, along with their financial background. The operations of major suppliers are also generally assessed by finding out the country-specific responsibility risks and, if necessary, becoming familiar with supplier-specific manufacturing conditions. Social risks are assessed specific to each supplier, as the supplier is not necessarily based in the same

KEY FINANCIAL INDICATORS 2019

Revenue, EUR million	106.2
Operating profit, EUR million	-2
Equity to assets ratio, %	30.6
Gearing, %	31.5
Investments, EUR million	2.3
Dividends paid, EUR million	0
Market value in the end of 2019, EUR million	13.92

country as where its components, sub-assemblies and products are manufactured. The key suppliers related to Martela's supply chain are required to commit to Martela's sustainability policy for the supply chain. Based on self-assessments carried out by suppliers, the most significant environmental aspects of corporate responsibility in Martela's supply chain are usually related to the sorting of waste, energy consumption, safety at work and employment relationships. Martela monitors supply chain operations and compliance with the jointly agreed rules by conducting assessments of its suppliers, if necessary. Through supervision, Martela can ensure that laws, operating principles and joint agreements are followed under all circumstances.

Analysis of sustainability aspects is an important part of continuous interaction with suppliers. In Martela's sustainability policy for the supply chain that was updated in 2018, the importance of social responsibility in the suppliers' own supply chains is also emphasised. The policy is communicated with each purchase order. Additionally, the key suppliers

ECONOMIC VALUE BY STAKEHOLDER GROUP

	2017	2018	2019
Payments to product and service providers	71.6%	71.6%	72.1%
Employee wages	19.4%	20.3%	20.4%
Employee social security & pension	4.4%	4.6%	4.4%
Dividends paid to shareholders	1.4%	1.2%	0.4%
Other (taxes, paid interests, investments)	3.0%	2.3%	2.7%

have been sent a sustainability survey through which Martela has received a commitment from more than 170 suppliers of materials, components and products to compliance with the requirements of the sustainability policy for the supply chain. Further discussions with specific suppliers have been held especially with regard to the special requirements for the Möbelfakta label. These measures and cooperation further strengthen the suppliers' commitment to compliance with Martela's sustainability requirements.

Laws and rules guide operations

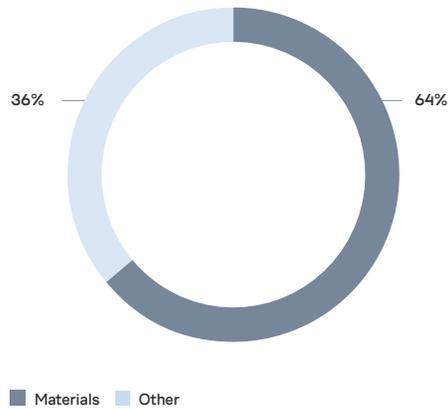
Martela's decision-making and governance comply with the laws of Finland and the Limited Liability Companies Act in particular and with other regulations concerning public listed companies, as well as its Articles of Association. In addition, Martela has a Code of Conduct, which includes sound financial management policies. As a listed company, Martela complies with Nasdaq Helsinki's guidelines for insiders and the Finnish Corporate Governance Code published by the Securities Mar-

ket Association in 2015. Most indicators of economic sustainability are derived from the consolidated financial statements, which are prepared and presented in accordance with the International Financial Reporting Standards (IFRS). Martela's auditor, KPMG, annually inspects the accounts and transactions of its subsidiaries. An auditor's report is presented at Martela's Annual General Meeting.

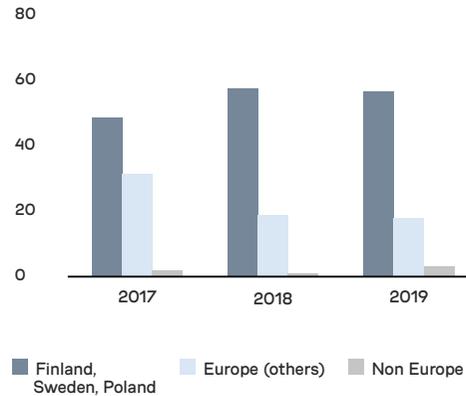
Through its membership of the Association of Finnish Furniture and Joinery Industries and the Service Sector Employers of Finland, Martela has an influence on legislation and collective bargaining. In Sweden, Martela is a member of the Swedish Federation of Wood and Furniture Industry.

Martela does not condone bribery in its business operations in any market area. Its anti-corruption and sustainable business principles are discussed in conjunction with an annual sustainability training programme. Martela does not support politicians or political parties in any of its countries of operation and was not granted state subsidies for its business operations during 2019.

TOTAL PURCHASES



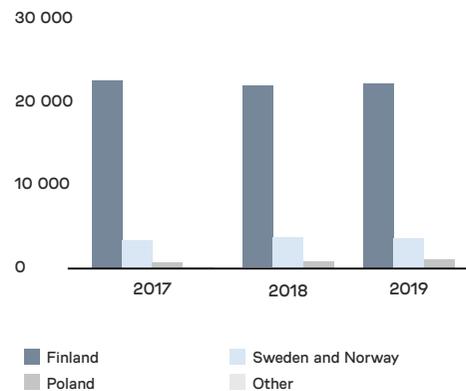
MATERIAL PURCHASES BY AREAS, %



MATERIAL SPEND, %

	2017	2018	2019
Wood	11.9%	9.6%	9.7%
Plastics	2.7%	2.1%	1.9%
Metal	30.4%	26.2%	21.4%
Upholstery materials	4.0%	5.6%	5.8%
Contract manufacturing	7.9%	8.7%	10.5%
Trading	19.4%	28.9%	29.1%
Supplies	7.8%	5.4%	5.2%
Other	15.7%	13.5%	12.2%

SALARIES, EMPLOYEE COSTS AND TAXES BY COUNTRIES, EUR 1 000



## Case: Functional furnishing with reverse tendering

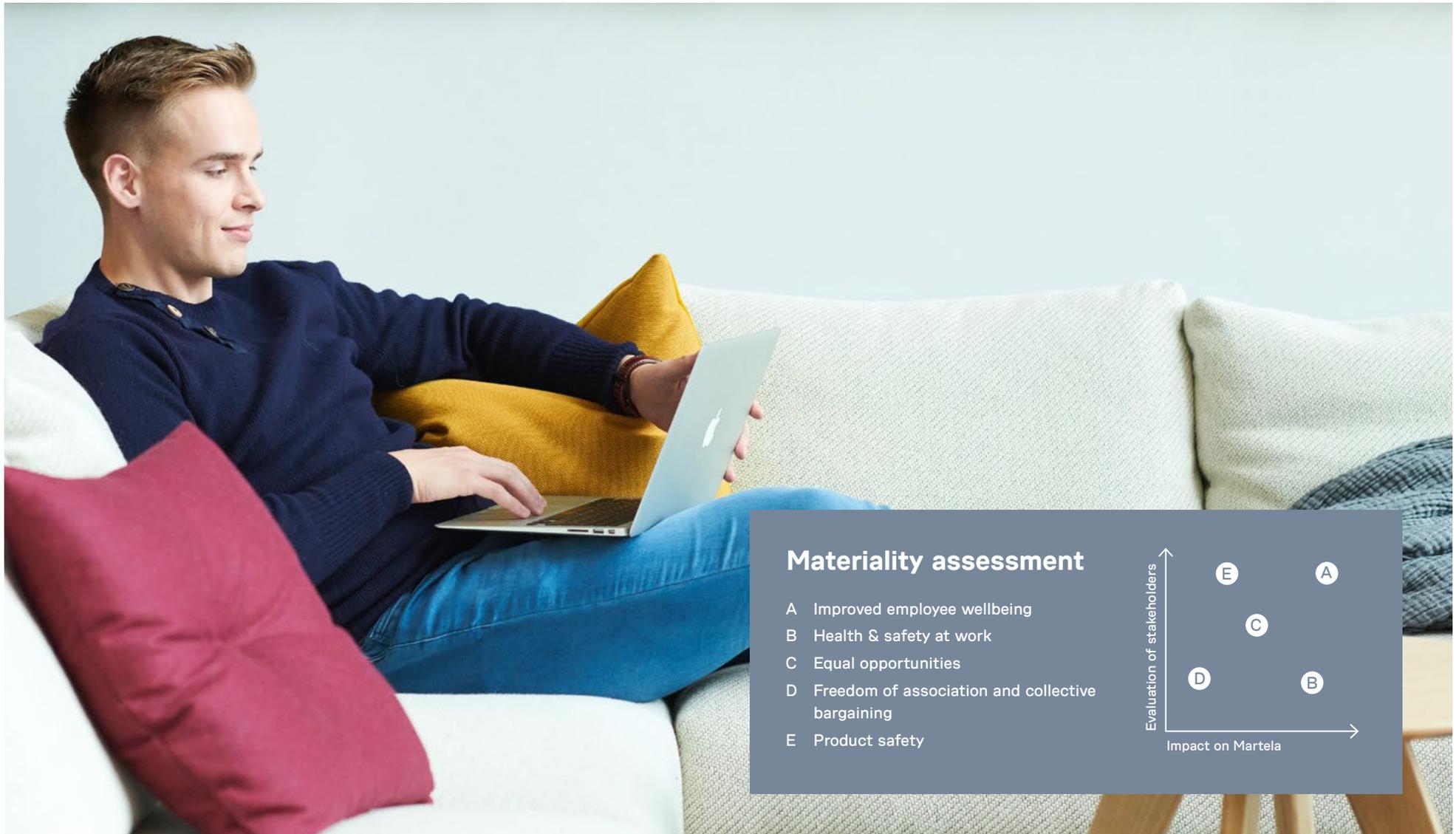
**IN THE SUMMER OF 2019**, a new school building was completed in Kuopio, Finland as a lifecycle project. The starting point for the project was the efficient use of the facilities and flexibility, considering the needs of all user groups – the new school building will be a functional centre for the residential area.

One of the key elements of user-centric planning is to involve various user groups in the process at a very early stage of the project. The entire staff of the school participated in Martela's specification workshop and the resulting information was created into material for reverse tendering.

A pleasant environment supports learning processes and improves learning outcomes, promotes the holistic development of individuals, and motivates all staff to achieve positive change. "Community spirit, the interaction of both adults and children, is an important part of our school's operating culture", says **Harri Korteniemi**, the school's principal.

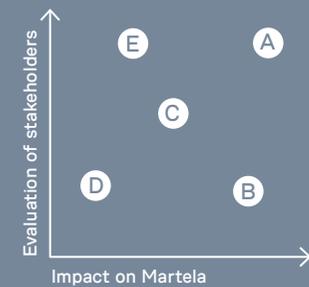
Read more <https://martela.com/reference/hiltulanlahti-school>

# Social responsibility



## Materiality assessment

- A Improved employee wellbeing
- B Health & safety at work
- C Equal opportunities
- D Freedom of association and collective bargaining
- E Product safety



## Goals

- To increase wellbeing at work in working and learning environments with Martela Lifecycle® model
- Occupational safety target is accident free working
- To improve wellbeing at work at Martela: annual People Spirit survey, action plans and implementation

### A valued employer

At the end of 2019, Martela had 464 employees (501), of whom 385 were based in Finland, 36 were based in Sweden and Norway and 39 were based in Poland. Martela hired 48 new employees in Finland, 11 in total in Sweden and Norway and four in Poland. Personnel expenses totalled EUR 26.7 million (26.7). In 2019, the focus in HR was on developing expertise, improving wellbeing at work and strengthening dialogue within the organisation through the value process.

Martela has a strong employer brand, and the availability of new employees is at a good level. Martela is highly appreciated, especially within its industry. Its employee turnover rate increased to 17.5% (14.7) in 2019. Turnover was clearly the highest in the under-30 age group, especially in Finland.

Martela leads the way in its industry: its approach and offering, which are based on

the Martela Lifecycle® strategy, are unique in the world. Martela has developed from a manufacturer of office furniture into a designer and provider of working and learning environments. This change in its operations offers new opportunities for its employees to develop their knowledge and skills, and Martela works to provide everyone with equal opportunities for professional and career development. As a workplace community, Martela seeks to offer an encouraging and inspiring environment that makes use of everyone's knowledge, skills and ideas. This guarantees the continuous development of the company's operations and offering.

Martela's employees have broad and varied expertise and experience. Their job descriptions vary from experts and designers to production and removal service employees. The changes in its operating environment call for the continuous development of knowledge and skills in terms of individual employees and the company. Martela aims to encourage and support its employees' continuous development. To serve this purpose, its Martela Talent programme is based on the organisation's strategic competencies, as well as individual employees' strengths and interests. Individual training needs are discussed, and personal development plans are created during personal Talent discussions. In addition to external training, Martela makes use of internal information-sharing through job rotation, for example

### New values to define our operations

Martela set out to define its values in early 2019, aiming to find the values that provide stability to its operations amid the constant

changes taking place in the surrounding environment. The purpose was to produce a better description of what kind of values the company adheres to.

The value journey was launched by involving the entire personnel from all countries of operation. Employees were asked to answer four questions: what is important for and characterises us, what are we known for, what do we want to cherish and what do customers and society expect from us. The survey was a success, generating more than a thousand responses. When we began to make our choices through a vote, we received more than ten thousand votes.

Once the common denominators were established, the values were further refined at joint workshops with personnel and supervisors. The value candidates that were created in the workshops were then proposed to the management and the Board of Directors. After some final tweaks, we managed to come up with the values which the entire personnel believe in.

In 2020, we will proceed with implementing the values in everything we do. Value ambassadors have been nominated to offer their support to the entire organisation in carrying out this task.

### Monitoring wellbeing at work

The annual People Spirit personnel survey was carried out during the spring. The response rate dropped slightly this time to 73.6%. The overall score remained unchanged from the previous year, reaching the satisfactory A level. There were no major differences

in personnel satisfaction between countries and locations. Martela aims to reach the AAA level, meaning that work remains to be done. Based on the survey results, the most significant development needs are related to the flow of information and the functionality of tools. In terms of their own capabilities, the employees felt that expectations had been exceeded. There was positive feedback on cooperation between departments, and the sharing of expertise was, in fact, one of the most positive results of the year. The work environment was generally considered to be good. Based on the clear outlines provided by the results, practical measures for improving wellbeing at work have been planned in teams. The goal of performance and development appraisals and internal events is to strengthen each employee's commitment to their work. Other development needs include the further development of work facilities to better meet the changing needs related to ways of working and interaction.

### Consistent safety guidelines

The stress factors of work vary between different jobs at Martela. Work in production is repetitive, and removal services involve moving furniture in varied customer premises. In office work, the stress factors are often related to the mental aspects of work and its demands. Due to the varied work environments, safety at work is monitored by four different occupational health and safety committees at Martela in Finland. A similar operating model will be launched at the unit in Poland this year. Occupational health and safety are extreme-

## Martela was aiming to find the values that provide stability to its operations amid the constant changes taking place in the surrounding environment.

ly important, and the related guidelines and practices must be updated frequently. The right attitude and an awareness of the risks are the primary means of ensuring safety at work. During 2019, the functions in Finland introduced a web-based logging system for safety observations, through which more than 400 observations were made. The likelihood of accidents can be reduced by carefully processing every observation.

There have been no fatal accidents at Martela during its history. The most recent serious accident, i.e. an accident resulting in more than 30 days of sickness absence, occurred in January 2019, when an employee leaving for work slipped in their yard at home. No work-related, serious accidents have taken place since 2017. Most of the accidents that occurred in 2019 were strains, bruises, wounds or superficial injuries. Martela's lost workday injury frequency (LWIF) rate in Finland was 18.8. The number of accidents and absences due to accidents nearly doubled. In 2019, Martela began building an ISO 45001 compliant occupational safety management system, aiming to certify it in autumn 2020. In addition, the company has invested in coping at work by creating various flexibility models that serve the needs of both the employer and the employees.

### Equality and fair rules

Corporate responsibility is promoted and monitored through annual training and surveys. In 2019, nearly 80% of the employees participated in a survey mapping out awareness of the key responsibility indicators. Three-quarters of the respondents knew how Martela's economic benefits are distributed to the stakeholders and more than 85% recognised the key social responsibility indicators. The survey also measured the personnel's experience of how anti-extortion and anti-bribery rules affect their work. 3% felt that corporate gifts and rewards related to work can be considered bribery. The survey also aimed to measure the impact of supervisor training and discussions held since the previous survey on the personnel's experiences of inappropriate behaviour. 17% of the personnel felt they had experienced inappropriate behaviour or witnessed such behaviour towards a colleague during 2019. The experiences were related to behaviour belittling others in general or their gender, experiences or professional skills, and to impressions of whether the dismissals carried out during the year were fair. The responses to the survey were discussed in a meeting attended by the occupational health and safety personnel and shop stewards and then communicated to the entire personnel.

All Martela employees in Finland, Sweden and Norway are covered by jointly negotiated collective agreements. Poland does not yet have an applicable collective agreement. In restructuring situations, Martela follows the notice periods based on the local legislation in each country of operation. In 2019, the lowest wages paid by Martela in Finland were 14% higher than the minimum wage in the industry. In Finland, where men represent a clear majority of the employees, the difference between women's and men's average total income was reversed from the previous year, with wom-

en's average total income representing 101% of that of men. Among white-collar employees, of whom slightly more than half are women, women's average total income was 88% compared with men, which is the same figure as in the previous year. Income differences were surveyed only in Finland for 2019.

In 2019 the Martela Group's Board of Directors comprised seven members (four men and three women). The Group Management Team had five members, all of whom are men. Of Martela's entire personnel, 65% are men and 35% are women. The largest age group is 50–59, representing 36% of all employees, with the average age being 45. The oldest employee was aged 70. In 2019, 392 euros per person-year were invested in training for employees, i.e. more money than in any of the ten years in which this statistic has been measured.

### Product safety

The physical products offered by Martela are mainly furniture items intended for use in normal office and learning environments, and do not involve any specific risks for their users. Product safety is ensured during product development by following the European product standards for product groups and purposes of use. This also promotes ergonomics and long useful lives. In connection with its Nummela unit, Martela has a laboratory for testing the durability and stability of furniture products and their compliance with dimensional requirements. There are as yet no harmonised European standards for the furniture types in Martela's offering for the basis of CE marking.

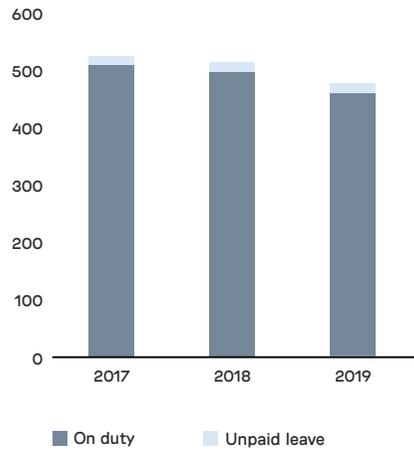
Martela's products are shipped, installed and adjusted ready for use by professional installation personnel. The health effects of Martela's products are mainly related to their ergonomic use and adjustment. Instructions for use, maintenance and ergonomics are available on Martela's website for the adjustable pieces of

furniture, such as office chairs and electrically adjustable desks.

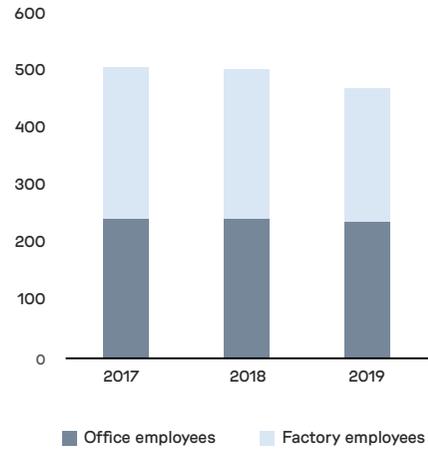
In assessing the volatile substances in products, Martela usually relies on suppliers' material-specific emission tests. Various product-specific tests are performed to meet customer and market expectations. In 2019, the international shared-office space company WeWork banned the use of the phone booths in its offices. Due to the resulting controversy, Martela decided to commission a study from the Finnish Institute of Occupational Health on the quality of the indoor air in the phone booths included in its product portfolio. The study simulated normal use of a booth from the perspective of the person working inside it. The booth's normal ventilation was turned on, and the heat load of the user was simulated with a heat lamp. Under the Finnish Ministry of Social Affairs and Health's decree on housing health (545/2015), the average short-time concentration of formaldehyde in indoor conditions during a 30-minute measurement may not exceed 100 g/m. Based on the tests performed, the measured formaldehyde and VOC concentration, including TVOC, in Martela's PodBooth was at a level that represented good indoor air quality. Higher concentrations were measured in Hush phone booths than in other phone booths, but the concentrations were below the official limits for households and workplaces.

At the end of 2018, Martela expanded the availability of its product variants with the Nordic Ecolabel to cover the Finnish market. In 2019, no customers selected the Nordic Ecolabel product variants, which have a limited range of materials and colours. Emissions into indoor air are one of the key criteria for the Nordic Ecolabel, also known as the "swan label". To control this, the classification requirement for chipboard components used in products with the Nordic Ecolabel is E0.5, which guarantees lower formaldehyde emissions.

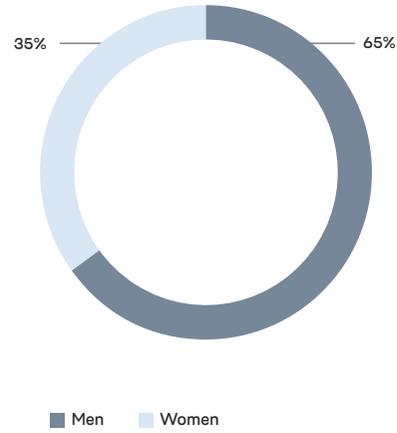
NUMBER OF PERSONNEL AT YEAR END



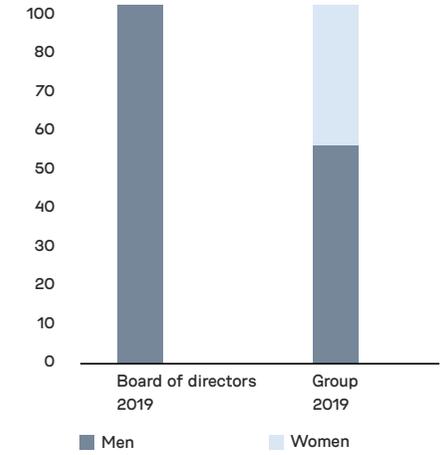
PERSONNEL GROUPS AT YEAR END



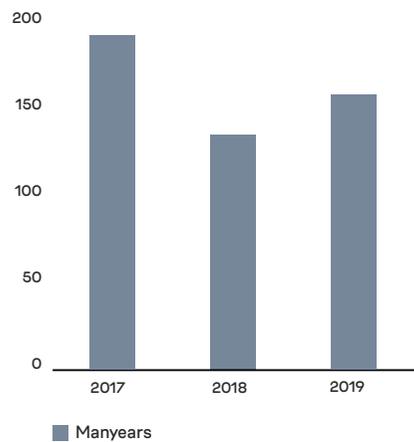
GENDER DISTRIBUTION, %



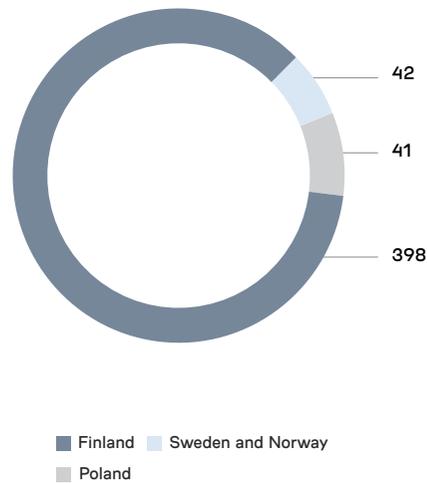
GENDER DISTRIBUTION IN THE BOARD OF DIRECTORS AND THE GROUP MANAGEMENT TEAM, %



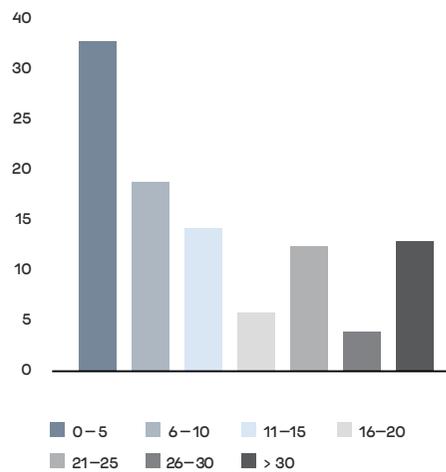
EXTERNAL RESOURCES



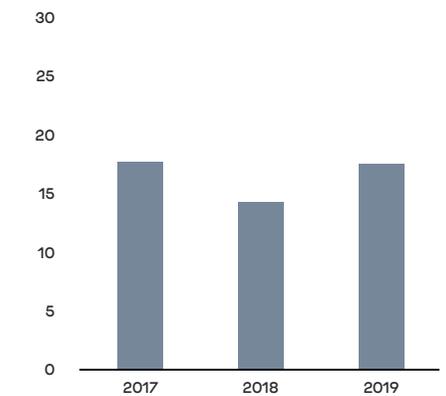
PERSONNEL BY COUNTRIES



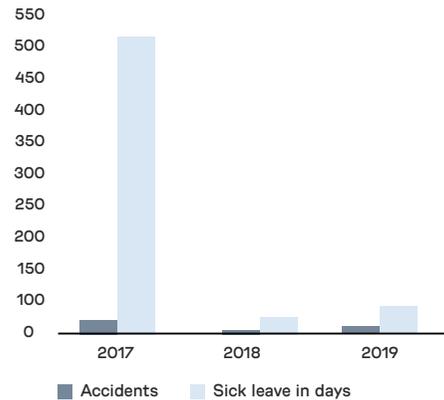
YEARS IN SERVICE, %



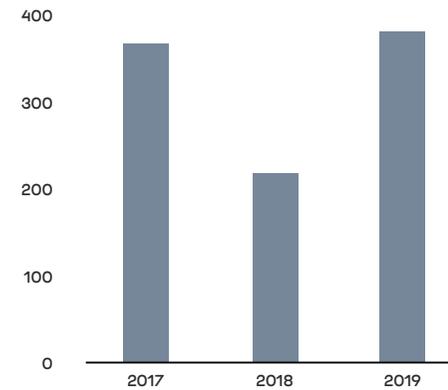
EMPLOYEE TURNOVER, %



OCCUPATIONAL ACCIDENTS AND RESULTING SICK LEAVE DAYS



TRAINING, EUR/EMPLOYEE



2019

Number of personnel at year end	481
Number of contractual employment relationships at year end	464
Number of employees on unpaid leave at year end	17
Office employees at year end	239
Factory employees at year end	225
Full time employees at year end	456
Part time employees at year end	8
Permanent employees at year end	457
Temporary employees at year end	7
Average personnel, manyears	462
Temporary agency workers, manyears	154
No longer employed	84
Employee turnover, %	17.5
Resigned	59
Given notice	13
Retired	12

PERSONNEL BY GROUPS

	Finland			Poland			Sweden & Norway		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Personnel, men, %	69	68	69	55	63	61	39	40	42
Personnel, women, %	31	32	31	45	37	39	61	60	58
Office employees, men %	49	48	46	45	50	63	39	40	42
Office employees, women, %	51	52	54	55	50	37	61	60	58
Factory employees, men %	85	86	87	58	66	61	0	0	0
Factory employees, women, %	15	14	13	42	34	38	0	0	0
Personnel, 18–29 years, %	9	9	8	14	5	12	15	12	7
Personnel, 30–39 years, %	24	23	21	29	30	21	32	35	31
Personnel, 40–49 years, %	24	24	23	33	33	36	32	28	31
Personnel, 50–59 years, %	37	37	39	22	30	21	17	30	17
Personnel, over 60 years, %	6	7	9	2	3	10	5	5	14
Personnel, average age	45	45.5	46	42	44.0	43	41	42.0	44
Personnel, eldest	65	66	64	64	65	66	61	63	70
New employees	39	30	48	4	3	4	6	7	11
Injuries	36	7	15	0	0	0	0	0	0
Lost workday due injuries	510	45	88	0	0	0	0	0	0
Training costs per manyear	270	231	398	120	111	500	329	227	392
Development discussion, % of work force	63	66	76	64	73	93	70	58	45



## Case: Work satisfaction with spaces that work

"HOLTE CONSULTING AND HOLTE ACADEMY needed new premises which support our business and adapt to possible future changes. We chose Martela as our partner to optimise the new premises", says **Anne Tvedt**, Administration Manager of Holte Consulting.

Martela had overall project responsibility and used parts of the Lifecycle model for planning and designing the office and implementing the change.

"It was very important for us that the premises reflect who we are. In the design process, several workshops were conducted to engage our key people and we found the Martela team to be both very creative and solution-oriented", says Tvedt.

"We are very pleased with our new premises, which is also shown by various results of the work satisfaction survey. In the latest employee survey, our premises scored an average of 5.5 (scale 1-6). We can highly recommend Martela as a workplace development partner", says Tvedt.

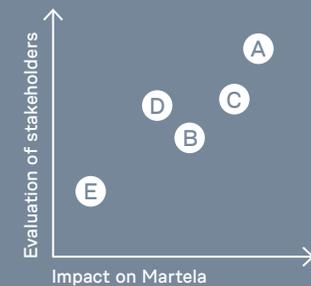
Read more <https://martela.com/reference/holte-consulting>

# Environmental responsibility



## Materiality assessment

- A Combating climate change by improving space efficiency of customers
- B Material efficiency with sustainable and environmentally friendly products
- C Reducing the use of materials by replacing products with services
- D Extending product use life by developing recycling services
- E Reducing direct environmental impacts



## Goals

- **Workplace optimisation, continuous improvement and maintenance with attention to circular economy**
- **Promoting space efficiency as well as sustainable and versatile solutions using existing and avoiding unnecessary**
- **Minimising climate impacts in the logistics chain and material use**

### Reducing the environmental impact of Martela's offering

The main idea behind the Martela Lifecycle® strategy is to provide customers with efficient, user-centric work facility solutions and related services. Efficient use of space in working and learning environments reduces rental costs and maintenance expenses, such as the cost of heating and electricity. Maintenance services help customers extend the useful lives of facilities and furniture while also ensuring their optimal use continuously. Martela's most significant environmental performance lies in helping its customers use their facilities more efficiently and reduce their climate effects through the Martela Lifecycle® model. However, as Martela does not have measurement data on the development of its customers' efficient use of space or reduced energy consumption, the company focuses on the environmental effects of its own operations in its reporting on environmental responsibility.

### Sustainable, environmentally friendly products

Over the past 75 years, Martela's operations have been developed with environmental aspects in mind. Sustainability is reflected in its comprehensive assessment of environmental effects throughout the value chain and in its measures to reduce its environmental impact. Martela's products and services are designed to be environmentally friendly, from production to distribution.

By producing durable, high-quality furniture Martela is taking a stand against the modern throwaway culture. Its products have been designed for long-lasting, heavy-duty use. Product design at Martela also aims to create products that can be used for decades. Good examples of timeless design include the Kilta chairs from 1955 and the Kari chairs from 1969, which are still in production. Classic design is timeless.

Recycling furniture is also key to Martela's operations. Martela's furniture has been designed to be refurbished and restored, and its materials can be recycled or used to produce energy. When designing new facility solutions for customers, their old furniture can either be included in the new design or recycled responsibly through Martela. Used furniture in good condition is cleaned and refurbished at the Nummela remanufacturing facility and then made available to corporate and private customers through the Martela Outlet online service and shops. In 2019, around 20,000 pieces of used furniture, from tiny Trailer side table to indoor phone booth, found new homes through the Martela Outlet chain. As part of its compre-

hensive service, Martela also offers a furniture recycling service to its customer companies. In 2019, the amount of used furniture received from customers grew on the previous year, to 3.2 million kilos.

### Efficient production

In 2019, Martela's production volumes of new products decreased slightly compared with 2018, mainly because of delays in contract negotiations concerning public procurement. In recycling production, on the other hand, volumes increased by about 16% on the previous year. Quality and delivery times remained at a good level. Martela further developed its warehouse management process and utilised software robotics. Its product development and production departments cooperated more closely, as the number of new products designed in 2019 was higher than in the previous year. The quality of new products was ensured in Martela's own test laboratory in Nummela before they were introduced to the market.

Martela manufactures products based on customers' orders, and some materials are purchased according to customers' own selection. For example, customers can always choose the upholstery materials used in seats and space dividers from Martela's comprehensive standard fabric selection or its extensive range of special-order fabrics. Most of the upholstery materials used in 2019 had an EU Ecolabel, an Oeko-Tex label or both. In its use of materials, Martela aims for minimal waste, and any surplus materials are used in remanufacturing process. All waste from production is recycled

appropriately. In 2019, the production waste generated by the entire group amounted to 1.9 million kilos, of which 99.8% was recovered and only 0.1% was hazardous waste resulting mainly from the maintenance of equipment and buildings. Most of the increase in waste came from an increase in the amount of Kidex Oy's chipboard fractions.

Delivery times for products are determined based on the planned supply chains. Components for products with a one-week delivery time are stored in Martela's logistics centre, and components for products with two-week or three-week delivery times are stored in their standard supply chain. Special products often require design work, which is why they have longer delivery times that depend on the product and quantity ordered.

The products' packaging materials are optimised so that they guarantee product quality during transportation using as little packaging as possible. The packaging is made of easily recyclable or reusable materials that are as light as possible. Products are mainly packed on wooden pallets during transportation and protected with wooden boards, cardboard or plastic. The packaging is subsequently recycled or used to produce energy after reuse.

### Management systems of operations

Martela's head office, Martela House, is in Pitäjänmäki in Helsinki. The Nummela logistics centre focuses on the final assembly of new products and the remanufacture of used products. Upholstery components are assembled at Martela's own plant in Poland, and tabletop and



storage unit components are manufactured in Kitee, Finland. Martela has several sales offices in Finland, Sweden and Norway. Martela's products are also sold through a strong network of dealers. Martela's Groupwide operations have continuously had a third-party auditor's certificate for their environmental and quality systems since the 1990s. The Group's structure and operating models have evolved over the years, and the Group companies' quality and environmental management systems have been integrated into a consistent, comprehensive operating model. Since 2017, Martela has had a third-party environmental and quality management system with multi-site certifications in accordance with the ISO 9001 and ISO 14001 standards, ensuring that consistent operating models are used at all levels of operations within the Group. The certification covers the Group functions managed at the headquarters, the operations in the logistics centre in Nummela, at Kidex Oy in Kitee

and the production in Piaseczno, Poland. In the development of operations, Martela has particularly focused on improving occupational safety during last year with the aim of achieving ISO 45001 certification in 2020.

#### **Sustainable and recyclable materials**

The materials Martela procures for its products are wood-based board and components, metal and plastic components and upholstery materials. The company favours sustainable and recyclable materials that have been produced responsibly. Materials and components are purchased from a well-established chain of reliable suppliers located as close to the production facilities as possible. This ensures quick purchasing with a predictable quality, the shortest possible delivery times and the lowest possible environmental load. Wood materials are sourced from sustainably grown commercial forests, and most of the materi-

als used are recyclable. Nearly all production waste and packaging materials can be either recycled or used to produce energy.

In 2019, the amount of material used for production rose by 5% on the previous year, reaching around 9.7 million kilograms. Purchase item data reveals that nearly 60% of the materials used were wood-based and nearly 30% were metal-based. Comprehensive material or weight information is not recorded in the system for customer-specific products and traded products. As the recycled material content of metals is estimated to be at around 33% on average, the recycled materials used by Martela can be calculated to be around 9% of the total material usage. In addition, the acoustic panel in the Face screen contains recycled materials, as the panel is made from recycled PET bottles. Customers can also choose from an expanding range of upholstery materials made from recycled fibres.

#### **Materials are responsible for the majority of climate impacts**

Martela's own production generates practically no emissions into the air, and no hazardous substances are used. Even as missions of volatile organic compounds (VOCs) at Kidex Oy's plant more than tripled due to the deployment of its surface finishing line, VOC emissions totalled only 265 kilos last year.

Martela's most significant climate impact arises from the use of materials related to products and services offered to customers. Martela's greenhouse gas emissions totalled nearly 14 million kilos in 2019, representing a decrease of about 6% from the previous year. The decrease came from lower climate impacts caused by the use of materials, business flights and distribution of goods.

Of these emissions, 89% were related to the use of materials (scope 3), 4% arose from the indirect use of energy (scope 2) and 6% were

## Over the past 75 years, Martela's operations have been developed with environmental aspects in mind. Sustainability is reflected in its comprehensive assessment of environmental effects throughout the value chain and in its measures to reduce its environmental impact.

related to the delivery of finished products to customers (scope 1). Carbon dioxide emissions from the use of materials have been calculated using the coefficients for material use provided by the Footprinter software. The coefficients for the climate impacts of the use of materials include the carbon emissions of material and component logistics on a general level for each type of material.

Detailed environmental impacts of the material and component logistics have not been studied previously. In 2019, Martela launched a large-scale project for developing its own logistics, aiming to boost its efficiency by increasing load factors for transports. With higher load factors, the number of kilometres driven, and thus climate impacts, can be reduced. As a starting point for measurement, 62% of the value of logistics procurement comes from suppliers who calculate the CO<sub>2</sub> emissions of their shipments, and the calculated amount was 402 tonnes in 2019. More than 80% of these emissions are compensated for by the logistics partner through its own internal emissions reductions or compensation.

### Scope 2 emissions diminished

The amount of indirect greenhouse gas emissions under Martela's scope 2 has decreased by 80% in six years as indirect energy consumption has fallen by 10%. The largest reduction in greenhouse gas emissions has been achieved by purchasing emission-free electricity.

In the case of Martela's head office and the Nummela unit, energy consumption is an estimated figure, as a large part of the head office building is used by other companies and the office building in the Nummela

plant area is leased to another operator. Energy measurements per user have not been technically arranged. The electricity for Martela's head office is purchased by the lessor. The Nummela and Kitee sites purchase their electricity, which is generated solely from renewable sources, from a single supplier. The unit in Poland purchases its electricity from a local supplier. The premises in Nummela and Kitee mainly use district heating generated from renewable sources of energy. In Poland, the production facilities are heated with gas. Greenhouse gas emissions from energy use in Finland have been calculated using actual coefficients provided by the main supplier of electricity. The coefficients for district heating have been provided by district heating suppliers in Helsinki, Kitee and Nummela, and the coefficients for gas are based on the fuel classification published by Statistics Finland. Average coefficients published by Motiva have been used in other respects.

The total amount of indirect energy used for heating, lighting and ventilation in Martela's premises was slightly over 36,000 GJ in 2019. Of the total amount of energy used, 87% was from renewable energy sources, 12% was from fossil sources and 1% was nuclear power. The renewable energy comes from district heating generation and the nuclear energy is calculated from the average figures for electric power used. The consumption of electric energy and district heating increased by 1%. The use of heating energy produced from gas decreased by 6% due to the warm winter season. Regional environmental working groups monitor the implementation of measures related to reducing energy consumption, as well as other measures related to environmental protection.

### Scope 1 emissions partly disappeared

Six years ago, Martela produced about 14,500 GJ of direct energy to heat its properties with emission of more than 1,100 tons of carbon dioxide. The premises have been heated for several years entirely with purchased energy, resulting disappearance of this part of scope 1 emissions.

The environmental effects of Martela's distribution operations have been monitored actively since the 1990s, and the company has aimed to mitigate these effects through optimised fleet and distribution plans as well as by designing packaging and planning loading operations carefully. In addition to its own transportation fleet, Martela uses leased vehicles and the services of partners. In 2018, the indicator for emissions from transportation was calculated using three different methods. The highest result for greenhouse gas emissions was reached using the measured fuel consumption and coefficients from the EMEP/EEA air pollutant emission inventory guidebook (2013), while the lowest result was achieved with a measurement method that accounts for the emissions categories of the company's own fleet with Lipasto coefficients and estimated mileages.

In 2019, Martela increased the accuracy with which it monitors the mileage per vehicle in its own fleet, but with many of its partners, it still had to resort to estimates of kilometres driven. When the partially measured and partially estimated mileages were multiplied with Lipasto coefficients, the carbon dioxide emissions of the distribution logistics in all of Finland amounted to 880 tonnes, while NO<sub>x</sub> emissions totalled 4 tonnes and SO<sub>x</sub> emissions were 3 kilos. Compared to the figures six years ago, the carbon dioxide emissions are about 10% lower,

but the results are not fully comparable. All the emissions from the distribution of goods have all been included in scope 1.

### Monitoring commuting and business travel

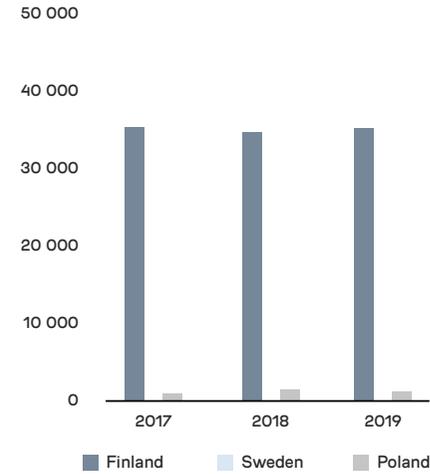
Martela also seeks to reduce its environmental impacts by promoting teleworking and videoconferencing opportunities, which decrease the need for business travel, and by encouraging employees to commute using public transportation. Emissions from company cars are also monitored closely. The number of leased company cars used in Finland decreased during 2019, but their average carbon dioxide emissions increased to 125 g/km. This change was mostly due to the new WLTP emission values applied to cars that entered into service after September 2018, which are higher than the previously used values. Accordingly, the maximum emission limit in Martela's company car guidelines was increased to 170 g/km following the adoption of WLTP values. Only one company car produces emissions that exceed the guidelines. Total carbon dioxide emissions from all leased company cars used by Martela's employees were calculated at around 105 tonnes in total.

Around 80% of the business trips made by Martela's employees are booked via a centralised reservation system. The CO<sub>2</sub> emissions of work-related flights booked through the reservation system in 2019 decreased by almost a quarter to 81 tonnes. SO<sub>x</sub> emissions from business flights were 15 kilos and NO<sub>x</sub> emissions 230 kilos.

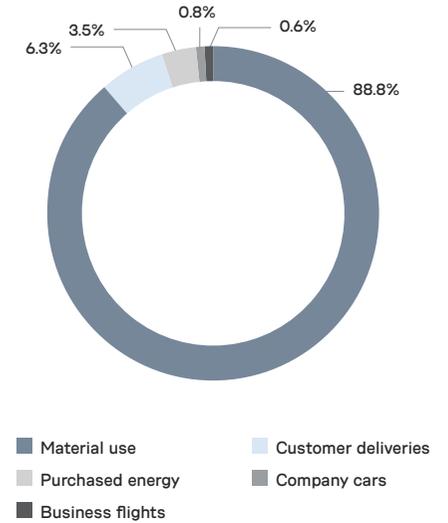
PURCHASED MATERIALS, 1 000 KG

	2017	2018	2019
Wood	4 906	5 485	5 673
Metals	4 038	2 649	2 583
Plastic components and paddings	5 886	305	381
Glass components	5	125	176
Other	1 394	652	913

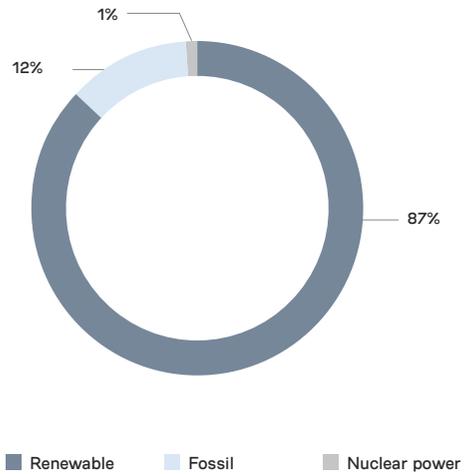
USE OF INDIRECT ENERGY, GJ



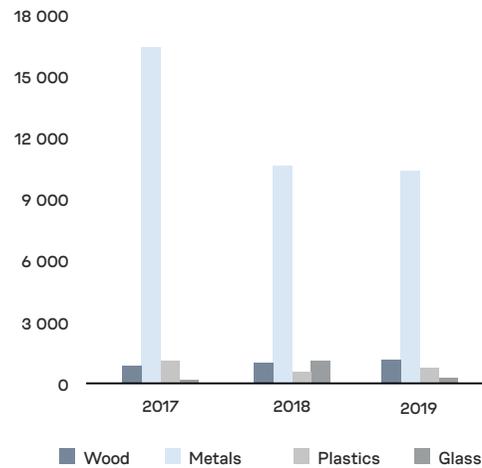
CO<sub>2</sub> EMISSION DIVISION 2018, 1 000 KG



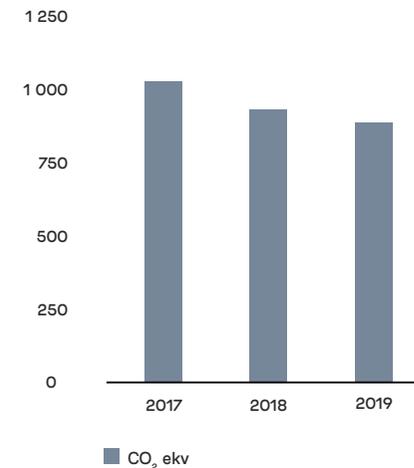
SOURCES OF INDIRECT ENERGY, %



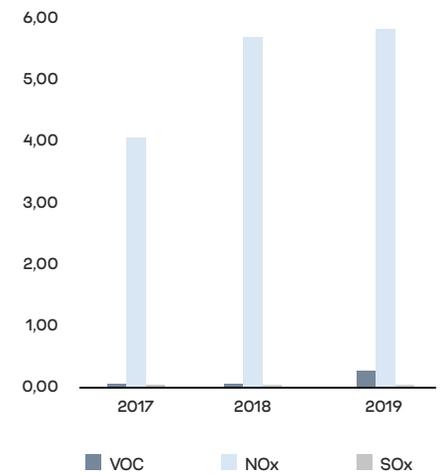
CO<sub>2</sub> EMISSIONS OF MATERIALS, 1 000 KG



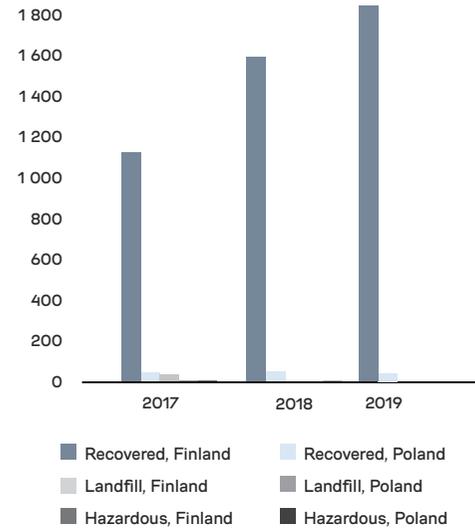
CO<sub>2</sub> EMISSIONS OF CUSTOMER DELIVERIES, 1 000 KG



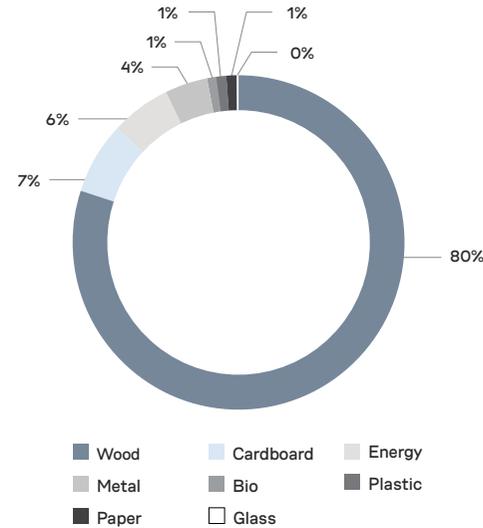
EMISSIONS TO THE AIR, 1 000 KG



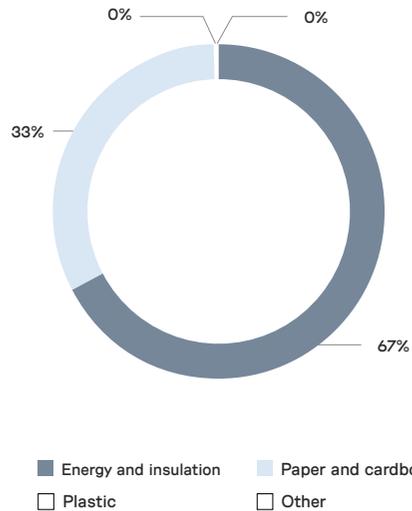
PRODUCTION WASTE, 1 000 KG



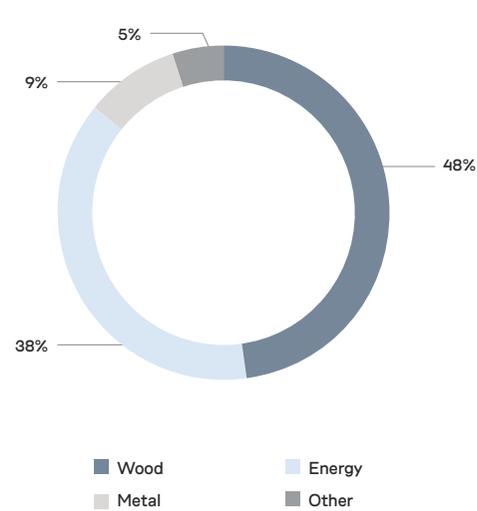
RECOVERED WASTE, FINLAND, %



RECOVERED WASTE, POLAND, %



SERVICE RECYCLING DISTRIBUTION IN FINLAND, %



## Case: Continuously evolving workplace as a service

**MARTELA'S WORKPLACE SURVEY** showed that the utilisation rate was low in Enfo's office in Espoo, when the lease agreement on was ending. The decision was made to reduce the amount of space and cut unnecessary costs. Another target was to create a responsibly implemented workplace that would support various types of work and situations.

Early in the project it became clear that the development would also allow changes to be made in Enfo's work culture. The results of the workplace survey showed that the greatest need for development was in supporting peaceful workspaces and the information flow and interaction between teams. Zones for different ways of working were planned for the user-centric activity-based office and, in particular, more suitable spaces for making telephone calls and holding Skype meetings. Existing re-upholstered furniture was used in the implementation and unnecessary furniture was recycled for new users.

The employees have enthusiastically embraced the new premises. **The Workplace as a Service** model allows improvements and updates to be made flexibly as needs change" says **Miisa Helenius**, who was in charge of the transformation. The NPS survey that was carried on the employees at the Espoo office after the project produced the best results of the year.

Read more <https://martela.com/reference/enfo-espoo-2019>

# GRI-standard content index

CODE	GRI CONTENT	LOCATION AND COMMENTS	GLOBAL COMPACT
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>Organizational profile</b>			
102-1	Name of the organization	Martela in brief p. 2	
102-2	Activities, brands, products, and services	Martela in brief p. 2	
102-3	Location of headquarters	Martela in brief p. 2	
102-4	Location of operations	Martela in brief p. 2	
102-5	Ownership and legal form	Martela in brief p. 2	
102-6	Markets served	Martela in brief p. 2	
102-7	Scale of the organization	Martela in brief p. 2	
102-8	Information on employees and other workers	Social responsibility p. 21-25	x
102-9	Supply chain	Economic responsibility p. 17-20	
102-10	Significant changes to the organization and its supply chain	No major changes in organisation or supply chain during 2019	
102-11	Precautionary Principle or approach	Annual report 2019 p. 10–15	
102-12	External initiatives	Contents and scope of report p. 3	
102-13	Membership of associations	Economic responsibility p. 19	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	CEO's and sustainability team's interview p. 5	
102-15	Key impacts, risks, and opportunities	CEO's and sustainability team's interview p. 5	
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	Values p. 8	
102-17	Mechanisms for advice and concerns about ethics	Corporate Code of Conduct	
<b>Governance</b>			
102-18	Governance structure	Annual report 2019 p. 61–64	
102-19	Delegating authority	Annual report 2019 p. 61–64	
102-20	Executive-level responsibility for economic, environmental, and social topics	Management of Sustainability p. 13	
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholders and their expectations p. 12, Management of Sustainability p. 13	
102-22	Composition of the highest governance body and its committees	Annual report 2019 p. 66	
102-23	Chair of the highest governance body	Annual report 2019 p. 66	
102-24	Nominating and selecting the highest governance body	Annual report 2019 p. 61–64	
102-25	Conflicts of interest	Annual report 2019 p. 61–64	
102-26	Role of highest governance body in setting purpose, values, and strategy	Annual report 2019 p. 61–64	

CODE	GRI CONTENT	LOCATION AND COMMENTS	GLOBAL COMPACT
102-27	Collective knowledge of highest governance body	Annual report 2019 p. 61–64	
102-28	Evaluating the highest governance body's performance	Annual report 2019 p. 61–64	
102-29	Identifying and managing economic, environmental, and social impacts	Annual report 2019 p. 61–64	
102-30	Effectiveness of risk management processes	Annual report 2019 p. 61–64	
102-31	Review of economic, environmental, and social topics	Annual report 2019 p. 61–64	
102-32	Highest governance body's role in sustainability reporting	Management of Sustainability p. 14	
102-33	Communicating critical concerns	Management of Sustainability p. 14	
102-34	Nature and total number of critical concerns	No critical concerns were detected or received during 2019	
102-35	Remuneration policies	Annual report 2019 p. 42	
102-36	Process for determining remuneration	Annual report 2019 p. 61–64	
102-37	Stakeholders' involvement in remuneration	Shareholders whose voting rights exceed 50% of the voting rights have possibility to affect the remuneration of the Board of Directors	
102-38	Annual total compensation ratio (of highest local to median)	Decreased to 5.93 (2018: 5.29)	
102-39	Percentage increase in annual total compensation ratio	0: the CEO's remuneration remained the same and the average annual earnings decreased by approx. 10%	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	Stakeholders and their expectations p. 12	x
102-41	Collective bargaining agreements	91%, personnel in the Nordic countries	
102-42	Identifying and selecting stakeholders	Contents and scope of report p. 3	
102-43	Approach to stakeholder engagement	Contents and scope of report p. 3	
102-44	Key topics and concerns raised	Stakeholders and their expectations p. 12	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Annual report 2019 p. 19–24	
102-46	Defining report content and topic Boundaries	Contents and scope of report p. 3	
102-47	List of material topics	Contents and scope of report p. 3, GRI-standard content index p. 32–35	
102-48	Restatements of information	Contents and scope of report p. 3	
102-49	Changes in reporting	Contents and scope of report p. 3	
102-50	Reporting period	Contents and scope of report p. 3	
102-51	Date of most recent report	Contents and scope of report p. 3	
102-52	Reporting cycle	Contents and scope of report p. 3	
102-53	Contact point for questions regarding the report	Contact details p. 37	
102-54	Claims of reporting in accordance with the GRI Standards	GRI-index p. 32–35	
102-55	GRI content index	GRI-index p. 32–36	
102-56	External assurance	Contents and scope of report p. 3	
<b>GRI 103: MANAGEMENT APPROACH</b>			
103-1	Explanation of the material topic and its boundary	Economic, social and environmental responsibility p. 17–21	
103-2	The management approach and its components	Management of Sustainability p. 13–14	

CODE	GRI CONTENT	LOCATION AND COMMENTS	GLOBAL COMPACT
<b>200 – ECONOMIC IMPACTS</b>			
<b>GRI 201: Economic Performance</b>			
201-1	Direct economic value generated and distributed	Economic responsibility p. 17–22	
201-3	Defined benefit plan obligations and other retirement plans	Annual report 2019 p. 37	
201-4	Financial assistance received from government	Economic responsibility p. 19	
<b>Market Presence</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Social responsibility p. 23	x
202-2	Proportion of senior management hired from the local community	100%	
<b>Procurement Practices</b>			
204-1	Proportion of spending on local suppliers	Economic responsibility p. 17–22	
<b>Anti-corruption</b>			
205-2	Communication and training about anti-corruption policies and procedures	Management of Sustainability p. 14, Economic responsibility p. 19	x
205-3	Confirmed incidents of corruption and actions taken	There have been no detected cases of corruption in Martela's operations during 2019	
<b>300 – ENVIRONMENTAL IMPACTS</b>			
<b>GRI 301: Materials</b>			
301-1	Materials used by weight or volume	Environmental responsibility p. 28	x
301-2	Recycled input materials used	Environmental responsibility p. 28	x
301-3	Reclaimed products and their packaging materials	Environmental responsibility p. 27–31	
<b>Energy</b>			
302-1	Energy consumption within the organization	Environmental responsibility p. 29	x
302-2	Energy consumption outside of the organization	Environmental responsibility p. 29	
302-3	Energy intensity	The energy purchased (district heating, electricity, gas) by Martela in relation to net sales was 341 GJ / million €	
<b>Biodiversity</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Martela does not have activities in nature reserves or in areas of high biodiversity value	
<b>Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	Environmental responsibility p. 27–31	x
305-2	Energy indirect (Scope 2) GHG emissions	Environmental responsibility p. 27–31	x
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Environmental responsibility p. 27–31	x
<b>Effluents and Waste</b>			
306-1	Water discharge by quality and destination	Martela has no discharge to waterways	
306-2	Waste by type and disposal method	Environmental responsibility p. 27–31	x

CODE	GRI CONTENT	LOCATION AND COMMENTS	GLOBAL COMPACT
<b>400 – SOCIAL IMPACTS</b>			
<b>GRI 401: Employment</b>			
401-1	New employee hires and employee turnover	Social responsibility p. 22–25	x
<b>GRI 402: Labor/Management Relations</b>			
402-1	Minimum notice periods regarding operational changes	Martela follows the notice periods defined by its operating countries	x
<b>GRI 403: Occupational Health and Safety</b>			
403-1	Occupational health and safety management system	2019 there were occupational safety committees in Finland and Norway, covering 85% of the Group's total personnel	x
403-2	Hazard identification, risk assessment, and incident investigation	Social responsibility p. 22–25	x
<b>GRI 404: Training and Education</b>			
404-1	Average hours of training per year per employee	Training is not followed in hours, but as training costs. In 2019, the average cost was EUR 392 per manyear	
404-2	Programs for upgrading employee skills and transition assistance programs	Social responsibility p. 21	
404-3	Percentage of employees receiving regular performance and career development reviews	The development discussion model covers all employees. Metrics: Social responsibility p. 25	
<b>GRI 405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	Social responsibility p. 23	x
405-2	Ratio of basic salary and remuneration of women to men	Social responsibility p. 23	
<b>GRI 406: Non-discrimination</b>			
406-1	Incidents of discrimination and corrective actions taken	In 2019 there were no detected incidents of discrimination in Martela	
<b>GRI 414: Supplier Social Assessment</b>			
414-1	New suppliers that were screened using social criteria	Economic responsibility p. 18–20	
<b>GRI 415: Public Policy</b>			
415-1	Political contributions	Economic responsibility p. 29	
<b>GRI 416: Customer Health and Safety</b>			
416-1	Assessment of the health and safety impacts of product and service categories	Social responsibility p. 23	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no detected incidents of non-compliance concerning the health and safety impacts of Martela products and services	
<b>GRI 417: Marketing and Labeling</b>			
417-1	Requirements for product and service information and labeling	Social responsibility p. 23	x



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