

2012

responsibility report

Inspiring  
spaces

**Martela**



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# Contents and scope of report

This is Martela's third corporate responsibility (CR) report. The report has been written in accordance with the Global Reporting Initiative (GRI) guidelines (version G3) on sustainability reporting. No amendments were made in 2012 to Martela's Corporate Code of Conduct adopted by its Board of Directors in 2011 or to the other management principles guiding Martela's corporate responsibility approved by the Group Management Team in 2012.

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

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

## REPORTING STRUCTURE

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

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

The performance in our different areas of operation is presented in the economic, social and environmental sections of this report. Nearly all of the disclosed results include monitoring data for a period of three years. We report on the monitoring of the responsibility programme for 2012–2014 and the new action plan for 2013–2016.

## REPORT SCOPE

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

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

For most indicators we can show retrospective statistics for 2010–2012, and we intend to use three-year periods in the future, too.

## GLOBAL COMPACT REPORTING

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

## PURPOSE OF REPORT

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

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

This report gives the responsibility results for 2012, and in most cases it also contains 2010 and 2011 data for comparison. The 2013 report will be published in spring 2014.



# Better future by Inspiring Spaces

You are reading our third responsibility report, which provides a summary of our responsibility actions in 2012. This time, in addition to the traditional metrics, we have included a few stories which describe what we do around the company to promote responsibility. It has been a pleasure to see how responsibility is recognised at Martela. We have all learned a lot during the past year. Almost every employee completed responsibility training to learn how to acknowledge the meaning of financial, social and environmental responsibility in everyday work. At Martela, responsibility stems from each employee. 'Responsibly' is how we do things at Martela.

In the area of economic responsibility, we took actions to improve the company's performance. In addition to boosting the efficiency of our practices, we developed the Group's internal reporting. Shared Group costs are now allocated to the business units, which enhances cost-awareness and promotes the efficient use of resources.

We also launched several social responsibility projects in 2012. Careers are typically long at Martela and there is a high proportion of employees over the age of 50. In order to support the occupational wellbeing of those over 50, we launched an age management pilot project at the chair production line of the Nummela plant. During the year, we drew up a comprehensive employee wellbeing model to define employee wellbeing and identify how to enhance it.

Besides the wellbeing of Martela staff, we also have the opportunity to have a broader impact on the wellbeing of our customers' employees. Quieter open plan offices are more productive, and so Martela has an important mission to improve the

acoustic landscape of open plan offices and to minimise the disturbance to work tasks that require concentration. Improving working conditions for our customers is in fact an important part of our social responsibility. We developed the Martela Silence concept to offer furniture solutions for demanding work tasks which require concentration.

We have noticed that our customers want to use their facilities more efficiently and to reduce their environmental impact at the same time. The more efficiently facilities are used, the smaller the relative demand for energy and the lower the use of other materials. Therefore, we have developed working environment solutions that reduce the customer's office costs and support employee wellbeing and the customer's business and brand. We have also introduced the 'Inspiring Office by Martela' concept at our head office, which we remodelled into an activity-based office in September. The results speak for themselves, and I am confident that this will encourage customers to take a fresh look at the way they work.

In 2012, we started calculating the carbon footprints of our products in order to find out more about their environmental impact. Our new system also allows us to help our customers assess the 'cradle-to-gate' carbon footprint of individual products.

Environmental responsibility has always played a decisive role in the life-cycle philosophy of our products. We design our products to stand the test of time. Our two classic chairs, Kilta and Kari, are great examples of this: they have both been in our collection for more than three decades. Our products also have an indirect positive impact on the environment outside our usual

activities. A part of the income from sales of The Tree space divider is donated to plant real trees in the Peruvian Andes in order to prevent erosion. Nearly 15,000 trees have already been planted.

In 2012 we were able to provide a better service to our customers to meet their growing ecological needs associated with their office furniture. Our furniture repair and maintenance service extends the service life of furniture and avoids the environmental impact of new production. When changes take place in the customer's working environment, we help relocate furniture items that are still in good condition.

In Finland Martela also offers an increasingly broad range of recycling services that are efficient and environmentally friendly. After assessing the need for changes, we evaluate the furniture that is no longer needed. We repair items that need repairing and sell the usable and refurbished furniture through our nationwide Martela Outlet chain. This way we can extend the life cycle of products even further. Together with Martela's standard operations, Grundell and Martela Outlet form an efficient and effective Group entity, which allows us to offer our customers a full range of services for their furniture and premises based on responsible operations.

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

Heikki Martela  
CEO



# Martela in brief

Martela is a family company founded more than 60 years ago and its shares are quoted on NASDAQ OMX Helsinki Ltd. The company has production facilities in Finland, Sweden and Poland. Our main market area is the Baltic region. In 2012, Martela Group's revenue was EUR 142.7 million and it employed an average of 776 employees at the end of the year.

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

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

Martela is the largest company in its sector in Finland and one of the three largest in the Nordic countries. Martela offers the widest range of after-sales support and modification services for interior solutions in the entire sector. In Finland, Martela offers a comprehensive service that covers everything required for customers making changes in their working environments, from initial inventory and layout planning to an efficient

removals service and furniture repair and maintenance. In addition to furnishing offices, Martela supplies furniture for learning environments, elderly care facilities, auditoriums and hotels.

Martela's product manufacturing is based on a strong chain of suppliers. The manufacture of items in Martela's collection involves final assembly at logistic centres in Finland, Sweden and Poland. Wood-based board is cut to size, machined and surface treated at Martela's subsidiary, Kidex Oy, while form-pressed components are similarly treated at the joint venture company P.O. Korhonen Oy.



# Management of corporate responsibility

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

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

## Values

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

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

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

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

Martela was founded in 1945 and it has grown and developed along with the country itself over the decades since. We are very proud of our Finnish roots. A key aspect of being Finnish is keeping your word. At Martela this means keeping our customer promises: we finish the work we have started, with pride. Therefore our fourth value is represented by the word **Finnish**.

# Responsibility stakeholders

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

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

of the responsibility project internally by the Group's specialists, utilizing available surveys and studies of stakeholder opinions.

Stakeholder group	Their expectations	Our actions	Indicators
<b>Key account customers</b>	Product emissions Product supply chain Product materials Code of conduct	Product declarations Code of conduct Responsible purchasing principles CR reporting	Core indicators in reporting Amount of labels & certifications
<b>Customers</b>	Complying with laws and contracts (incl suppliers) Training of employees	Code of conduct CR reporting Product declarations Brand surveys	Social performance indicators Labels & certifications
<b>Customers in Sweden</b>	Environmental labelled products	Swan labeling of some products	Amount of labeled products
<b>Employees</b>	Continuous work contracts Health and safety Training Career development opportunities Company brand	Employee satisfaction survey Training opportunities Personal appraisal Employee clubs	Training days/costs Sick days, accidents Employee turnover Appraisal % Internal job rotation
<b>Specifiers (e.g. architects)</b>	Environmental trends Image of the brand	Material studies Brand image surveys	Survey results
<b>Owners</b>	Steady development Successful risk management Ensuring competitiveness	Developing systematics on CR Reporting	Cost saving and competitive advantage indicators Brand image/value
<b>Investors</b>	Steady development Successful risk management Information on CR performance	Systematics on CR Reporting	Cost saving and competitive advantage indicators Brand image/value
<b>Dealers</b>	Same as customers Reliable partnership	Same as customers Exceeding other suppliers' performance	Same as customers
<b>Suppliers</b>	Steady development Trust Clear instructions and expectations	Long-term cooperation Responsible purchasing principles	Length of contracts Compliance with Martela requirements



# Memberships and influence

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

# Strategy, risks and opportunities

The current strategy of the Martela Group is as follows: "We are a leader in inspiring spaces. We offer complete solutions with products and services in our home markets. We add value by strengthening customers' brands, motivating people, and raising efficiency. We focus on direct customer and specifier relationships. We renew our way-of-working by utilising experienced and fresh views." In practice, responsibility is evident in our comprehensive solutions

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

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

# Management Principles

## **CORPORATE CODE OF CONDUCT**

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

During 2012, almost all employees received training in the principles of CR management at conventional training events and on the web, and our main partners were informed of the principles on the Martela website, at the annual Martela Open Day event, in contract negotiations and in various newsletters.

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

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

## **CORPORATE GOVERNANCE PRINCIPLES**

As corporate governance principles and issues are dealt with in Martela's Annual Report, in the Board of Directors' Report, and in stock exchange releases on the resolutions passed by the organizational meeting of Martela Corporation's Board of Directors and by the Annual General Meeting, they are not treated separately in this report.

## **RISK MANAGEMENT**

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

## **HUMAN RESOURCES POLICY**

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

## **ENVIRONMENTAL POLICY**

Martela's Environmental Policy, approved by the Group Management Team, aims to decrease the company's environmental impacts and promote recycling. The policy gives detailed instructions on how to apply an environmental approach to developing Martela's collections and production processes, choosing materials, enhancing

the recyclability of products, and in leasing, maintenance and recycling services. Our environmental activities are managed in accordance with the ISO 14001 management system, which is presented in more detail in the environmental section of this report.

## **PURCHASING PRINCIPLES**

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

## **SOCIAL REQUIREMENTS FOR SUPPLIERS**

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

# Responsibility organization

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

However, because responsibility covers many new issues, a *Sustainability Steering Group* has been set up to prepare development actions, coordinate these in the business units and make all the necessary proposals to the Group Management Team. Once a year, the Sustainability Steering Group reviews the results of the responsibility work undertaken, the plans for further work and the reporting. The Steering Group will continue to do this until it is felt that the CR management procedures have become well established. The Sustainability Steering Group has representatives from Products and Communications, Production and Logistics, HR, Finance, Administration and IT, Business Unit Finland, Business Unit International and Business Unit Sweden and Norway. Martela's Responsibility Specialist acts as the secretary for the Sustainability Steering Group and prepares the necessary material. The chairman of the Steering Group is the Martela Group's Marketing and Corporate Responsibility Manager.

*The Group Management Team* follows the progress of the responsibility programme and considers proposals put forward by the Sustainability Steering Group, the Management Team member in charge of responsibility matters, the design director and the other Management Team members. The Management Team will approve the principles guiding responsibility, except those that require the approval of the Board of Directors, and will approve the annual Responsibility Report before it is published.

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

*The Business Units* will implement the Corporate Code of Conduct in their own operations within the normal planning process and management framework. The CR action plan for 2013–2016 aims to visibly incorporate responsibility development in future annual planning processes.

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



## **CONTACT DETAILS**

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# Monitoring of the responsibility programme for 2012–2014

Martela's first responsibility programme, covering the period 2012–2014, was published in the 2011 responsibility report on results. The Sustainability Steering Group reviewed the attainment of programme goals in December 2012. The following table presents a summary of the review.

- Goal attained
- Work continues

Goal and timetable	Action by	Status	Review comments and further action
<b>Martela's Corporate Code of Conduct training</b>			
40% of Martela's employees by Mar 2012 and 100% by Jun 2012	Products and Communications	Work continues	75% trained by Jun 2012 and some 90% by Dec 2012 Continues under Martela's induction programme
50% of Martela's suppliers of the material amounts by Dec 2012	Purchasing	Goal attained	50% attained by Jun 2012 Continues as part of negotiations with new suppliers
20% of Martela customers, dealers and other stakeholders by Dec 2012	Products and Communications, BUs, Marketing, Sales	Work continues	Responsibility info in various company communications materials Responsibility communications continue in 2013
<b>Developing employee wellbeing</b>			
Development of wellbeing model and evaluation of current status by 2013	Human Resources	Work continues	First model ready, comments have been requested Goal moved to end of 2013, incl. implementation
Best workplace: Action plan based on 2012 survey. Implementation 2012–2013	Human Resources	Work continues	Work started, goal 2013 as per original plan
<b>Delivery chain and use of materials</b>			
Goal set for reliable weight-based metrics for material use by Jun 2012	Purchasing	Work continues	Partial lack of data component-specific weights. Goal limited to standard components
CR questionnaire follow-up of suppliers selected by risk assessment, responses by Mar 2012	Purchasing	Goal attained	Questionnaires sent and acceptable responses received Continues as part of negotiations with new suppliers, where applicable
<b>Initiatives to save energy and reduce CO<sub>2</sub> emissions</b>			
Opportunities for change are surveyed and goals set during 2011–2012	Martela's logistics centre, Nummela.	Work continues	Planning of heating system renovation continues in 2013
	Kidex Oy	Work continues	District heating taken into use at beginning of 2011
	P.O. Korhonen Oy	Work continues	Energy efficiency assessed and changes planned Implementation Mar 2013
	Service business	Work continues	New fuel monitoring model during 2013
Proportion of electricity from renewable sources raised to 20% of purchased power by 2014	Purchasing	Work continues	Processed as per original plan in 2014, to be included in electricity purchase negotiations
Video conferencing made available and training for 40% of office staff by Jun 2012	IT	Goal attained	Live meeting and Communicator in use by all laptop users

# Responsibility programme for 2013–2016

At the beginning of 2013, the Sustainability Steering Group approved Martela's new CR action plan for 2013–2016. The plan includes goals for economic, social and environmental responsibility.

Goal	Timetable	Action by
<b>Economic responsibility</b>		
Increasing shareholder value	2014	Financial administration
Increasing working capital and cash flow	2013	Financial administration
Continue surveying customer satisfaction with completed deliveries and expanding it to the analysis of customer needs in the near future	2013	Business Unit Finland
<b>Social responsibility</b>		
Great Place to Work: Action plans based on study, implementation in 2013	2013–2015	Human Resources
Martela Citizen day: Opportunity for Martela Corporation sales staff in schools and care sectors to donate one working day and to other white collar workers a half of a working day to voluntary work at a school or care facility of their choosing	2013	Human Resources
Fulfils various Martela's customer requirements concerning environmental and responsibility matters	2013	Kidex Oy
Adoption of Martela's wellbeing model at Kidex Oy to halve sickness absences	2013	Kidex Oy / Human Resources
Accreditation of the test laboratory at the Nummela logistics centre	2013	Products and Communications
<b>Environmental responsibility</b>		
Replacing Nummela's heating system with a more environmentally friendly one	2016	Business Unit Finland
Planning and investment proposal for Nummela's new heating system	2013	Business Unit Finland
New and more efficient oil burner at POK; investment and refurbishing current burners to burn wood	2013	P.O. Korhonen Oy
Proportion of electricity from renewable sources raised to 20% of purchased power to reduce CO <sub>2</sub> emissions	2014	Purchasing
Meeting new Swan criteria by mid-2013 (current certificates extended to Jun 2013)	2013	Business Unit Sweden & Norway
Active search for suppliers whose manufacturing meets Swan criteria	2013–2016	Purchasing
EU Flower for the Menu and Kari products	2014	P.O. Korhonen Oy
Increasing local manufacture to reduce environmental impact of transportation	2013–2016	Business Unit Poland
New product line (ALKU) for local manufacture in Poland	2013	Business Unit Poland

# Responsibility results

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

ponsibility indicators for the 2012 reporting. The intention is to continue this practice in the 2013 reporting with no changes.

## MATERIALITY ASSESSMENT OF GRI METRICS

The Sustainability Steering Group has conducted a materiality assessment as a basis

for responsibility reporting. The GRI recommendations were assessed in relation to the expectations of Martela's key stakeholders, and the significance of the measures for Martela was considered. The materiality assessment was carried out by the company's internal specialists. The chosen indicators are in bold blue text.

## MATERIALITY ASSESSMENT

Vertical: evaluation of stakeholders

Horizontal: current/potential impact on Martela

	LOW	MEDIUM	HIGH	VERY HIGH
VERY HIGH		<ul style="list-style-type: none"> <li>- Greenhouse gas emissions</li> <li>- Initiatives to reduce greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>- Workforce by employment type and contract</li> <li>- Employee turnover and job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>- Coverage of formal health and safety committees</li> </ul>
HIGH			<ul style="list-style-type: none"> <li>- Sick days and injuries</li> <li>- Performance and career development reviews</li> <li>- Ratio of men's and women's basic pay</li> <li>- Product labelling/user information etc., customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>- Consumption of indirect energy</li> <li>- Energy saving improvements &amp; projects</li> <li>- Waste</li> </ul>
MEDIUM	<ul style="list-style-type: none"> <li>- Incidents of discrimination</li> <li>- Freedom of association and collective bargaining</li> </ul>	<ul style="list-style-type: none"> <li>- Significant environmental damage</li> <li>- Fines and sanctions for non-compliance with environmental laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Direct economic value by stakeholder groups</li> <li>- Paid salaries, taxes, indirect employee costs by country</li> <li>- Public financial assistance</li> <li>- Purchases from local suppliers by country of operation</li> <li>- Business units analysed for corruption risks</li> <li>- Personnel training in anti-corruption policies and procedures</li> <li>- Processing of hazardous waste</li> <li>- Procedures in significant operational changes</li> </ul>	
LOW	<ul style="list-style-type: none"> <li>- Direct economic value by country of operation</li> <li>- Total water withdrawal</li> <li>- Ozone emissions</li> <li>- Significant suppliers that have undergone human rights screening</li> <li>- Employee training on relevant human rights issues</li> </ul>	<ul style="list-style-type: none"> <li>- Contributions to political parties and politicians by country of operation</li> </ul>	<ul style="list-style-type: none"> <li>- Improvement projects on health, safety and environment</li> <li>- Violations of safety regulations and complaints</li> <li>- Non-compliance with marketing, competition and other laws</li> <li>- Sanctions for non-compliance with product safety, marketing and other laws</li> </ul>	

# Key responsibility indicators 2010–2012

	2010	2011	2012
<b>Economic responsibility indicators</b>			
Revenue (million €)	108,4	130,7	142,7
Profit before tax (million €)	1,1	1,9	-1,8
Income Taxes (million €)	0,4	0,3	0,2
Return on investment, %	3,7	6,0	-2,7
Equity to assets ratio, %	55,6	44,7	42,6
Dividends paid (million €)	1,8	1,8	1,8
Wages and salaries (million €)	21,8	24,7	31,0
Number of employees (average)	596	683	765
Purchases from suppliers (million €)	76,5	97,6	105,4
Gross capital expenditure (million €)	4,7	6,8	4,0
Customer satisfaction (scale 0-5)	4,42 <sup>1)</sup>	4,39 <sup>1)</sup>	4,29 <sup>1)</sup>
<b>Social responsibility indicators</b>			
Average age of employees (years)	45,5 <sup>2)</sup>	45,2 <sup>2)</sup>	45,4 <sup>2)</sup>
Average length of employment (years)	16,0 <sup>2)</sup>	15,2 <sup>2)</sup>	15,4 <sup>2)</sup>
Employee turnover, %	9,2	11,2	14,7
<b>Reasons for leaving (incidents)</b>			
- terminated by employer	28	3	17
- terminated by employee	25	69	70
- retirement	5	8	11
Absences due to illness (% of work time)	4,9	4,4	5,0
Training days per employee	x	1,0	2,5
Investment in training (€ / person)	377	285	237
Development discussions (% of staff)	73	80	82
<b>Environmental responsibility indicators</b>			
Material use (1,000 kg)	7882 <sup>1)</sup>	9267 <sup>1)</sup>	9348 <sup>1)</sup>
<b>Direct thermal energy (GJ)</b>			
- Wood-based	28313	4275	1125
- Heating oil	19174	16424	17382
<b>Indirect energy (GJ)</b>			
- District heating	7937	12876	16361
- Electricity	31550	32947	31793
<b>Carbon dioxide emissions (1,000 kg)</b>			
- from direct energy	1620	1281	1338
- from indirect energy	3065	3533	3693
- from own transport equipment	x	238 <sup>2)</sup>	x
- from company cars	295 <sup>1)</sup>	241 <sup>1)</sup>	228 <sup>1)</sup>
- from business flights	161 <sup>2)</sup>	211 <sup>2)</sup>	219 <sup>2)</sup>
<b>Waste (1000 kg)</b>			
- hazardous waste (1000 kg)	2167	4653	3464
- recovery, %	22	22	23
	97	99	98

X no measurement

1) BU Finland

2) Martela Group Finland operations

## BETTER FUTURE BY INSPIRING SPACES

Each year, Martela responsibly recycles hundreds of thousands of kilos of furniture and materials no longer needed by our customers. Much of the furniture no longer used receives a new lease of life through Martela Outlet or the furniture materials and components are used in new products.

We aim to minimise the environmental impact of our products. Recycling is already part of the development of new products, and the aim is to design products that have as long a life as possible. We favour renewable materials and we take recycling into account in the technical composition of our products.

With the Martela Outlet chain, Martela now has a complete value chain in recycling. This allows us to implement our responsibility principles in a consistent manner throughout the life cycle of our products. For customers this means they can depend on us to take care of all aspects of recycling and they can also turn to us for high quality, refurbished furniture.

Better  
future by  
Inspiring  
spaces

# New products by recycling



# Economic responsibility

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

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

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

## SHAREHOLDERS

Martela has two share series, A and K, with each K share entitling its holder to 20 votes at a General Meeting and each A share entitling its holder to one vote. Private holders of K shares have a shareholder agreement that restricts the sale of K shares to any party outside the existing

holders of K shares. There are altogether 604 800 K shares and 3 550 800 A shares. K shares account for 14.6% of all shares and 77.3% of the total votes. Almost all the stock exchange trading is in A shares, the turnover rate in 2012 being 11.9%. The fifty largest shareholders held 69.9% of the company's shares at the end of 2012, and the company's market capitalization was EUR 17.8 million.

### REVENUE AND OPERATING RESULT

The consolidated revenue in 2012 was EUR 142.7 million, an increase of 9.2% on the previous year. Business Unit Finland contributed EUR 98.1 million to the revenue. The consolidated operating result for 2012 was EUR -0.9 million (2.6). Business Unit Finland's operating result was EUR 3.9 million (6.5). The Group's equity ratio was 42.6% (44.7), the gearing ratio was 28.6% (-2.6%) and gross capital expenditure was EUR 4.0 million (6.8). The capital expenditure

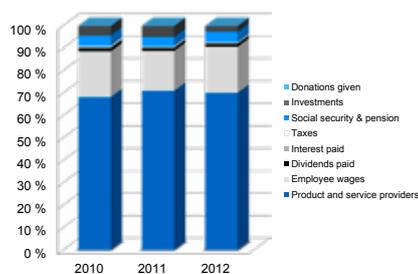
was on the acquisition of Muuttopalvelu Grundell Oy and Grundell Henkilöstöpalvelut Oy, and the ERP project and production replacements.

### DIRECT ECONOMIC VALUE BY STAKEHOLDER GROUP

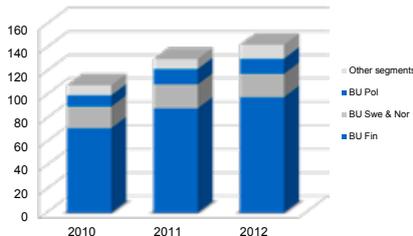
Around 70% of the Martela Group's EUR 142.7 million revenue is distributed to suppliers and service providers as payments for purchases of materials, goods and services. The second highest portion of economic value goes to the personnel in the form

of employee salaries and wages, and associated with these are indirect employee benefits (pension contributions and other social security). Shareholders receive economic value in the form of dividends, which are paid annually. Income taxes are paid according to the legislative requirements of each country of operation, and the tax rate differs depending on the economic value retained in the local units.

Economic value by stakeholder group



External segment revenue (million EUR)



Operating profit by segment (EUR million)	2010	2011	2012
BU Fin	5,0	6,5	3,9
BU Swe & Nor	0,0	0,3	-0,7
BU Pol	-1,4	-0,6	-1,2
Other segments	-0,5	-2,3	-3,0
Other	-1,8	-1,2	0,2
<b>Total</b>	<b>1,3</b>	<b>2,6</b>	<b>-0,9</b>

Economic value by stakeholder group	2010	2011	2012
Product and service providers	68,2 %	70,4 %	70,2 %
Employee wages	20,4 %	18,3 %	20,6 %
Dividends paid	1,6 %	1,4 %	1,2 %
Interest paid	0,2 %	0,4 %	0,5 %
Taxes	0,4 %	0,3 %	0,1 %
Social security & pension	4,9 %	4,3 %	4,8 %
Investments	4,2 %	5,0 %	2,6 %
Donations given	0,0 %	0,0 %	0,0 %

**WAGE AND SALARY COSTS**

Due to an increase in the number of employees in the Martela Group, the total salaries, wages and social costs increased during 2010–2012. The graph shows the proportion of salaries and wages, indirect employee costs and taxes in the main market areas. The biggest proportion is naturally in Finland, as it has the highest number of employees, while the rest is divided between Sweden and Poland. Sweden’s annual figures also include those for Norway, while Poland’s figures for 2010–2011 contain those for Hungary as well. ‘Others’ contains minor markets whose share has increased due to acquisitions or new starts in the last three years, e.g. in Denmark and Russia.

The minimum monthly salary in the joinery industry in Finland has been EUR 1,589 as of 1 September 2012. The minimum hourly salary in the removals business is EUR 9.80. Martela employees’ minimum monthly salary was EUR 1,712 in 2012, the same as in 2011. This minimum salary level is applied to all staff in the Finnish operations, covering more than 70% of all the Group’s employees.

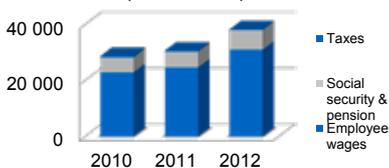
**FINANCIAL ASSISTANCE**

The Martela Group started applying for and receiving public financial assistance in 2009. The assistance was granted by Finland’s Ministry of Employment and the Economy to support Martela’s presence at internatio-

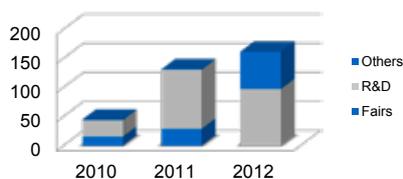
nal design fairs. Research and development has also benefitted from financial assistance given by TEKES (the Finnish Funding Agency for Technology and Innovation).

In 2012 there was an increase in the level of assistance received and its distribution was different from 2010 and 2011. Product development assistance was almost unchanged from 2011, but the proportion of other assistance grew. The latter was allocated to the development of service processes, including monitoring of customer satisfaction and enhancing complaints processing.

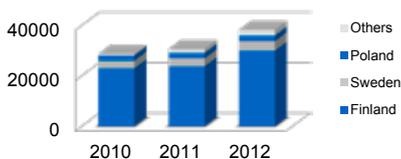
Salaries, employee costs, taxes distribution (1000 EUR)



Public subsidies (1000 EUR)



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



**PURCHASES FROM LOCAL SUPPLIERS**

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

The percentage of purchases from outside Europe has increased slightly and consists mainly of component purchases.

In 2012, 62% of total purchases were for materials, components and finished products supplied to customers. The remaining

38% of purchases included marketing costs and products and services related to real estate and information management.

In 2012, Martela used about 250 suppliers of materials and components for standard products. Three quarters of material purchases originated from Finland and Sweden. Almost half of all material costs were for the purchase of metal and wood based materials and components.

**CORRUPTION RISKS**

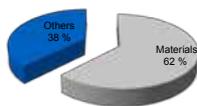
The Martela Group has identified the corruption risks in its market areas. Such risks arise mainly in the Russian and Eastern European markets. Martela does not accept corrupt practices of any kind in its business transactions in any market. The giving or

receipt of bribes is not acceptable in any circumstances.

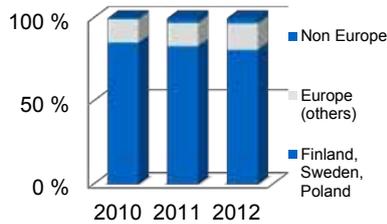
Martela ensures the integrity of its local personnel, especially in markets with a high corruption risk, by engaging recruitment companies with a reliable reputation in its recruitment processes.

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

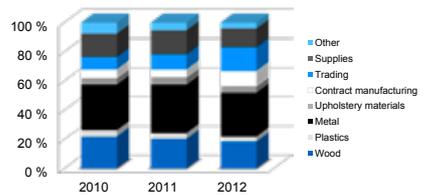
Purchases 2012



Purchases by areas



Material spend 2010 - 2012 (%)



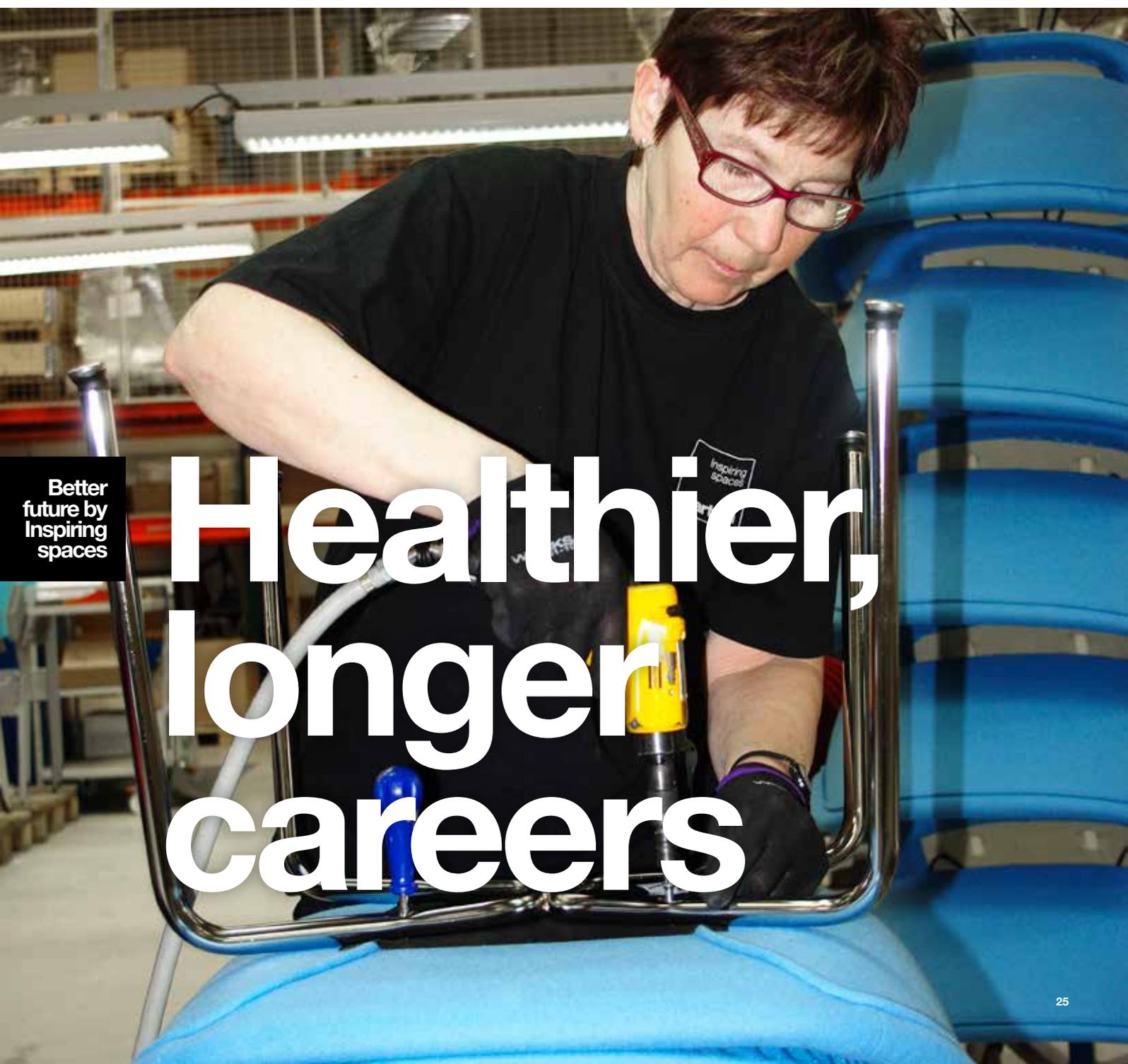
Material Spend	2010	2011	2012
Wood	21,9 %	20,3 %	18,5 %
Plastics	4,5 %	4,1 %	3,5 %
Metal	31,2 %	33,0 %	30,0 %
Upholstery materials	4,6 %	5,3 %	4,6 %
Contract manufacturing	5,7 %	5,1 %	10,1 %
Trading	8,7 %	10,4 %	16,3 %
Supplies	15,9 %	16,5 %	12,9 %
Other	7,6 %	5,2 %	4,1 %

## BETTER FUTURE BY INSPIRING SPACES

Martela is known as a responsible employer. Employment contracts are typically long at Martela, which is partly why the average age is also high. In fact, more than 30% of the personnel at the Nummela plant are over 55 years of age. In 2012, an age management pilot project was started at the Nummela plant's chair production line, focusing on the occupational wellbeing of those 55 or older. Experiences have been positive and the pilot will continue in 2013.

The purpose of age management is to take into consideration the special management needs of those over 55. It is important to organize work according to the employee's life and resources. Age management helps employees to cope at work longer and to improve their capacity and quality of life. The matter is especially important to Martela because its products and services are also intended for improving occupational wellbeing and productivity.

Tuula Moisander is 60 and has worked at Martela since 1987. Nowadays she works at the chair workshop in the Nummela plant. "The project is only at the pilot stage but it has already helped my coping in many ways," says Moisander, who looks young for her age and is still full of energy. "It's wonderful that the needs of older people are taken into consideration like this. I try to keep myself fit by spending lots of time outdoors and following the physiotherapist's advice at work and in my free time," she says.



Better future by Inspiring spaces

# Healthier, longer careers

# Social responsibility

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

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

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

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

include Business Unit Finland, Business Unit International, Group functions, Kidex Oy and P.O. Korhonen Oy.

The HR indicators are based on 2012 events and results.

## REVIEW OF 2012

The Group's personnel have a very significant role to play, because motivated, committed and skilled people are the key to Martela's success. The positive momentum that started in the second half of 2010 continued in 2012, when there were a large number of development projects.



**NUMBER AND COMPOSITION OF PERSONNEL IN GROUP**

At the end of the year, the Martela Group employed 773 people, 16 of whom were on unpaid leave. The number of personnel increased by 60. Most of the employees were permanent and worked full-time. Temporary employees such as summer workers and temporary agency workers were also recruited to help with seasonal peaks. An important aim is to ensure that the number of employees is never disproportionate to the company's goals, which is why consi-

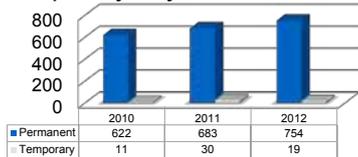
derable attention is given to managing the number of employees. This is monitored on a monthly basis, and each new employee must be approved in advance.

Employment relationships are typically long at Martela, with 20+ years in service being typical in Finland and Sweden. In Poland the employment relationships are shorter, but even there 26% of the workforce has 11-15 years of service. Office employees were the largest personnel group in 2012. The gender split was 39% women and 61% men. The largest age

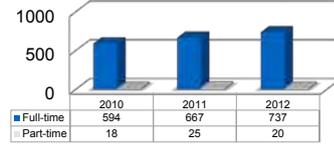
group was 40-49 year-olds. Martela's oldest employee in Finland turned 66 during the year. The proportion of employees under 30 increased to 12% from the 2011 figure.

In 2012 the Martela Group's Board of Directors comprised seven members (one woman and six men). The Group Management Team had nine members (one woman and eight men). Of the office employees in Finland, 55% were men and 45% women, while 69% of factory employees were men and 31% women.

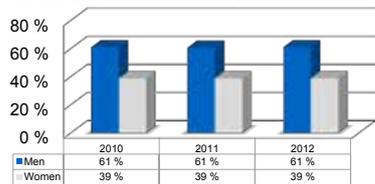
**Personnel, permanent and temporary at year end**



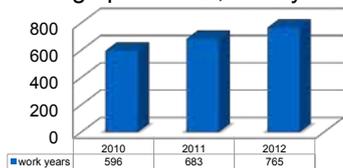
**Personnel, full-time and part-time at year end**



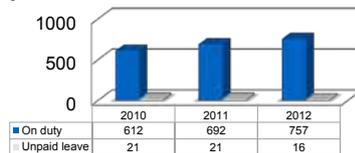
**Gender distribution %**



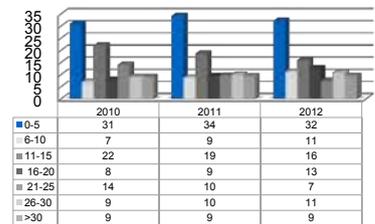
**Average personnel, work years**



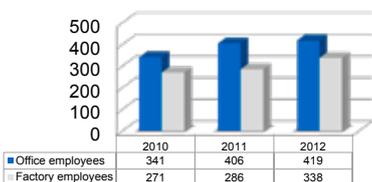
**Number of personnel at year end**



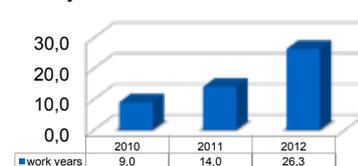
**Years in service %**



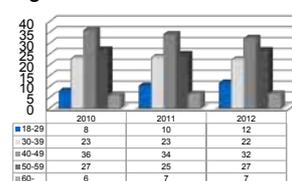
**Personnel groups at year end**



**Temporary agency workers, work years**



**Age distribution %**



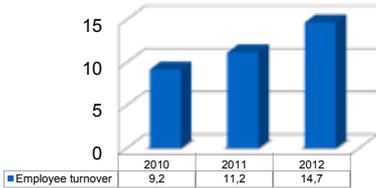
### EMPLOYEE TURNOVER IN GROUP

Employee turnover among permanent staff has typically been low at Martela. The low turnover and long years of service indicate a high degree of commitment. As a result, there is a high level of competence and immense experience of the industry, which gives added value to Martela. Turnover

varies from country to country, however. The number leaving Martela's employment in 2012 was higher than in 2011, partly as a result of the greater number of temporary employment contracts in 2012. In 2012, 98 employees left Martela, 70 of them voluntarily and 17 due to notice being given, while 11 retired. In Finland, Martela employees retire at the average age of 63. Most of

the leavers were men aged below 30. The leaving rate was highest in Finland and in Poland. In Finland, the figure is affected by the number of temporary contracts, and in Poland by the over-heated labour market.

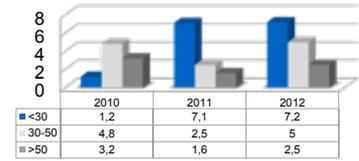
Employee turnover, %



Employee turnover % by gender



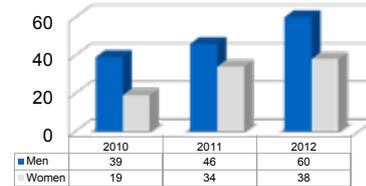
Employee turnover % by age group



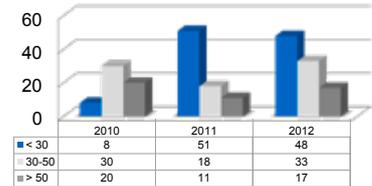
Reason for ending employment



No longer employed by gender



No longer employed by age group



## NUMBER, COMPOSITION AND TURNOVER OF PERSONNEL BY UNIT

	Finland			Sweden			Poland		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Number of personnel at year end	481	523	603	62	67	66	90	93	81
Number of contractual employment relationships at year end	463	504	590	62	67	66	87	92	78
Number employees on unpaid leave at year end	18	19	13	0	0	0	3	1	3
Office employees at year end	237	267	293	33	37	37	71	78	68
Factory employees at year end	226	237	297	29	30	29	16	14	10
Full-time employees at year end	450	491	578	57	59	60	87	92	78
Part-time employees at year end	13	13	12	5	8	6	0	0	0
Permanent employees at year end	470	498	586	62	63	64	90	93	81
Temporary employees at year end	11	25	17	0	4	2	0	0	0
Average personnel, work years	447,0	498,5	596,0	62,0	64,5	64,0	87,0	91,0	81,0
Temporary agency workers, work years	9,0	8,0	5,8	0,0	6,0	10,2	0,0	0,0	9,0
No longer employed	35	60	66	9	5	7	14	14	19
No longer employed, men	23	34	44	4	4	2	12	8	10
No longer employed, women	12	26	22	5	1	5	2	6	9
No longer employed, under 30	1	41	36	1	0	0	6	9	7
No longer employed, 30-50	19	10	20	3	3	1	8	5	11
No longer employed, over 50	15	9	10	5	2	6	0	0	1
Employee turnover, %	7,3	11,5	12,9	15,8	8,0	10,6	15,5	15,5	23,0
Employee turnover %, men	4,8	6,5	8,6	8,8	6,0	3,0	13,3	8,8	12,3
Personnel turnover %, women	2,5	5,0	4,3	7,0	2,0	7,6	2,2	6,7	11,1
Employee turnover %, under 30	0,2	8,0	7,0	1,7	0,0	0,0	6,6	10,0	8,6
Employee turnover %, 30-50	4,0	2,0	3,9	5,3	5,0	1,5	8,9	5,5	13,6
Employee turnover %, over 50	3,1	1,5	2,0	8,8	3,0	9,1	0,0	0,0	1,2
Resigned	12	53	50	1	3	1	12	12	15
Given notice	19	1	11	7	0	0	2	2	4
Retired	4	6	5	1	2	6	0	0	0

### CHANGE MANAGEMENT

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

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

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



**HEALTH AND SAFETY**

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

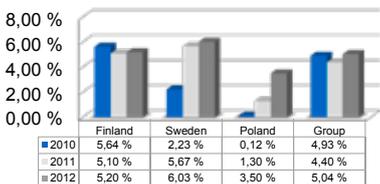
The expertise of the health and safety committees is utilized in both preventive and corrective actions. Martela has 21 occupational health and safety employees in Finland and three in Sweden, and their area of responsibility covers the whole of the Finnish and Swedish operations. As occupational wellbeing has a major impact on the level of employee satisfaction, positive

developments in this field are important for Martela. To ensure the health and safety of its personnel, Martela works closely with its occupational health partners. In Finland, only 40% of Martela's employees have been included in more intensive health monitoring related to work environment exposure. These employees are exposed to surface treatment materials and to sanding dust. There are no work phases involving such exposure in Martela's other countries of operation.

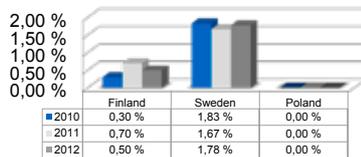
Martela pays considerable attention to the occupational health of its personnel. Well-run occupational health services and systematic health, safety and leisure time activities promote wellbeing and employee satisfaction. In 2012, the focus was in occupational wellbeing in Finland, which will continue as a Group-wide focus in 2013.

An early intervention model was created, and training for the entire personnel was begun in the autumn. The goal of the model is to intervene at an early stage in factors that disrupt working before they evolve into serious problems. Age management and occupational wellbeing pilots were carried out in chair production at the Nummela plant, the purpose of which is to promote long careers and coping at work and to reduce sickness absences. A further goal is to ensure that Martela employees can retire in good health. The number of sickness absences has been growing, which is why it is vital that measures are developed to reduce them. Days of absence due to work-related sickness and occupational accidents with resulting sickness absences amounted to 0.55% of all work days for the entire Group.

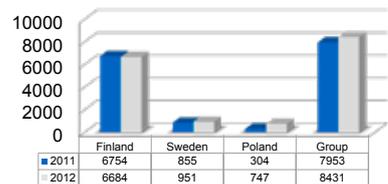
Sickness absence %



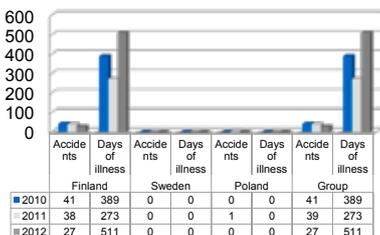
Lost day due to occupational disease



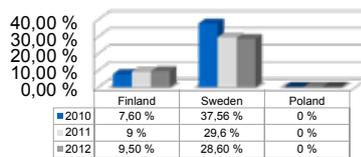
Sick leave in days



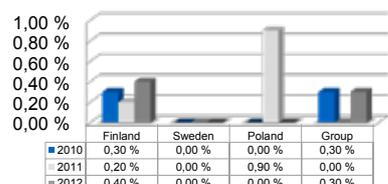
Occupational accidents



Occupational disease of all sickness absences



Accident %



**PERSONNEL COMPETENCE**

Personal development discussions are an important part of Martela’s management system. The aim is to give feedback to employees about their recent performance, set future targets, make an employee development plan and discuss issues related to the work environment. Each employee should be able to discuss her/his personal development with a supervisor. The number of these discussions is monitored annually, with 82% of employees attending such discussions in 2012.

This percentage is higher than in previous years, but is still short of the target. Supervisor skills are assessed every two years, and the survey conducted in

the autumn of 2012 showed this to be at a good level.

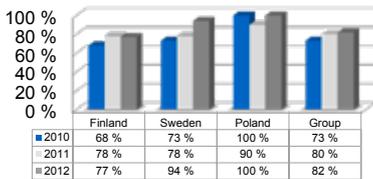
On-the-job learning is one of the most effective ways to improve competence. Many development projects were in progress in 2012 and the competence of those participating in the projects was significantly enhanced during the work. Training and coaching on systems, responsibility and the Martela early invention model, among other things, was provided to personnel. The average number of training days was 2.5 days per person. Number of training days was greater than in 2011.

**STAFF SUGGESTIONS**

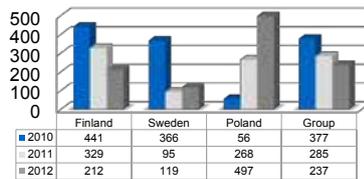
Martela operates a system whereby employees can submit suggestions for improve-

ments in the company’s operations. This includes not only the traditional method of submitting suggestions but also methods focusing on continuous improvement, which are mostly used by the production units. The extent to which employees are active in submitting suggestions is measured as the number of suggestions per 100 employees. In 2012, the continuous improvement model was also adopted at the Martela Outlet logistics centre. Thanks to the activeness of personnel in Riihimäki, there was an increase in the suggestions to 47 per 100 persons in 2012. The suggestion system covered Martela Corporation’s Business Unit Finland and Kidex Oy.

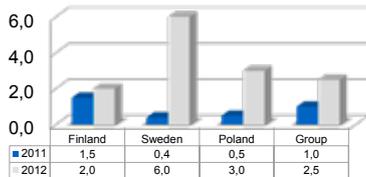
Development discussion



Training (€/employee)



Training days/employee



### REMUNERATION SYSTEMS

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

As Martela's salary system varies according to the region, the salary data

is not comparable for the whole Martela Group. The average annual salary in the Martela Group was about EUR 40,800. In Finland, all employees are covered by a collective agreement in accordance with their duties. Salary costs and development are monitored in each region. In Finland the salary system is based on the difficulty rating of the job and is drawn up together with the personnel. Its functioning and salary progression are followed up regularly

with personnel representatives. Each job is classified according to the difficulty rating based on the job description. Salaries are monitored by difficulty rating and, within these ratings, by gender. If any deviations occur, an action plan is made together with personnel representatives.



## BETTER FUTURE BY INSPIRING SPACES

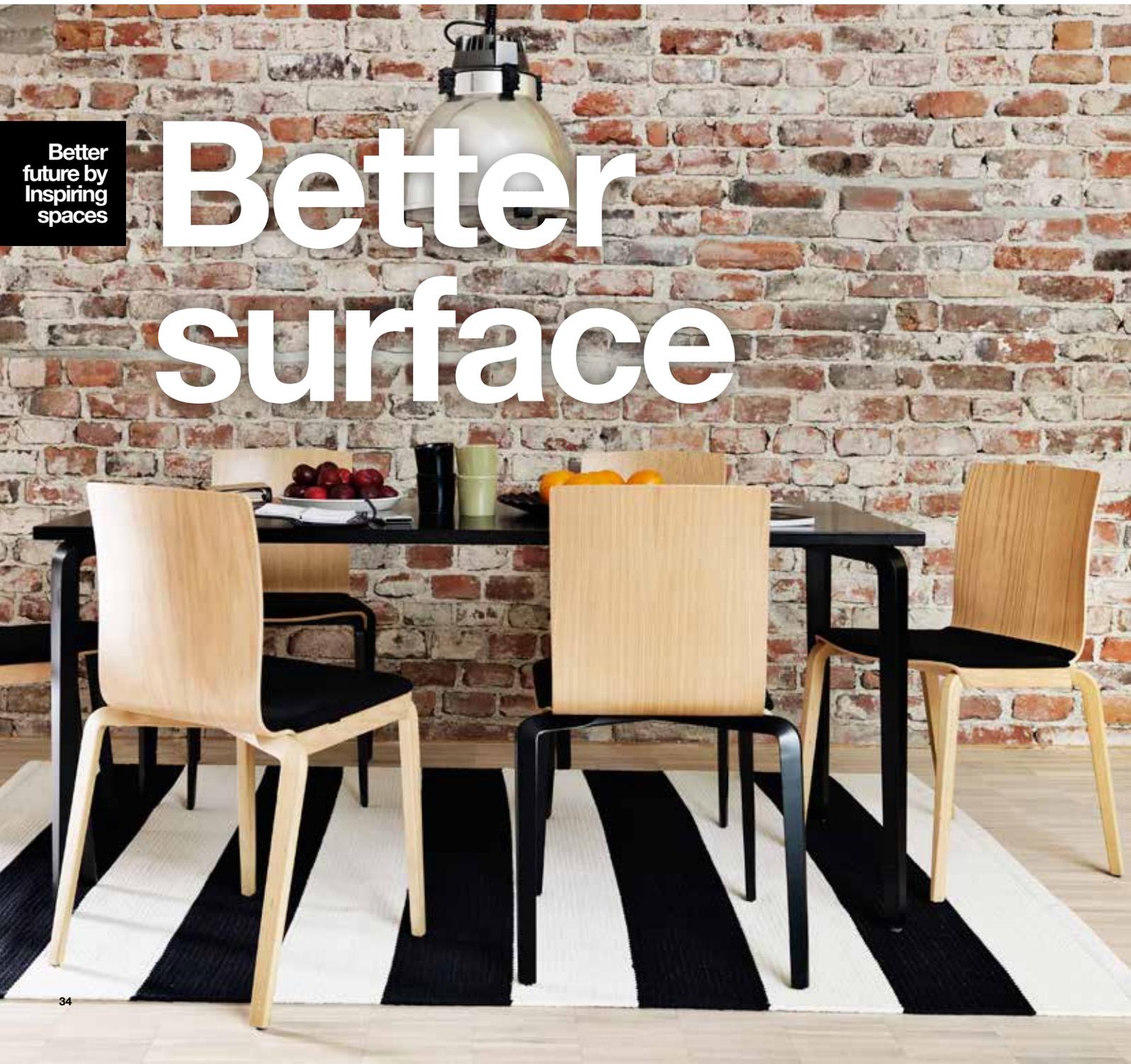
Martela has successfully reduced emissions of harmful volatile organic compounds (VOC) to a fraction of earlier volumes. In 2010, emissions from surface treatment processes at the Raisio plant were almost 9,000 kg, but in 2012 the figure was down to just over 500 kg.

VOCs, which are commonly found in industrial uses, can cause irritation to the eyes and mucous membranes. As a result of a project carried out by Martela in 2011 the surface-treatment substances used at the Raisio plant to treat form-pressed all-purpose chairs were replaced with much safer water-soluble alternatives. Employees' contact with the substances was also reduced by investing in new robotic equipment for surface treatment.

Thanks to the project, which required considerable technical skill and pioneering work, there now are no solvent emissions at the plant. Our customers will also benefit from Finnish-made furniture that is even safer than before.

Better  
future by  
Inspiring  
spaces

# Better surface



# Environmental responsibility

Martela's product selection relies on a strong chain of suppliers. Its own manufacturing concentrates on final assembly at logistic centres in Finland, Sweden and Poland, and the Outlet logistics centre in Riihimäki. Wood-based board is cut to size, machined and surface treated at the Martela subsidiary Kidex Oy, located in Kitee, Finland. P.O. Korhonen Oy in Raisio manufactures wooden chairs and form-pressed components for them, and supplies these to Martela and to Artek. The company uses water-soluble varnishes, paints and stains. Although P.O. Korhonen Oy is a joint venture owned by Martela Corporation and Artek Oy, its entire operation is included in the statistics. The Martela Group's head office is in Pitäjänmäki, Helsinki. Martela has several sales offices around Finland and Poland as well as sales offices in Sweden, Russia and Norway. In 2012 it also had sales offices in Hungary and Denmark. Sales of Martela products in other countries are mainly through dealers.

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

Martela Corporation and Kidex Oy (originally part of Martela Corporation) have

both had a certified environmental management system since 1999. The environmental management system at P.O. Korhonen Oy was first certified in 2000, and at Martela AB in 2010. All the Group's operations except for manufacturing in Poland, the Outlet logistics centre and local sales offices are covered by environmental management system certification.

## MATERIALS

Martela's products are mainly made of recyclable materials such as wood-based panels, metal components and recyclable plastic. Martela uses only commercially grown wood-based material such as birch, beech and oak for its products. Data from the ERP system shows that Martela's Nummela logistics centre alone used more than 9 million kilograms of materials, components and sub-assemblies during 2012. Purchase item data reveals that half of the purchased items were wood-based materials and nearly a third metal-based. Use of materials was up only slightly from 2011.

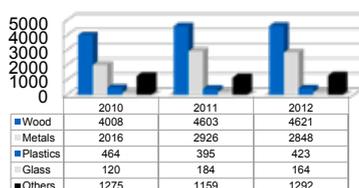
Of the materials used by Martela, metals included the highest amount of recycled raw material. Some use is made of recycled plastics for various purposes, and of recycled fibre for upholstery fabrics. If the recycled material content of metals is estimated at about 40%, then the recycled

materials used by Martela account for about 12% of the total estimated material usage.

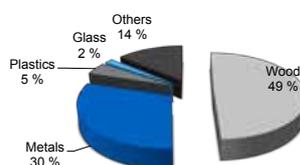
The reliability of the statistics is affected by the limitations of the ERP system. The system allows only one material to be stated for each component and sub-assembly, and only the total weight of the component is entered. Usually no weight information is recorded for customer-specific products and traded products. Statistical determination of the recycled material content of purchased items is almost impossible, since the degree of processing varies and there are many suppliers for the same item, and production chains are often long.

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

Purchased items by materials (1000 kg)



Purchased materials 2012 (kg)



**ENERGY**

Martela's units produce the energy they need mainly from heating oil. Kidex Oy switched over to district heating in 2011 and the Bodafors logistics centre in Sweden has been using district heating for about five years already. Both of these units supply a district heating station nearby with wood waste. Only P.O. Korhonen Oy, the Martela Group's joint venture, continues to burn the chips it produces as a by-product. The estimated thermal value this wood-based fuel is 0.9 MWh/m<sup>3</sup>. In 2012, the total amount of direct energy from the factory decreased by a further factor of over 10% on the previous year to 18,500 GJ. Of the total energy production, 94% was generated using fossil fuels and 6% using renewable fuels.

Martela's indirect energy consists mainly of electricity and district heating. This report takes into account the district heating used by the head office, Kidex Oy, P.O. Korhonen Oy and the Oulu sales office.

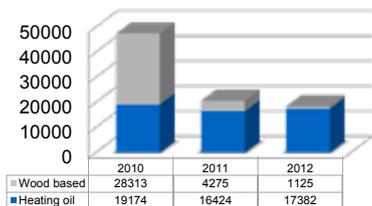
The head office in Finland and the units in Nummela, Raisio and Kitee purchased their electricity from a single supplier, while the logistics centre in Sweden, the Outlet unit in Riihimäki and the sales offices used local suppliers. For the purposes of this report, information on electricity consumption in 2010–2012 was gathered from the local sales offices in Oulu, Tampere, Jyväskylä, Kuopio and Turku. Some of the sales offices are located in shopping centres, where there is no user-specific monitoring of energy consumption but instead the electricity is billed as part of the rent.

The sources of purchased energy have been determined on an annual basis for the main energy supplier for the Finnish operations, but the calculations for 2010-2012 also use energy coefficients determined for 2011. With respect to the logistics centre in Sweden, the distribution given by the electricity supplier for 2009 has been used. The energy bought from these two electri-

city producers in 2010-2012 covers about 70% of the total consumption of energy measured in the Martela Group. Based on these figures, the total amount of indirect energy used in 2012 was about 48,200 GJ, of which 43% was produced from fossil fuels, 24% from renewable energy sources and 33% from nuclear power.

Local environmental working groups monitor the environmental indicator results and initiate and monitor necessary energy-saving measures. At the Nummela plant, for example, changes in lighting control systems have been introduced to allow the use of lighting only in actively used working areas, and the fluorescent lighting has been upgraded to be more energy efficient. Energy saving opportunities are also studied during the planning phase of new equipment investments. For example, there is an exhaust air heat recovery system for heating the factory air and service water at the Kidex Oy factory.

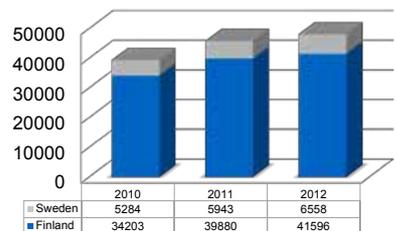
Direct energy (GJ)



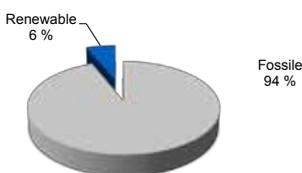
Indirect energy (GJ)



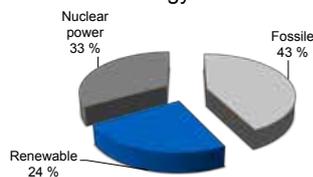
Use of indirect energy (GJ)



Direct energy division 2012



Indirect energy division 2012



**EMISSIONS**

The greenhouse gas emissions from Martela’s energy use have been calculated using 2011 values from the main energy supplier for Finland as the energy coefficients. For Sweden the coefficients are those given by the energy supplier for 2009, and for the Riihimäki Outlet unit and the local sales offices they are the country-specific coefficients. In calculating the greenhouse gas emissions for heating oil, wood-based fuels and district heating, general coefficients obtained from the litera-

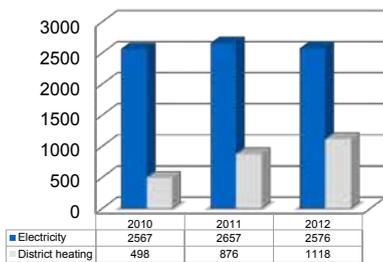
ture were used. The results show that carbon dioxide emissions from direct energy in 2012 rose slightly to just over 1,300 tonnes, while emissions from indirect energy rose considerably to almost 3,700 tonnes. The change in emissions from indirect energy was due almost solely to a significant change in the coefficients provided by the main energy supplier.

The average CO2 emissions from the company cars in use at Martela in Finland decreased in 2012 and is now 138 gCO2/km, as the leases of two vans used for

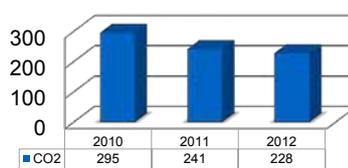
goods transport were discontinued. Based on the estimated kilometrage for company cars and the car-specific CO2 emissions, the total CO2 emissions from Martela’s company cars in 2012 came to about 228 tonnes.

About 80% of the business trips made by Martela’s personnel are ordered via the centralized reservation system. According to the reservation system data, the CO2 emissions of Martela’s work-related flights in 2012 rose slightly to about 219 tonnes.

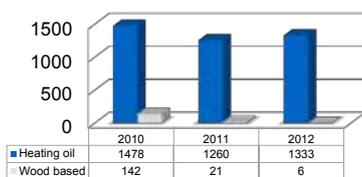
**Indirect energy CO<sub>2</sub> (1000 kg)**



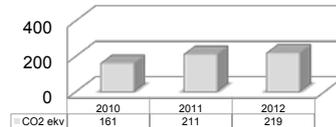
**Company car emissions (1000 kg)**



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



**Business flight emissions (1000 kg)**



# RESPONSIBILITY RESULTS | ENVIRONMENTAL RESPONSIBILITY

The environmental impact of transportation was not monitored in 2012. Martela's transport operations and Grundell's removal services operations were reorganized, and as a result Martela's transport equipment was transferred to Grundell. More comprehensive information on the environmental impact of transport operations will become available in 2013 or 2014 when consumption monitoring of the entire service business is introduced.

It can be seen from the above CO2 emission calculations that the largest emissions were principally from materials usage and particularly the use of metal raw materials. The CO2 emissions from the use of materials were estimated on the basis of material use by the Nummela logistics centre using coefficients provided by the Footprinter software. Materials usage accounts for approximately 70% of estima-

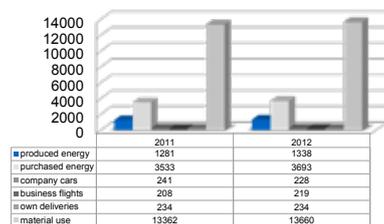
ted CO2 emissions, while indirect energy accounts for approximately 20% and direct energy for less than 10%.

Special emissions from production consist of organic solvents in surface treatment processes. In the Martela Group, surface treatment is only undertaken at the premises of Kidex Oy and P.O. Korhonen Oy. Water-soluble and UV hardening varnishes have been used in treating level surfaces since the 1990s. In the case of form-pressed products, water-soluble varnishes have been used at P.O. Korhonen Oy since the start of 2011.

Neither unit has ever needed an environmental permit for its operations, as the emissions have always been below the permit limit. The 2012 volatile organic compound (VOC) emissions were 1.3 tonnes at Kidex Oy and 0.5 tonnes at P.O. Korhonen Oy.

The Footprinter software was used to calculate the CO2 footprint of several products in 2012 to assess their environmental impact. Most of the data used in the calculation was taken from product development environmental specifications which give the materials breakdown for products or sample products in the case of product families. In addition, an estimate was made of the average transport distances per material type from component or material supplier to the Martela logistics centre and the average distance from the centre to customers. Product-specific packaging material volumes and the energy and waste impact per product unit for each logistics centre were also estimated. This produced mutually comparable results on the climate impact of Martela's products.

CO2 emission division (1000 kg CO<sub>2</sub>)



VOC emissions (1000 kg)



**WASTE**

The waste volume generated by the Martela Group decreased slightly to 3,500 tonnes in 2012. The largest decline on 2011 was seen in wood waste at Kitee. More than 98% of the Group's waste in Finland and almost 100% of the waste in Sweden was sent for recovery. In all, 84% of the recovered waste in Finland and 69% of the recovered waste in Sweden consisted of wood-based materials in 2012. Wood waste is generated from production processes, packaging, pallets and damaged components, as well as from the regional scraping of used furniture. Other usable by-products from production processes include cardboard, metal and combustible waste. The Nummela, Kitee, Raisio, Riihimäki (since 2011) and Bodafors factories and the Pitäjänmäki head office have been included in the calculation of these waste volumes.

Product transportation to the customer site and subsequent installation is an integral part of Martela's operation. Products are unpacked at the customer site and useful packaging material is returned to the manufacturing units or sorted by material according to the local waste disposal limitations. Almost all the packaging material is recyclable, either as material or as combustible waste. At the Nummela logistics centre in particular, used packaging materials that are returned in good condition from customer sites are re-used for packaging new products. Since 1998, Martela has met its statutory packaging waste producer responsibility obligations via the Environmental Register of Packaging PYR Ltd.

The effective use of materials forms part of the planning at the research and development phase for the product. The amount of waste generated during production is monitored locally by environmental

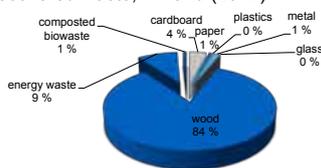
working groups and they launch and then monitor measures needed to reduce waste volumes. Employees also participate by pointing out development needs as part of the staff suggestions process.

Only a very small amount of hazardous waste is generated, mainly in surface treatment and gluing processes and in everyday property management and maintenance. Operations in Finland produced 23 tonnes of hazardous waste in 2012. This waste is processed by local service providers that transport the waste away from the property to hazardous waste treatment facilities. The keeping of hazardous waste tracking records on site and the inspection of the permits of hazardous waste service providers are a normal part of every waste-generating unit's operations.

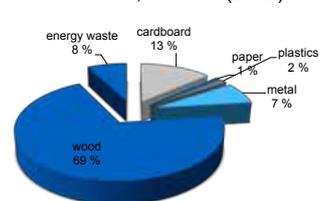
Waste (1000kg)



Recovered waste, Finland (2012)



Recovered waste, Sweden (2012)



**RECYCLING SERVICE**

Martela has developed a recycling business which is innovative even by international standards. In 2010, Martela acquired the two business locations and production unit of the Martela Poistomyynti business. Re-named Martela Outlet, the chain operated at seven locations around Finland at the end of 2012, selling used and refurbished furniture to small businesses and home offices. Martela now possesses an entire value chain in recycling.

Martela offers its customers in Finland an inventory service to make a record of furniture items that in good condition and to relocate these in any new interiors being planned. It also offers a recycling service for used furniture. Furniture in good condition is cleaned and refurbished and then made available to Outlet store customers across the country. The most demanding refurbishment

tasks are concentrated in the Riihimäki logistics centre.

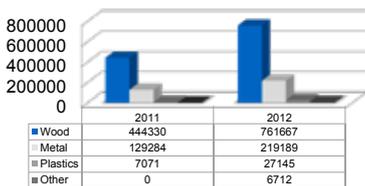
Over one million kilograms of used furniture was recycled by the Martela recycling service in the Helsinki metropolitan area and the Häme and Pirkanmaa regions in 2012. The statistics include only free-standing office furniture. The weight-based statistical analysis does not include items such as discarded electrical and electronic equipment (WEEE) or mixed construction waste. The furniture received by the recycling service contained about 75% wood, 22% metal, 3% plastic and 1% other materials.

More than half of all furniture sold by the Martela Outlet chain in 2012 was totally or partly recycled furniture, while the rest comprised unused furniture such as various factory items, discontinued products, old models and special Outlet items. Approximately 0.8 million kilograms of used

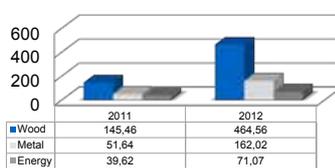
furniture found a new user through the Outlet chain.

A partner in Riihimäki responsible for material recycling was supplied with more than 1.2 million kilograms of furniture unfit for refurbishment, of which nearly 50% could be recovered as wood fractions, 14% as metal and 38% for energy production. In addition, Martela's nationwide recycling partner handled over a million kilograms of furniture waste in 2012 with approximately the same recovery rates as those mentioned above. In 2011, the amount was just over 0.3 million kilograms. The statistical survey did not include regional recycling carried out at the Nummela logistics centre or, for example, WEEE scrap, which was forwarded for recycling under the producer responsibility scheme.

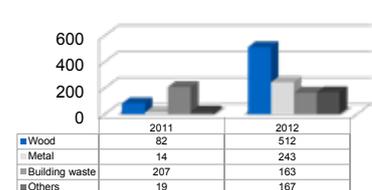
Material content of products received by recycling service



Material forwarded for further recycling (1000kg) Riihimäki



Material forwarded for further recycling (1000kg) other parts of Finland

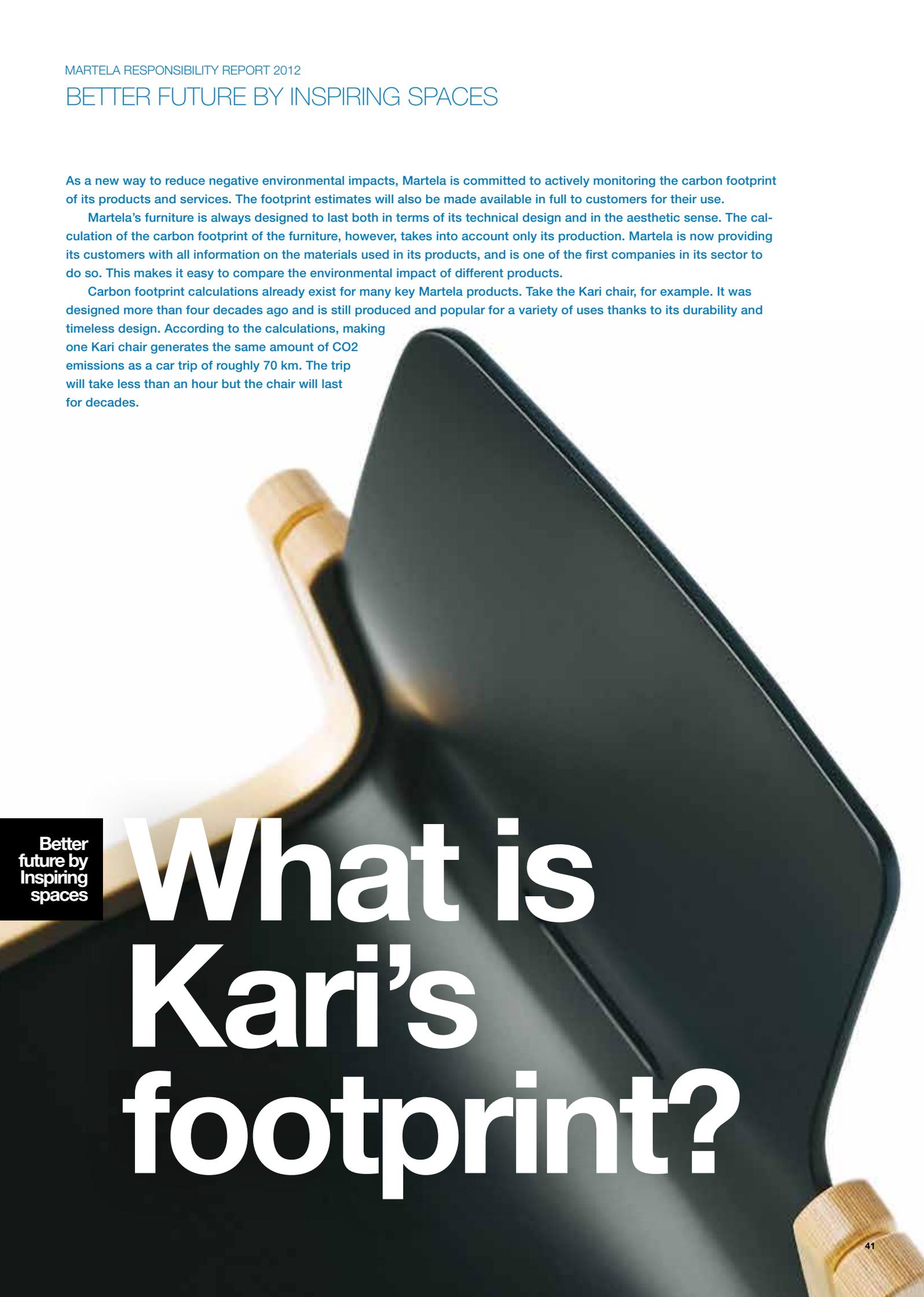


## BETTER FUTURE BY INSPIRING SPACES

As a new way to reduce negative environmental impacts, Martela is committed to actively monitoring the carbon footprint of its products and services. The footprint estimates will also be made available in full to customers for their use.

Martela's furniture is always designed to last both in terms of its technical design and in the aesthetic sense. The calculation of the carbon footprint of the furniture, however, takes into account only its production. Martela is now providing its customers with all information on the materials used in its products, and is one of the first companies in its sector to do so. This makes it easy to compare the environmental impact of different products.

Carbon footprint calculations already exist for many key Martela products. Take the Kari chair, for example. It was designed more than four decades ago and is still produced and popular for a variety of uses thanks to its durability and timeless design. According to the calculations, making one Kari chair generates the same amount of CO<sub>2</sub> emissions as a car trip of roughly 70 km. The trip will take less than an hour but the chair will last for decades.



# What is Kari's footprint?

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# Product responsibility

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

Environmental requirements for furniture focus on the source of any wood used, the extent of recycled materials in metal and plastic components and the chemicals used in the product, such as in surface treatment

and adhesives. In the Nordic countries, the Nordic Swan ecolabel is one of the best known labelling systems used in connection with environmental requirements for furniture. At the beginning of 2010 Martela received the right to use the Nordic Swan ecolabel in the Swedish and Norwegian markets for its most significant product lines. The Swan label is a voluntary, commercial, environmental label that is specific for each market and product group. If the customer so requires, Martela will supply information on the extent to which specific furniture items fulfil certain environmental criteria specified by the customer.

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



**CUSTOMER SATISFACTION**

The purpose of measuring customer satisfaction is to enable us to enhance customer experiences of our sales process, deliveries and customer service. Martela measures customer experience with two separate customer satisfaction surveys: a continuous mobile survey and a semi-annual, broader customer satisfaction survey. In 2012, we focused on developing the mobile survey and did not conduct the broader satisfaction survey, and so fully comparable data is not available for 2012. One of the questions in the mobile survey conducted in September–December can be compared with the continuous survey’s question on general satisfaction. A comparison of customer satisfaction with Martela as a whole according to the continuous survey and satisfaction

with deliveries and installation according to the mobile survey shows that customer satisfaction has remained steady in Finland in the last three years.

The purpose of the continuous mobile survey is to identify deviations in customer transactions in order to immediately rectify errors and solve problems. The aim is to monitor and develop the standard of service at the function, project and personal levels. After each transaction exceeding a certain sum, customers receive a survey either as an SMS or by e-mail and can respond using their mobile phones or on the web. If for some reason the customer gives a low score, the feedback is e-mailed directly to the regional sales director or service director and analysed, after which action is taken together with the customer to rectify the

matter at the customer’s location as soon as possible. Supervisors have continuous access to a real-time web portal where they can follow the performance and results of their team. The management team of Business Unit Finland follows the mobile feedback as a whole on a monthly basis. In the future, the broad customer satisfaction survey will be carried out semi-annually by e-mail. It will be sent to all customers who have spent at least a specific minimum sum in the preceding six months and no more than once a year to the same customer. Based on the continuous customer satisfaction survey, answers to standard questions can be compared to earlier results and changes in the different areas can be reliably monitored.

General satisfaction to Martela



**CUSTOMER FEEDBACK**

All of Martela’s units switched over to using the same customer relationship management system in 2012. Completely revised tools for dealing with customer feedback were also added to the system. Customer feedback is now classified as follows:

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

The new tools have been in use since June 2012. They allow more effective introduction of preventive measures, improved transparency (also between Martela’s units) and more comprehensive cost monitoring. Further development work on the new tools is continuing.

With the introduction of the new tools, Martela’s complaint process as a whole was renewed. The definition of a complaint also changed. Previously, complaints were defined as significant deviations in product quality indicated directly by customers, whereas now complaints include all cases where the customer is not invoiced. These could also include errors in orders which can lead to

refunds or replacement orders for products, components or work. Complaints may also be deviations that occur in the logistics chain before delivery. This means that new customer feedback may be initiated not only by a customer but by service production or sales in the case of a deviation observed during delivery, installation or final inspection, or even by the logistics centre in the case of deviations observed before deliveries leave the centre.

As a result of these changes the monitoring of customer feedback and associated metrics was also completely revised. In the second half of 2012, the ratio of complaints to the number of deliveries made in Business Unit Finland was 2.3%.

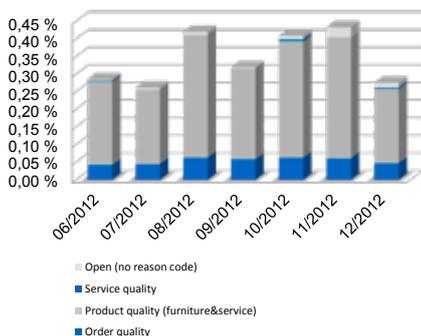
The latter are classified as desks and not as electronic equipment. Martela nevertheless requires of its suppliers that the electronics components meet the materials requirements of the RoHS directive.

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

**MARKETING COMMUNICATIONS AND PRODUCT MARKINGS**

Since most of Martela’s products are straightforward furniture items for daily use, they usually do not include special labels or instructions. Martela’s products are delivered, installed and adjusted for the customer by professional staff. For furniture that users can adjust themselves, ergonomics instructions are also supplied, such as for office chairs and electrically adjustable desks.

Reasons for customer feedback 2012



<b>Open (no reason code)</b>	0,00 %	0,01 %	0,01 %	0,00 %	0,01 %	0,03 %	0,01 %
<b>Service quality</b>	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
<b>Product quality (furniture &amp; service)</b>	0,24 %	0,21 %	0,35 %	0,26 %	0,33 %	0,34 %	0,21 %
<b>Order quality</b>	0,04 %	0,04 %	0,06 %	0,06 %	0,06 %	0,06 %	0,05 %

## BETTER FUTURE BY INSPIRING SPACES

Increasing erosion is a serious threat to people's living conditions in the Peruvian Andes. Martela gives its customers an opportunity to participate in a tree conservation project in the region in order to improve the state of the environment, reduce the impact of climate change and promote biodiversity.

Under this scheme, Martela donates part of the income from the sale of its The Tree space dividers to conservation purposes in Peru. Customers buying these space dividers designed by Eero Aarnio for Martela have already acquired nearly 15,000 live trees for the Pitumarca region. The project was launched with World Vision and is now managed locally. The total number of trees planted in the region now exceeds 100,000.

In addition to improving the state of the environment, the project improves the livelihoods and quality of life of the region's families and especially its children and women. Martela continues to donate a part of the income from The Tree to the Finnish World Vision's activities in Peru.



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# Planting new life

# Comparison of the report with the GRI Guidelines

	GC	GRI	Responsibility Report 2012	Shortages/deviations/explanations
<b>1. Strategy and analysis</b>				
1.1. CEO's statement		R	CEO's Review	
<b>2. Organisational profile</b>				
2.1. Name of the organization		R	Martela in Brief	
2.2. Primary brands, products and services		R	Martela in Brief	
2.3. Operational structure		R	Martela in Brief	
2.4. Location of headquarters		R	Martela in Brief	
2.5. Geographical areas of operations		R	Martela in Brief	
2.6. Nature of ownership and legal form		R	Martela in Brief	
2.7. Markets served		R	Martela in Brief	
2.8. Scale of the reporting organization		R	Martela in Brief	
2.9. Significant changes during the reporting period regarding size, structure, or ownership.		R	Responsibility Results	
2.10. Awards received in the reporting period.		N/A		
<b>3. Reporting principles</b>				
3.1. Reporting period		R	Introduction	
3.2. Date of most recent previous report (if any).		R		
3.3. Reporting cycle		R	Introduction	
3.4. Contact information		R	Management of Responsibility	
3.5. Process for defining report content.		R	Introduction	
3.6. Boundary of the report		R	Introduction	
3.7. Limitations on the scope or boundary of the report		R	Introduction	
3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities etc.		R	Introduction	
3.9. Data measurement techniques and the bases of calculations		R	Introduction	
3.10. Explanations of re-statements of information in the previous reports		R		
3.11. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		R		
3.12. GRI Content Index		R	Introduction	

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GC	GRI	Responsibility Report 2012	Shortages/deviations/ explanations
<b>4. Governance, commitments and engagement</b>			
4.1.	R	Management of Responsibility	
4.2.	N/A		
4.3.	R		Resolution passed by the organizational meeting of Martela Corporations's Board of Directors
4.4.	N/A		
4.5.	RP		
4.6.	N/A		
4.7.	RP		
4.8.	R	Management of Responsibility	
4.9.	R	Management of Responsibility	
4.10.	RP		Self-assessment
4.11.	NM		
4.12.	R	Management of Responsibility	
4.13.	R	Management of Responsibility	
4.14.	R	Management of Responsibility	
4.15.	R	Management of Responsibility	
4.16.	RP		
4.17.	RP		
<b>Management Approach and Performance Indicators</b>			
<b>ECONOMIC RESPONSIBILITY</b>			
<b>Management approach to economic responsibility</b>			
<b>Economic performance</b>			
EC1		R	Responsibility Results
EC2	COP	N/A	
EC3		R	Annual Report
EC4		R	Responsibility Results
<b>Market presence</b>			
EC5	COP	R	
EC6		R	Responsibility Results
EC7	COP	RP	
<b>Indirect economic impacts</b>			
EC8		N/A	
EC9		N/A	
<b>ENVIRONMENTAL RESPONSIBILITY</b>			
<b>Management approach to environmental responsibility</b>			
<b>Materials</b>			
EN1	COP	R	Responsibility Results
EN2	COP	R	Responsibility Results

		GC	GRI	Responsibility Report 2012	Shortages/deviations/ explanations
<b>Energy</b>					
EN3	Direct energy consumption	COP	R	Responsibility Results	
EN4	Indirect energy consumption	COP	R	Responsibility Results	
EN5	Energy saved due to conservation and efficiency improvements.	COP	RP	Responsibility Results	Monitored by local environmental groups
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	COP	NM		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	COP	RP	Responsibility Results	Monitored by local environmental groups
<b>Water</b>					
EN8	Water withdrawal	COP	N/A		
EN9	Water sources significantly affected by withdrawal of water.		N/A		
EN10	Percentage and total volume of water recycled and reused.		N/A		
<b>Biodiversity</b>					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		N/A		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		N/A		
EN13	Habitats protected or restored.		N/A		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	COP	N/A		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	COP	N/A		
<b>Emissions and waste</b>					
EN16	Total direct and indirect greenhouse gas emissions by weight.	COP	R	Responsibility Results	
EN17	Other relevant indirect greenhouse gas emissions by weight.	COP	NM		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	COP	RP	Responsibility Results	
EN19	Emissions of ozone-depleting substances by weight.	COP	NM		
EN20	NOx, SOx, and other significant air emissions by type and weight.	COP	R	Responsibility Results	
EN21	Total water discharge	COP	N/A		
EN22	Total weight of waste by type and disposal method.	COP	R	Responsibility Results	
EN23	Spills of chemicals, oils etc.	COP	NM		
EN24	Hazardous waste handled/transported	COP	N/A		
EN25	Water bodies significantly affected by the organization's water discharge	COP	N/A		
<b>Products and services</b>					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	COP	R	Responsibility Results	Development of recycling service
EN27	Products and their packaging materials reclaimed	COP	R	Responsibility Results	
<b>Compliance</b>					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	COP	NM		
<b>Transports</b>					
EN29	Environmental impacts of transportation	COP	RP	Responsibility Results	

		GC	GRI	Responsibility Report 2012	Shortages/deviations/ explanations
<b>General</b>					
EN30	Total environmental expenditures and investments	COP	N/A		
<b>SOCIAL PERFORMANCE</b>					
<b>Management approach to social responsibility</b>			R	Responsibility Results	
<b>Employment</b>					
LA1	Total workforce by employment type, employment contract, and region.		R	Responsibility Results	
LA2	Total number and rate of employee turnover by age group, gender, and region.	COP	R	Responsibility Results	
LA3	Benefits to full-time employees only	COP	R	Responsibility Results	
<b>Labor/management relations</b>					
LA4	Percentage of employees covered by collective bargaining agreements.	COP	R	Responsibility Results	
LA5	Minimum notice periods regarding significant organisational changes	COP	R	Responsibility Results	
<b>Occupational health and safety</b>					
LA6	Percentage of workforce represented in formal health and safety committees	COP	R	Responsibility Results	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	COP	R	Responsibility Results	
LA8	Training of workforce regarding serious illnesses	COP	N/A		
LA9	Health and safety topics covered in formal agreements with trade unions.	COP	N/A		
<b>Training</b>					
LA10	Average hours of training per year per employee by employee category.		R	Responsibility Results	
LA11	Programs for skills management and lifelong learning		R	Responsibility Results	
LA12	Percentage of employees receiving regular performance and career development reviews.		R	Responsibility Results	
<b>Diversity and equality</b>					
LA13	Diversity of governance bodies	COP	R	Responsibility Results	
LA14	Ratio of basic salary of men to women by employee category.	COP	RP	Responsibility Results	Monitored by local wage and salary group
<b>HUMAN RIGHTS</b>					
<b>Investment and procurement practices</b>					
HR1	Human right issues in investment decisions	COP	N/A		
HR2	Screening of human rights in the supply chain	COP	NM		
HR3	Employee training on relevant human rights issues and procedures	COP	NM		
<b>Discrimination</b>					
HR4	Total number of incidents of discrimination and actions taken.	COP	NM		
<b>Freedom of association and collective bargaining</b>					
HR5	Operations identified in which freedom of association and collective bargaining may be at risk	COP	NM		
<b>Child labour</b>					
HR6	Significant risks of child labour and actions taken	COP	N/A		
<b>Forced labour</b>					
HR7	Significant risks of forced labour and actions taken	COP	N/A		
<b>Security practices</b>					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	COP	N/A		

		GC	GRI	Responsibility Report 2012	Shortages/deviations/ explanations
<b>Indigenous rights</b>					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	COP	N/A		
<b>SOCIETY</b>					
<b>Community</b>					
SO1	Managing the impacts on communities		N/A		
<b>Corruption</b>					
SO2	Percentage and total number of business units analyzed for risks related to corruption.	COP	R	Responsibility Results	
SO3	Percentage of employees trained in anti-corruption policies and procedures	COP	R	Responsibility Results	
SO4	Actions taken in response to incidents of corruption.	COP	N/A		
<b>Public policy</b>					
SO5	Public policy positions and participation in public policy development and lobbying.	COP	R	Responsibility Results	
SO6	Donations to political parties and candidates		R	Responsibility Results	
<b>Anti-competitive behaviour</b>					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		N/A		
<b>Compliance</b>					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		N/A		
<b>PRODUCT RESPONSIBILITY</b>					
<b>Customer health and safety</b>					
PR1	Health and safety impacts of products	COP	R	Responsibility Results	
PR2	Non-compliances of product health and safety regulations	COP	N/A		
<b>Product and service labeling</b>					
PR3	Product and service information		R	Responsibility Results	
PR4	Non-compliances with regulations and voluntary initiatives		N/A		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		R	Responsibility Results	
<b>Marketing communications</b>					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		N/A		
PR7	Non-compliances with regulations and voluntary initiatives		N/A		
<b>Customer privacy</b>					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		N/A		
<b>Compliance</b>					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		N/A		

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