

2022 Sustainability Progress Report

Maggie Marilyn

Executive Summary

In our continued commitment to transparency and accountability at Maggie Marilyn we are excited to share with you our 2022 Sustainability Progress Report. We do this to share the progress we've made against the targets we've set for our [2021/22 Sustainability Strategy](#). Because ultimately a strategy is just words on a page, the real work comes in delivering on that strategy.

Reflecting on the past year brings mixed emotions. 2021 was undoubtedly a trying time for many; another year of pandemic-related health concerns, loss of life, supply chain challenges and delays, travel restrictions and complications that impacted both our customers and the suppliers Maggie Marilyn depends on to operate and, ultimately, prosper. Along with the rest of the world, Maggie Marilyn has had to be nimble to such challenges and accept what is and isn't within our control, and more importantly find the strength and creative means to remain true to our founding values.

Key achievements of 2021 for Maggie Marilyn include the launch of RESTORE; an initiative which sees brand new but imperfect

Somewhere garments repaired to make whole again, the release of our [Regenerative Agriculture Report](#) where we spoke with industry leaders to understand the role Maggie Marilyn can play to ensure regenerative farming practices become the norm for fibre production, and the tangible improvements we have made in creating a working environment rooted in equality, diversity and inclusion.

The key challenges we faced in delivering on our targets during 2021 were primarily Covid-related. We were unable to produce our care and repair videos in 2021, but they will be released at the end of April this year. We also weren't able to run monthly charitable fundraising community events (we did sneak in a repair workshop in February between lockdowns), and the international auditors were unable to visit our NZ based manufacturers. All targets we expect to achieve this year instead.

The table below shares every target we set ourselves for the 2021 year and whether they were achieved, not achieved, or are in progress. Where applicable we have added notes for further context and / or information.

Maggie Marilyn continues to believe in an economic system that is circular, regenerative, transparent and inclusive, and we know this isn't something that will be achieved by the actions of one person, department, company, or industry alone. Which is why, now more than ever, we are grateful for the part every individual in our global community has played in our achievements to-date, and remain resolute that it is collective progress, not isolated perfection, that will edge us closer to Creating a Better World.

As always, we remain incredibly grateful for any questions, ideas or feedback you have on this report or our Sustainability Strategy more broadly.

With hope,

Team MM





Vision, Mission, Purpose, Values

Our purpose is to use fashion to Create a Better World.

Maggie Marilyn believes that our planet's survival hinges on its ability to dream up a better tomorrow, which is why we believe that the future of fashion is one rooted in transparency, circularity, regeneration and inclusion. An industry where clothing can be traced from farm to finished garment, where workers are treated with dignity and respect, and consumers understand the true cost and value of their clothing.

We believe that when it comes to affecting change you should start with what you know - and for us, that's fashion. When you let go of the grow more, buy more, discard more cycle, and find comfort in buy as you need, repair what you can and repurpose what you can't - that's when you'll find a home at Maggie Marilyn. A brand with a climate positive status, a steadfast commitment to its circular business model, and ambitious plans for a decarbonized, regenerative supply chain.

We believe that nothing is impossible when you combine collective force with brave ideas, so from the deep South of our tiny island to wherever in the world you call home, we promise to help you make smarter choices today for your someday.



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Table of Progress

Below is a table of our stated targets to achieve in 2021 and the progress we have made on each one.

CIRCULARITY AND REGENERATION

OBJECTIVE				
Extend the life of our garments through caring, repairing, and changing attitudes.				
END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Caring				
Produce videos on how best to care for your clothes.			♥	Delayed due to local COVID restrictions. We will be releasing these at the end of April 2022.
Continually advocate and educate on caring for your clothes through our store, and our communication channels.	♥			During the year we engaged through social media on this topic with 5 instagram posts that specifically spoke to caring for clothes, we continue to revise our 'take care' page on our website and our in-store changemakers communicate best practice to our customers face to face and through our online support. Additional to this we held a community event, 'How to stitch a Button' in Feb 2021, with Renee Williams from That Perfect Hour. 15 people from our community attended.
Repairing				
Produce repair videos teaching how to do basic repairs			♥	Delayed due to local COVID restrictions. Videos have been produced and will be released from May 2022.



END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Provide basic repair kits to our customers			♥	We have a range of repair kits for garments available for purchase. This includes puffer patches for holes, needle + thread for button repairs and need + yarn for darning holes. These are complete and will be available via our website from May 2022.
Produce videos on how best to care for your clothes.			♥	Delayed due to local COVID restrictions. We will be releasing these at the end of April 2022.
Establish a repair service for all NZ and Aus based customers			♥	We currently repair garments in house for our customers on request, however we are actively working on a return solution through our website. This is scheduled for the end of May 2022.
Run a communication series celebrating stories about repairing MM garments.	♥			We achieved this through the successful launch of Restore (repaired MM garments) in Feb 2022 and the subsequent sharing of imagery from our customers on our social media channels. We will continue to celebrate repairs following our Repairs launch in line with targets above.

Attitudes

Ending our wholesale sales	♥			During our first 3 years in business we encountered extreme push back and lack of commitment from wholesale partners towards facing up to the industry's climate associated problems. We made a values based decision to change our business model and stop selling to wholesalers. You can read more in WWD , Good Magazine and Vogue . We called the movement 'Our last season' as an indication that we were moving away from the seasonal fashion calendar.
Run a campaign encouraging the rewear of garments.	♥			We launched The Archive of MM Forever pieces, reworked and reimagined for our customer in Feb 2022, and shared imagery and messaging via our social media channel.



OBJECTIVE Begin implementing infrastructure to ensure no MM garment ends up in a landfill or incinerator

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Investigate implementing a take-back scheme in NZ and Aus allowing any MM garment to be sent to our HQ to be repaired, refurbished, recycled, or composted.	♥			We have been busy behind the scenes working this into our operational strategy. We are launching this at the end of May 2022.

OBJECTIVE To achieve 100% traceability of deadstock fabrics

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Influence the fashion industry to improve traceability of deadstock fabrics.			♥	This is an ongoing challenge for us and the industry. We continue to have conversations with our Deadstock suppliers about the transparency of their supply chain. Encouragingly for us all there are some exciting technologies coming available that will radically improve traceability of Deadstock. We will continue to push to achieve our ultimate goal of 100% traceability of our Deadstock.

OBJECTIVE Offset more carbon than we emit to become a carbon negative business¹

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
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Complete our carbon reduction plan which includes:

Reviewing all international freight and set targets to reduce airfreight.			♥	In line with the considerable 72% reduction of emissions from air freight directly related to our business model change in 2020 further reductions moving forward will be minimal. Although we have a strict 'sea freight first' policy we have not set specific air freight related emissions reduction targets. We continue to monitor these closely through our production and distribution strategy including the proximity of fibres to manufacturing sources, and longer term international DC centres.
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END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Reducing air travel by assessing each trip individually, implementing a travel policy and utilising video conferencing for communication with overseas partners			♥	This has been heavily impacted by COVID-19 and we are heavy users of video conferencing technology. We are highly aware of our travel related emissions and have continually have to balance emissions reductions with relationship management that can be achieved from face to face meetings. We finalised our travel policy in March 2022.
Reducing our petrol use by providing eco-driving awareness tips and improving our route planning	♥			The team plans their morning and afternoon routes to ensure they are minimizing excess driving where possible. The use of couriers is also encouraged wherever possible.
Investigate the opportunities to switch our vehicles to electric.	♥			We investigated this and we are proud to share that we are switching to an electric van as of April 2022.
Purchase high-quality carbon credits that offset more GHGs than we emit.	♥			We offset our emissions by 125% with Toiu's verified carbon credits (you can read more here)
Engage with logistics and freight partners to influence emissions reductions.		♥		Due to the extreme pressures on our freight partners caused by COVID we will revisit this target at a later date. Our emissions associated with freight are offset as above.
Offer our customers the opportunity to offset their postage related emissions.		♥		We made the decision to delay this with a new website scheduled for the end of May 2022, as we do not currently have the functionality on our site.

¹ Carbon negative means we offset more tonnes of GHGs than we are responsible for emitting. Confusingly this is also called by some as 'carbon positive', or 'climate positive'.



OBJECTIVE Begin transitioning all natural fibres to be sourced from growers practicing regenerative agriculture.

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Undertake research and stakeholder engagement to deeply understand regenerative agriculture and the farming practices of our existing growers.	♥			See our report - Note due to the interest we had in this topic we extended our research time taking us into the start of this year as well.
Produce a report of our findings.	♥			See our report - Note this report was released this year.
Define what RA means to MM.	♥			See our report - Note this report was released this year.
Facilitate discussion on RA with like minded industry peers.			♥	Having released the report in mid March we are yet to engage our industry peers in any deliberate way but have had initial conversations with some to date.
Run a campaign to educate customers on RA.			♥	Due to the extended research time and later release of the report we have only managed an Instagram Stories engagement so far. We will continue to inform our community on our learnings from the report throughout this year.

OBJECTIVE Establish Circular Packaging²

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Provide an option for online customers to select reused packaging.		♥		We made the decision to delay this with a new website scheduled for the end of May 2022.
Transition all e-commerce packaging to be certified compostable.	♥			All our e-commerce packaging is certified home compostable.



END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Be a voice for the improvement of composting infrastructure in NZ.		♥		On further investigation of this target we appreciated we are not in a position to have much, if any, influence on the composting infrastructure in NZ.
Investigate reusable packaging systems.	♥			We have, and continue to, investigate reusable packaging solutions. Watch this space!

² Circular Packaging means that all packaging we use can be either reused, recycled or composted

INCLUSION, DIVERSITY, AND EQUALITY

OBJECTIVE: Ensure the highest standards of ethics and employee care in our supply chain.				
END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
If COVID allows, complete our first manufacturer audits in February 2021 (these were booked and a deposit paid for pre-COVID)		♥		COVID didn't allow us to undertake these audits. With recent changes to border restrictions in NZ we expect to have these completed in 2022.
Develop a supplier onboarding process and qualification criteria to ensure they met all our minimum requirements. (See our Supplier Code of Conduct)	♥			We have an internal onboarding process helped developed by an external consultant which we use as discussion and check points with new suppliers. This has been especially relevant in the challenging time of COVID where we have been unable to travel.



END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Investigate pay rates through our supply chain and the fashion industry as a whole to understand how we can ensure all those in our supply chain earn a discretionary income.			♥	We have opened up these discussions with our suppliers and manufacturers both locally and globally around how MM can ensure this is upheld when working on our garments. We are currently mapping the regional / national pay rates for the suppliers we work with to establish existing pay rates, and investigating what this looks like from both sides as an official commitment between our suppliers and MM.
Review our Supplier Code of Conduct to ensure it is up to date with our expectations, values, and mission.	♥			We had an external consultant review and amend our SCOC to ensure it is up to date with changes in the industry and continues to align to our values and purpose. You can see it here .

OBJECTIVE Create a working environment of equality, diversity, and inclusion.

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Implement our recruitment and interview processes.	♥			Our interviews follow a standardised format and include set questions, blind reviews by multiple stakeholders and a post-interview debrief process to ensure comparability across candidates, and are conducted by multiple Change Makers to minimise the impacts of unconscious and affinity biases. We follow up with all unsuccessful interviewed candidates to provide them feedback and transparency on our decision; All Change Makers who leave Maggie Marilyn will participate in exit interviews that include questions on inclusion.
Implement random customer and supplier questionnaires.			♥	To date we have sent out a questionnaire to our community to understand what our customers expectations are in regards to a take back programme. We have more work to do in this space in 2022.
An even representation of ethnicities ages, genders and sizes in all our visual content.	♥			At the time of writing this our head office team is made up of 12 full time and 3 part time Change Makers. Two of whom identifies as male, one of whom identifies as non-binary and fifteen of whom identify as female. 16 of whom identify as New Zealanders with German, Portuguese, Greek, South African, Irish and Korean ancestry. One who identifies as Pakistani Pashtoon.



END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Provide a career development budget of \$400 annually to all staff.	♥			The Individual Training Allowance is intended to help Maggie Marilyn employees upskill and train in their chosen field. Each full time employee will be allocated \$400 per year to use on books, tuition fees, seminars or extra curricular learning. Maggie Marilyn will supplement individual training with group training that is applicable to larger groups (for example management training).
Implement regular talks from outside professionals around health, well being, and career development.	♥			We recently had <u>Rosy from Mindschool</u> come to talk about mindfulness in the workplace earlier in the year, we also had <u>Briony from Untapped</u> talk to the team about building positive habits at work and knowing your core values.

SHARED PROSPERITY AND TRANSPARENCY

OBJECTIVE B-Corp certification				
END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Get B-Corp Certified			♥	We submitted our B-Corp application in September 2021. Due to the demand for B-Corp certification there are long delays to have applications verified, but we are hopeful to achieve this by June 2022.



OBJECTIVE Supporting our local community

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Collaborate with Nga Puhi to build a clothing manufacturing facility in Kaikohe, Northland.		♥		This project is one that has been directly affected by funding reductions as an impact of COVID. We have reassessed our Manufacturing Operational strategy longer term as we have learnt to adapt through these COVID times and put this target on hold until further notice. We hope that some time in the future our growth is at a point where this aligns with the funding required to implement this target.
Run monthly charitable fundraising community events.		♥		In person events have been severely impacted by COVID restrictions. We will re establish these this year, and have reached out to our community to ask what they would like to see us run as our first event.

OBJECTIVE 100% Transparency

END OF 2021 TARGET(S)	ACHIEVED	NOT ACHIEVED	IN PROGRESS	NOTES
Produce a bi-annual sustainability report.	♥			You can read our report here .
Continue to communicate where our garments are made and from where our fabrics are sourced.	♥			This information is readily available with the tiers of our supply chain communicated for each garment on our website.
Visit all tiers of our supply chain here in NZ.	♥			Despite covid-19 restrictions, we still regularly visit our local manufactures and have managed trips to our NZ-based fibre growers throughout the year.





Other Achievements

Outside our stated targets in the sustainability strategy we have achieved the following relevant outcomes.

Repair Workshop

In between lockdowns in February 2021, we were fortunate to run a repairs workshop with Renee Williams from That Perfect Hour. This event involved 17 of our community coming together at MM HQ to learn how to securely sew a button with a needle and thread, darn a hole and stitch two pieces of fabric together. It was a hugely successful evening, and we received feedback from our community that it was something they could practically implement into their lives - like the next time they lost a button on a shirt!

Restore Launch

In February 2022 we introduced Restore; an idea we've been sitting on since launching Somewhere three years ago. Every year, unused fabric costs the fashion industry more than \$120 billion - and it costs the planet even more. Burning or dumping unsold garments remains one of the fashion industry's

ugliest habits and is yet another example of how broken the current system is. One of the causes for fabric or product deemed "unusable" is the mistakes that occur in the production process. For Maggie Marilyn, this impacts around 2% of our stock. A stitch out of place, a drop of dye that ended up where it shouldn't, a thread of merino that went awry. An otherwise perfect garment that couldn't be sold. Introducing: Restore. Brand new, never worn Somewhere garments, reduced in price and restored to make whole again. Every garment's imperfection has been concealed by one of MM's signature heart motifs, meaning that no two items are the same - making them all the more special. We consider it giving the garment a second life, except, really, this is just the beginning.

CarbonZ

We have pre-purchased 78 credits (78 tCO₂-e) from a new carbon offsetting venture, CarbonZ. CarbonZ is a start-up venture that uses satellite technology to allow marginal rural land that has traditionally been excluded from existing carbon credit markets to now be traded with individuals and organisations who wish to

offset. We will be sharing more on this when CarbonZ officially launch.

Awards and Nominations

With our 74% reduction in GHG emissions from 2019 to 2020 we were finalists in the Toitū Brighter Future Awards 2021 for two categories.

- Toitū Brighter Future Award for Climate Action (small organisation), and
- Toitū Brighter Future Award for Climate Action (Top Reducer: closest to zero)

We were finalists for the Excellence in Sustainability award at the New Zealand Trade and Enterprise (NZTE) [New Zealand International Business Awards 2021](#).

We received a commendation for the Going Circular Award, and Maggie was a finalist for the Change Maker Award at the Sustainable Business Networks 2021 [Sustainable Business Awards](#).



Business Growth

TEAM GROWTH

Team grew over 18% over 2021

KEY BUSINESS CHANGES

2021 has been a challenging time for global and local supply chains, and we will see this through 2022 as well, but our business has adapted, focusing our energy on things within our control.

As the business has grown, our Manufacturing and Operational strategy is in constant revision to ensure we are eliminating all unnecessary or avoidable use of resources, in all forms. This has meant we have reduced our use of virgin / raw materials, limited movement of goods to reduce additional handling and transportation, which (amongst other measures) has led to greater efficiencies, despite the challenging times. We have felt the effects of inflation at all stages of our supply chain, experiencing an increase of 10-16% in the cost of raw materials alone.

We remain committed to our local New Zealand manufacturing industry, while continuing to establish long term global partnerships. Now more than ever we've realised resilience comes

from a combination of local and global supply chain partners.

Beyond this, due to lockdowns in New Zealand, our stores had forced closure for the majority of quarter 3 and 4. This directly affected sales and although we saw some increase online, we had to restructure deliveries to allow for this decrease in sales.

Updates to Our Strategy For 2022

As we do every year when we review the progress we have made on our sustainability strategy we also review the targets we set for the following year. This ensures that our 2022 targets are still in-line with our stated objectives. It also ensures that any targets we missed in the previous year are moved over, and targets we achieved a year early are removed, or expanded on.

The targets we have amended are as follows.

TARGET	NOTES
Produce videos on how best to care for your clothes.	To be released end of April 2022
Produce repair videos teaching how to do basic repairs	To be released in May 2022

TARGET	NOTES
Continue to monitor freight related emissions and identify opportunities for further reductions.	Ongoing.
Engage with logistics and freight partners to influence emissions reductions.	We intend to approach this with our freight partners this year.
Offer our customers the opportunity to offset their postage related emissions.	Launching with new website end of May 2022.
Provide an option for online customers to select reused packaging.	Launching with new website end of May 2022.
If COVID allows, complete our first manufacturer audits in February 2021 (these were booked and a deposit paid for pre-COVID)	2022.
Investigate pay rates through our supply chain and the fashion industry as a whole to understand how we can ensure all those in our supply chain earn a discretionary income.	Continue this work, with the intention of establishing the benchmark for pay amongst MM supply chain workers.
Run monthly charitable fundraising community events.	These will be underway again from May 2022.





Final Word

“Unprecedented...”, “Catastrophic...”, “Beyond crisis point...”, “Never-seen-before...”

Phrases like the above have dominated headlines and undeniably impacted Maggie Marilyn’s journey over the past 12 months, but, as evidenced in the achievements outlined in this report, they haven’t impacted our defiance or determination to use fashion to Create A Better World - and that is what I am most proud of.

I’ve never been more grateful or excited about the opportunity to use fashion as the tool through which Maggie Marilyn has a positive impact on the world, nor have my team or our customer felt more connected to that impact.

The Maggie Marilyn customer is increasingly aware of what impact their consumption habits have on the health of the planet and we’ve seen this not only in their support of Maggie Marilyn but also in their engagement in conversations centred on topics like transparency, regenerative farming and circularity. Our social media posts on the climate crisis are garnering more attention, and initiatives like our RESTORE collection, which seeks to reshape how a person views an imperfect garment, had a sell-through of over 90% within 45 minutes of launch.

It is with this momentum that we now set our sights towards our most important innovation yet, which will see the research published in our Regenerative Agriculture Report put into action (more on this soon!).

As always, thank you for being a part of our community and we remain grateful for your feedback, questions and ideas.



