



marimekko

Sustainability Review 2018

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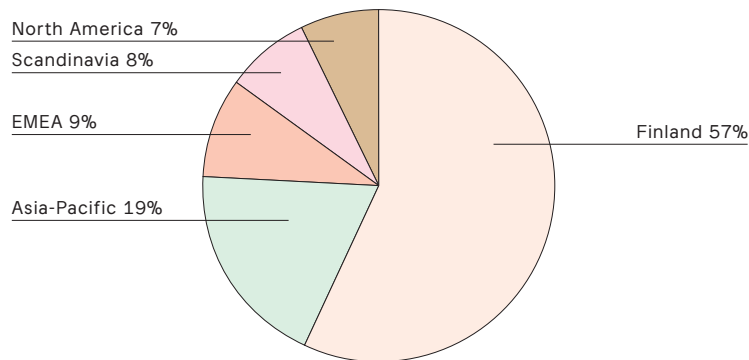
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Marimekko in brief

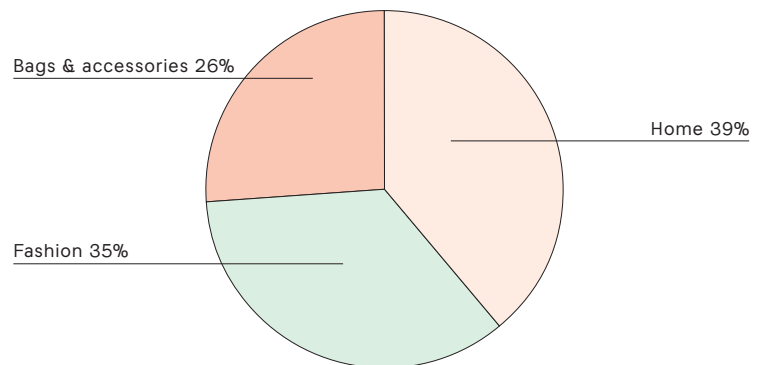
Marimekko is a Finnish lifestyle design company whose original prints and colours have brought joy to people's everyday lives since 1951. Our product portfolio includes high-quality clothing, bags and accessories as well as home décor items ranging from textiles to tableware. Timelessness has been the cornerstone of our design since the very beginning. Marimekko is not about fast fashion. We aim to offer our customers long-lived products that they will not want to throw away.

Today there are roughly 150 Marimekko stores in 15 countries, and online store serves customers in 32 countries. Flagship stores are located in Helsinki, Stockholm, New York, Tokyo and Sydney. Our key markets are Northern Europe, North America and the Asia-Pacific region, and we approach them through key cities. In 2018, our net sales were 112 million euros. We employ about 450 people and we have our own printing factory in Helsinki that produces around a million metres of fabric every year.

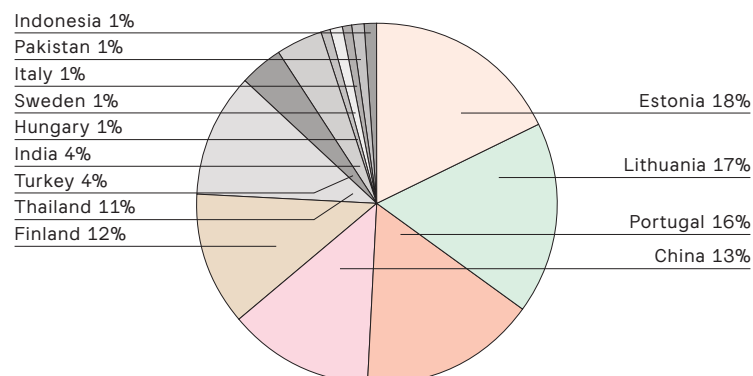
Net sales by market area
2018



Net sales by product line
2018



Largest manufacturing countries
2018



Purpose

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 inspiring
lifestyle design brand renowned
for bold prints.

Our values

Living, not pretending
Fairness to everyone and everything
Common sense
Getting things done – together
Courage, even at the risk of failure
Joy

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



Events during the year

Collaboration with Plan to promote equality

We started a collaboration with the children's rights organisation Plan International on promotion of rights and education for girls in developing countries. Read more on page 22.



We took part in the annual Fashion Revolution campaign by publishing stories about people behind our products working in factories in Portugal, Lithuania and China, and in our own printing factory in Helsinki.



Marimekko celebrated Helsinki Pride week and equality with a Tasaraita-themed window installation at its Helsinki flagship store.



As part of our collaboration with the second-hand store Vestis (previously We Started This), a pop-up shop for used Marimekko clothes and accessories was set up in the Marimekko store in the Forum shopping centre in Helsinki.
Read more on page 17.



Marimekko’s sustainability performance was classified as “Prime” in the ISS-oekom Corporate Rating Report. For details about ISS-oekom and the rating methodology, please see <https://www.issgovernance.com/esg/ratings/corporate-rating/>.



Marimekko’s President and CEO, Tiina Alahuhta-Kasko, visited the factory of our long-term partner supplier in Thailand, Crown Ceramics Co. Ltd. The visit celebrated the upcoming 10th anniversary of the Oiva ceramic tableware series, as well as the good cooperation between Marimekko and Crown Ceramics, which started already in 2008.

The annual Mari Meter personnel engagement survey was carried out in November. The survey’s PeoplePower® Index rose one level to AA+. Based on the results, Marimekko was chosen as one of Finland’s most inspiring workplaces in 2018.
Read more on page 41.

AA+

From the President and CEO

Since the company's establishment in 1951, the Marimekko design philosophy has been founded on the idea of timelessness, both from quality and aesthetic points of view. We strive to offer our customers products that bring long-lasting joy to their everyday lives – products that they will not want to throw away. Extending a product's life cycle is also an effective way to reduce its environmental footprint. Marimekko designs are renowned for being passed on from one generation to the next, and we are determined to take action to further lengthen our products' life cycles.

To facilitate the resale of our products, in 2018 we continued our close cooperation with Vestis (previously We Started This), a retailer of second-hand clothing and accessories. Several collection events were held at our stores in Finland, and a pop-up shop was set up in one of our stores during the Helsinki Design Week in September. More than one thousand garments or accessories changed hands during the pop-up event. The circular economy offers natural opportunities for us to develop the sustainability of our business. In addition to creating timeless designs, we are committed to further facilitating the sale of pre-owned Marimekko products and providing consumers even more information about the proper care of our products to support the lengthening of their life cycles.

Our core value "fairness to everyone and everything" crystallises our sustainability thinking; we respect people and the environment in everything we do. Material choices play a key role in regard to the sustainability of a product, as they affect the durability of the product and its care. Furthermore, the manufacture of materials has social and environmental impacts that we take into account when making our choices. One of the key commitments in our

current sustainability strategy is to increase the share of sustainable cotton and other more sustainable materials in our products. Cotton is the world's most used natural fibre and currently also Marimekko's most used raw material. For us, the more sustainable alternative is mainly Better Cotton. We joined the Better Cotton Initiative (BCI) in 2013 and our target is to continuously increase the share of Better Cotton. In 2018, Better Cotton represented 64 per cent of all the cotton purchased for our products. We increased the share by eleven percentage points and the amount by over 300 tonnes.

We also continued our cooperation with the Finnish fibre technology company Spinnova with the aim of developing and commercialising new, wood-based textiles. The manufacture of textile fibre spun with Spinnova's method consumes some 99 per cent less water than cotton production. A fabric made with the fibre can be reused, recycled or composted. In 2018, the cooperation focused on fibre and yarn development. Currently we are working towards creating the first product prototypes. The progress in the development work will show what is possible in the future.

We are committed to increasing transparency in our supply chain towards raw material production step by step. During 2018, we continued to build transparency in the upstream supply chain by collecting information about the sub-suppliers and sub-contractors of our direct suppliers. We also initiated a more comprehensive human rights impact assessment process in accordance with the United Nations Guiding Principles on Human Rights by conducting a third-party assessment that focused on our direct suppliers. In 2019, we will start implementing the recommendations from the assessment and will plan the next steps in continuing the process.

Equality is an integral part of the Marimekko culture, and we believe that everyone should have equal rights to make decisions about their own lives. In honour of the 50th anniversary in 2018 of the Tasaraita collection – a symbol of equality that was designed for people of any age or gender – we started a partnership with the children's rights organisation Plan International to promote the rights and education of girls in developing countries. We also decided to continue this successful cooperation in 2019.

The year 2019 will be exciting for us. Marimekko's current sustainability strategy period will end in 2020, so we have turned our eyes towards the future and started to plan our milestones and targets for the next strategy period. It is clear that consumers around the world are becoming increasingly aware of the sustainability-related impacts of their consumption and seek to find support to help them make more responsible choices. At Marimekko, we see this as a very positive development and are excited about entirely new kinds of innovative opportunities arising for brands and companies to do responsible business. These changes in consumers' values towards sustainability put welcome pressure on the fashion and design industry and challenge us to be more transparent about where we have succeeded and where we need to make more efforts. For us at Marimekko, sustainability work is a joint commitment and about continuous improvement together with our staff, partners and other external stakeholders.

Tiina Alahuhta-Kasko



Our value chain

Marimekko is a lifestyle design company that designs, manufactures and sources products and sells them in its own physical and online 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; the greatest possibilities for exercising influence lie within our own operations, such as design, material choices and fabric printing, as well as our cooperation with our suppliers and logistics partners.

We work persistently to further enhance sustainability 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.

- In-house fabric printing factory in Helsinki and partner suppliers around the world
- Promoting sustainability throughout the supply chain, e.g. working conditions at factories and respect for human rights
- Sustainability requirements for partner suppliers (Supplier Code of Conduct)
- Careful supplier selection and monitoring through audits and factory visits
- Resource efficiency in our own printing factory

- We source the materials used in our products from our partner suppliers who source raw materials globally.
- Our partner suppliers are committed to promoting sustainable practices in their own supply chain.
- We require our suppliers to report the origin of the materials used, including cotton, leather, wool and down.
- In 2018, more sustainably produced Better Cotton accounted for 64% of our total cotton use.

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

- Timeless and functional designs
- Sustainable and durable materials
- Smart use of materials
- Product and material testing

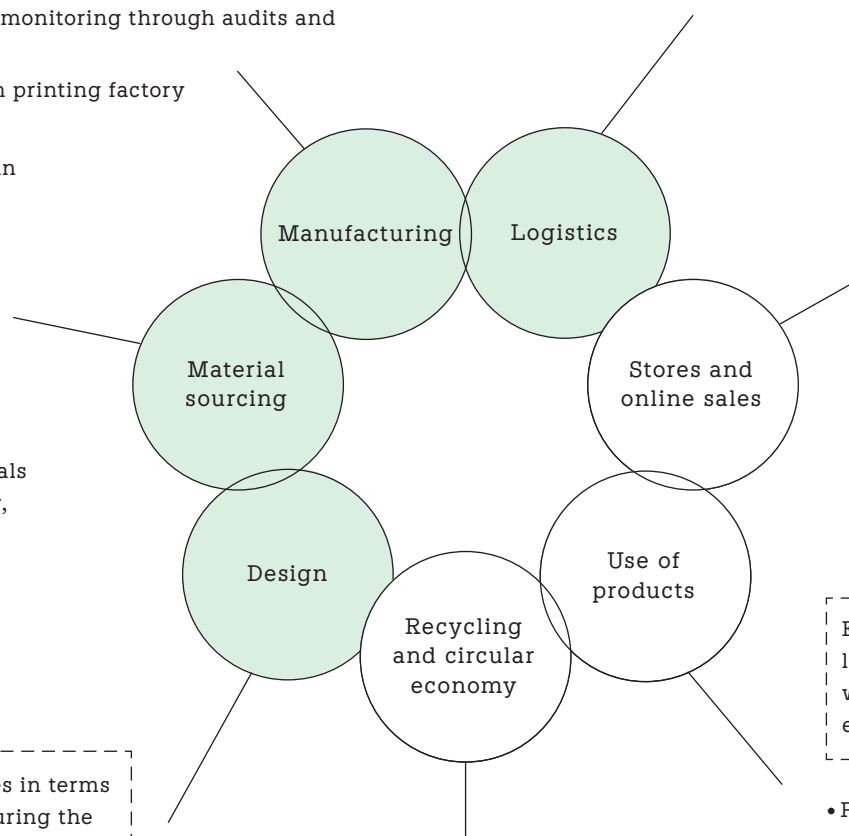
- Our products have a good resale value.
- Using products as long as possible is the best alternative for the environment.
- We facilitate the second-hand sale of our products through cooperation with a specialist partner.

- The modes of transport we use are road, marine and air transport.
- Transportation choices impact the environmental footprint of our operations.
- We optimise our logistics in order to reduce emissions and enhance efficiency.

- Our store personnel plays a key role in advising customers on how to extend product lifetime with proper care.
- We continuously aim to offer our customers more information on products, materials and their proper care both in-store and online.

Extending the product's life cycle is an effective way to reduce its environmental footprint.

- Proper care helps prolong the product's life cycle and keep it beautiful longer.





Sustainability at Marimekko

Our value "fairness to everyone and everything" crystallises our sustainability thinking. We treat people fairly and create products that bring joy for a long time with minimal impacts on the environment. We are true to our word and 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 day-to-day management and business development. Ultimate responsibility for sustainability management lies with the President and CEO. Setting sustainability targets and monitoring the attainment of targets are part of the work of the Management Group, where the implementation of the sustainability strategy is monitored quarterly. The different business units and functions, supported by the Sustainability Manager, 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 strategy comprises five commitments, with focus on timeless design and sustainability in the supply chain. Resource efficiency and the environment, stakeholder engagement as well as taking care of the personnel each also have their own commitment. These commitments have been defined as the most important areas of Marimekko's sustainability work. A set of targets and criteria to measure attainment of the targets have been assigned

for all the commitments. To serve as the basis for 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. The targets set in the road map are evaluated annually, based on which we set the specific targets for the next year and prioritise them.

The planning of our milestones and targets for the next strategy period has started in early 2019.

Marimekko's sustainability targets and the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development was adopted by the United Nations in 2015. At the core of the agenda are 17 Sustainable Development Goals (SDGs), which provide a shared framework for companies, governments, individuals and other stakeholders to align their actions with sustainable development. In this report, we present which of the goals we mostly contribute to through our sustainability work. The relevant SDGs are mentioned in the tables that show our progress towards each of our sustainability targets on pages 16, 22, 26, 34 and 40.



A low-angle photograph of three women holding a large flag with green, white, and red sections against a blue sky. The woman on the left has short dark hair and is wearing a purple and white patterned shirt. The woman on the right has blonde hair and is wearing a white shirt with green and red patterns. The woman in the center has long blonde hair and is wearing a white shirt with red and black patterns. They are all smiling and looking upwards.

We are not about trendy fashion.

Sustainable and
timeless design

Sustainability commitment 1:

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 aim to offer our customers long-lived products that they will not want to throw away. We believe that a product that gives its users long-lasting joy is also a sustainable choice.

Sustainability commitment 1: we design timeless, long-lasting and functional products.

Target	Criteria for achievement	In 2018	Status 2018	UN SDGs
We offer durable, high-quality and functional products.	Share of products subject to claims 0.5% of products sold	The share of products subject to claims was 0.3% (0.3).	● ● ●	12: Responsible consumption and production
We increase the share of sustainable cotton in our products.	Increasing the share of Better Cotton of the cotton annually sourced in the supply chain	The share of Better Cotton was 64% (53).	● ●	6: Clean water and sanitation, 12: Responsible consumption and production
We increase the share of other more sustainable raw materials used in our products and packaging.	Supporting research projects related to developing new more sustainable materials and continuously evaluating opportunities to use more sustainable materials	<p>We continued our cooperation with the fibre technology company Spinnova. During the year, the cooperation focused on fibre and yarn development.</p> <p>As for packaging materials, we replaced about 3,200 kg of plastic packaging with paper-based alternatives.</p>	● ● ●	12: Responsible consumption and production
We contribute to the circular economy with related projects and services.	Participation in projects which support the circular economy	We continued collaboration with the Vestis (previously We Started This) second-hand store with garment collection events and a one-week pop-up shop.	● ●	12: Responsible consumption and production

● Annual target not achieved
 ● ● Progress made
 ● ● ● Progressing according to plan



Sustainability starts with the design

Timelessness has been the cornerstone of our design since the very beginning. We aim to offer our customers long-lived and functional products that stand up to time both from quality and aesthetic points of view – products that they will not want to throw away. Lengthening the product life cycle is also an effective way to reduce environmental impacts. Marimekko's collections are well thought out and often utilise designs and patterns from or inspired by our archives. Design also affects material consumption. For example, the amount of cutting waste can be reduced by considering the likely use of the print design and its positioning on the fabric. At the cutting stage, software is used to place the pattern pieces so that waste is kept to a minimum.

Quality that lasts even to the next generation

We want to offer our customers quality products that can be passed on even to the next generation. 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 before they are sold to customers, 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 long-term target is to keep the share of products subject to claims below 0.5 per cent of the products sold per year. In 2018, the figure was 0.3 (0.3) per cent. During the year, we reviewed our quality processes and made the necessary improvements.

Facilitating the resale of Marimekko garments

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 pre-owned products. Since 2015, we have cooperated with the second-hand retailer Vestis

(previously We Started This). In 2018, several garment collection events were held at our stores, and from the products collected, Vestis put together Marimekko collections for its physical and online stores. During the Helsinki Design Week in September, Vestis set up a pop-up shop in the Marimekko store in the Forum shopping centre, where customers could also bring their Marimekko garments for resale. More than one thousand garments or accessories changed hands during the one-week pop-up event.

Preserving the heritage

Marimekko has produced about 3,500 print designs since 1951. For some time already, designs to be printed have been in digital form, but there are still more than 2,000 patterns that exist only as films. In 2018, we started a project to digitalise all the print designs. The project requires a lot of manual work and is estimated to take several years to complete. The digitalisation will enable a more effective use of the archives by allowing, for example, to browse the prints digitally and search them with keywords. Most importantly, through the project we ensure the preservation of our print heritage, as the physical films are susceptible to damage.

Materials make a difference

Material choices have a direct effect on the environmental impacts of a product's life cycle, as the material affects the durability of the product and the amount of energy and detergent consumed to take care of it. Also, the social and environmental impacts of material production vary. Our aim is to increase the share of more sustainable materials in our products. In addition, we take part in initiatives to research and develop new, more sustainable materials.

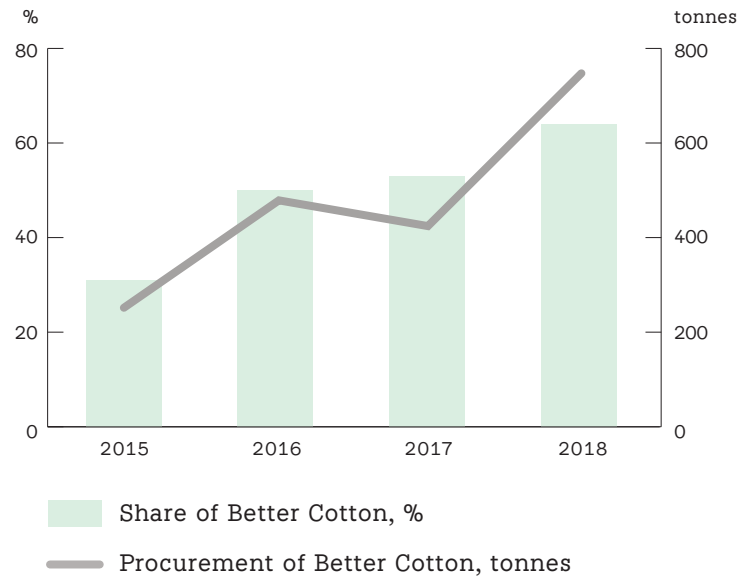
Share of Better Cotton increased to 64 per cent

Cotton is the world's most used natural fibre and also Marimekko's most used raw material. We aim to continuously increase the share of more sustainable cotton in our products. To us, the more sustainable alternative is mainly Better Cotton, or organic or recycled cotton on a seasonal basis.

We are a member of the international Better Cotton Initiative (BCI). The BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector's future. In 2018, we sourced about 748 (425) tonnes of Better Cotton, comprising 64 (53) per cent of the cotton used by us during the year, almost reaching our 2018 target of 65 per cent. Better Cotton is not physically traceable to end products, but BCI farmers benefit from the demand for Better Cotton in volumes equivalent to those we source. We joined the BCI in 2013 and since then we have consistently expanded our procurement of Better Cotton. Last year our investment in the BCI enabled approximately 600 farmers to implement the Better Cotton Standard and Better Cotton to be grown on over 1,000 hectares of land.

Due to human rights violations related to cotton production, we do not currently accept cotton from Uzbekistan or Turkmenistan in our products. In 2012, we signed the Uzbek Cotton Pledge organised by Responsible Sourcing Network (RSN) with the aim of pressuring Uzbekistan's government to end the use of child and forced labour on its cotton plantations. We signed a similar pledge by RSN regarding the use of Turkmen cotton in February 2019.

Procurement of Better Cotton



Product policies support selection of sustainable materials

We have drafted product policies to support responsible sourcing of materials. The policies define our commitment to responsible sourcing of raw materials and guide us to take account of the origin and production methods of raw materials used. You can find the product policies on our website: <https://company.marimekko.com/en/sustainability/products/>.

10th anniversary of Oiva – together for years to come

In 2019, Marimekko's Oiva tableware collection celebrates its 10th anniversary. Designer Sami Ruotsalainen was briefed to design a timeless tableware range that would be strong enough to stand alone but would also work together with Marimekko's distinctive prints. The ambition was to create a shape that is relevant for the next 100 years.

The Oiva series is designed to suit everyday life and special occasions alike. The functional yet playful collection encourages mixing and matching shapes and patterns freely – and gathering around the table to enjoy good company.



“I believe that Oiva
has become a classic
because of its timeless
and universal nature.”

– Sami Ruotsalainen

Sustainability work is a joint commitment.

Inspirational
collaboration






Sustainability commitment 2:

We inspire and engage
our customers and staff.

We believe that cooperation is the best way to bring
about positive change. We want to engage our employees,
customers and other stakeholders to take part in our
sustainability journey.

Sustainability commitment 2: we inspire and engage our customers and staff.

Target	Criteria for achievement	In 2018	Status 2018	UN SDGs
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. Different sustainability aspects were part of training for managers and the performance management training for employees.	 	
We offer more information on our products, their proper care, and ways to prolong product life.	Increasing the product information available for customers	We continued to provide information about materials and product care to our retail store personnel.	 	12: Responsible consumption and production
We maintain an active dialogue with our stakeholders and engage in joint initiatives within the industry to innovate and promote sustainable design and production.	Participation in projects promoting innovations in sustainable design and production	We continued our cooperation with the fibre technology company Spinnova. During the year, the cooperation focused on fibre and yarn development.	  	12: Responsible consumption and production
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 collaborated with Plan International to promote equality by donating one euro for every Tasaraita shirt sold during the campaign period of five months.	  	5: Gender equality

 Annual target not achieved
   Progress made
    Progressing according to plan

Cooperation to develop new material innovations

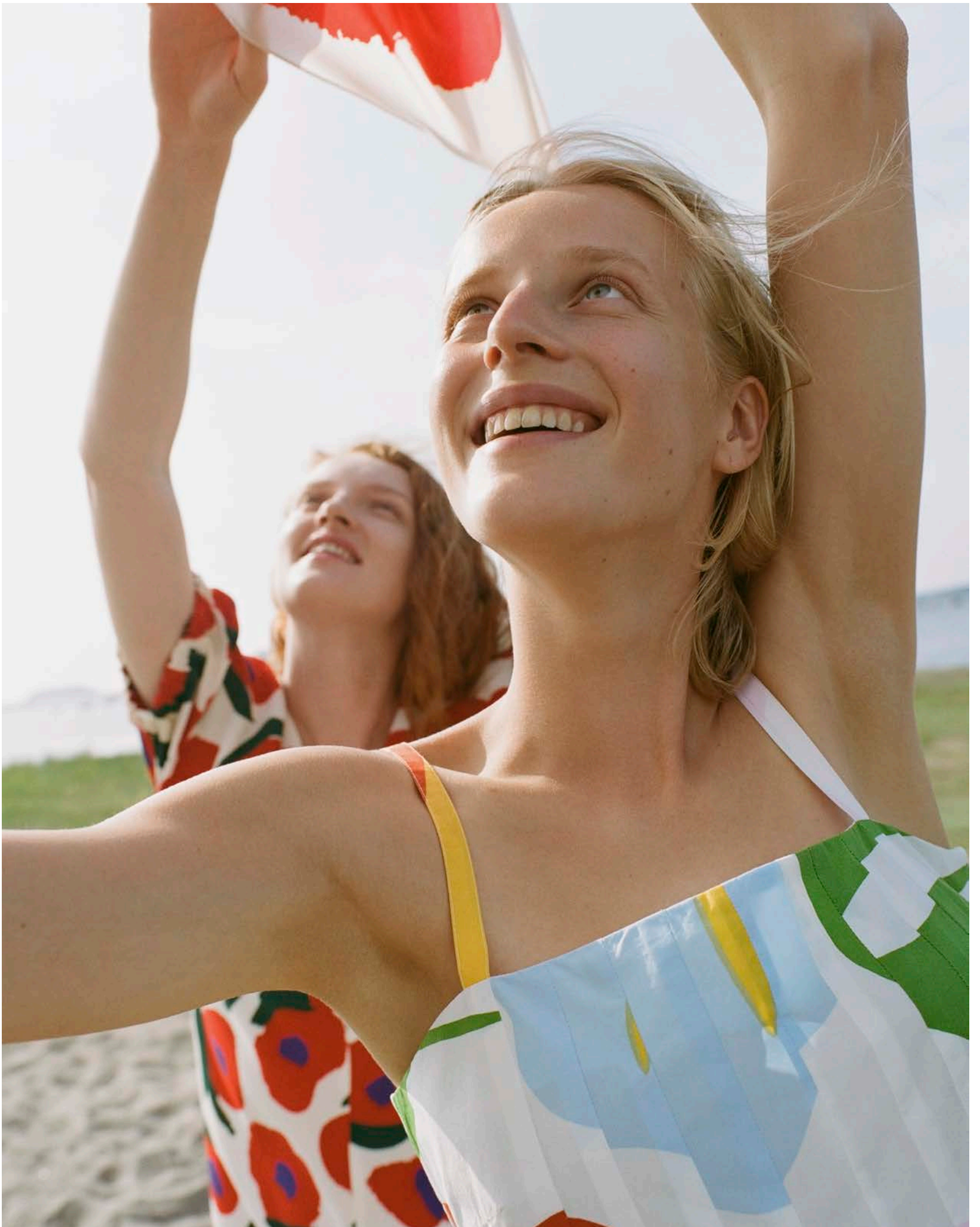
Marimekko wants to be involved in finding and developing new sustainable materials for the future. In November 2017, we began cooperation with the Finnish fibre technology company Spinnova. The cooperation aims at developing and commercialising new, wood-based textiles. Spinnova has developed a technology that enables spinning pulp into textile fibre without chemical processing. The method is considerably less of a strain on the environment than viscose or cotton production, for example, requiring up to 99 per cent less water than cotton production. A fabric made with the Spinnova fibre can be reused, recycled or composted. During 2018, our cooperation progressed as planned and focused on fibre and yarn development. Washing and dyeing tests were also conducted on the material.

Promoting equality together with Plan International

In 2018, we celebrated the 50th anniversary of the striped Tasaraita pattern. This Marimekko classic and symbol of equality was designed by Annika Rimala in 1968 for everyone irrespective of age or gender. In honour of the anniversary, Marimekko and the children's rights organisation Plan International launched a collaboration to promote equality.

During the periods from 1 April to 31 May and from 1 October to 31 December 2018, we donated to Plan one euro for every Tasaraita shirt sold at Marimekko stores in Finland, Sweden, Norway, Denmark, Germany, the United States and Australia as well as our online store which serves about 30 countries.

One of the best ways to support societal and economic development and promote equality is to help girls go to school. Plan uses the donations from the campaign to promote children's rights to education and to make decisions about their own lives.



Sustainable design all the way

Sustainable
supply chain









Sustainability commitment 3:

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 through prints and colours 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.

Sustainability commitment 3: we promote responsible practices throughout our supply chain.

Target	Criteria for achievement	In 2018	Status 2018	UN SDGs
We build transparency in supply chain towards raw materials.	Constantly increasing the information available on our supply chain	<p>A list of our main partner suppliers was available on our website.</p> <p>We collected information to enhance transparency about material suppliers.</p> <p>We took part in the Fashion Revolution campaign by publishing articles on our website about people making our products.</p>		12: Responsible consumption and production
We select our suppliers carefully, taking account of human rights and environmental protection.	Constantly improving the sustainability evaluation of our suppliers	<p>98% of product purchases from non-EU countries were covered by audits according to amfori BSCI or other social responsibility systems. Marimekko employees regularly visited our suppliers' factories.</p> <p>We developed a new supplier evaluation tool that will be put into use in 2019.</p>		8: Decent work and economic growth, 12: Responsible consumption and production
We promote human rights, a living wage, worker empowerment and safe working conditions in our supply chain through dialogue, audits and training.	Evaluating the human rights impacts of our supply chain in more depth and engaging our suppliers	<p>A third-party human rights impact assessment was conducted, focusing on our direct suppliers.</p> <p>Remuneration, working hours and safety matters were discussed during factory visits by our personnel.</p>		8: Decent work and economic growth

 Annual target not achieved
  Progress made
  Progressing according to plan

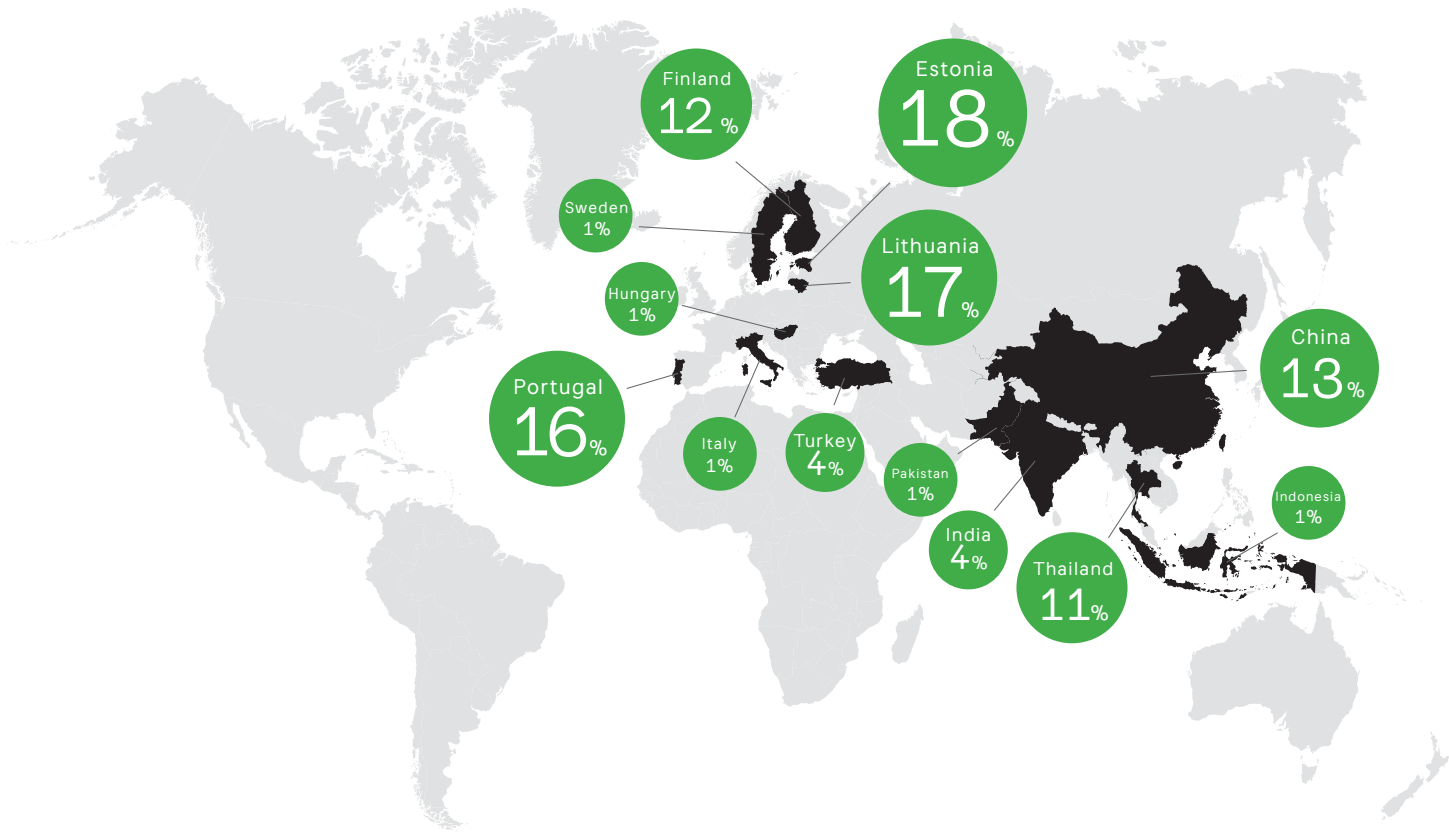
A comprehensive and carefully selected supplier network

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 always find the best manufacturing 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

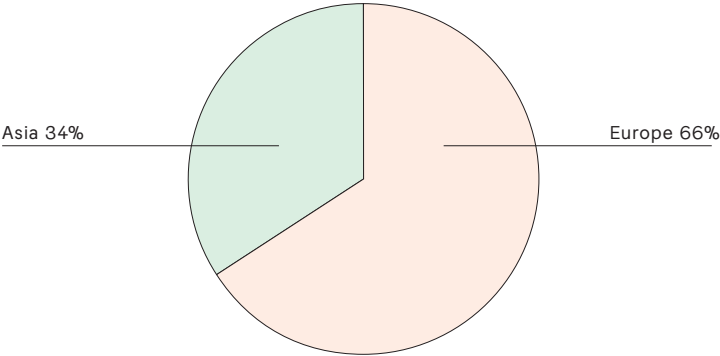
environment. We choose our suppliers carefully and in our selection, in addition to commercial terms, we pay attention to sustainability matters, such as working conditions, safety and remuneration.

In 2018, our products were manufactured by around 80 partner suppliers at about 100 factories in Europe and Asia. Our direct suppliers include both factories making the final product and material suppliers. We publish a list of our main partner suppliers annually on our website: company.marimekko.com/en/sustainability/manufacturing/.

Manufacturing countries for
Marimekko products



Distribution of manufacturing 2018



Ensuring sustainability in our supply chain

Careful supplier selection

- Evaluation where, in addition to commercial terms, sustainability aspects such as working conditions, safety practices, possible social and environmental certifications and audit results are taken into account.
- When selecting suppliers operating in non-EU countries, we require that the supplier has already gone through an amfori BSCI audit or SA8000 certification, or starts an audit or certification process. On a case-by-case basis, we accept suppliers that are covered by other social compliance audits.

Supplier Code of Conduct

- Our suppliers are committed to our sustainability requirements according to amfori BSCI embodied in our Supplier Code of Conduct, which include, for example, 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 the Supplier Code of Conduct.

Audits and factory visits

- Third-party experts carry out amfori BSCI or other similar social responsibility audits at our partner suppliers' facilities, particularly in risk countries. Marimekko personnel also visit the factories that manufacture our products.

Industry collaboration initiatives

- We are members of the following international collaborative networks, among others:
- amfori BSCI – an initiative promoting the monitoring and improvement 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
 - Responsible Sourcing Network (RSN) – an initiative addressing human rights violations and forced labour associated with raw materials, including cotton.

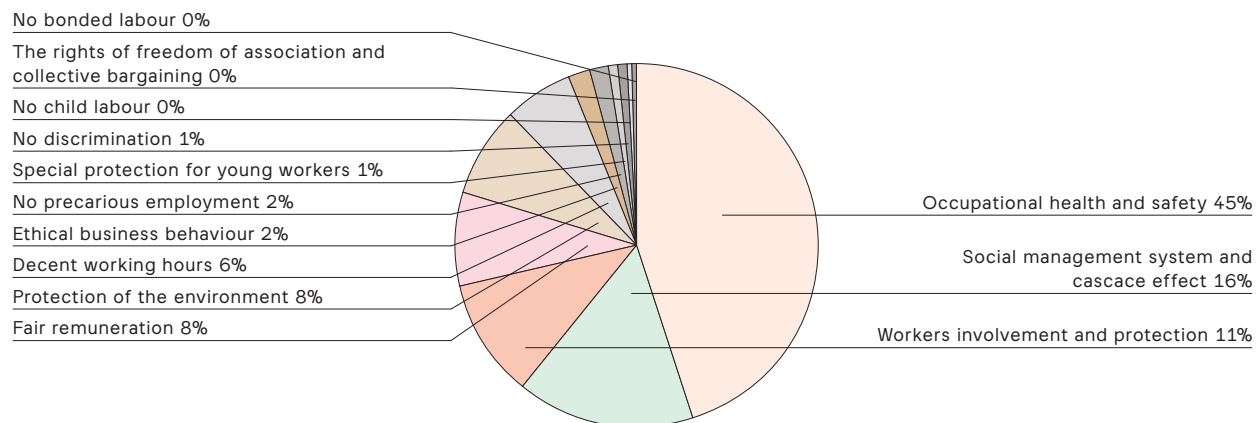
Health and safety and management systems continue to be the main areas for improvement

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 factories of our partners operating outside the EU. In 2018, 79 (78) per cent of our non-EU product purchases were covered by amfori BSCI audits and 98 (97) per cent were covered by amfori BSCI audits or other, similar social compliance audits, such as SA8000 or Sedex.

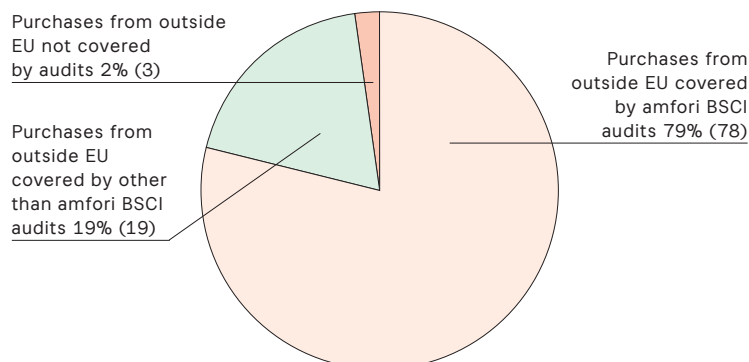
A total of 21 (14) amfori BSCI audits were carried out in 2018 at the factories of our direct manufacturing partners. Of the factories audited, 14

per cent received the best rating A (outstanding), 14 per cent the rating B (very good), 48 per cent the rating C (acceptable), and 24 per cent the rating D (insufficient). The audits almost invariably identify areas for improvement, which is typical of manufacturing. The most important thing is to go through the areas for improvement with the factory management and to agree on remedial action, the fulfilment of which is then monitored. Most of the findings made in the audits in 2018 concerned health and safety (45 per cent), management systems (16 per cent), and worker involvement and protection (11 per cent). 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.

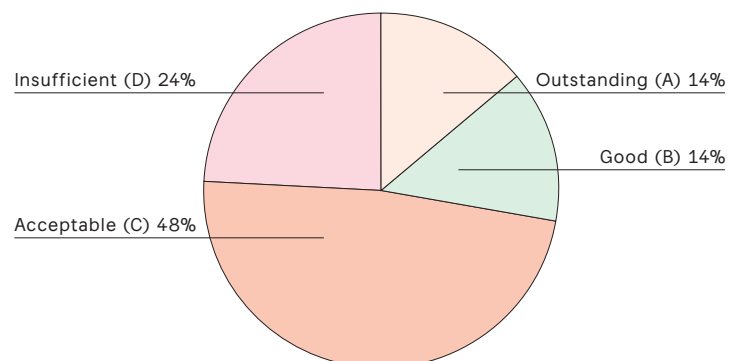
amfori BSCI audit findings by area, %



Audit status



amfori BSCI audit results, % of the factories audited during 2018





Mapping of the upstream supply chain continued

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 actors 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 ask our suppliers about the raw material's country of origin.

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 2018, we continued to enhance transparency upstream in the supply chain by collecting information about the sub-suppliers and sub-contractors of our direct suppliers.

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.

In 2018, we started a more comprehensive human rights impact assessment process in accordance with the UN Guiding Principles on Human Rights by conducting a third-party assessment that focused on our direct suppliers. Marimekko's due diligence process and ways of working were also assessed. The assessment included workshops and interviews with Marimekko employees and a desktop review of relevant materials, based on which Marimekko's salient human rights impacts were identified. These impacts were then assessed by whether Marimekko causes, contributes to or is linked to the impacts, and secondly based on their severity and likelihood. According to the assessment, Marimekko's gravest human rights impacts are connected to unsafe working conditions at the factories and the risk of child or forced labour in cotton production. Unsafe working conditions can occur, for example, due to missing warning signs, electric hazards, improper storage or handling of chemicals or blocked emergency exits. In 2019, we will start implementing the recommendations from the assessment and will plan the next steps in continuing the assessment process.

amfori BSCI principles included in our Supplier Code of Conduct

We are a member of the international amfori BSCI initiative, the aim of which is to promote the monitoring and improvement of working conditions in global supply chains. The amfori BSCI members are committed to promoting these 11 principles in their supply chains:

**the rights of freedom of association and
collective bargaining**

no discrimination

fair remuneration

decent working hours

occupational health and safety

no child labour

special protection for young workers

no precarious employment

no bonded labour

protection of the environment

ethical business behaviour

Read more: www.amfori.org/content/amfori-bsci

Respecting our source of inspiration

Resource efficiency and
the environment



Sustainability commitment 4:

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 healthy. 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 mainly from the operations of the Helsinki fabric printing factory. Roughly one million metres of fabric are printed at the factory each year.

Sustainability commitment 4: we are resource efficient and care for the environment.

Target	Criteria for achievement	In 2018	Status 2018	UN SDGs
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	The electricity used by our fabric printing factory and head office was generated from hydro power. We continued using biogas in our printing factory. The carbon dioxide emissions from our store and e-commerce deliveries in Finland were offset.	●	7: Affordable and clean energy, 13: Climate action
We continuously improve material, energy and water efficiency in our own operations.	Improving energy and water efficiency per metre of output	The consumption of biogas and water relative to output decreased. We also started to investigate how to utilise even more of our fabric waste as products or material.	● ● ●	6: Clean water and sanitation, 7: Affordable and clean energy
No landfill waste will be generated by our own operations.	Our own operations do not generate landfill waste	In 2018, 96% of the waste generated was reused in energy production or as recycled material.	● ●	12: Responsible consumption and production
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	We continued our work to replace PVC plastic and PFC stain repellent treatment used in some of our products with better alternatives.	● ● ●	6: Clean water and sanitation, 12: Responsible consumption and production

● Annual target not achieved ● ● Progress made ● ● ● Progressing according to plan



Environmental impacts of in-house 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.

*** Electricity produced by hydro power.

Biogas has reduced direct carbon dioxide emissions close to zero

Our fabric printing factory in Helsinki started using biogas at the beginning of 2016. The biogas is produced in Finland from the biological wastes of agriculture, the food industry, retail and households. Introducing biogas has meant that our direct carbon dioxide emissions from fuel consumption (scope 1) have fallen practically to zero and we have attained our target of halving the carbon dioxide emissions from our in-house operations by 2020 ahead of schedule. In 2018, the consumption of biogas per metre of fabric produced decreased by 10 per cent compared to the previous year and was 3.6 (4.0) kWh.

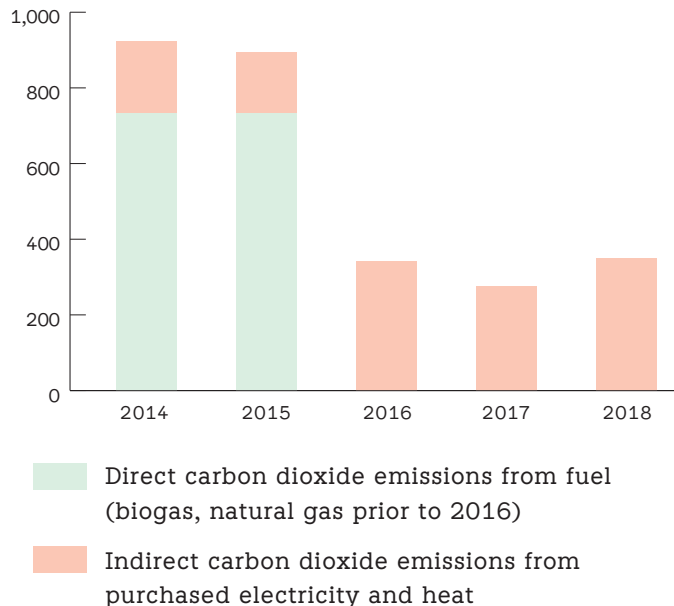
Consumption of heat energy increased

Our electrical energy consumption in 2018 remained almost at the same level as in the previous year and was 1.64 (1.61) GWh. The electricity we purchased was generated carbon-free from renewable hydro power.

The consumption of heat energy increased in 2018 by 37 per cent compared to the previous year. The Helsinki fabric printing factory and head office used 2.2 (1.6) GWh of heating energy. The main reason for the increase was that the new air-conditioning systems that were installed in 2018 in the printing factory are, for the time being, operated manually.

Our goal is to continuously reduce our total energy consumption (biogas, electricity and heating combined) and in 2018 it was 19 per cent lower than the comparison level in 2010. In 2019, we continue to implement the action plan to enhance energy efficiency, which was made based on an energy survey of our factory and office building in Helsinki, conducted in 2017.

Carbon dioxide emissions, tonnes*



*Applies to the Helsinki fabric printing factory and head office

Water consumption decreased by almost 30 per cent

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

In 2018, the printing factory's absolute water consumption decreased by 28 per cent and was 21,625 (29,917) cubic metres. Water consumption per metre of output also decreased and was 20 (28) litres per metre. The decrease in water consumption was mainly due to longer production runs; the average production length increased from 750 metres in 2017 to 980 metres in 2018.

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

Continuous improvements in material efficiency

The printing process and manufacture of fabric products almost invariably generate waste material, which we constantly strive to minimise.

The quality of our fabrics is of key importance to us, and not all our printed fabrics always meet our first-class quality criteria. However, such materials are not thrown away but are used to make bags, among others. If, for some reason, material remains from fabrics purchased for our collections, we try to use the leftover materials for example as special products for our friendship sales. We also sell the leftover fabrics in our outlet stores.

In 2018, we reviewed our quality processes and made necessary improvements to minimise the amount of B-quality printed fabrics. We also started to investigate how to utilise the unavoidable fabric waste from the production process as products or material.

Almost 100 per cent of waste is reused

We constantly monitor the waste quantity at our fabric printing factory and head office in Helsinki and seek to promote the recycling of waste. In 2018, a total of 110 (109) tonnes of waste was generated.

It is our aim that all wastes generated by our fabric printing factory and head office are sorted for recycling. In 2018, 96 (99) per cent 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 routes. In 2018, we offset the carbon dioxide emissions from our outbound store and e-commerce deliveries in Finland. The carbon dioxide emissions offset from these deliveries amounted to 68 tonnes (74, included also e-commerce deliveries elsewhere in Europe) and their emission impact was offset within the framework of climate projects financed by Posti (Finnish Post).

Ensuring high chemical standards in production

We want to offer our customers quality products that are safe to use in all circumstances. The use of different chemicals and substances in production is strictly regulated in the EU and in other markets as well. To ensure that our products comply with these requirements, we require our suppliers to comply with the legislation and monitor compliance through material- or product-specific analytical tests. The tests are done in external laboratories.

The majority of the fabrics printed in our textile printing factory in Helsinki are certified according to the STANDARD 100 by OEKO-TEX®. In 2018, 80 (85) per cent of the fabrics printed by our factory were covered by the certification. Labelling in accordance with the STANDARD 100 by OEKO-TEX® can also be found, for example, on the towels and bed linen made under contract for Marimekko. The certificate guarantees that the materials contain no substances harmful to people or the environment, as detailed in the standard criteria.

We seek to replace chemicals used in the manufacture of our products with alternatives that are better for the environment and for people. In 2018, we continued to phase out the use of PVC plastic and perfluorinated hydrocarbons (PFCs) in our products. For example, the PVC coating previously used in our oilcloth has been replaced by acrylic coating. We have already earlier stopped using PFCs in the finishing in our own printing factory, and in 2018 the work continued with replacing oil, stain or water repellent treatments in other products with PFC-free alternatives.

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 per cent**

**reducing waste resulting from
operations by 20 per cent**

**reducing water consumption
relative to output by 20 per cent**

The targets are for the company's own operations in the Helsinki head office and printing factory. The baseline year for reduction targets is 2010.

An inspired mind generates original ideas.

An inspiring and
responsible workplace



Sustainability commitment 5:

We provide an inspiring and responsible workplace.

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

Sustainability commitment 5: we provide an inspiring and responsible workplace.

Target	Criteria for achievement	In 2018	Status 2018	UN SDGs
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	We continued to implement our performance management model and launched new elements to it. Staff were trained to master the model.		4: Quality education
We foster the Marimekko spirit that emphasises equality, diversity, creativity and teamwork.	Making equality and diversity an even stronger part of Marimekko's culture and operations	We conducted the Mari Meter employee engagement survey and defined action plans at both team/department and company level. We updated our equality plan together with the representatives of the employees.		5: Gender equality
We will be the preferred employer in our sector.	High ranking in selected surveys measuring employer image	Activities to build our employer image were conducted in Finland. Our ranking in a survey carried out by Universum on the most popular employers among Finnish university students improved from 8th place in 2017 to 6th place in 2018.		
We are committed to responsible and ethical business practices.	Acting in accordance with the law and ethical and responsible business principles	82% of Marimekko employees had completed the Code of Conduct e-training by the end of 2018.		12: Responsible consumption and production

Annual target not achieved
 Progress made
 Progressing according to plan

Shared Code of Conduct guides our everyday work

We want to operate according to the same principles around the world, complying with local law and Marimekko's values. We have therefore drawn up a Code of Conduct 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. The related online training launched in 2017 had been completed by 82 per cent of Marimekko employees by the end of the year 2018. The online training is a part of our onboarding package to familiarise new employees with the themes. 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.

Strong leadership and active feedback culture result in high performance and engagement

In 2018, we continued the implementation of our performance management model that

was piloted in our retail stores in 2017. During the year, the model was launched and training was provided to our office staff globally. The emphasis lay on the "how" part of work, which we see as a significant factor in the company's success. The "how" part includes the common way of working based on Marimekko's values, and the key competence descriptions that have been defined both for managers and for specialists.

Our performance management model is based to a large extent on dialogue and feedback between the manager and each team member. With the aim of building a stronger feedback culture and encouraging everyone to give feedback freely, 360 feedback survey rounds were held in 2018 with our middle management as the target group. The surveys took place in three continents and feedback was given more than 600 times during these rounds.

The Art of Selling retail training programme was renewed in 2018 by appointing an international AoS mentor for all existing and new local trainers. The aim of this training is

to improve sales management and to develop the sales personnel's professional skills. The programme also includes a tailored training for managers – Art of Leading Sales – which supports our store managers in leading their teams towards better results.

Enhancing personnel commitment

The aim of Marimekko's employee engagement survey is to gather the views and opinions of our employees regarding their own work, their teams, leadership, and Marimekko as an organisation and as an employer. The survey provides yet another secure channel for all employees to express their opinions confidentially and thus a way to contribute to organisational development.

The employee survey for the year 2018 was carried out during the autumn. The response rate rose by 6 percentage points to a very good level: 82 per cent (76) of the employees responded. Moreover, the overall result improved compared to the previous year and reached the second-highest level at 74.9 (good +) on a scale of 0–100 (70.6 in 2017).

The results of the survey were reviewed in all teams and team-specific action plans were agreed upon in workshops. A corporate-level action plan was also prepared in the Marimekko Leadership Forum.

Proactive focus on well-being and work ability

Marimekko makes every effort to improve personnel well-being by focusing on employees' health and work ability, and by developing the working atmosphere. A close cooperation between occupational healthcare, human resources, managers and the workplace safety organisation helps strengthen the personnel's working capacity and well-being.

The detection and resolution of problems at the earliest possible stage is the key element in our early intervention model. We seek to prevent problems and work ability

risks by giving tools for daily management, by monitoring and analysing sick leaves, and by actively collaborating with occupational healthcare specialists.

Safe and healthy work environment

A safe work environment is a basic right for every Marimekko employee. To achieve this, we focus on continuously developing our working culture by enhancing discussion in teams and by recognising and avoiding hazards and near misses. We monitor reported near misses and occupational accidents regularly.

In 2018, Marimekko employees had 11 (14) accidents, 5 (4) of which occurred in the workplace and 6 (10) 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 environments and combine the data with workplace surveys. We also provide safety-related training to employees.

Consultative negotiations at the printing factory

During the past years, Marimekko has invested in new machinery in its textile printing factory, which has increased efficiency at the factory considerably. Meanwhile, demand for fabrics sold by the metre, for example, has not increased – on the contrary. Therefore, Marimekko was forced to conduct consultative negotiations in August 2018 that applied to all roles within the organisation of the printing factory. As a result, six employees were made redundant. All leaving employees were provided with an intensive outplacement programme to support them in finding new employment.

Employee engagement at a strong level – improvement particularly in areas that support our growth strategy

The overall results of the employee engagement survey carried out in late 2018 were clearly above the external benchmark level, and employee experience had improved in almost all the areas evaluated.

The areas that received the most positive feedback were our employer image and leadership culture. One of the clearest strengths was that the respondents felt that the company has developed in the right direction and its future outlook is good. Moreover, communication on these topics has been effective as people trust the top management and feel that the company's strategy has been well communicated and that changes have been well implemented. The success of the company shows in a positive team spirit. All these topics are extremely important when building the company's way of working to support the future needs of the business and the organisation.



A low-angle, upward-looking photograph of three young people with joyful expressions, looking towards the sky. The person on the left has long, wavy reddish-brown hair and is wearing a blue and white patterned shirt. The person in the center has short blonde hair and is wearing a white shirt with large orange polka dots. The person on the right has curly brown hair and is wearing a light blue and white striped shirt. The background is a bright blue sky with soft, white clouds. The text "Stakeholder engagement" is centered in the middle of the image in a white, sans-serif font.

Stakeholder engagement

Listening and taking part in discussions are important for us and we strive to have an open dialogue with our 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. The main topics raised by our stakeholders in 2018 included manufacturing countries and conditions, supply chain transparency, human rights due diligence work, sustainability of raw materials, textile waste handling and the chemicals used in products.

Cooperation is the best way to solve shared challenges

We believe that collaboration between various actors in our sector is the best way to promote sustainable practices, for which reason we are involved in many collaborative initiatives of the textile and fashion industry. Since 2011, we have been a member of amfori BSCI (previously Business Social Compliance Initiative), an international initiative which promotes the monitoring and improvement of working conditions in global supply chains. In 2013, we became a member of the Better Cotton Initiative (BCI). The BCI connects people and organisations throughout the cotton sector, from field to store, to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton producing areas. We are part of the Responsible Sourcing Network (RSN), an initiative addressing human rights violations and forced labour associated with raw materials, including cotton. We also participate in the activities of textile and fashion industry organisations in Finland (the Finnish Textile and Fashion association and the Finnish Fashion and Sports commerce association).



Our most important stakeholders

**consumers, partners and
retailers**

personnel

shareholders and investors

partner suppliers

media

**organisations, such as
NGOs and charities**

**universities and
research institutes**

Key figures

Key figures for financial responsibility

	2018	2017	2016
Net sales, EUR 1,000	111,879	102,324	99,614
Comparable operating profit, EUR 1,000	12,199	8,596	6,096
Result before taxes, EUR 1,000	17,552	7,130	5,170
Return on investment (ROI), %	47.6	21.6	15.8
Dividends paid, EUR 1,000	4,045	3,236	2,831
Gross investments, EUR 1,000	1,280	1,210	2,721
Equity ratio, %	70.0	65.2	58.5
Salaries, wages and bonuses paid, EUR 1,000	19,989	19,366	19,807
Pension and other indirect social expenditure, EUR 1,000	5,607	5,244	5,834
Income taxes, EUR 1,000	3,855	1,470	1,138
Purchases from suppliers of goods and services ¹ , EUR 1,000	42,125	36,714	40,333

¹ Including materials, supplies and other operating expenses excluding leases.

Key figures for environmental responsibility

	2018	2017	2016
Fabric printing factory output, million metres	1.1	1.0	1.0
Electricity consumption ¹ , MWh	1,637	1,611	1,927
Heating energy consumption ² , MWh	2,213	1,610	2,089
Biogas consumption ² , MWh	3,905	4,056	3,631
Biogas consumption relative to output ² , kWh	3.6	4	3.5
Direct carbon dioxide emissions (scope 1), tons (biogas)	0	0	0
Indirect carbon dioxide emissions (scope 2), tonnes (electricity and heating)	350	276	341
Direct carbon dioxide emissions (scope 1) relative to output, tonnes (biogas)	0	0	0
Water consumption ² , m ³	21,625	29,917	27,862
Water consumption relative to output, liters per meter	20	28	26
Waste generated from operations ¹ , tons	110	109	142
Waste utilisation rate ³ , %	96	99	98
Share of non-utilised waste ⁴ , %	4	1	1
Share of textile products made with more sustainable materials ⁵ , %	5	6	8
Sourced Better Cotton ⁶ , tons	748	425	480
Share of Better Cotton from total cotton sourcing ⁷ , %	64	53	50
Share of fabrics printed in own printing factory certified according to STANDARD 100 by OEKO-TEX [®] , %	80	85	77

¹ Applies to Herttoniemi textile printing factory and property.

² Applies to Herttoniemi textile printing factory and property. Biogas in use from year 2016.

³ Utilisation as energy or recycled material.

⁴ Includes the share of waste that has been sent for specialised waste disposal (e.g. hazardous waste) or to landfill.

⁵ Calculated from sales (€). 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. Better Cotton is not included in the figure, as it has not been ranked according to the MADE BY classification.

⁶ Includes Better Cotton Claim Units (BCCU's) declared in the Better Cotton Initiative's Better Cotton Platform online system. One kilogram of raw cotton lint equals to one BCCU.

⁷ Calculated from the total weight of cotton products sourced added with an estimation of the cotton lost in the production process.

Employee key figures

	2018	2017	2016
Average number of employees ¹	433	425	441
Employees at year end ¹	445	446	431
New employees	63	38	56
Leavers ²	49	55	69
Average turnover ³ , %	11.4 / 22.3	21	16
Average age of employees, years	36	38	34
Employee gender ratio, women/men, %	93/7	92/8	91/9
Share of women in Board of Directors, %	57	57	40
Share of women in Management Board, %	71	88	100
Sick leave absences ⁴ , %	2.9	2.9	2.6
Work and commuting accidents	11	14	16
Healthcare expenses/ person ⁴ , EUR	831	907	781
Overall result of personnel survey, scale 0–100	74.9	70.6	-
Result of personnel survey regarding sustainability, scale 1–5 ⁵	-	3.4	-

¹ Personnel converted to full-time employees (FTE).

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

³ The average voluntary turnover of permanent employees was 11.4 percent for office and production staff and 22.3 percent for store personnel. As is typical in the company's sector, the turnover of store personnel is somewhat higher than the average. Average turnover replaces the key figure used in the previous years: turnover of employees leaving (20.8; 16.1).

⁴ Calculated on theoretical regular working hours. Applies to employees in Finland.

⁵ Question in 2017: I know what sustainability means in our company's operations.

Key figures for responsible sourcing

	2018	2017	2016
Manufacturing in the EU, % of sales	66	69	67
amfori BSCI audited suppliers	22	19	19
Share of product purchases from amfori BSCI audited suppliers			
in non-EU countries, %	79	78	78
Share of product purchases from other audited suppliers			
in non-EU countries, %	19	19	19
Share of amfori BSCI audited suppliers with an acceptable result ¹	76	71	71
Violations to Code of Conduct related to use of child labour	0	0	0

¹ According to amfori BSCI's audit rating system an acceptable result is A (outstanding), B (good) or C (acceptable). The rating C requires, however, a follow-up audit.

A photograph of a modern, minimalist interior. In the foreground, a low wooden bed frame is covered with a blue and white striped duvet and several matching pillows. To the left of the bed, a clear glass vase holds a bouquet of bright yellow daisies. In the background, a white bookshelf is filled with numerous books. A tall, thin floor lamp with a circular base stands near a large window that looks out onto a bright outdoor area. The floor is a light, neutral color.

Reporting principles and GRI

This is Marimekko's sixth sustainability review. This material references disclosures from the Global Reporting Initiative (GRI) standards 2016. The GRI Content Index presents the standards or sections of standards referred to and the corresponding content in the report.

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 in the Helsinki head office and printing factory.

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 that were closed in summer 2013 is also included in the figures for the period 2013–2018. 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 parts of the organisation located outside Finland.

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 of the products purchased during the reporting period. The share of purchases from audited suppliers has been calculated based on purchases in euros from those suppliers and factories in non-EU countries, who have a valid social audit.

Material topics and their boundaries

The material topics identified by Marimekko and the process for identifying them are described in section "Sustainability at Marimekko" and the tables presenting the progress in each of our sustainability commitments on pages 16, 22, 26, 34 and 40. Some of the aspects concern Marimekko's own operations and some have been identified relevant, for example, at a 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 KPMG Oy Ab.

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 or contact us:

Saara Azbel
Sustainability Manager
saara.azbel@marimekko.com

GRI content index 2018

Disclosure		Included	Section/additional information
GRI 102: General disclosures 2016			
Organisational profile			
102-1	Name of the organisation	Yes	Marimekko in brief, p. 3
102-2	Activities, brands, products and services	Yes	Marimekko in brief, p. 3
102-3	Location of headquarters	Yes	Financial Statements 2018, Corporate Governance p. 69 (https://company.marimekko.com/en/releases-publications/annual-reports/)
102-4	Location of operations	Yes	Financial Statements 2018, p. 1 (https://company.marimekko.com/en/releases-publications/annual-reports/)
102-5	Ownership and legal form	Yes	Financial Statements 2018, Corporate Governance p. 69 (https://company.marimekko.com/en/releases-publications/annual-reports/)
102-6	Markets served	Partly	Financial Statements 2018, p. 4 (https://company.marimekko.com/en/releases-publications/annual-reports/). Only geographic locations reported.
102-7	Scale of the organisation	Partly	Key figures p. 44–45 (net sales, total number of employees)
102-9	Supply chain	Yes	Our value chain p. 10 Sustainable supply chain p. 26–27 Key figures p. 44
102-12	External initiatives	Yes	Sustainable and timeless design p. 18 Sustainable supply chain p. 28
102-13	Membership of associations	Yes	Sustainable and timeless design p. 18 Sustainable supply chain p. 28 Stakeholder engagement p. 43
Strategy			
102-14	Statement from senior decision-maker	Yes	From the President and CEO p. 8–9
102-15	Key impacts, risks and opportunities	Partly	From the President and CEO p. 8–9 Tables on p. 16, 22, 26, 34 and 40 Financial statements 2018, p. 14–15 (https://company.marimekko.com/en/releases-publications/annual-reports/) http://company.marimekko.com/sustainability/managing-sustainability/risks-and-opportunities

Disclosure		Included	Section/additional information
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Partly	Marimekko in brief p. 4 An inspiring and responsible workplace p. 40 https://company.marimekko.com/en/about-marimekko/core-values/ https://company.marimekko.com/wp-content/uploads/2017/12/Marimekko-Code-of-Conduct.pdf
Governance			
102-18	Governance structure	Yes	Financial Statements 2018, Corporate Governance p. 70-72 (https://company.marimekko.com/en/releases-publications/annual-reports/)
Stakeholder engagement			
102-40	List of stakeholder groups	Yes	Stakeholder engagement p. 43
102-41	Collective bargaining agreements	Partly	At the end of 2018, 77 (79) % of Marimekko employees in Finland were covered with collective bargaining agreements.
Reporting practice			
102-47	List of material topics	Yes	Reporting principles and GRI p. 47 Tables on p. 16, 22, 26, 34 and 40
102-48	Restatements of information	Yes	No restatements of information given in previous reports.
102-49	Changes in reporting	Yes	No significant changes in material topics covered and their Boundaries.
102-50	Reporting period	Yes	Reporting period is from 1st January to the 31st of December, 2018.
102-51	Date of most recent report	Yes	The previous review was published on 6 July, 2018.
102-52	Reporting cycle	Yes	The review is published annually.
102-53	Contact point for questions regarding the report	Yes	Reporting principles and GRI p. 47
102-55	GRI content index	Yes	GRI content index p. 48–52
102-56	External assurance	Yes	Reporting principles and GRI p. 47

MATERIAL TOPICS

Disclosure		Included	Section/additional information
GRI 103: Management approach 2016			
103-2	The management approach and its components	Partly	General approach to sustainability management, targets for material topics and management approach for sustainability in supply chain reported on the following pages: Sustainability at Marimekko p. 12 Tables on p. 16, 22, 26, 34 and 40 Sustainable supply chain p. 28
Economic value added			
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	Partly	Key figures p. 44–45 Financial statements 2018 (https://company.marimekko.com/en/releases-publications/annual-reports/)
Sustainable materials			
	Marimekko's indicator: Share of more sustainable raw material used in products	Partly	Sustainable and timeless design p. 17–18 Key figures p. 44
Resource efficiency			
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Partly	Resource efficiency and the environment p. 35 Key figures p. 44 Reporting principles and GRI p. 47 Figures are reported in watt-hours.
302-4	Reduction of energy consumption	Partly	Resource efficiency and the environment p. 35 Key figures p. 44 Reporting principles and GRI p. 47
GRI 303: Water and effluents 2016			
303-5	Water consumption	Partly	Resource efficiency and the environment p. 36 Key figures p. 44 Only total amount reported.
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Partly	Resource efficiency and the environment p. 35–36 Key figures p. 44 Only total amount of CO ₂ reported.
305-2	Energy indirect (Scope 2) GHG emissions	Partly	Resource efficiency and the environment p. 35–36 Key figures p. 44 Only total amount of CO ₂ reported.
GRI 306: Effluents and waste 2016			
306-2	Waste by type and disposal method	Partly	Resource efficiency and the environment p. 36 Key figures p. 44 Only total amount of waste and the utilisation rate reported.

Disclosure		Included	Section/additional information
Personal and professional growth of employees			
GRI 404: Training and education 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	Partly	An inspiring and responsible workplace p. 40–41
404-3	Percentage of employees receiving regular performance and career development reviews	Partly	Development discussions are held twice a year with each Marimekko employee.
Equality and diversity			
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	Partly	Key figures p. 45 Financial Statements 2018, Corporate Governance p. 70 (https://company.marimekko.com/en/releases-publications/annual-reports/)
405-2	Ratio of basic salary and remuneration of women to men	No	Aspect has been identified as material, but the ratio has not been reported due to lack of data.
Sustainable supply chain			
GRI 407: Freedom of association and collective bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Partly	No violations related to this issue in our supply chain came into our attention during the reporting period. The amfori 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. According to amfori BSCI risk classification, certain countries where Marimekko products are produced (e.g. China, India, Thailand), hold a higher risk in terms of freedom of association and collective bargaining.
GRI 408: Child labor 2016			
408-1	Operations and suppliers at significant risk for incidents 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. The amfori BSCI principles included in Marimekko's Supplier Code of Conduct include the prohibition of using child labour.
GRI 409: Forced or compulsory labor 2016			
409-1	Operations and suppliers at significant risk for incidents 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. The amfori BSCI principles included in Marimekko's Supplier Code of Conduct include the prohibition of forced or compulsory labour. According to amfori BSCI risk classification, of the countries where Marimekko products are produced, China holds a higher risk in terms of bonded labour.

Disclosure		Included	Section/additional information
GRI 412: Human rights assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	Yes	Sustainable supply chain, p. 30. The impact assessment covered Marimekko's direct suppliers in all countries except Finland and Sweden. For manufacturing countries see p. 27.
GRI 414: Supplier social assessment 2016			
414-2	Negative social impacts in the supply chain and actions taken	Partly	Sustainable supply chain, p. 28–30 Third-party amfori BSCI audits are conducted in the majority of the facilities of our partner suppliers located in risk-countries and corrective actions are monitored. Also our own personnel visit our partner suppliers' facilities.
Compliance			
GRI 416: Customer health and safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Yes	No such incidents during the reporting period.
GRI 417: Marketing and labeling 2016			
417-3	Incidents of non-compliance concerning marketing communications	Yes	No such incidents during the reporting period.
GRI 419: Socioeconomic compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Yes	No such fines or sanctions during the reporting period.
Anti-corruption			
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	Partly	The principles are included in Marimekko Code of Conduct and Marimekko Supplier Code of Conduct. 82 (78) per cent of Marimekko employees had completed the Code of Conduct e-training by the end of 2018. The amfori BSCI principles included in our Supplier Code of Conduct include the requirement for ethical business behavior. All direct suppliers are required to sign the Supplier Code of Conduct.



