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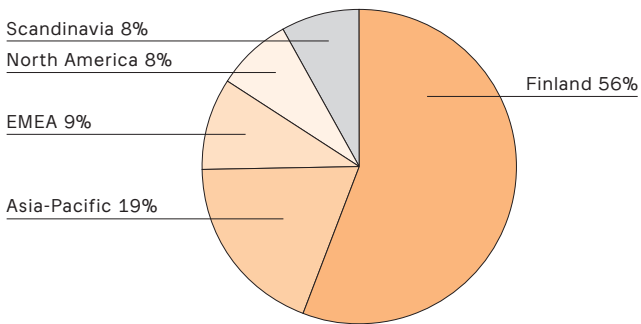


# Marimekko in brief

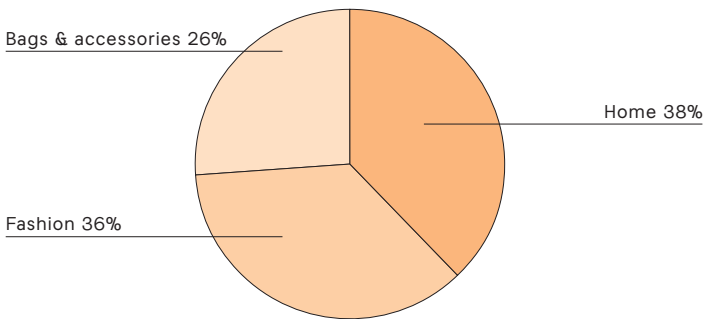
Marimekko is a Finnish design company whose original prints and colours have brought joy to people’s everyday lives since 1951. Our product portfolio includes high-quality clothing, bags and accessories as well as home décor items ranging from textiles to tableware. Quality, functionality and timelessness are the cornerstones on which our recognisable design has always been built.

Our vision is to be the world’s most renowned pattern designer and one of the most inspiring design brands. Our products are sold in about 40 countries, and roughly 160 Marimekko stores serve customers around the world. Our key markets are Northern Europe, North America and the Asia-Pacific region. In 2016, our net sales were close to 100 million euros.

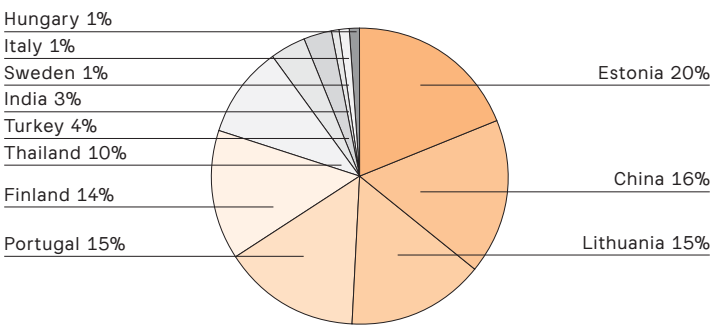
Net sales by market area 2016



Net sales by product line 2016



Manufacturing countries 2016



## **Mission:**

empower people to be happy as they are  
and bring joy to their everyday lives through  
bold prints and colours.

## **Vision:**

to be the world's most renowned pattern designer  
and one of the most inspiring design brands.

## **Our values:**

living, not pretending

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fairness to everyone and everything

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common sense

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getting things done – together

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courage, even at the risk of failure

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joy

Our value "fairness to everyone and everything" crystallises the core of Marimekko's sustainability thinking. We treat other people fairly, and we create products that bring joy for a long time with minimal environmental impacts.



# Highlights of our sustainability work in 2016

## Increased share of Better Cotton

Of the cotton we procured in 2016, 50 (31) percent was more sustainably produced Better Cotton.

50%

## Marimekko on the Forbes sustainability listing

The prestigious international financial publication Forbes placed Marimekko on its Top 4 list of fashion brands that make sustainability look chic. Our strength in the listing was the timelessness of our design.



## Our timeless design awarded at the Copenhagen Fashion Summit

We were awarded with a mention of honour for our timeless design in the Design Challenge competition held at the Copenhagen Fashion Summit in May, the purpose of which is to promote the contents of a sustainable wardrobe. In 2016 the panel of judges paid particular attention to the long life and quality of design.

## In the Fashion Revolution



We took part again in the Fashion Revolution campaign by publishing articles on the people making our products around the world. The campaign arranged in memory of the people who died and were injured in the collapse of the Rana Plaza factory building urges consumers to ask clothing brands about the manufacturing of their clothes and encourages brands to tell more about their supply chains.

## Biodegradable fabric got printed

Since 2013, we have been part of a research project led by Aalto University and the University of Helsinki developing the Ioncell F method, by which birch cellulose can be used to manufacture a biodegradable textile fibre. In May 2016, the printing qualities of the fabric made out of fibres produced with Ioncell F method were tested at Marimekko's printing factory with good results.



## New life for old Marimekko garments

We continued collaboration with the second-hand online store We Started This (WST). During the year, we arranged collection events at our stores, and WST put together Marimekko collections for its webstore from the products handed in.



## Printed patterns powered by biogas

At the beginning of 2016, we began to use environmentally more benign biogas instead of natural gas at our in-house fabric printing factory in Helsinki. Biogas is produced in Finland from the biological wastes of agriculture, the food industry, retail and households.

## New sustainability strategy

We published a sustainability strategy extending to the year 2020, with commitments and targets that will be at the heart of our work on sustainability for the next few years.

# From the President and CEO

”Marimekko is not about trendy fashion, with a few minor exceptions. We make lasting and timeless products. Timelessness may, however, occasionally come into fashion by chance, like now.”

– Armi Ratia, 1978

This statement by Marimekko’s founder Armi Ratia sums up our philosophy and the core of our business. We believe that a timeless and high-quality product is a sustainable choice, and this is why we aim to offer our customers products with a long life in the daily experience of either one or several people. Timelessness has been the basis for Marimekko’s design from the early days of the company, and it seems to be in fashion still today. Consumers appreciate genuineness in brands and they are increasingly aware of the

”Timelessness is looked to as a counterweight to the frenzied consumption of fast fashion.”

impacts of their consumption on the surrounding world. Timelessness is looked to as a counterweight to the frenzied consumption of fast fashion.

In 2016, our design’s timelessness received international recognition when, in May, the jury of the Design Challenge held at the sustainable fashion event Copenhagen Fashion Summit awarded Marimekko a mention of honour for lasting design. This recognition felt particularly gratifying as the purpose of the competition is to promote the contents of a sustainable wardrobe.

The crown jewels of our summer 2017 collection, archive dresses from the 1960s and 1970s, are excellent practical examples of the timelessness of our design. It is wonderful to note that Marimekko garments designed decades ago are still relevant and can be included practically unchanged in our new collection.

In 2016, we released a sustainability strategy extending to the year 2020, with targets towards which we are working

”Consumers are more and more interested in who makes their products and how and where they are made.”

perseveringly. In the years ahead, we will focus in particular on our selection of raw materials and on increasing the transparency of our supply chain. Consumers are more and more interested in who makes their products and how and where they are made. The textile industry’s value chain is complex and embraces many players, which makes it challenging to increase transparency, but we work constantly to provide our customers with more information on our products and the materials used in them.

Materials and feedstock are prominent in debates about sustainability in our sector. The traditional raw materials of the textile industry, such as cotton, entail both social and environmental challenges. We have set ourselves the goal of increasing the proportion of more sustainable cotton and other more sustainable materials in our collections.

In 2016, more sustainably produced BCI (Better Cotton Initiative) cotton already accounted for 50 percent of our entire cotton procurement.

”We want to be involved in developing new, alternative materials.”

We want to be involved in developing new, alternative materials. We have for years been engaged in a project, led by Aalto University and the University of Helsinki, which develops the Ioncell F solvent method. This enables the manufacture of textile fibre from birch cellulose with a smaller quantity of chemicals. We eagerly follow developments of innovations in the textile industry. In the years ahead, we will doubtless see interesting new innovations in our field.

Tiina Alahuhta-Kasko





# Our value chain

Marimekko is a design house that designs, manufactures and sources products and sells them in Marimekko stores and through retailers around the world. Our value chain is broad and diverse, as is typical of consumer product companies, and it embraces many different partners. Our influence at different stages of the value chain varies depending on the product and the work phase.

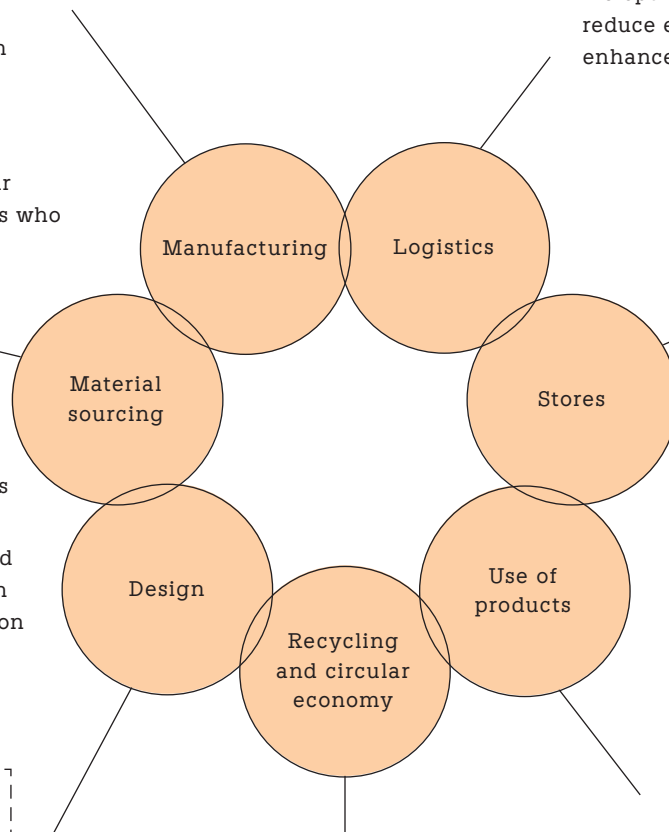
We work persistently to secure operational sustainability at all stages in our value chain and to provide our customers with even more information than before on our products. This is a challenging job, but we believe that collaboration with our suppliers and other industry players will take us forward, one design at a time.

- Own fabric printing mill and partner suppliers
- Ensuring sustainability throughout the supply chain, e.g. working conditions in production and respecting human rights
- Careful supplier selection
- Supplier Code of Conduct
- Audits and factory visits
- Resource and material efficiency in own operations

- The modes of transport we use are road, marine and air transport.
- A significant part of the environmental impact of our operations is due to transportation.
- We optimize our logistics in order to reduce environmental impacts and enhance efficiency.

- We source the materials used in our products from our partner suppliers who source raw material globally.
- Our partners are committed to promoting sustainable operations in their own supply chain.
- We require our suppliers to report the origin of leather and down. In addition, we require our most significant cotton product suppliers to report the origin of cotton.
- In 2016, more sustainably produced BCI (Better Cotton Initiative) cotton accounted for 50% of our total cotton sourcing.

- Our store personnel plays a key role in sharing product information to our customers and instructing them how to take care of the products properly.
- We aim to offer our customers continuously more information on our products and their proper care.



Important choices in terms of the impacts during the product's entire life cycle

- Timeless design
- Sustainable material choices
- Smart use of materials
- Product and material testing

Product care has a significant impact in terms of environmental impacts

- Our products have a good resale value.
- Re-using textiles in their existing form is the best alternative for the environment.
- Target is that products would stay in circulation as long as possible.
- We are constantly on a lookout for alternatives for prolonging products' lifecycle.

- Taking care of the product properly extends its lifetime and burdens the environment less.





# Sustainability at Marimekko

Our value "fairness to everyone and everything" sums up the core of Marimekko's sustainability philosophy. We treat other people fairly and we create products that bring joy for a long time with minimal environmental impacts. Our word is our bond, and we require the same of all our partners.

We are a fair employer and a trustworthy partner to our customers and suppliers.

## Sustainability management

For Marimekko, sustainability is in everything we do and it is a part of everyday management and business development. Ultimate responsibility for sustainability management lies with the President and CEO. The Sustainability Steering Group, comprised of the Sustainability Manager, the Chief Marketing Officer, the Chief Sales Officer, the Communications Director and the Chief Supply Chain Officer, is in charge of the development of sustainability work. The Steering Group is responsible for planning sustainability work and it sets new performance targets, monitors the attainment of targets, and supervises development initiatives promoting sustainability. The different business units and functions are individually responsible for the targets and actions for their own area.

## Sustainability strategy 2020

Marimekko's sustainability strategy extending to 2020 was published in 2016. The core of the strategy comprises five commitments, the focus of which continues to be on sustainable design and sustainability in the supply chain. Resource efficiency and the environment, stakeholder engagement as well as taking care of the personnel were also given their own commitments. These commitments have been defined as Marimekko's most important areas of sustainability. Criteria and targets to measure attainment were assigned for all the commitments, which were deployed in 2016 at small-group meetings within the various functions of our company. In addition, the sustainability strategy was presented to our personnel and to retail partners at various events. In 2017, we are continuing the work to attain the targets we have set and monitoring their implementation.

For the foundation of the sustainability strategy, we analysed overall industry trends, megatrends and consumer trends and carried out customer surveys as well as interviews of Marimekko's major stakeholders such as investors and NGOs.

## Sustainability commitments

We design timeless, long-lasting and functional products





We inspire and engage our customers and staff

We promote responsible practices throughout our supply chain





We are resource efficient and care for the environment




We offer an inspiring and responsible workplace

**Commitment 1: We design timeless, long-lasting and functional products**

Target	Criteria for achievement	In 2016	Status 2016	Section
We offer durable, high-quality and functional products.	Share of products subject to claims of products sold 0.5%	The share of products subject to claims of products sold was 0.6% (0.4).		Sustainable and timeless design
We increase the share of sustainable cotton in our products and packaging.	Increasing the share of Better Cotton of annually sourced cotton in the supply chain	The share of Better Cotton was 50% (31).		Sustainable supply chain
We increase the share of other more sustainable raw materials used in our products and packaging.	We support research projects related to developing new more sustainable materials and continuously evaluate opportunities to use more sustainable materials.	We participated loncell F project developing a method by which biodegradable fabric can be made from birch cellulose with lower environmental impact than viscose, for example. In addition we studied other potential projects.		Stakeholder engagement
We contribute to the circular economy with related projects and services.	Participation in projects which support the circular economy	We continued collaboration with the We Started This (WST) second-hand online store.		Sustainable and timeless design

**Commitment 2: We inspire and engage our customers and staff**





Target	Criteria for achievement	In 2016	Status 2016	Section
We provide our employees with continuous training in sustainability matters and engage them in developing operations.	Continuous training in sustainability matters for the personnel	We presented the sustainability strategy at staff events and to our retail partners.		Personnel
We offer more information on our products, their proper care, and ways to prolong product life.	Increasing the product information available for customers	We developed information sharing to store personnel.		Personnel
We maintain an active dialogue with our stakeholders and engage in joint initiatives within the industry in order to innovate and promote sustainable design and production.	Participation in projects promoting innovations in sustainable design and production	We continued to engage in the loncell F project led by Aalto University and University of Helsinki.		Stakeholder engagement
We collaborate, in particular, with NGOs and charities whose work relates to creativity and supporting women and children.	Supporting NGOs and charities whose work focuses on support for women and children and on creativity	We took part in the Pink Ribbon campaign and sponsored art therapy for child cancer patients as well as supported the activities of the Federation of Mother and Child Homes and Shelters.		Stakeholder engagement

 annual target not achieved  
 progress made  
 progressing according to plan

**Commitment 3: We promote responsible practices throughout our supply chain**

Target	Criteria for achievement	In 2016	Status 2016	Section
We build transparency in supply chain towards raw materials.	Constantly increasing the information available on our supply chain	<p>We released a list of our main supplier partners on our website.</p> <p>We took part in the Fashion Revolution campaign by publishing articles on our website about people working in our supply chain.</p>		<p>Sustainable supply chain</p> <p>Sustainability highlights</p>
We select our suppliers carefully, taking into account human rights and environmental protection.	Constantly improving the sustainability evaluation of our suppliers	<p>97% of product purchases from non-EU countries were subject to auditing according to BSCI or other social responsibility systems.</p> <p>Marimekko employees regularly visited our suppliers' plants.</p>		Sustainable supply chain
We promote human rights, a living wage, worker empowerment and safe working conditions in our supply chain through dialogue, audits and training.	Evaluating more in depth the human rights impacts of our supply chain and engaging our suppliers.	<p>Remuneration was assessed in BSCI audits according to BSCI standards.</p> <p>Safety and remuneration matters were discussed during plant visits by Marimekko personnel.</p>		Sustainable supply chain

**Commitment 4: We are resource efficient and care for the environment**

Target	Criteria for achievement	In 2016	Status 2016	Section
We continuously reduce the carbon footprint of our operations by using renewable energy sources and optimising logistics.	Increasing usage of renewable energy in our own operations, optimising logistics routing, and carbon offsetting	<p>The electricity used by our own fabric printing factory and head office was generated from wind power.</p> <p>We went over from natural gas to biogas use at our fabric printing factory.</p> <p>The carbon dioxide emissions from all our transport in Finland were offset.</p>		Resource efficiency and the environment
We continuously improve material, energy and water efficiency in our own operations.	Improving energy and water efficiency per metre of output	<p>We decided to carry out a comprehensive energy survey of our factory and office building in Helsinki in the course of 2017.</p> <p>New washing machinery was installed at the fabric printing factory, the impact of which on water efficiency is being watched closely.</p>		Resource efficiency and the environment
No landfill waste will be generated by our own operations.	Our own operations do not generate landfill waste	In 2016, 98% of the waste generated was reused in energy production or as recycled material.		Resource efficiency and the environment
We ensure high standards of chemical restrictions in the production of our products and look for greener chemistry whenever possible.	Replacing defined substances (such as PVC and PFCs) with more environmentally friendly alternatives	No perfluorinated compounds (PFCs) are used in our own production.		Sustainable and timeless design



**Commitment 5: We offer an inspiring and responsible workplace**

Target	Criteria for achievement	In 2016	Status 2016	Section
We support the personal and professional growth of our employees by training and building competence.	Developing practices supporting employees' professional and personal development to be even more systematic	Due to restructuring, the trainings focused on managers and processing change situations on a professional and personal level.	● ● ●	Personnel
We foster Marimekko spirit, that cherishes equality, diversity, creativity and teamwork.	Making equality and diversity even stronger part of culture and operations at Marimekko	We started implementing our new Code of Conduct.	● ● ●	Personnel
We will be the preferred employer in our sector.	High ranking in selected surveys measuring employer image	We were ranked among the top 10 in the business professionals and students categories in the Universum survey in Finland.	● ● ●	Personnel
We are committed to responsible and ethical business practices.	Acting in accordance with the law and ethical and responsible business principles	We launched in-house training sessions related to our new Code of Conduct that was approved in 2015.	● ● ●	Personnel

In the process of deploying the strategy we clarified phrasing of some of the targets so that they would describe our operations better and we left out one target due to overlapping content.

**Marimekko's business strategy**

Read about Marimekko's business strategy on our website at [company.marimekko.com/about-marimekko/objectives-strategy](http://company.marimekko.com/about-marimekko/objectives-strategy)



# Stakeholder engagement



Listening and discussion are important things for us and we strive to have open dialogue with our most important stakeholders. We take the feedback we receive into account as much as possible when we develop our operations.

Our stakeholders are very diverse, which is why we also communicate with them in a variety of ways. We get feedback on our operations from our stakeholders as customer feedback, in meetings with representatives of various stakeholder groups, and through both traditional and social media. Among the themes raised by our stakeholders in 2016 were production in Finland, manufacturing conditions, supply chain transparency, sustainability of cotton production, recyclable materials and the chemicals used in products. Among our personnel, the statutory employer-employee negotiations engaged in spring 2016 were a prominent topic for discussion.

### **Cooperation between industry operators promotes the resolution of challenges**

We believe that collaboration between operators in the sector is the best way to promote sustainable procedures, for which reason we are involved in many collaborative initiatives of the textile and fashion industry. Since 2011, we have been a member of the international Business Social Compliance Initiative (BSCI), which promotes the monitoring and improvement of working conditions in global procurement chains. In 2013, we joined the Better Cotton Initiative (BCI), the mission of which is to improve the sustainability of cotton production by training farmers and by increasing demand for more sustainably produced cotton. We also participate in the activities of textile and fashion industry organisations in Finland.

### **Women and children at the focus of charity work**

We take part in selected charity projects through which our support is mainly channelled to women and children. In 2016, we participated for the tenth time in supporting Finnish breast cancer research and advisory service through the Cancer Society of Finland's Pink Ribbon campaign. As in previous years, we donated part of the proceeds from the sales of products specially made for the campaign to the Cancer Society of Finland. We also supported the operations of the Federation of Mother and Child Homes and Shelters by donating products.

### **Our most important stakeholders**

- Consumers and retailers
- Personnel
- Shareholders and investors
- Partner manufacturers
- Media
- Organisations, such as NGOs and charities
- Universities and research institutes

Each year, we also make smaller, individual product donations, for example to children's day care centres near our head office. In 2016, Marimekko staff once again took part in the Christmas Tree collection by the Junior Chamber International Finland, in which Christmas presents were collected for children and young people under 18 who are under the care of child welfare services in Helsinki.





## Christmas gift of art therapy for children suffering from cancer

In 2016, instead of giving Christmas presents to our stakeholders and partners, we supported the Finnish Sylva association, a charity working for children and young people with cancer. The sum we donated went towards art therapy in hospitals to relieve stress and make the patients feel better.



Gaelle Beri

## Fabric printing introduced to customers and other stakeholders

Marimekko's friendship sales held twice a year are the setting for popular customer tours of our Helsinki fabric printing factory. The factory is also visited every year by hundreds of other stakeholders, such as media representatives and students. The printing factory is the heart of our print design, and we are proud to see industrial textile printing continuing in our premises. On the tours, our stakeholders have an opportunity to see how our unique prints are born.

## Hospital clowns bring joy to children's days

Marimekko aims to bring joy to everyday life with its colours and prints, and who are better in bringing joy than hospital clowns? So, in 2016 we supported the project of Aalto University School of Arts, Design and Architecture and the Finnish Hospital Clowns Association by donating fabrics used in designing and making new costumes for more than 30 hospital clowns.



Juuso Partti



## Research cooperation leads towards new materials

At the moment, the research and development of cellulose-based fibres is especially active in Finland. We at Marimekko are committed to increasing the share of more sustainable materials in our collections, and we are actively following the steps taken in this research field.

Since 2013 we have been involved in a Finnish research project called Ioncell F led by Aalto University and University of Helsinki. The aim of this project is to develop a solvent method with which biodegradable textile fibre can be produced with significantly less chemicals if compared to viscose, for example. The material has already been used in a prototype dress and in 2016 we tested the fabric's printing properties in our own printing mill in Helsinki with good results. In the coming years the focus will be on commercialising the material.

We believe that Finnish forests offer interesting raw material solutions for the textile industry in the future.







**We are not about trendy fashion.**

**Timeless and  
sustainable design**



# **Sustainability commitment 2020: we design timeless, long-lasting and functional products.**

Marimekko products are designed to stand up to time and use. Timeless product design is the core of our business and the mainstay of our sustainability philosophy. We want to offer our customers products that they will love for a long time.

We believe that a well-designed, timeless, high-quality and functional product will give its user long-lasting joy and is therefore a sustainable choice. For our part, we lengthen the product's lifecycle through product development and quality control, and we encourage our customers to take good care of the products they purchase to extend their lifecycle to the maximum. Our designers are supported in their work by a checklist for sustainable design in which we have put together the main sustainability aspects to be taken into account in design.

## **Checklist for sustainable design**

- ✓ Timelessness and multiple use
- ✓ Quality and durability
- ✓ Materials and finishing
- ✓ Patterns and material consumption
- ✓ Structural solutions and product care
- ✓ Recyclability

## **Timeless design – the circular economy at its best**

The circular economy offers our business sector many opportunities. The timelessness of Marimekko products makes them popular in the second-hand market, for example in online stores specialising in second-hand products. In 2016, we continued our partnership started the previous year with the second-hand online store We Started This (WST). During the year, garment collection events were held at our stores, which yielded products from which WST put together popular Marimekko collections for its webstore. Our aim for the future is to deepen the partnership with WST and to offer our customers even more information about the right kind of care to prolong the service life of our products and the possibilities for reselling them.

We are constantly scanning projects by which we could promote the circular economy together with other players in our industry.

### **Treasures of the Marimekko archive**

Did you know that the Marimekko archive holds more than 3,500 prints? Our collections always include both treasures from our archive and new prints, some of which will grow into classics of the future.

## **Product safety and quality control**

We want to offer our customers quality products that last a long time and are safe to use in all circumstances. In addition to our in-house quality team and suppliers, third-party testing laboratories control the quality of our products. Our products are also tested in normal use so that we can be assured of their functionality and durability.

We measure the success of our quality control, for example, through the number of products subject to claims. Our ongoing long-term target is to get the share of products subject to claims

to less than 0.5 percent of the products sold per year. In 2016, the figure was 0.6 (0.4) percent. During the year, we revamped our collections and the range of materials, which contributed to an increase in the number of claims as in the introduction phase new materials can be challenging for consumers, our retail staff and our partner manufacturers alike. We seek to inform our customers as much as possible about the characteristics of materials and to guide them in correct methods of care. In 2016, we collaborated more closely with our suppliers and increased visits at the factories manufacturing our products.

## Our fabrics go through tense review

The majority of materials printed at our Helsinki fabric printing factory are Öko-Tex 100 certified, which guarantees that they have been proven not to contain harmful chemicals. In 2016, 77 (78) percent of the fabrics printed by our factory were covered by Öko-Tex certification. Öko-Tex labelling can also be found on the towels and bed linen made under contract for Marimekko.

We seek to replace chemicals used in the manufacture of our products with alternatives which are better for the environment and for people. In 2016, we used acrylic coating for some of our oilcloth instead of PVC coating, and it is our aim to further reduce the use of PVC in our products. We have also given up the oil-repellent treatment for the upholstery and bag fabrics printed at our printing factory, thanks to which environmentally harmful perfluorinated hydrocarbons are not used in the finishing processes.

### European Union chemicals regulation

We take care that all our products fulfil the requirements of both the EU's chemicals regulation (REACH) and the legislation of our other customer markets.



## 60-year-old Jokapoika shirt holds its own

Marimekko's Jokapoika shirt reached the respectable age of 60 years in 2016. Designed by Vuokko Eskolin-Nurmesniemi in 1956, Jokapoika is the longest running classic Marimekko garment in continuous production, and it is still highly popular also with new generations of men, women, girls and boys.

"Sustainable and timeless design has always been at the core of our design philosophy, and the Jokapoika shirt is a splendid example of how this idea is realised. We always aim to design products that will stand up to time and use, offering their users joy for as long as possible – ideally for many generations," says Taru Lahti, Design & Product Development Manager for Marimekko's ready-to-wear line.





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## Honourable mention for Marimekko's timeless design in the Design Challenge

In May 2016, Marimekko was awarded an honourable mention for its timeless design in the Design Challenge at the internationally prestigious Copenhagen Fashion Summit focusing on sustainable design. The purpose of the competition is to promote the contents of a sustainable wardrobe, and in 2016 the panel of judges assigned particular importance to long-lasting quality design.

"We are very happy and touched by this recognition, as sustainability and timelessness have always been at the core of Marimekko's design philosophy. Marimekko is about bringing joy to everyday moments through timeless and functional design celebrating our art of print making", said Marimekko's President and CEO Tiina Alahuhta-Kasko.

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## The summer 2017 collection includes creations from the 1960s and 1970s

Good practical examples of the timelessness of Marimekko's design are the dresses and skirt created in the 1960s and 1970s which were chosen for the summer 2017 collection. They fit in well with the company's new designs.

Marimekko's design team finds it truly inspiring how the dresses and skirt chosen from the archive really seem relevant even today and find a natural place in the modern woman's wardrobe next to Marimekko's new creations.



### Chic sustainability

The prestigious international business publication Forbes placed Marimekko in its Top 4 list of fashion brands that are making sustainability look chic. On the list, our strength was specifically the timelessness of our design.



**Sustainable design all the way**



## **Sustainability commitment 2020: we promote responsible practices throughout our supply chain.**

The sustainability of our supply chain is an important subject for us, as bringing joy to everyday life with colours and prints must not be at the expense of others. Marimekko has its own textile printing factory in Helsinki, in addition to which our products are made by our partner suppliers in Europe and Asia. We require sustainability not only of our own operations but also of our suppliers, who are committed to operating in compliance with our sustainability requirements.

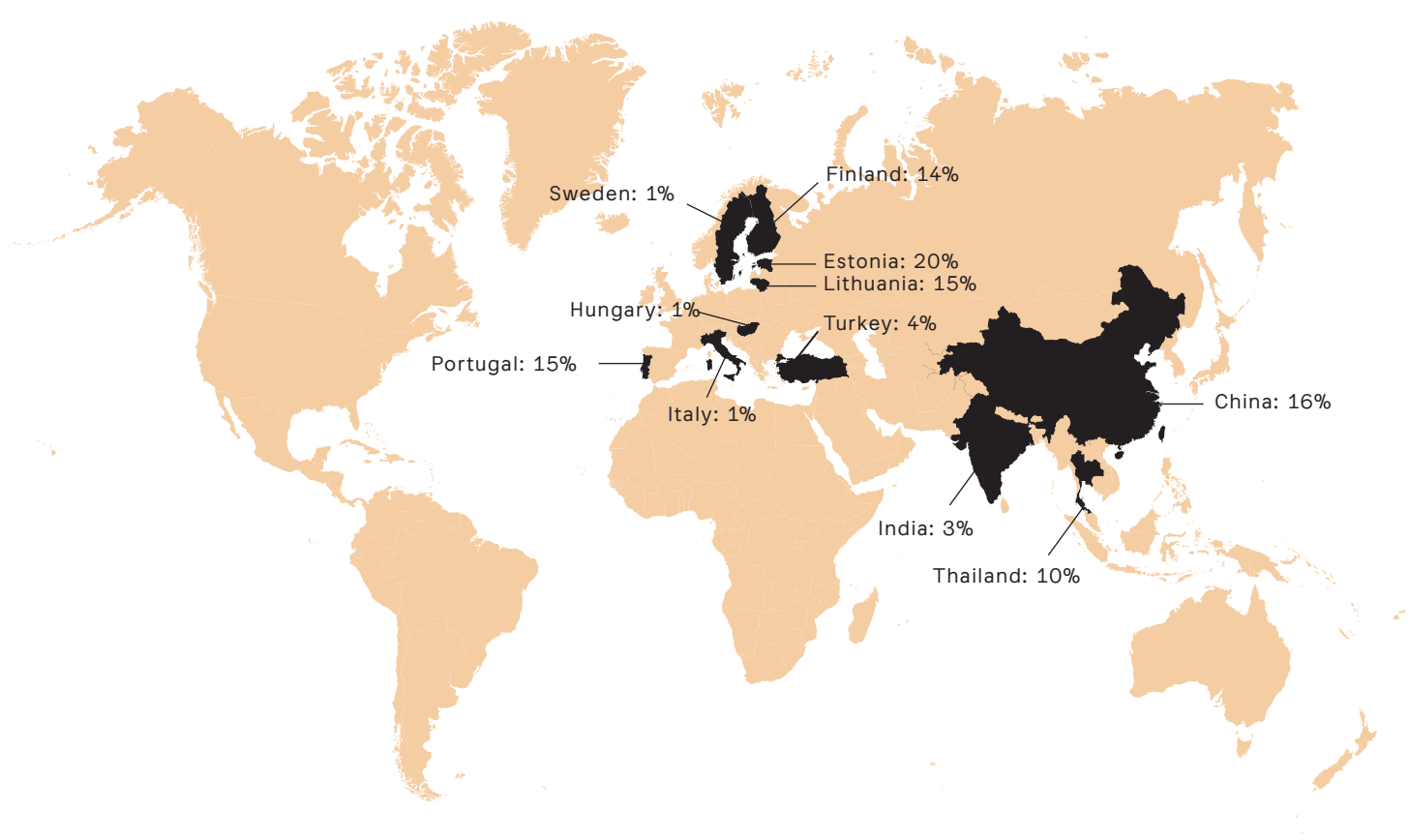
### **A wide product range requires a multi-skilled supplier network**

Marimekko's product range is wide and varied, so the manufacture of our products requires a comprehensive, diverse partner supplier network. Our objective is to manufacture our products in the best place for each product category. For example, our silk products are made in China, which is renowned for its expertise in silk.

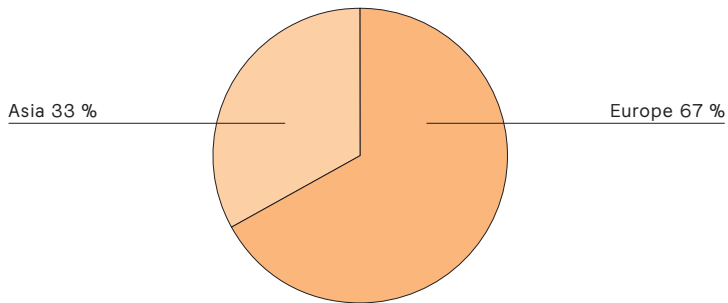
Regardless of where our products are made, we want to ensure that they are manufactured in accordance with our values, respecting people and the environment. We choose our suppliers carefully and in our selection, in addition to commercial terms, we pay attention to operational sustainability, such as working conditions, safety matters and remuneration. In 2016, our products were manufactured by around 80 partners in roughly 90 factories in Europe and Asia.



Manufacturing countries of Marimekko products



Geographical distribution of manufacturing countries





## Ensuring sustainability in our supply chain

### Careful supplier selection

- Evaluation that, in addition to commercial terms, takes into account sustainability aspects such as working conditions, safety practices, possible social and environmental certifications and audit results.
- When selecting suppliers operating in non-EU countries we prefer BSCI and SA8000 certified suppliers. On a case-by-case basis, we accept suppliers that are audited within other social audit systems.

### Supplier Code of Conduct

- Our suppliers are committed to our sustainability requirements according to BSCI embodied in our Supplier Code of Conduct, which include e.g. a prohibition on the use of child and forced labour.
- Purchasing agreements bind the suppliers to comply with the International Labour Organisation (ILO) Conventions and Supplier Code of Conduct.

### Audits and factory visits

- Third-party experts carry out BSCI or other similar social responsibility audits at our partner suppliers' facilities, particularly in risk countries. Also Marimekko personnel visit the factories we use.

### Industry collaboration initiatives

We are a member of international collaborative networks, including the following:

- Business Social Compliance Initiative, BSCI – an initiative promoting and improving the monitoring of working conditions in global supply chains.
- Better Cotton Initiative (BCI) – an initiative aiming to promote sustainable cotton production by training farmers and boosting demand for more sustainably produced cotton

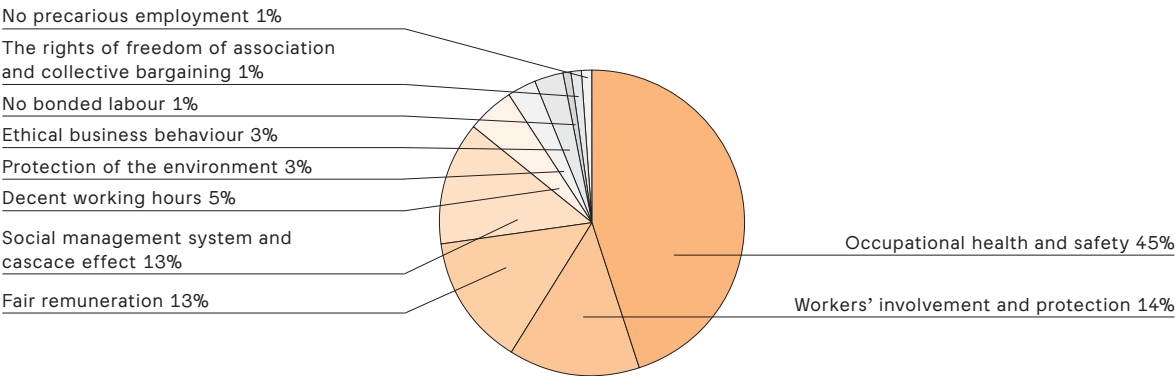
**Audits and visits enhance operational improvement**

Our suppliers' operations and compliance with our sustainability requirements are monitored regularly with audits by external specialists as well as factory visits by Marimekko staff. Audits are for the most part carried out at plants of our partners operating outside the EU. In 2016, 78 (68) percent of our non-EU product purchases were covered by Business Social Compliance Initiative (BSCI) audits and 97 (92) percent were covered by BSCI audits and other, similar social compliance audits, such as SEDEX.

A total of 17 (10) BSCI audits were carried out at the factories of our direct manufacturing partners in 2016. During the year,

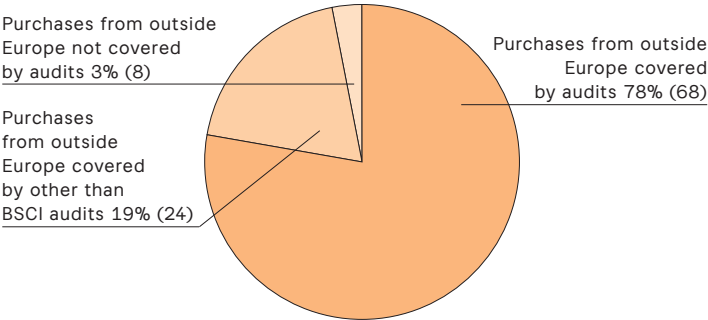
71 (88) percent of our BSCI-audited suppliers passed the audit with acceptable result. The audits almost invariably identify plant-specific points for improvement, which is typical of manufacturing. In terms of operational development, the most important thing is to go through the points for improvement with the plant management and to agree on remedial action, the fulfilment of which is monitored. Most of the findings made by the audits in 2016 concerned health and safety (45%), fair remuneration (14%), management systems (13%), and worker involvement and protection (14%). None of the audits carried out during the year identified any zero-tolerance findings, such as indications of child labour or forced labour, or imminent and significant risks to workers' health.

BSCI audit findings by area

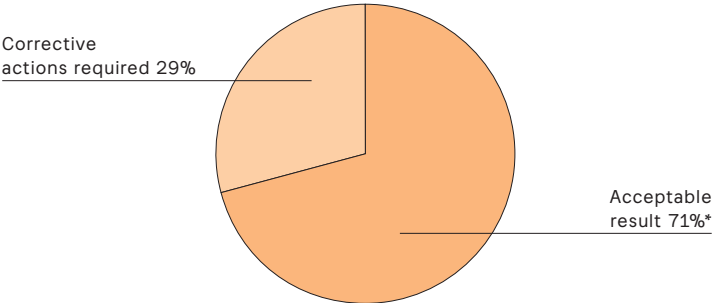


A finding related to the prohibition of forced labour concerned the terms of disciplinary action not being known to all workers. This was not a zero-tolerance finding and no forced labour or abuse of workers was found at the plant.

Audit status



BSCI audit results, % of the audited factories



\* Acceptable result is A, B or C in the BSCI audit methodology.

## Increasing the transparency of the supply chain

The effects of our operations are not limited only to suppliers with whom Marimekko has a direct contractual relationship. We procure the materials we use from our supplier partners and we are therefore not in direct contact with the growers of raw materials, for instance. Value chains in the textile industry are complex, involving many different players, for which reason tracing the raw materials we use in our products back to their source is challenging and demands patient work, both within our company and in cooperation with other operators in the sector. For example, in the case of leather, we require information from our suppliers both on its origin and on where it was tanned, and for cotton materials we enquire the raw material's country of origin from our suppliers.

It is our goal to increase transparency in our supply chain, extending towards the procurement of raw materials, and in the future to provide our customers with more information on the materials used in our products and their origin. In order to enhance the transparency of our supply chain, in 2017 we are developing management practices for our partnership network and upgrading our supplier database. We publish a list of our main partner suppliers annually on our website.



### Listing of partner suppliers online

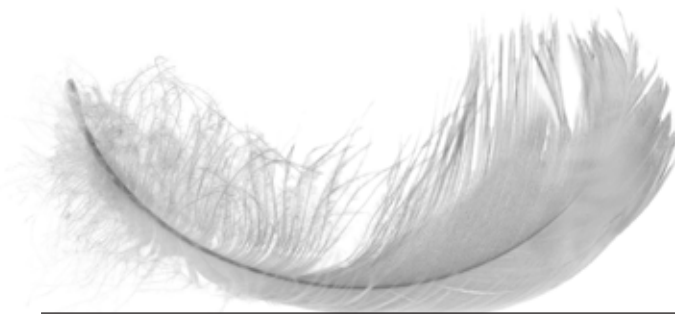
We publish a list of our main partner suppliers annually on our website.

See: [company.marimekko.com/sustainability/manufacturing](https://company.marimekko.com/sustainability/manufacturing)



### All leather used in products is a by-product of the food industry

The leather used in Marimekko products is a by-product of the food industry. We require all our leather product suppliers to notify us of the leather's origin and the tanning location. We use both chrome-tanned and vegetable-tanned leather in our collections.



### Certified down

The production chain of the duck down used in Marimekko's down jackets is certified in accordance with the Responsible Down Standard, starting from the farm.



### Business Social Compliance

We are a member of the international Business Social Compliance Initiative (BSCI), the aim of which is to promote monitoring and improvement of working conditions in global supply chains.

Read more : [www.bsci-intl.org](http://www.bsci-intl.org)

### More sustainable raw materials

Material choices can have a direct effect on the environmental impacts of the product's life cycle, as the material partly determines things like the durability of the product and the amount of energy and detergent consumed to take care of it. The production of materials also frequently has social and environmental impacts, and our aim is to take this into account in our choices as much as possible. We aim to increase the share of more sustainable cotton and other more sustainable materials in our products and packaging. For cotton, to Marimekko the more sustainable alternative is mainly Better Cotton, and on seasonal basis organic or recycled cotton. In 2016, we procured more than 480 (252) tonnes of Better Cotton, comprising 50 (31) percent of the cotton sourced by us during the year. We joined the international Better Cotton Initiative (BCI) promoting sustainable cotton cultivation in 2013 and since then we have consistently expanded our procurement of Better Cotton.

Due to human rights violations related to cotton production in Uzbekistan, we do not currently accept Uzbek cotton in our

### BSCI principles included in Supplier Code of Conduct

- The rights of freedom of association and the right to collective bargaining
- No discrimination
- Fair remuneration
- Decent working hours
- Occupational health and safety
- No child labour
- Special protection to young workers
- No precarious employment
- No forced labour
- Protection of the environment
- Ethical business behaviour

products. Since 2013, we have been a part of Cotton Pledge initiative organized by Responsible Sourcing Network (RSN) which is aiming at pressing Uzbek government to stop the use of child and forced labour in the cotton fields.



### Tracing cotton is a challenge to textile industry players

Cotton is the world's most used natural fibre and practically all of us use it daily. Cotton is also Marimekko's most used raw material. We source the cotton materials used in our products from our partner suppliers committed to our sustainability principles, including respect for human rights. Cotton's journey from the field to becoming a material used in products, often as a fabric, is a multistage process involving a number of different players, such as yarn spinners and fabric weavers. Because of the multiple stages, tracing cotton back to the field is a general challenge in our line of business.

We work perseveringly to be able to tell our customers more and more about the materials used in our products and we are committed to constantly increasing the transparency of our supply chain towards the raw material production.





## A plant visit in China

Marimekko has a wide network of partners with whom we collaborate closely. In addition to audits by third-party specialists, Marimekko staff pay regular visits to our partner plants to ensure that everything goes according to our sustainability and quality criteria at the production sites.

In August 2016, our quality manager Leena Tarvainen and buyer Salla Sandberg visited the factories of our partners in China where items such as bags and umbrellas are manufactured.

"The reception at the plants is friendly almost without exception, and it's easy to talk about even difficult matters in an atmosphere of openness. During visits we go through things like contractual issues and questions of product development and quality, and we monitor the implementation of sustainable operating methods and related challenges," says Quality Manager Leena Tarvainen.

However, the most important part of the visit is seeing the actual production facilities.

"I feel it's important to be able to see the working conditions and all the stages of work with our own eyes. We pay attention to things like safety in the working environment and working methods, the condition of tools, and the temperature, cleanliness and lighting in the workspace. I always try to apply all my senses and consider how I'd like working in the place myself," Leena says.

Although the main intention of factory visits is to ensure the sustainability of the partner's operations, they are more than just inspection tours as they also provide a great opportunity for product development and for deepening cooperation and understanding of the partner's operating environment.

## Human rights in the supply chain

We respect the human rights laid down in the UN's Universal Declaration of Human Rights in all our operations and we require the same of our suppliers. Respect for human rights is included in our Supplier Code of Conduct. We monitor compliance with human rights in the supply chain through third-party audits and site visits by our own personnel.

We assess the risks of human rights violations in our supply chain based on, for example, the country of origin of the product or material sourced and the type of production process. The greatest risks to human rights we have recognised are the use of child and forced labour in cotton production as well as working conditions in production, such as remuneration inadequate for basic needs, unreasonable working hours, and unhealthy working methods. The risks apply primarily to indirect suppliers and the highest-risk countries. During 2016, we did not detect any violations of the prohibition of child or forced labour in our supply chain.



### Share of more sustainable cotton on an increasing trend

In 2016, already 50 (31) percent of the cotton we procured was BCI cotton. The Better Cotton Initiative (BCI) is an international initiative promoting sustainable cotton production by training farmers and by boosting the demand for more sustainably produced cotton.

A still life photograph of a table setting. In the foreground, a white ceramic cup with a colorful floral pattern sits on a white saucer. A small silver spoon rests on the saucer. The cup and saucer are placed on a tablecloth with a large, abstract floral pattern in shades of blue, purple, red, and green. To the left of the cup, a small, light pink ceramic vase holds a bouquet of green leaves and small white flowers. In the background, a larger glass vase contains a bouquet of green leaves, small white flowers, and small yellow flowers. A stack of clear glass plates is visible to the right of the cup. The text "Resource efficiency and the environment" is overlaid in the center of the image.

# Resource efficiency and the environment



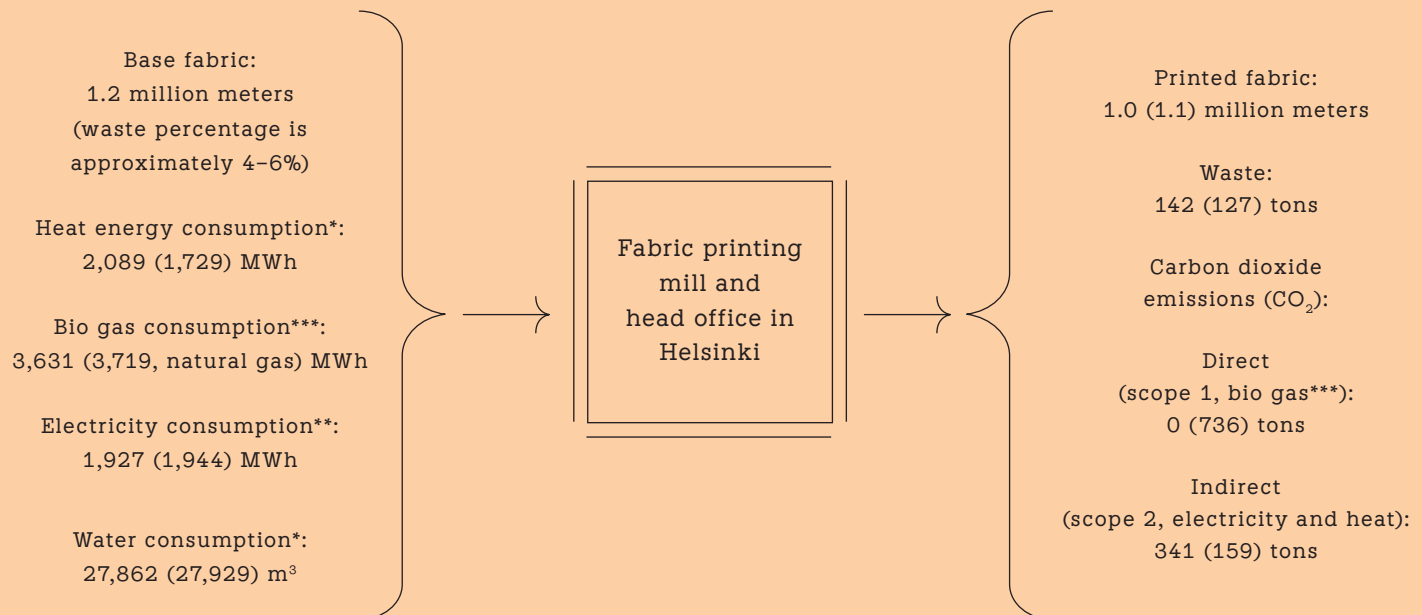
# Sustainability commitment 2020: we are resource efficient and care for the environment.

Nature is an important source of inspiration for us, and we want to treat it with respect to keep it spirited. Our goal is to constantly reduce our environmental impacts and to improve our resource efficiency.

The environmental impacts related to Marimekko's own production result from the operations of the Helsinki fabric printing factory.

The plant prints roughly a million metres of fabric per year.

## Environmental impacts from own production



\* Applies to the Helsinki fabric printing factory and head office

\*\* Applies to the Helsinki fabric printing factory and office building as well as the factory facilities in Kitee and Sulkava

\*\*\* Before 2016 natural gas

### Marimekko's environmental targets 2020

- continual reduction in energy consumption
- generation of electricity from renewable energy sources, such as wind and hydropower
- reducing carbon dioxide emissions by 50 percent
- reducing waste resulting from operations by 20 percent
- reducing water consumption relative to output by 20 percent

The targets are for the company's own operations and the baseline year for reduction targets is 2010.



#### Prints made with biogas

Introducing biogas to our fabric printing factory in Helsinki cut direct carbon dioxide emissions from our in-house production close to zero. Biogas is produced in Finland from the biological wastes of agriculture, the food industry, retail and households.

### Biogas reduced carbon dioxide emissions from in-house production close to zero

Our fabric printing factory in Helsinki went over from natural gas to the more environmentally benign biogas at the beginning of 2016. Introducing biogas meant that our carbon dioxide emissions from fuel consumption (scope 1) fell practically to zero and we attained our target of halving the carbon dioxide emissions from our in-house operations by 2020 compared to the level of 2010. Consumption of biogas per metre of output was 3.5 kWh, which was 3 percent higher than consumption of natural gas in the previous year (3.4). Consumption per metre of output is influenced by such factors as production run lengths; longer runs are more energy-efficient.

### Electricity and heating

Our electrical energy consumption in 2016 was on a par with the previous year at 1.9 GWh. Our purchased electricity was generated carbon-free from renewable wind power. In 2016, the Helsinki fabric printing factory and head office used 2.1 (1.7) GWh of heating energy. The increase in heating energy consumption was due to a cold spring and summer and the frequent need to set the heating system manually because of the exceptional situation. Our goal is to continually reduce our overall energy consumption and in 2016 it was 20 percent lower than the comparison level in 2010.

In 2016, a decision was made to conduct an energy survey for our fabric printing factory and head office building. The survey will be carried out in spring 2017 and on the basis of it plans will be made for the implementation of potential improvements in energy efficiency.



## New washing machinery introduced

Marimekko's fabric printing factory mostly uses water for washing printing screens, fixing fabric colours by steaming, and the final wash for fabrics.

In 2016, our fabric printing factory's absolute water consumption was on a par with the previous year at 27,862 (27,929) cubic metres. Water consumption per metre of output, however, rose by 7 percent to 26 (24) litres per metre. Water consumption per metre of output was increased, among other things, by test runs of the washing machinery installed in summer 2016.

The waste water from the fabric printing factory goes to the municipal waste water treatment plant in Helsinki for purification.

## Installation of washing machinery briefly increased waste volume

We constantly monitor the waste quantity at our fabric printing factory and seek to promote the recycling of waste. In 2016, the printing factory and our head office in Helsinki generated a total of 142 (127) tonnes of waste. The rise in waste quantity was mainly attributable to the construction waste resulting from the installation of new washing machinery at the printing factory as well as an increase in waste paper due to the weeding of archives.



### Phasing out plastic bags

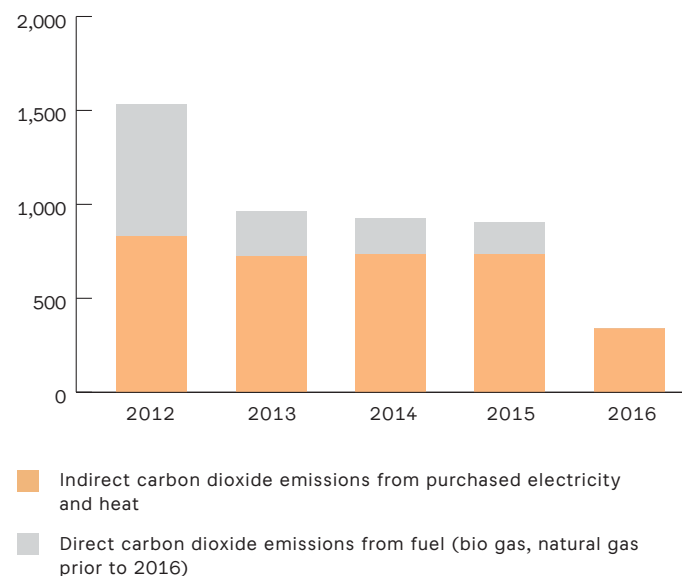
We have decided to phase out plastic bags. Instead of plastic bags, since early 2016 products in our stores have been mainly placed in paper bags of a material certified by the Forest Stewardship Council (FSC). The bags are totally recyclable.

It is our aim that all wastes generated by our fabric printing factory and head office are sorted for recycling. In 2016, more than 98 percent (98) of the waste generated was reused in energy production or as recycled material. We constantly explore possibilities to reduce the waste generated by our operations, for example, by rationalising our operating methods.

## Cutting carbon dioxide emissions from logistics by optimising transportation

In addition to cutting the carbon dioxide emissions from our in-house production, we also seek to reduce the carbon footprint of our operations by optimising logistics. Among the chief means of reducing carbon dioxide emissions from logistics are offsetting emissions from transport and optimising transportation journeys. In 2016, we focused on reorganising our logistics operations and optimising our partnership network. We offset the carbon dioxide emissions from all our transport in Finland (store and e-commerce deliveries) and in 2017 it is our aim to also compensate for the emissions from our online store deliveries in the rest of Europe. The carbon dioxide emissions from our intra-Finland transport in 2016 were 118 (167) tons and their emission impact was offset within the framework of climate projects financed by Posti (Finnish post). In 2017, we also aim to cut carbon dioxide by optimising the routing of our air transport.

Carbon dioxide emissions\*



\* Applies to the fabric printing factory and building in Herttoniemi

## Material efficiency

The printing process and manufacture of fabric products almost invariably generate waste material, which we constantly strive to minimise. For example, we monitor the fabric utilisation rate, meaning percentage of the fabric utilised.

Cutting waste can be reduced even at the design stage by considering the likely use of the product and by positioning the pattern on the fabric in such a way as to minimise wastage.

We are particular about the quality of our fabrics, and our printed fabrics do not sometimes meet our first-class quality criteria. We do not throw away seconds, we make things like bags from them. If material is left over from fabrics purchased for our collections for some reason, we try to use the leftover materials for example in special products for our friendship sales and we also sell them in our outlet stores.

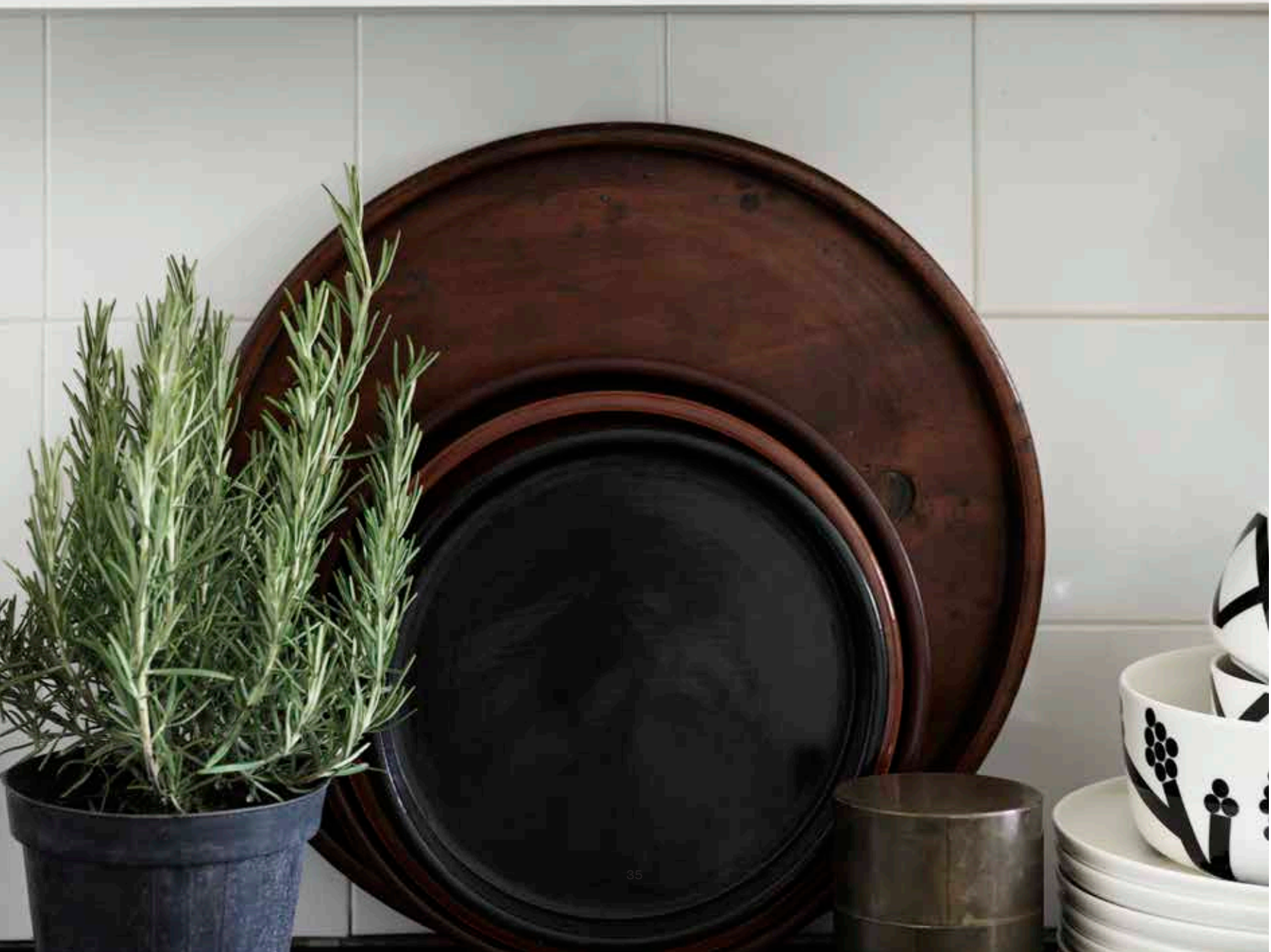
### **A million metres of fabric**

Marimekko's in-house printing factory in Helsinki prints roughly a million metres of fabric per year.



Gaëlle Beri





**An inspired mind generates  
original ideas.**

**An inspiring  
and responsible  
workplace**



# **Sustainability commitment 2020: we provide an inspiring and responsible workplace.**

Marimekko has always believed in fairness, courage and doing things together. We believe that doing things together generates an open and trusting atmosphere, which is a prerequisite to boldness, creativity and business success.

## **Year 2016 was about changes**

For Marimekko, 2016 was a year of restructuring and change, for which reason change management was the focus in personnel development. Employees subjected to restructuring were offered training during the year, for example, in encountering changes both personally and professionally. After the reorganisations, inter-team discussions were also held where teams talked about their mutual collaboration and new practices to make working easier and more efficient.

## **Managers play a crucial role in change situations**

Good leadership and management are the foundation of a company's success. At Marimekko, managers are given continuous training, and in 2016 the main thrust in manager training was on change management. Managers play an important role in the success of restructuring, for which reason they were offered special support and tools for dealing with change and for adopting new practices. They were also given training in subjects related to legislation and finance, for example. A special training module preparing new managers for their role was also launched in 2016.

During 2016, we continued the Art of Selling training programme we started the previous year in retail, the aim of which is to develop sales management and the progress of sales staff in their work. Store personnel were also given training in sustainability-related subjects. In addition, we continuously aim to develop internal communications in order to provide our store personnel as much information as possible on the materials and production of our products as well as inspiration and stories behind them.

The professional development of every Marimekko employee is supported by development discussions arranged twice a year. In these discussion the employee and manager review the development that has happened after the previous discussions and set future targets.

## **Marimekko employees**

Average age:

**34 (37) years**

Gender ratio, women:

**91% (94)**

Women in Management Group:

**100% (83)**

Employees with regular  
employment (Finland):

**83% (80)**

Full-time employees (Finland):

**48% (55)**

Personnel at the end of 2016:

**431 (476)**

Personnel working outside Finland  
at the end of 2016:

**111 (126)**

## **Shared Code is a firm support in challenging situations**

We aim to operate on the same principles around the world, complying with local law and Marimekko's values, for which reason a Code of Conduct has been drawn up for our company. Marimekko's Management Group and Board of Directors approved the Code of Conduct in 2015, and in 2016 the Code's rollout began with in-house training. In the early months of 2017, we also launched related online training which every Marimekko employee should take. By having a shared Code of Conduct, we aim to ensure fair and equal treatment in the workplace and to manage the risks of everyday work.

## **Challenges identified at an early stage**

Marimekko makes every effort to improve personnel well-being by promoting employees' health as well as working and functional capacity and by developing the working atmosphere. In order to strengthen the personnel's working capacity and well-being, we work closely with the occupational healthcare and workplace safety organisation.

Our approach to supporting employee well-being and working capacity is preventive. Marimekko uses an early intervention model which serves as a tool for the detection and resolution of problems at the earliest possible stage. One way we seek to prevent problems is by monitoring sick leaves and collaborating closely with occupational healthcare specialists. In 2016, we started a training module for managers that is aimed at supporting the use of the early intervention model, and this continues in 2017.

The biennial personnel survey is a key benchmark for employee well-being and an important development tool for managing on-the-job well-being. The next survey will be carried out in 2017. The survey was not conducted in 2016 because of the significant reorganisations effected in the spring. The most recent survey is from 2014.

## **A safe work environment is a basic right for everyone at Marimekko**

A safe work environment is a basic right for every Marimekko employee, whether they work in a store, in production or in an office. We aim to secure a safe work environment by preventing accidents and by recognising and avoiding hazards and near misses. We monitor reported near misses and occupational accidents on an annual basis. In 2016, Marimekko employees had 16 (11) accidents, 9 (5) of which occurred in the workplace and 7 (6) while commuting or otherwise off-site.

In order to recognise risks and avoid accidents, we carry out annual risk assessments in stores, the fabric printing factory and office environs.

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## **Consultative negotiations to strengthen competitiveness**

In 2016, Marimekko's organisation was restructured, and in this connection consultative negotiations were held in the spring, covering all operations in Finland with the exception of retail store staff, totalling 195 employees. Operational restructuring led to the elimination of 35 jobs, and 15 employees were offered new posts by the company. In addition, five jobs were eliminated due to other internal arrangements. During the negotiations and afterwards, the personnel were provided with support in cooperation with occupational healthcare. Training in job seeking was also arranged for those whose posts were terminated.

By these actions, Marimekko seeks to reinforce its competitiveness in the long term and to develop its operations so that it can better respond to the challenges of a changing business environment.



## Art of Selling – ideas and professional skill development

Motivated and professionally skilled sales staff are crucial to a successful customer experience, for which reason we invest in developing our store personnel's expertise. In 2015, we launched the Art of Selling training programme with the intention of

providing our store staff with an opportunity to develop in their profession and strengthen Marimekko's service concept and customer dialogue. By the end of 2016, training had been held in all Marimekko-owned stores.

"We want to constantly develop our customer service as well as inspire our sales personnel and strengthen their sales expertise. The Art of Selling training sessions consist of separate modules, each of which concentrates on the different stages of the customer encounter, like making contact, mapping needs, inspiring the customer, offering ideas or telling about how to care for the product. The training includes in-store sessions with a personal trainer in addition to shared tasks in the classroom. I find the best thing about this training programme to be that it's been put together on the basis of information from our own employees, so it hasn't been developed by some outsider," says Martina Ferrante, who is in charge of Marimekko's store training.

The training has received good feedback, and it is continuing in 2017.

"AOS training has provided a clear way for how we at Marimekko want to encounter the customer. It's supported my own work as a beginner in selling clothes. I've found the training important; it's been engaging and inspiring," says Birgitta, who works at Marimekko's outlet store in Heinola.

## Inspiration visit to Bökars

We believe that an inspired mind generates original ideas. Therefore, in autumn 2016, we arranged an inspirational visit for our headquarters staff to Bökars manor near Porvoo, which once belonged to Marimekko's founder Armi Ratia and served as the company's corporate hospitality facility, exhibition space and training premises. Bökars has been visited by many cultural figures from Finland and abroad, and the manor has thousands of fascinating stories to tell.

"Bökars is an important part of Marimekko's history, so it was great to see with my own eyes the setting for so many stories. But the best thing was to hear stories from people who were in the company then and still work for Marimekko. It was a really memorable day," says Sales Manager Sanna-Kaisa Niikko.



# Key figures

## Key figures for responsible sourcing

	2016	2015	2014
Manufacturing in the EU, % of sales	67	70	72
BSCI audited suppliers	19	21	25
Share of product purchases from BSCI audited suppliers in non-EU countries, %	78	68	72
Share of product purchases from other audited suppliers in non-EU countries, %	19	24	11
Share of BSCI audited suppliers with an acceptable result <sup>1</sup>	71	88	87
Violations to Code of Conduct related to use of child labour	0	0	0

<sup>1</sup> According to BSCI's audit methodology an acceptable result is A, B or C.

## Key figures for environmental responsibility

	2016	2015	2014
Fabric printing factory output, million metres	1.0	1.1	1.1
Electricity consumption <sup>1</sup> , MWh	1,927	1,944	2,017
Heating energy consumption <sup>2</sup> , MWh	2,089	1,729	1,954
Bio gas consumption <sup>2</sup> , MWh	3,631	3,719	3,712
Bio gas consumption relative to output <sup>2</sup> , kWh	3.5	3.4	3.4
Direct carbon dioxide emissions (scope 1), tons (bio gas)	0	736	735
Indirect carbon dioxide emissions (scope 2), tons (electricity and heating)	341	159	188
Direct carbon dioxide emissions (scope 1) relative to output <sup>2</sup> , kg (bio gas)	0	0.68	0.67
Water consumption <sup>2</sup> , m <sup>3</sup>	27,862	27,929	28,661
Water consumption relative to output, liters	26	24	26
Waste generated from operations <sup>2</sup> , tons	142	127	191
Waste utilisation rate <sup>3</sup> , %	98	98	90
Share of waste sent to landfill, %	1	1	8
Share of textile products made with more sustainable materials <sup>4</sup> , %	8	6	11
Sourced Better Cotton <sup>5</sup> , tons	480	252	-
Share of Better Cotton from total cotton sourcing <sup>6</sup> , %	50	31	-
Share of Öko-tex certified fabrics printed in own printing mill, %	77	78	-

<sup>1</sup> Applies to Herttoniemi textile printing factory and property and Kitee and Sulkava factories.

<sup>2</sup> Applies to Herttoniemi textile printing factory and property. Before 2016, natural gas was used instead of biogas.

<sup>3</sup> Utilization as energy or recycled material.

<sup>4</sup> Calculated from sales in terms of units sold. A product made from more sustainable material is defined based on MADE BY organisation's fibre classification where materials containing 45 percent or more of fibre in classes A–C are considered more sustainable. E.g. organic cotton, linen and lyocell and blends of these are included in these categories. In addition silk, triacetate and acetate products are included in the definition.

<sup>5</sup> Includes Better Cotton Claim Units (BCCU's) declared in the Better Cotton Initiative's Cotton Tracer system. One kilogram of raw cotton lint equals to one BCCU.

<sup>6</sup> Calculated from the total weight of cotton products sourced added with an estimation of the cotton lost in the production process.



## Employee key figures

	2016	2015	2014
Average number of employees <sup>1</sup>	441	460	473
Employees at year end <sup>1</sup>	431	476	479
New employees	56	60	86
Leavers <sup>2</sup>	69	44	62
Leaving turnover rate, %	16	9	13
Average age of employees, years	34	37	36
Employee gender ratio, women/men, %	91/9	94/6	91/9
Share of women in Board of Directors, %	40	29	33
Share of women in Management Board, %	100	83	67
Sick leave absences <sup>3</sup> , %	2.6	2.5	3.7
Work and commuting accidents	16	11	19
Healthcare expenses/ person <sup>3</sup> , EUR	781	984	905
Overall result of personnel survey, scale 1-5	-	-	71
Result of personnel survey regarding sustainability, scale 1-5 <sup>4</sup>	-	-	3.1

<sup>1</sup> Personnel converted to full-time employees (FTE).

<sup>2</sup> Including voluntary leavers and pensions. Not including ended fixed term employments or layoffs in Finland due to production-related or financial reasons.

<sup>3</sup> Calculated on theoretical regular working hours. Applies to employees in Finland.

<sup>4</sup> Question in 2014: Our company operates very responsibly in environmental and social responsibility issues.

## Key figures for financial responsibility

	2016	2015	2014
Net sales, EUR 1,000	99,614	95,652	94,150
Profit before taxes, EUR 1,000	5,170	1,294	5,485
Return on investment (ROI), %	15.8	4.5	15.6
Dividends paid, EUR 1,000	2,831	2,831	2,831
Gross investments, EUR 1,000	2,721	3,591	2,063
Equity ratio, %	58.5	59.0	61.6
Salaries, wages and bonuses paid, EUR 1,000	19,807	20,399	19,431
Pension and other indirect social expenditure, EUR 1,000	5,834	5,833	6,112
Income taxes, EUR 1,000	1,138	491	1,370
Purchases from suppliers of goods and services <sup>1</sup> , EUR 1,000	40,333	53,496	48,983

<sup>1</sup> Including materials, supplies and other operating expenses excluding leases.



# Reporting principles and GRI

This is Marimekko's fourth sustainability review that applies GRI G4 sustainability reporting guidelines. The report is based on GRI G4 reporting guidelines and contains Standard Disclosures from the GRI Sustainability Reporting Guidelines but has not been prepared in accordance with either the GRI G4 level "core" or "comprehensive". This means that all GRI's indicator protocols have not been applied in a detailed level.

## Calculating principles

The access to information such as environmental impacts of our supply chain is still limited, and therefore reporting is currently focusing mainly on Marimekko Corporation's own operations.

The environmental data given in the review is mainly related to Marimekko's own Helsinki fabric printing factory.

For electricity consumption, the consumption data for the production facilities in Kitee and Sulkava closed in summer 2013 is included in the figures for the period 2013–2016. Electricity consumption data excludes consumption data for Marimekko stores in Finland and abroad.

Energy consumption of Marimekko stores in Finland or abroad is not included in the figures. Environmental key figures have been calculated based on information provided by the service providers or measured consumption.

Scope 1 and scope 2 categorisation of carbon dioxide emissions has been derived from the Greenhouse Gas Protocol calculation method scoping.

Information on personnel for Finland is derived from an HR data and information system. Separate data collection has been conducted for international organisations.

Financial data is derived from Marimekko's audited financial statements complying with the IFRS standards and from internal accounting.

The shares of manufacturing by countries are calculated based on the sales of products in euros by country of origin. The share of products made from more sustainable materials is calculated based on the sales of units sold. The share of Better Cotton of total cotton consumption is calculated as a share of Better Cotton sourced in relation to estimated total cotton consumption.

Any changes to previously reported information has been specified with the reported information.

## Boundaries of material issues

The material issues relevant to Marimekko's sustainability can be found in section "Sustainability at Marimekko" (pages 10-13) that presents our sustainability strategy. From the aspects of G4 reporting guidelines, we have identified all aspects at the "Core" level relevant. Some of the aspects concern Marimekko's own operations and some have been identified relevant, for example, at particular stage of Marimekko's supply chain, or only for certain activities or in certain countries. Aspects concerning only certain suppliers, functions, or operating countries are detailed in with the reported indicator or in the comments of the GRI content index.

## Assurance practices

This sustainability review has not been assured by a third party. The information based on the statutory financial statements have been audited by PricewaterhouseCoopers Oy.

## Feedback and contact information

We hope to receive feedback from all our stakeholders regarding our sustainability communications and reporting to be able to develop it further. Please send us feedback at [sustainability@marimekko.com](mailto:sustainability@marimekko.com) or contact us:

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# GRI content index

## 2016

### GENERAL STANDARD DISCLOSURES

Disclosure	Included	Section/ additional information
<b>Strategy and analysis</b>		
G4-1 Statement from the most senior decision maker of the organization	Yes	From the President and CEO
G4-2 Description of key impacts, risks and opportunities	Yes	<a href="http://company.marimekko.com/sustainability/managing-sustainability/risks-and-opportunities">http://company.marimekko.com/sustainability/managing-sustainability/risks-and-opportunities</a>
<b>Organizational profile</b>		
G4-3 – G4-10	Yes	Marimekko in brief, An inspiring and responsible workplace
G4-11 Percentage of total employees covered by collective bargaining agreements	Partly	At the end of 2016, 99% of Marimekko employees in Finland were covered with collective bargaining agreements.
G4-12 Description of the organization's supply chain	Yes	Our value chain
G4-13 Significant changes regarding the organization's size, structure, ownership, or its supply chain	Yes	No significant changes during reporting period.
G4-14 Whether and how the precautionary approach or principle is addressed by the organization	Partly	Sustainability at Marimekko
G4-15 Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	Yes	ILO conventions, BSCI Code of Conduct, Responsible Sourcing Network – the Cotton Pledge, Better Cotton Initiative, UN's Universal Declaration of Human Rights
G4-16 Memberships in associations	Yes	Stakeholder engagement
<b>Identified Material Aspects and Boundaries</b>		
G4-17 – G4-23	Yes	Reporting principles and GRI
<b>Stakeholder engagement</b>		
G4-24 G4-27	Yes	Stakeholder engagement
<b>Report profile</b>		
G4-28 Reporting period	Yes	Reporting period 1st of January to 31st of December 2016.
G4-29 Date of most recent previous report	Yes	Previous review was published in June 2016.
G4-30 Reporting cycle	Yes	Review is published annually.
G4-32 GRI index	Yes	This report is based on GRI G4 reporting guidelines but is not in accordance with either Core or Comprehensive level.
G4-33 Policy and current practice regarding external assurance	Yes	Reporting principles and GRI
<b>Governance</b>		
G4-34 Governance structure	Yes	<a href="http://company.marimekko.com/investors/management/board-of-directors">http://company.marimekko.com/investors/management/board-of-directors</a>
<b>Ethics and Integrity</b>		
G4-56 The organization's values, principles, standards and norms of behaviour	Yes	<a href="http://company.marimekko.com/about-marimekko/core-values">http://company.marimekko.com/about-marimekko/core-values</a>



**SPECIFIC STANDARD DISCLOSURES**

<b>Aspects &amp; Indicators</b>	<b>Included</b>	<b>Additional information</b>
<b>ECONOMIC</b>		
<b>Economic Performance</b>		
G4-EC1 Direct economic value generated and distributed	Partly	Key figures
<b>ENVIRONMENTAL</b>		
<b>Materials</b>		
Marimekko's indicator: Share of more sustainable raw material used in products	Yes	Key figures
<b>Energy</b>		
G4-EN3, G4-EN6	Yes	Resource efficiency and the environment, Key figures
<b>Water</b>		
G4-EN8 Total water withdrawal by source	Partly	Resource efficiency and the environment, Key figures
<b>Emissions</b>		
G4-EN15 Direct greenhouse gas (GHG) emission (scope 1)	Partly	Scope 1 emission calculation covers the use of biogas in our own production and head office building. The emission factor used for bio gas is 0.  Resource efficiency and the environment, Key figures
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (scope 2)	Partly	Scope 2 emission calculation covers purchased electricity to our own production and head office building as well as our real estates in Kitee and Sulkava. The heat consumption covers the purchased heat for our own production and head office building. Emission factors used for renewable electricity is 0 and for heat the factor used is defined for 2016 by a local energy company.  Resource efficiency and the environment, Key figures
<b>Effluents and Waste</b>		
G4-EN23 Total weight of waste by type and disposal method	Partly	Resource efficiency and the environment, Key figures
<b>Products and Services</b>		
G4-EN27 Extent of impact mitigation of environmental impacts of products and services	No	This indicator is not reported due to lack of data.

**SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK**

<b>Training and education</b>	<b>Included</b>	<b>Additional information</b>
<b>Training and education</b>		
G4-LA10 Program for skills management and lifelong learning	Partly	Inspiring and responsible workplace
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Yes	Inspiring and responsible workplace
<b>Diversity and Equal Opportunity</b>		
G4-LA12 Composition of governance bodies and breakdown employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Partly	<a href="http://company.marimekko.com/investors/of-management/board-of-directors">http://company.marimekko.com/investors/of-management/board-of-directors</a>
<b>Equal Remuneration for Women and Men</b>		
G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	No	Aspect has been identified as material, but the ratio has not been reported due to lack of data.
<b>Supplier Assessment for Labor Practices</b>		
G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Partly	Third-party BSCI audits are conducted in the majority of the facilities of our partner suppliers located in risk-countries. Also our own personnel visit our partner suppliers' facilities.  Sustainable supply chain.

**SUB-CATEGORY: HUMAN RIGHTS**

<b>Freedom of Association and Collective Bargaining</b>		
G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Yes	No violations or threats related to this issue in our supply chain came into our attention during the reporting period. The BSCI principles included in our Supplier Code of Conduct include the requirement for respecting the worker's right of freedom of association and collective bargaining.
<b>Child Labor</b>		
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Partly	No incidents of using child labor have been reported in the operation of Marimekko's direct suppliers during the reporting period. BSCI principles included in Marimekko's Supplier Code of Conduct include the prohibition of using child labour.
<b>Forced or Compulsory Labor</b>		
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Partly	No incidents of using forced or compulsory labor have been reported in the operation of Marimekko's direct suppliers during the reporting period. BSCI principles included in Marimekko's Supplier Code of Conduct include the prohibition of forced or compulsory labour.
<b>Supplier Human Rights Assessment</b>		
G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	Partly	We acknowledge that there are potential negative human rights impacts in our supply chain. Human rights issues are included in the BSCI principles and they are taken into account in the BSCI audits. If any violations come into our attention, we react to them immediately.

**SUB-CATEGORY: SOCIETY**

<b>Training and education</b>	<b>Included</b>	<b>Additional information</b>
<b>Anti-corruption</b>		
G4-SO4 Communication and training on anti-corruption policies and procedures	Partly	In 2016, we held internal trainings related to our renewed Code of Conduct approved in 2015.  Inspiring and responsible workplace.
<b>Compliance</b>		
G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Yes	No such fines or sanctions during the reporting period.

**SUB-CATEGORY: PRODUCT RESPONSIBILITY**

<b>Customer Health and Safety</b>		
G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Yes	No such incidents during the reporting period.
<b>Marketing Communication</b>		
G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Yes	No such incidents during the reporting period.

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