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marimekko

Sustainability Review 2020

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# Marimekko in brief

Marimekko is a Finnish lifestyle design company whose original prints and colors have brought joy to people's everyday lives for 70 years already. Our product portfolio includes high-quality clothing, bags and accessories as well as home décor items ranging from textiles to tableware.

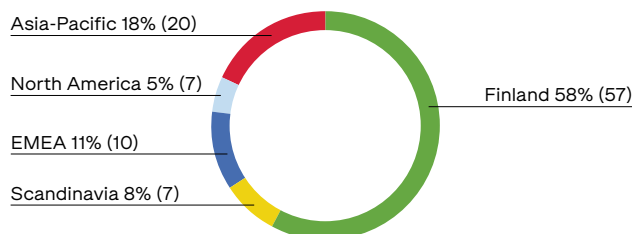
Since the very beginning, our operations and design philosophy have been based on longevity: we want to offer our customers timeless, functional and durable products that give them long-lasting joy. In best cases, our products are passed on from one generation to the next.

When Marimekko was founded in 1951, its unparalleled printed fabrics gave it a strong and unique identity. Today, around a million

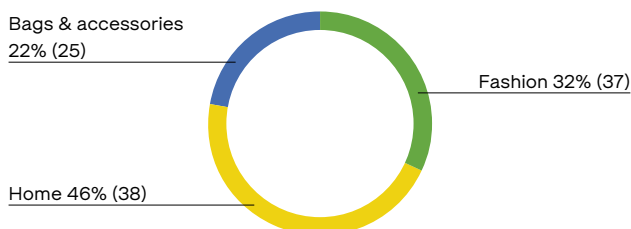
meters of fabric are printed every year in our own printing factory in Helsinki. Serving also as a test laboratory for our creative community, the modern factory enables us to participate in various sustainability development projects and thus move the entire industry forward towards a more sustainable future.

Globally, there are roughly 150 Marimekko stores, and online store serves customers in 34 countries. Flagship stores are located in Helsinki, Stockholm, New York, Tokyo and Sydney. Our key markets are Northern Europe, the Asia-Pacific region and North America. In 2020, brand sales of our products worldwide amounted to 286 million euros and our net sales were 124 million euros. We employ about 420 people.

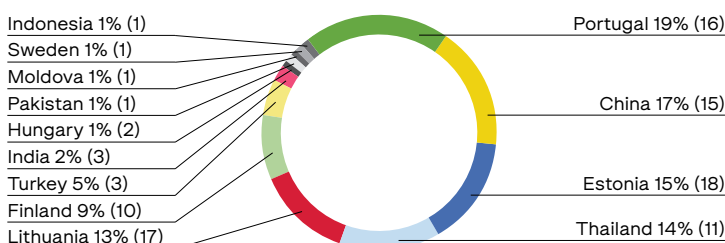
**Net sales by market area, 2020**



**Net sales by product line, 2020**



**Main manufacturing countries, 2020**



# Purpose

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

# 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"  
crystallizes 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.







# Highlights in 2020

In early 2020, we launched an even more comprehensive care guide in our online store to help consumers extend the lifetime of our products, in an environmentally conscious manner.

We updated the supplier list on our website, aligning the list's contents with the requirements of The Apparel and Footwear Supply Chain Transparency Pledge.



Marimekko was recognized as the industry winner in the fashion brand category according to Sustainable Brand Index™ 2020 in Finland, a brand study on sustainability within the B2C market in Finland.

Equality and authenticity have been important values for Marimekko since our earliest days. To promote the discussion around equal rights, we have proudly been one of the official partners of the rainbow-colored culture and human rights event Helsinki Pride since 2018. In 2020, Marimekko also issued official Helsinki Pride products.



Together with the Finnish fiber technology company Spinnova, we presented the first-ever printed clothes made with Spinnova's wood-based fiber containing no harmful chemicals. The demo products were designed, printed and sewn by Marimekko in Helsinki. Later in 2020, the collaboration was chosen as a finalist in Fast Company's prestigious Innovation by Design Awards.

In celebration of International Women's Week 2020, we contributed to Plan International's project helping 400 young women in Ethiopia and Uganda to develop their IT skills. Learning how to use the internet and office software, programming and image processing will enhance their ability to gather information and find employment.



During the Fashion Revolution week 2020, we continued our open dialogue with end users by answering some of the most frequently asked questions on our sustainability work. In addition, our Behind the Patterns Q&A session in social media was held six times during the year with an average of 23,300 unique viewers per session.



The open-air summer fashion show traditionally held in Helsinki, was transformed into an inclusive digital runway, inviting people around the world to participate.

Marimekko was ranked 2nd by business professionals on Finland's Most Attractive Employers list for the second year in a row. The survey was conducted by Universum, a global research company that focuses on employer branding.



Marimekko's digital presentation at Copenhagen Fashion Week was filmed in our textile printing factory in Helsinki. In addition to our pre-spring 2021 collection, the presentation featured a selection of vintage gems from past decades as a nod to our commitment to truly timeless design.

We want to constantly reduce our emissions.

In addition, we want to slow down the climate change by offsetting the remaining emissions. In 2020, our own operations, including our printing factory, offices and our own retail stores, became carbon neutral.

Read more on page 41.



During the year, we reviewed and updated our internal processes and policies to further enhance the way equality, diversity and inclusion are addressed in our everyday work. In December, we organized online training for all personnel.



In November, we shared the exciting news that we will launch our first garments, bags and home items printed with a natural dye as part of our fall 2021 collection. The dye was developed in collaboration with Natural Indigo Finland, starting with test printing in August 2019. Read more on page 24.

We want to be at the forefront of developing more sustainable products and practices and therefore, in our new sustainability strategy published in December 2020, we raised our sustainability targets both for our own operations and for the entire value chain to a new, markedly more ambitious level. Our long-term vision is that our operations leave no trace on the environment.

Read more on pages 12–13.



# From the President and CEO

In the past years there has been a clear shift in consumers' values with an increasing preference for more sustainable choices and, during the exceptional year 2020, this trend was further accelerated by the coronavirus pandemic. At Marimekko, our operations and design philosophy have since the beginning of our company been based on a sustainable approach: we want to offer our customers timeless, functional and durable products that bring them long-lasting joy and that they will not want to throw away but instead pass on to the next generation. We believe that this tradition paired with our high ambition to further enhance our sustainability makes the value-based, timeless and unique Marimekko lifestyle brand more relevant than ever.

2020 marked the final year of our previous sustainability strategy cycle, which started in 2016. Looking back at this period, we can see that we were able to show consistent progress in each of the focus areas of the strategy. When it comes to increasing the share of more sustainable materials, we raised the share of Better Cotton from 31 percent in 2015 to 82 percent in 2020, participated in several innovation initiatives – the loncell™ project and collaborations with Spinnova and Natural Indigo Finland – and prepared a new, ambitious material strategy that will guide our material choices from 2021 onward enabling us to continuously reduce our environmental footprint. To lengthen the life cycle of our products and to promote the circular economy, we collaborated with the secondhand retailer Vestis in Finland and, towards the end of the strategy period, published an extensive care guide to help consumers keep

good care of our products as well as planned our first own resale pilot, which will be launched in 2021. We continued to improve sustainability in our supply chain by, for example, introducing a new internal system to enhance traceability and strengthening our human rights due diligence processes. As for environmental sustainability, we managed to reduce the emissions of the Marimekko House in Helsinki by 80 percent from the year 2015, mapped the emissions impact of our own operations more broadly and started several initiatives to further decrease our emissions in the future. And as planned, we increased dialogue with our community around sustainability topics through, for example, our Behind the Patterns Q&A sessions in social media, which were launched in 2019.

The highlights of our continuous work in 2020 included the successful testing of plant-based dyes in collaboration with Natural Indigo Finland. Our first products printed with these dyes will be available in stores in July 2021. To better inform consumers about our material choices, we launched on-product sustainability hang tags that highlight the more sustainable materials or techniques used. Despite the coronavirus pandemic, we were able to conduct third-party audits in factories located in risk countries and, as a result, 100 percent of our purchases from countries outside the EU were covered by social audits in 2020. We are committed to respecting human rights in all our operations and the audits are one of the many tools which help us monitor the fulfillment of those rights and overall our values and sustainable sourcing principles in



our supply chain. Also, through continuous development and emissions offsetting, we achieved carbon neutrality in our own operations, covering our printing factory in Helsinki as well as our offices and our own retail stores globally.

The work done during the past years provides us with a solid foundation to take our actions to an even more ambitious level. In December 2020, we published our new sustainability strategy and targets for 2021–2025. In line with our values, we see it as our duty to strongly promote sustainability in our value chain and, through the power of our example, to drive the whole fashion and textile industry forward towards a more sustainable future. The new strategy and the ambitious goals therein are built around three guiding principles: timeless design brings joy for generations to come, the products of tomorrow

leave no trace, and positive change through fairness and equality. We believe that, in the future, timeless and sustainable products will be made in balance with the environment, in line with the principles of the circular economy, and with full transparency, starting with raw materials. We recognize that we cannot reach our vision alone and are therefore also committed to driving innovation in technologies, materials and business models through collaboration with various actors. For us at Marimekko, sustainability work is a joint commitment and about continuous improvement together with our staff, partners and other external stakeholders, and we invite you to come along.

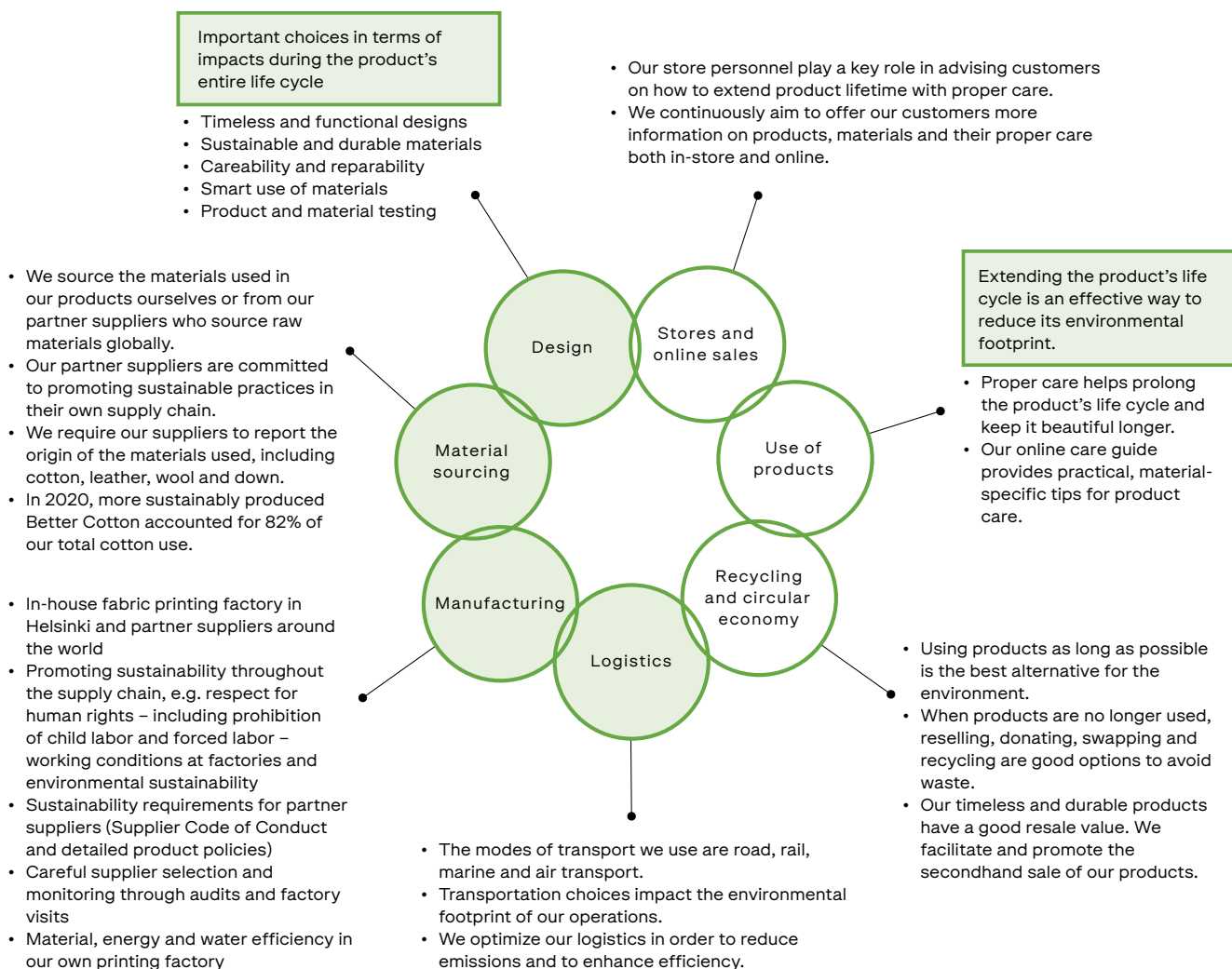
Tiina Alahuhta-Kasko

# Our value chain

Marimekko is a Finnish lifestyle design company that designs, produces, sources, markets and sells clothing, bags and accessories, as well as home décor items ranging from textiles to tableware. Our business model is based on a variety of distribution channels including our own Marimekko stores, outlet stores and e-commerce (retail), partner-owned Marimekko stores, shop-in-shops and e-commerce, wholesale customers such as department stores and multi-brand stores as well as e-tailers (wholesale), and licensing.

We have our own printing factory in Helsinki, in which a large part of our printed fabrics, used across the product lines, is produced. The factory also serves as an innovation hub for our key differentiator, the art of printmaking, and enables active participation in research and development projects focusing on improving the sustainability of operations.

Value chains in the textile industry are complex, involving many different players. At the moment, we can trace the supply chains at least two steps upstream. Further improving the transparency and sustainability throughout the value chain demands patient work, both within our company and in cooperation with other actors in the sector. The greatest possibilities for achieving positive impacts lie within our own operations – design, material choices as well as material, energy and water efficiency in our in-house printing factory – and in our value chain, especially through cooperation with our suppliers and logistics partners. Our medium-term target is full transparency up to raw materials and, in the long term, we aim to achieve a circular value chain that brings long-lasting joy in balance with the environment and ensures fairness to everyone.







# Sustainability at Marimekko

Sustainability is in Marimekko's DNA and sustainability considerations are part of our daily work at Marimekko. Our design philosophy and our operations have always been based on a sustainable approach: we want to provide our customers with timeless, functional and durable products that bring them long-lasting joy and that they will not want to throw away but pass on to the next generation.

## Marimekko's approach to sustainability

Sustainability is one of the most transformative megatrends impacting the fashion and textile industry and an increasingly important consideration in the choices of consumers. The coronavirus pandemic further accelerated this trend in 2020. In line with our values, we want to be at the forefront of developing more sustainable products and practices and, through the power of our example, to move the entire industry forward towards a more sustainable future. For us at Marimekko, sustainability work is a joint commitment and about continuous improvement together with our staff, partners and other external stakeholders. In addition to striving to improve day by day in our own operations, we engage with various industry networks, as we believe that collaboration is the most effective way to promote sustainable practices in the sector and to achieve change on a broader scale. Collaboration is also essential to drive the innovations in technologies, materials and business models needed to ultimately reach our long-term vision of a circular value chain that brings long-lasting joy in balance with the environment and ensures fairness to all participants.

At Marimekko, sustainability is part of day-to-day management and business development. Our governance model for developing and managing sustainability matters consists of the following elements:

- The Board of Directors approves the sustainability strategy, including related key targets, as well as annual sustainability reviews.
- The Management Group sets targets and follows the progress on at least a bi-annual basis. Risks related to sustainability matters are addressed as part of consolidated risk management.
- Each business unit and function is responsible for the actions relating to their own areas in order to reach the shared targets.
- The business development and transformation team coordinates the design and piloting of new business models supporting Marimekko's sustainability philosophy. The team is also responsible for the execution of the company's transformation program. Sustainability work is supported and coordinated by the Sustainability Manager.

## Setting the foundation for more ambitious targets

The year 2020, the reporting period of this review, was the final year of Marimekko's previous sustainability strategy extending from 2016 to 2020. The strategy comprised five commitments that were defined as key priorities in Marimekko's sustainability work: designing timeless, long-lasting and functional products; inspiring and engaging customers and staff; promoting responsible practices throughout the supply chain; being resource efficient and caring for the environment; and offering an inspiring and responsible workplace. In 2016–2020, we were able to show consistent progress in each of the commitments and the targets set for them. In the different sections of this review, you can read in more detail about the achievements. During the past five years, we have built a solid foundation that enables us to take our sustainability actions to an even more ambitious level. Our new sustainability strategy and targets for 2021–2025 as well as key development projects were published in December 2020. Our sustainability review for 2021, to be published in spring 2022, will be the first to report on the implementation of the new strategy.

## 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 review, we present the goals we mostly contribute to through our sustainability work. The relevant SDGs are mentioned in the tables that show our progress toward each of our sustainability targets on pages 16, 22, 28, 36 and 44. In addition, collaboration and partnerships, reflected in the SDG 17, have a key role in our sustainability work.



## At the forefront of developing more sustainable products and practices



In December 2020, we published our new sustainability strategy for 2021–2025 and raised our sustainability targets both for our own operations and for the entire value chain to a new, markedly more ambitious level. The focus areas of our sustainability strategy and work have been determined based on the Marimekko brand and the company's vision and values paired with analyses looking at megatrends affecting the fashion and textile industry, consumer trends and insight, studies on sustainability factors in the whole value chain and benchmarking of industry practices, stakeholder dialogue and input from employees. Our sustainability actions cover the product life cycle from materials to end use.

Our road map towards a more sustainable future is built on these three guiding principles:

### Timeless design brings joy for generations to come

We aim to continue creating new classics – high-quality products that stand the test of time. Our objective is that, during their lifetime, Marimekko items bring joy to many different consumers, even generations, after which they are finally recycled into new products.

### Positive change through fairness and equality

We want to promote the implementation of fairness and equality in our value chain and see to it that our entire value chain is

built on these principles. We will continuously provide more information about the origin of our products, ultimately aiming at full transparency of our operations and supply chain, starting with raw materials. We will also extend audits to second-tier suppliers in risk countries. By actively collaborating with other players in the industry, we can promote sustainable practices and drive positive change across the whole sector.

### The products of tomorrow leave no trace

We have launched several projects to significantly reduce emissions in our entire value chain – it is our intention to align our emissions-related targets with those of the Paris Agreement. We commit ourselves to reduce the environmental footprint of our textile materials by 30 percent (measured in the Higg Material Sustainability Index) by the end of 2025 through using more sustainable materials and to cut it further by 2030 by adopting new material solutions. We also aim at reducing emissions from logistics by 50 percent by the end of 2025. As a result of continuous development work and emission offsetting, our own operations became carbon neutral in 2020.

[Read more about our targets and key initiatives on our website.](#)

We are not about disposable 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 2020	Status 2020	UN SDGs
<b>We offer durable, high-quality and functional products.</b>	Share of products subject to claims 0.5% of products sold	The share of products subject to claims was 0.4% (0.3).	● ● ●	12: Responsible consumption and production
<b>We increase the share of sustainable cotton in our products.</b>	Increasing the share of Better Cotton of the cotton annually sourced in the supply chain	The share of Better Cotton was 82% (96) <sup>1</sup> . The share decreased as some of the Better Cotton sourced in 2020 was recorded in the monitoring system only in 2021 and we increased our use of recycled cotton.	● ●	6: Clean water and sanitation, 12: Responsible consumption and production
<b>We increase the share of other more sustainable raw materials used in our products and packaging.</b>	Supporting research projects related to developing new more sustainable materials and continuously evaluating opportunities to use more sustainable materials	Together with the Finnish fiber technology company Spinnova, we introduced the first-ever printed demo clothes made of Spinnova's fiber. We continued our collaboration with Natural Indigo Finland and designed Marimekko's first garments, bags and home items printed with a natural dye.  Plastic use at our central warehouse increased by 3 tonnes due to growing online sales as well as the practices of the new warehouse partner. We have already made adjustments to these practices e.g. by minimizing the use of plastic filling materials in packages.	● ● ●	12: Responsible consumption and production
<b>We contribute to the circular economy with related projects and services.</b>	Participation in projects which support the circular economy	We continued to increase the use of recycled materials in our collections.  We analyzed business models for resale services, started a collaboration with a rental service provider and began working on a pilot to resell pre-loved Marimekko dresses.  The garment collecting events planned with Vestis, a Finnish retailer of secondhand clothing and accessories, had to be canceled due to the coronavirus pandemic.	● ●	12: Responsible consumption and production

<sup>1</sup> The Better Cotton Initiative changed their calculating guidelines in 2020. The comparison figure for 2019 has been adjusted accordingly.

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

### Long-lasting products with minimal waste

Marimekko has never been about disposable fashion – instead, our design philosophy has always been based on timeless and durable products that give people long-lasting joy. A long-lasting product is a key component in improving sustainability in the fashion industry, as, for example, wearing items twice as long can reduce the industry's emissions by up to 44 percent.<sup>2</sup>

At Marimekko, sustainability considerations are an integral part of design and product development. Our aim is to make designs that stand the test of time and are also relevant for today's consumers. Our collections are well thought out and

continuously seek inspiration from our archival prints and styles. The objective of ensuring the long-lasting nature of our products is also reflected in our material choices, making the quality and longevity of materials a key consideration in the selection.

Decisions made in the design phase also affect material consumption. For example, the amount of cutting waste can

<sup>2</sup> Ellen MacArthur Foundation, A new textiles economy: Redesigning fashion's future (2017, <http://www.ellenmacarthurfoundation.org/publications>).

be reduced by considering the use of the print design and its positioning on the fabric, as well as by designing products of different sizes from the same fabric. If material remains from fabrics purchased for our collections, we use the leftover materials as special products for our collections or campaigns. We also sell the leftover fabrics in our outlet stores. In 2020, we developed and produced upcycled bags made by utilizing leftover fabrics from previous production runs. Further, we started to collect leftover dyes from our own printing production and utilize them in printing new products. The resulting color mix depends on the colors used for printing at that time and gives each product a unique color. Both the upcycled bag series and the products printed with leftover dyes were launched in our first collection for 2021.

### Longer life cycles based on quality control

We control the quality of our products through in-house processes, testing in third-party laboratories, and third-party production checks at our suppliers' factories. We have our own textile laboratory in Helsinki, where tests, for example, for shrinkage, color fastness and abrasion resistance are carried out. New products and materials are tested in normal use before they are sold to customers. Our target is to keep the share of products subject to claims at 0.5 percent of the products sold per year. In 2020, the figure was 0.4 percent (0.3). During the year, we developed our quality management system to even better ensure the long-lasting nature and functionality of our products.

### Longevity and sustainability through material choices

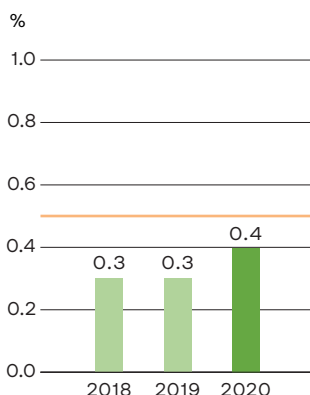
We want to create items that truly last in use, and thus a key consideration for us when choosing materials is their quality and longevity. In addition, recognizing that through material choices we can reduce environmental impacts in our upstream value chain, we are committed to increasing the share of sustainable cotton and other more sustainable materials in our products.

In 2020, the share of more sustainable materials of all textile materials (including leather) used by Marimekko was 72 percent (71).

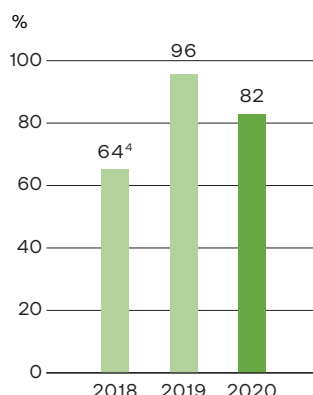
Cotton is the world's most used natural fiber and also Marimekko's most used raw material. From a longevity point of view, cotton is superior to many other natural materials in terms of how well the fabric and colors stand the test of time. Through our long history of printing cotton at our own factory, we have become specialists in printing even quite challenging patterns and color combinations.

As for sourcing sustainable cotton, Marimekko has so far chosen to use mainly Better Cotton. We joined the international Better Cotton Initiative in 2013, and since then we have significantly increased the share and volume of Better Cotton sourced. In 2020, we sourced about 864 tonnes (995) of Better Cotton, representing 82 percent (96)<sup>3</sup> of all the cotton sourced and 65 percent (66) of all the textile materials used by us. The share of Better Cotton decreased as some of the Better Cotton sourced in 2020 was recorded in the monitoring system only in 2021 and we increased our use of recycled cotton. Better Cotton is not physically traceable to end products, but the BCI farmers benefit from the demand for Better Cotton in volumes equivalent to those we source. Our investment in the BCI enabled approximately 1,300 farmers to implement the Better Cotton Standard and Better Cotton to be grown on over 2,500 hectares of land. Further, an estimated 389 million liters of water were saved, and an estimated 250 kilos of pesticides were avoided thanks to our sourcing of Better Cotton in 2020.

**Share of products subject to claims, target not more than 0.5% of products sold**



**Share of Better Cotton of total cotton sourcing, target to increase the share**



<sup>3</sup> The Better Cotton Initiative changed their calculating guidelines in 2020. The comparison figure for 2019 has been adjusted accordingly.

<sup>4</sup> Due to a change in the Better Cotton Initiative calculating guidelines, the figure for 2018 is not comparable with those for 2019 and 2020.

**Types of materials used, % of the total of textile materials purchased in 2020 in kg**

Natural fibers	81%
Synthetic fibers	13%
Man-made fibers (such as viscose, lyocell)	2%
Animal-derived fibers (such as wool, silk)	2%
Leather	2%

**Share of more sustainable materials, % of the total of textile materials purchased in 2020 in kg**

Better Cotton	65%
Fibers in classes A–C <sup>5</sup> of the MADE-BY organization's fiber classification	4%
Recycled materials	3%
<b>In total</b>	<b>72%</b>

<sup>5</sup> According to the classification used by Marimekko in previous sustainability reviews.

To support responsible sourcing of different materials, we have included our sustainability requirements for the materials and their production processes in our product policies. This document binds all suppliers who source materials for us. Marimekko has, for example, excluded the sourcing of materials, especially cotton, from certain very high-risk areas, particularly Uzbekistan, Turkmenistan and the Xinjiang Uyghur Autonomous Region in China. These high-risk areas are defined in the product policies, which are regularly updated. Marimekko has also signed the related cotton pledges regarding Uzbekistan and Turkmenistan, maintained by the Responsible Sourcing Network (RSN). We require our suppliers to annually provide information about the origin of the cotton materials they source for us.

[Explore the product policies and read more about our products and materials.](#)

We also aim to increase the share of more sustainable materials in our packaging. All packaging materials are already recyclable, which means that they are suitable for the recycling streams for plastic and cardboard, among others, but due to variations in local recycling infrastructures, not all the materials are recycled in practice. In the future, we intend, for example, to reduce the use of plastic and increase the use of recycled materials as a starting material.

**New material strategy to guide future choices**

In 2020, we completed the work to create a new material strategy that will guide our material choices and development projects from the year 2021 onward. With this strategy, we aim at reducing the environmental footprint of the textile materials used in our products by 30 percent by the end of 2025. The reduction is calculated using the Higg Material Sustainability Index, a tool developed by the Sustainable Apparel Coalition that considers the whole environmental footprint of the materials from fiber to fabric. The material choices based on the new strategy will begin

in 2021 and will be visible for consumers in our collections from 2022 onward. We have already taken steps towards the new strategy: in 2020, we increased our use of recycled materials from 0.2 percent in 2019 to 3 percent, introduced hemp and jute into our home collection, and designed our first products printed with a plant-based dye, among other things.

Further reducing the environmental impacts of materials also requires new innovations to be developed and taken into use. At Marimekko, we have for several years taken part in initiatives to research and develop new fibers and materials. You can read more about these projects on page 23.

**Exploring the possibilities of the circular economy**

We encourage our customers to consider their purchases and to buy products that stay in use for as long as possible. To facilitate the resale of our products, we have cooperated since 2015 with the secondhand retailer Vestis in Finland. The garment collecting events planned for 2020 had to be canceled due to the coronavirus pandemic. The events will continue as soon as the pandemic situation allows us to organize these safely.

In 2020, we continued to work on different options to lengthen the product life cycle, in particular after the product is sold for the first time. We analyzed business models related to resale, started a rental service collaboration in Sweden with Re:Leased, and planned our first resale pilot. The resale pilot will be launched in 2021 in our revamped online store, bringing a curated selection of pre-loved vintage Marimekko dresses for sale to celebrate our 70th anniversary and where it all started – the Marimekko dress.







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 2020	Status 2020	UN SDGs
<b>We provide our employees with continuous training in sustainability matters and engage them in developing operations.</b>	Continuous training in sustainability matters for the personnel	<p>Marimekko's new sustainability strategy was presented to personnel in December. In addition, sustainability information was shared with office and store staff at several virtual events during the year.</p> <p>In December, we organized online training in diversity, equity and inclusion.</p>		
<b>We offer more information on our products, their proper care, and ways to prolong product life.</b>	Increasing the product information available for customers	<p>We launched the first on-product sustainability hang tags that highlight the more sustainable materials or techniques used.</p> <p>We published a new, more comprehensive care guide for our products online. In November, product care was demonstrated for customers in the Helsinki flagship store in collaboration with Arkive Atelier.</p> <p>We continued the Behind the Patterns Q&amp;A sessions in social media with six sessions held during the year.</p>		12: Responsible consumption and production
<b>We maintain an active dialogue with our stakeholders and engage in joint initiatives within the industry to innovate and promote sustainable design and production.</b>	Participation in projects promoting innovations in sustainable design and production	Together with the Finnish fiber technology company Spinnova, we introduced the first-ever printed demo clothes made of Spinnova's fiber. In addition, we continued our collaboration with Natural Indigo Finland and presented Marimekko's first garments, bags and home items printed with a natural dye.		12: Responsible consumption and production
<b>We collaborate, in particular, with NGOs and charities whose work relates to creativity and supporting women and children.</b>	Supporting NGOs and charities whose work focuses on support for women and children and on creativity	<p>We were one of the official partners of Helsinki Pride and issued official Helsinki Pride products.</p> <p>We contributed to Plan International's project in Ethiopia and Uganda helping young women develop their IT skills and made a donation to the NAACP (National Association for the Advancement of Colored People) in the US.</p>		5: Gender equality

 Annual target not achieved
  Progress made
  Progressing according to plan

### **Marimekko's first-ever products printed with a plant-based dye**

Marimekko wants to play a part in finding and developing new sustainable materials for the future and our own printing factory in Helsinki offers unique possibilities for testing new fabrics and dyestuffs in the printing process. We have for several years taken part in initiatives to research and develop new fibers and materials. Since 2013, we have been engaged in a research project led by Aalto University and the University of Helsinki with the aim of developing a birch-cellulose fiber made with the Ioncell™ solvent method. In addition, we have ongoing collaborations with the Finnish fiber technology company Spinnova and Natural Indigo Finland, a company producing natural dyes grown in Finland.

In February 2020, we presented the first demo products made from fiber manufactured with Spinnova's technology that enables spinning wood pulp into textile fiber without regenerating, dissolving or harmful chemicals. The denim-like jacket and bag featured in the small prototype capsule were the first-ever printed items made from Spinnova's fiber. The demo products were designed, printed and sewn by Marimekko in Helsinki. Later in 2020, our collaboration was chosen as a finalist in Fast Company's prestigious Innovation by Design Awards, which recognizes people, teams and companies solving problems through design.

During the year, we continued our cooperation with Natural Indigo Finland. The collaboration began in 2019 when we first tested printing with a new, plant-based indigo dye extracted from woad grown in Finland. After successful tests, the color was taken into use in production, resulting in our first-ever products printed with a plant-based dye. These clothes, bags and home items will be launched as part of our fall 2021 collection. Read more on page 24.

### **More information on sustainable materials and product care**

By providing information on our products, their proper care, and ways to prolong product life, we can inspire and engage our customers to contribute to maximizing product life cycles. Prolonging the life span of clothing is an effective way to reduce its environmental impact. It is estimated that up to 80 percent<sup>1</sup> of the emissions during the full life span of a long-lasting garment are generated when washing, drying and ironing, so proper care and avoiding unnecessary washing, for example, can make a big impact.

At the beginning of 2020, we published a new, more comprehensive care guide for our products online. It provides specific tips for how to best take care of the different materials used in our products. The guide was regularly featured on our social media channels, and in November, product care was demonstrated for customers in the Helsinki flagship store in collaboration with Arkive Atelier. Useful care tips can also be found on the Clevercare label on our products.

We continued our Q&A sessions in social media, entitled Behind the Patterns, to increase transparency and dialogue with end users. Six sessions were held during the year, and each session had an average of 23,300 unique viewers.

In our fall 2020 collection, we introduced the first on-product sustainability hang tags to share information about the more sustainable materials or techniques used to make that product. Sustainability hang tags are featured, for example, on products that are made using recycled or upcycled materials or printed with natural dyes.

### **Promoting diversity, equity and inclusion**

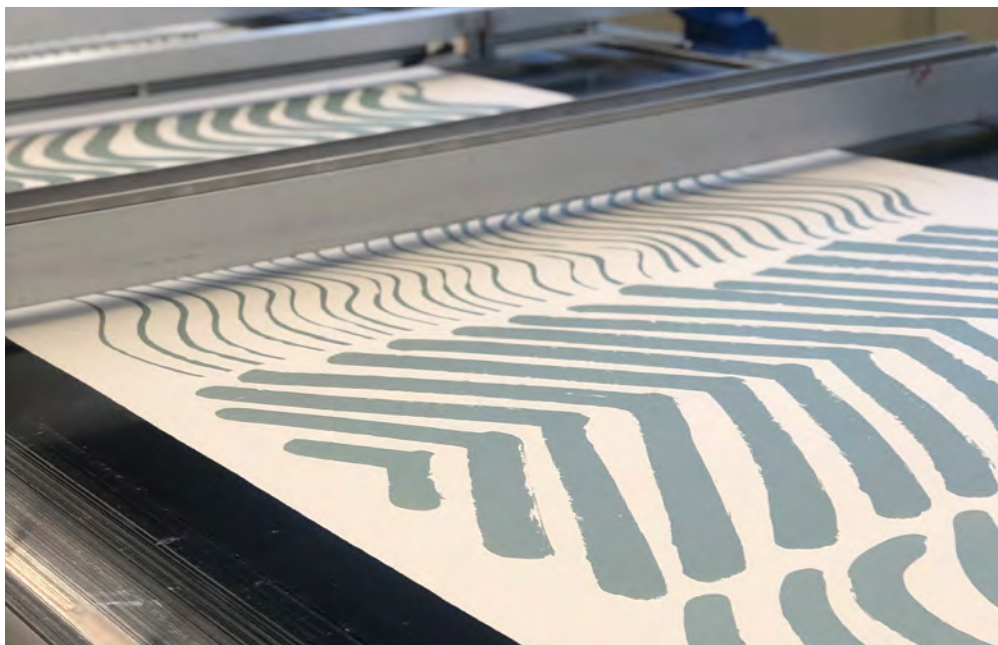
Equality and authenticity have been important values for Marimekko since its early days, and we want to actively promote discussion around equal rights.

Since 2018, we have proudly been one of the official partners of Helsinki Pride, Finland's biggest rainbow-colored culture and human rights event. In 2020, we issued official Helsinki Pride products and celebrated the week with a window installation created by young artists Aro Mielonen and Viljami Nissi at our Helsinki Aleksanterinkatu store. We also hosted a live Instagram discussion for our community together with Helsinki Pride and Ruskeat Tytöt (Brown Girls) Media in Finland.

We continued our cooperation with the children's rights organization Plan International. In celebration of International Women's Week 2020, we contributed to Plan International's project helping 400 young women in Ethiopia and Uganda to achieve their professional dreams by supporting them in developing their IT skills. Learning how to use the internet and office software, programming and image processing will enhance their ability to gather information and find employment. We also made a donation to the civil rights organization NAACP (National Association for the Advancement of Colored People) in the US.

During the year, we reviewed and updated our internal processes and policies to further enhance the way diversity, equity and inclusion are addressed in our everyday work. In December, we organized online training for all personnel about the topics.

<sup>1</sup> Estimate made by Demos Helsinki for Marimekko of emissions caused during a ten-year use of a cotton garment, including 150 washes.



## Natural shades of blue

Our printing factory produces around a million meters of fabric each year. In addition, it serves as a test laboratory for our creative community and enables us to participate in sustainability development projects. We started our collaboration with Natural Indigo Finland on the industrial use of natural dyes in August 2019. Our printing factory in Helsinki has, among other things, been involved in developing a recipe for a plant-based indigo dye as well as testing the color fastness of the dye in use.

“We continuously aim to increase the share of sustainable cotton as well as of other more sustainable materials in our products and packaging and to find more environmentally-friendly alternatives to the substances used in the manufacturing processes. The use of natural dyes in textile printing is a very interesting option. It is always a pleasure to find good Finnish partners and together develop solutions that can help the entire industry become more sustainable,” says Minna Kemell-Kutvonen, Marimekko’s Director of Home and Print Design.

“The aim of Natural Indigo is to produce dyes sustainably and ethically and so offer the textile

industry one way of enhancing sustainability. I am glad that Marimekko early on wanted to engage in this project and participate in furthering the use of natural dyes on an industrial scale,” says Pasi Ainasoja from Natural Indigo Finland.

As a result of the collaboration, we will launch our first garments, bags and home items printed with the blue dye obtained from the woad plant as part of our fall 2021 collection. The industrial use of dyes derived from nature is only in its early stages, but the products to be launched prove that natural dyes are an interesting option for textile printing in the future. In addition to the indigo dye obtained from woad, Natural Indigo Finland has also tested extracting yellow, green and gray dyes, for example, from various industry by-products, such as onion skins.

The use of natural dyes requires new thinking about pattern design and coloring, as growth conditions, among other things, affect how the color appears on fabric. Also, it is characteristic of indigo obtained from woad, as of all natural dyes, that the intensity of the color changes with washing and use. Each product printed with a natural dye is beautifully unique.







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 important to us, as bringing joy to everyday life through prints and colors 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 2020	Status 2020	UN SDGs
<b>We build transparency in supply chain towards raw materials.</b>	Constantly increasing the information available on our supply chain	<p>We updated the list of our main product and material suppliers, available on our website, to align it with the requirements of the Transparency Pledge.</p> <p>We took part in the Fashion Revolution campaign by publishing answers to the most frequently asked questions about our sustainability work.</p> <p>We published articles opening up the journey of some of our most known products.</p>		12: Responsible consumption and production
<b>We select our suppliers carefully, taking account of human rights and environmental protection.</b>	Constantly improving the sustainability evaluation of our suppliers	<p>100% of product purchases from non-EU countries were covered by audits according to amfori BSCI or other social responsibility systems.</p> <p>We updated our product policies that define our sustainability requirements for the materials used in our products.</p>		8: Decent work and economic growth, 12: Responsible consumption and production
<b>We promote human rights, a living wage, worker empowerment and safe working conditions in our supply chain through dialogue, audits and training.</b>	Evaluating the human rights impacts of our supply chain in more depth and engaging our suppliers	<p>Despite the coronavirus pandemic, external audits at our suppliers' factories continued mostly according to the normal schedule.</p> <p>Due to travel restrictions applied during the year, factory visits by Marimekko staff were not possible, but close dialogue was maintained through other means.</p>		8: Decent work and economic growth

 Annual target not achieved
  Progress made
  Progressing according to plan

### A global and transparent supplier network

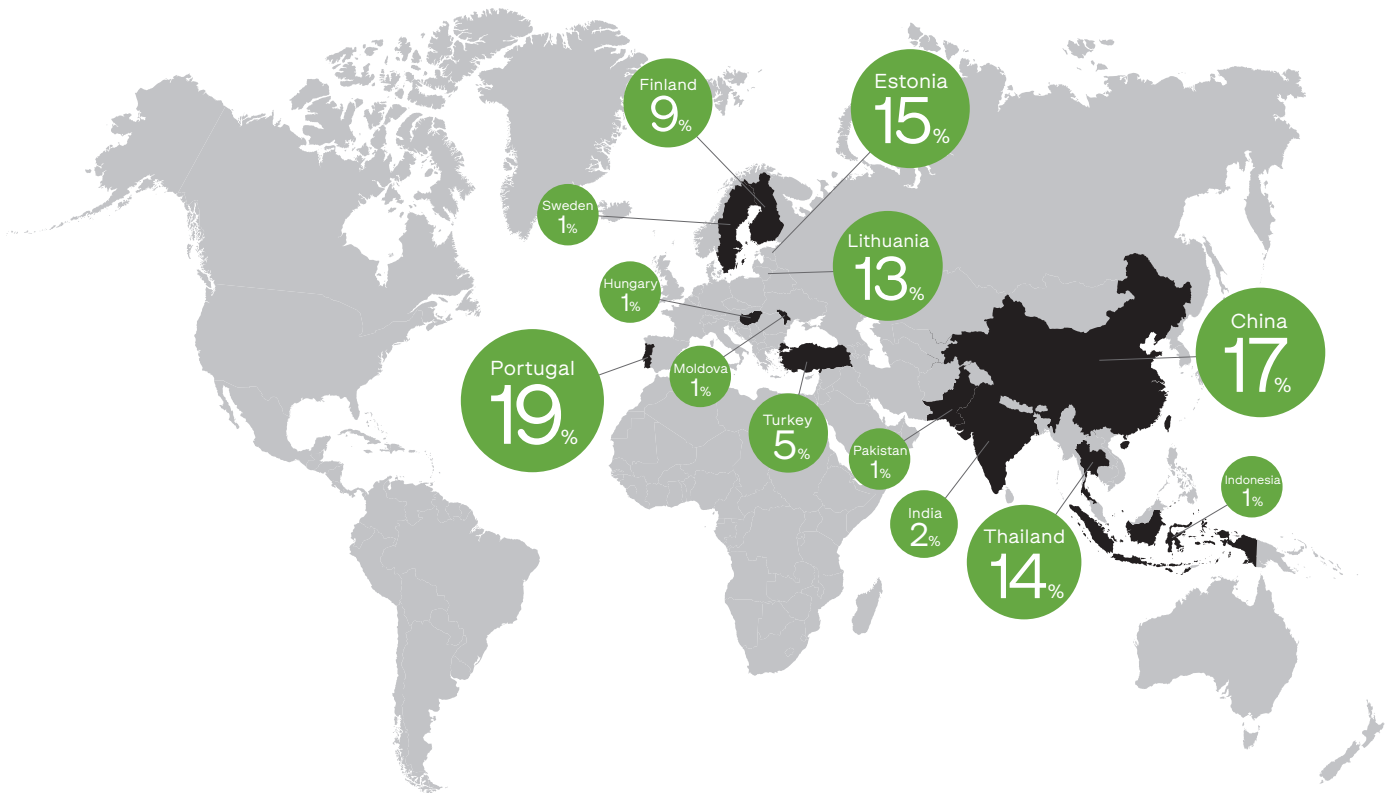
Marimekko's product range is wide and varied, so the manufacture of our products requires a comprehensive, diverse partner supplier network. Our objective is to always find the best manufacturing place for each product category. Regardless of where our products are made, we want to ensure that they are manufactured in accordance with our values, respecting people and the environment. We are committed to respecting human rights in all our operations and we have zero tolerance for child labor and forced labor, and we expect the same from our suppliers. We choose our suppliers carefully and, in our selection, in addition to commercial terms, we pay close attention to sustainability matters, such as working conditions, safety and remuneration. We also evaluate our suppliers annually on the same criteria.

In 2020, our products were manufactured by around 70 partner suppliers at about 100 factories in Europe and Asia. Our direct suppliers include factories making the final product as well as material suppliers. We value long-term relationships with our suppliers, and with many of them, we have cooperated for decades. An annually updated list of our main partner suppliers is available on our website. In 2020, we aligned the list's contents with the requirements of The Apparel and Footwear Supply Chain Transparency Pledge developed by a coalition of human rights and labor rights organizations and global unions.

[Explore the list.](#)



## Main manufacturing countries 2020



# 60%

of Marimekko's products are  
manufactured in the European Union,  
and 40% in non-EU countries.

# Ensuring sustainability in our supply chain

## Careful supplier selection

We conduct an evaluation where, in addition to commercial terms, sustainability aspects such as working conditions, work safety and other human rights as well as possible social and environmental certifications and audit results are carefully 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, respect for human rights as well as a strict prohibition on the use of child and forced labor.

Our purchasing agreements bind the suppliers to comply with the International Labour Organization (ILO) conventions as well as our Supplier Code of Conduct and product policies, which define our sustainability requirements for the materials used in our products.

## Monitoring and evaluation

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

We evaluate our suppliers annually using Marimekko's supplier evaluation tool that covers all key aspects of the cooperation, including sustainability.

## 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 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

Responsible Sourcing Network (RSN) – an initiative addressing human rights violations and forced labor associated with raw materials, including cotton

### External audits continued normally despite the coronavirus pandemic

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. Third-party audits are for the most part carried out in factories outside Europe, in countries that are considered higher risk<sup>1</sup>. In 2020, 79 percent (77) of our non-EU product purchases were covered by amfori BSCI audits and 100 percent (98) were covered by amfori BSCI audits or other, similar social compliance audits, such as SA8000 or Sedex. Due to the travel restrictions applied because of the coronavirus pandemic, Marimekko employees were not able to visit our product and material suppliers' premises personally, but close dialogue with the suppliers was maintained through other means available.

A total of 20 amfori BSCI audits (13) were carried out in 2020 at the factories of our direct manufacturing partners. None of the audits identified any zero-tolerance findings, such as indications of child labor or forced labor, or imminent and significant risks to workers' health. However, the audits almost invariably identify other areas for improvement, which is typical of manufacturing.

Most important is to go through the areas for improvement with the factory management and to agree on corrective actions. Most of the findings made in the audits in 2020 concerned health and safety (2020: 35 percent; 2019: 43), management systems (18 percent; 17), and worker involvement and protection (14 percent; 10). Corrective action plans were put in place where necessary. We also established a new internal process to monitor the implementation of the corrective actions.

<sup>1</sup> For country risk assessment, Marimekko follows amfori BSCI's risk country classification as a minimum.

### amfori BSCI audit findings by area in 2020 at the factories of direct manufacturing partners, %

The rights of freedom of association and collective bargaining 0% (1)

No child labor 0% (1)

No discrimination 1% (1)

Special protection for young workers 1% (1)

No bonded labor 2% (0)

No precarious employment 2% (1)

Ethical business behavior 3% (2)

Decent working hours 5% (8)

Fair remuneration 9% (8)

Protection of the environment 11% (6)

Occupational health and safety 35% (43)

Social management system and cascade effect 18% (17)

Workers involvement and protection 14% (10)

The findings in the area of "No bonded labor" related to migrant workers sharing the costs of recruitment and all employees not being fully aware of the disciplinary procedures at the factory. The finding related to "Special protection for young workers" was about the lack

of written policies in case young workers would be employed at the factory. None of the findings were zero-tolerance findings and no bonded labor or inappropriate treatment of young workers was found at the factories.



### Tracing the various supply chains

We aim to continuously increase transparency in our supply chain, extending towards the procurement of raw materials, and to provide our customers with more information on the materials used in our products and their origin. Supply 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. We source materials for our products ourselves, for example the base fabrics used in our own printing factory, and our supplier partners procure materials for the products they manufacture for us.

We regularly map our supply chain and always gather data about at least two tiers upstream. For shorter value chains, this means that we know both the raw material provider and the manufacturing location. For more complex supply chains, like those for many textile products, two tiers cover the sewing location and the printing factory. In many cases we can track the supply chain further, even all the way back to tier 4 (yarn manufacture). We require our suppliers to report the origin of different raw materials, including cotton, leather, wool, wood and wood-based cellulose fibers, such as viscose. When sourcing materials for us, our suppliers are bound by our product policies that define our sustainability requirements for the materials and their production processes. [Explore the product policies.](#)

In 2020, we continued our Q&A sessions in social media, entitled Behind the Patterns, which provide consumers the opportunity to ask us directly about various topics, including sustainability. We also introduced the first on-product sustainability hang tags to share information about the more sustainable materials or techniques used to make that product as well as published articles detailing the whole journey of some of our most known products from raw materials to the finished item. Read more on [the Jokapoika shirt](#) and [the Oiva tableware](#).

### Continuously developing our due diligence approach

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. Our approach to human rights is based on the UN Guiding Principles on Business and Human Rights (UNGPs). Respect for human rights is included in our Supplier Code of Conduct, which all our partner suppliers must sign. We monitor compliance with human rights in the supply chain, for example, through third-party audits and site visits by our own personnel.

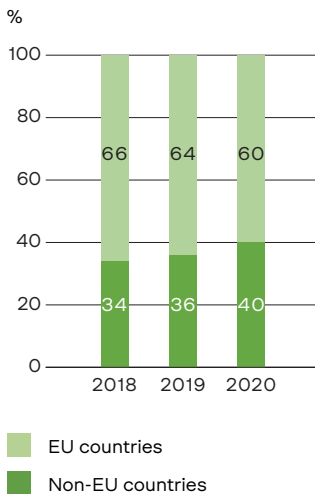
Marimekko's due diligence process for human rights is developed continuously and consists of

- careful supplier selection and assessment
- contractual obligations
- questionnaires to suppliers (for example regarding the origin of materials used)
- independent third-party audits conducted mainly in factories located outside Europe (in countries considered higher risk)
- monitoring through factory visits by Marimekko employees
- follow-up of corrective actions
- training for Marimekko's sourcing department
- external assessments and studying external reports
- collaboration in industry organizations.

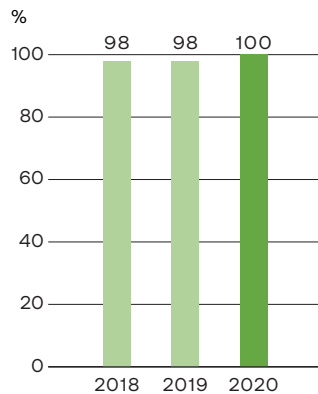
Marimekko has also excluded sourcing from certain very high-risk areas, particularly Uzbekistan, Turkmenistan and the Xinjiang Uyghur Autonomous Region in China for cotton. We have signed the cotton pledges regarding Uzbekistan and Turkmenistan, maintained by the Responsible Sourcing Network, and in 2020, due to the reported human rights violations, we forbade our suppliers to use cotton or subcontractors from the Xinjiang Uyghur Autonomous Region in China for the manufacture of our products. We evaluate and, when needed, also amend our policies based on the due diligence work and the risks identified.



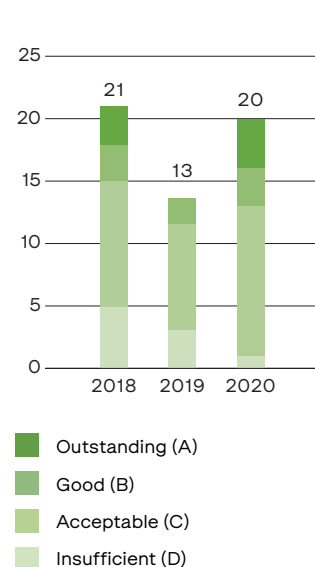
**Share of manufacturing in the EU / outside the EU**



**Share of purchases from audited suppliers in non-EU countries**



**Number of audits and audit results<sup>2</sup>**



<sup>2</sup> The number of audits varies year by year, based on frequency of audits (the audit cycle is 1 or 2 years depending on the result) and changes in the supplier base (for example, a new factory may have another audit than 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 main environmental impacts of our own operations are related to the in-house textile printing factory in Helsinki. Roughly one million meters of fabric are printed at the factory each year. In addition, environmental impacts occur in the upstream and downstream value chain, for example during the production of materials, during logistics as well as when the products are used.

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

Target	Criteria for achievement	In 2020	Status 2020	UN SDGs
<b>We continuously reduce the carbon footprint of our operations by using renewable energy sources and optimizing logistics.</b>	Increasing use of renewable energy in our own operations, optimizing logistics routing, and carbon offsetting	<p>Scope 1 and 2 emissions decreased by 51%<sup>1</sup> compared to 2019. The share of renewable energy was 87%.</p> <p>Our own operations<sup>2</sup> became carbon neutral in 2020 as a result of continuous development work and emission offsetting.</p> <p>In addition, the carbon dioxide emissions from our store deliveries in Finland and e-commerce deliveries in Finland and the rest of Europe were offset.</p>		7: Affordable and clean energy, 13: Climate action
<b>We continuously improve material, energy and water efficiency in our own operations.</b>	Improving energy and water efficiency per meter of output	<p>The renovation of the Marimekko House in Helsinki was completed. Improvements in energy efficiency have more than halved the electricity and heating consumption compared to 2016.</p> <p>The consumption of water relative to output stayed at the same level. The consumption of biogas relative to output increased, mainly due to the higher heating value applied to biogas.</p> <p>We used leftover fabrics to make new products.</p>		6: Clean water and sanitation, 7: Affordable and clean energy
<b>No landfill waste will be generated by our own operations.</b>	Our own operations do not generate landfill waste	In 2020, 99.7% of the waste generated was reused in energy production or as recycled material.		12: Responsible consumption and production
<b>We ensure high standards of chemical restrictions in the production of our products and look for greener chemistry whenever possible.</b>	Replacing defined substances (such as PVC and PFCs) with more environmentally friendly alternatives	<p>We designed the first-ever Marimekko products printed with a new, plant-based indigo dye.</p> <p>We started to collect dyes left over from our printing production and utilize them for printing new fabrics. In our printing factory, we also tested using a dirt-repellent finish made with plant-based raw materials.</p> <p>We updated our Restricted Substances List. The update was communicated to our suppliers in early 2021. The phaseout of PVC and PFCs was completed in 2019.</p>		6: Clean water and sanitation, 12: Responsible consumption and production

<sup>1</sup> Covers the printing factory and head office operations in Helsinki and for electricity consumption also the facilities in Kitee and Sulkava. Reduction calculated using the 2020 emission factor (based on the 2019 emission factor, the reduction was 47%).

<sup>2</sup> Covers our printing factory and head office in Helsinki, our other offices and the stores we operate globally.



#### Four out of five environmental targets achieved by a large margin

We have our own textile printing factory in Helsinki that prints about a million meters of fabric every year. The Marimekko factory is one of the only industrial-scale textile printing factories in the Nordic countries. The factory plays a strategic role for Marimekko: it serves both as a production plant and as a test laboratory for our creative community. Our goal is to continuously reduce the factory's environmental impacts by improving material, water and energy efficiency and minimizing waste. We had set ourselves targets to reduce carbon dioxide emissions, energy consumption, water consumption and the amount of waste, and to increase the use of renewable energy from the 2010 baseline by the end of 2020. The targets applied to the printing factory and the adjacent head office operations.

In four of these targets, we exceeded the goal initially set. For example, we reduced our carbon dioxide emissions by 89 percent and the amount of waste by 52 percent. The only area where we did not manage to reach our initial ambition was water use – our water consumption relative to production decreased by only six percent. The principal reason for this was that we introduced a second wash for certain fabrics in 2019 to enhance color fastness

in use, and increased the use of linen in 2020, thereby increasing water consumption.

The renovation of the Marimekko House in Helsinki was completed in 2020. The investments that were made to improve energy efficiency throughout the renovation have more than halved the electricity and heating consumption in the building compared to 2016<sup>3</sup>. Compared to the previous year, our electricity use reduced by 32 percent and the consumption of heat energy by 47 percent. During the coronavirus pandemic, the printing factory remained operational. The head office was open on a needs basis, with a lower utilization rate.

In 2020, the consumption of water relative to output stayed at the previous year's level. The consumption of biogas relative to output increased by 16 percent, mainly due to the higher heating value applied to biogas as of 1 January 2020.

<sup>3</sup> 2016 was the base year for the energy survey conducted in 2017 which served as the basis for the action plan to improve energy efficiency.

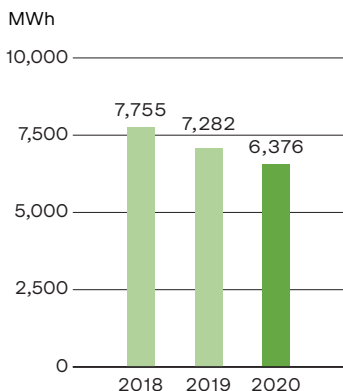
Environmental target 2020	In 2010 (base year for the targets)	In 2020	Status
Continual reduction in energy consumption	Total energy consumption was 9,588 MWh.	Total energy consumption was 6,376 MWh – 34% lower than in 2010.	● ● ●
Generation of electricity from renewable energy sources, such as wind and hydropower	Natural gas was used in the printing factory and purchased electricity and heating were generated from the most suitable energy mix at that time.	87% of the total energy consumption was generated from renewable energy sources.	● ● ●
Reducing carbon dioxide emissions by 50%	Scope 1 and 2 emissions were 1,399 tonnes of CO <sub>2</sub> e.	Scope 1 and 2 emissions were 149 tonnes of CO <sub>2</sub> e – 89% lower than in 2010.	● ● ●
Reducing waste resulting from operations by 20%	The amount of waste generated was 170 tonnes.	The amount of waste generated was 82 tonnes – 52% lower than in 2010.	● ● ●
Reducing water consumption relative to output by 20%	Water consumption relative to output was 31 liters.	Water consumption relative to output was 29 liters – 6% lower than in 2010.	●

● Target not achieved

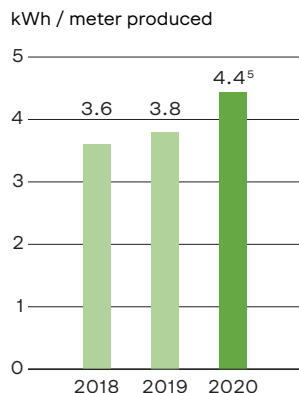
● ● Progress made

● ● ● Progressing according to plan

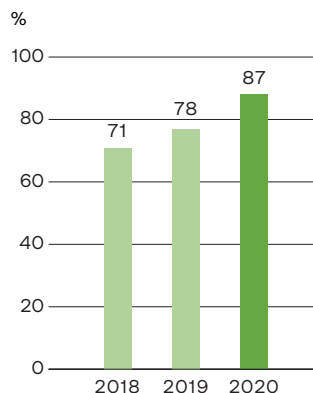
**Total energy consumption<sup>4</sup>**  
(biogas, electricity and heating combined), target to continuously reduce



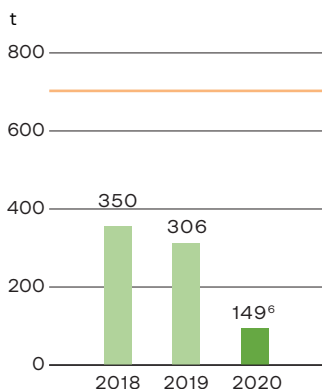
**Biogas consumption**



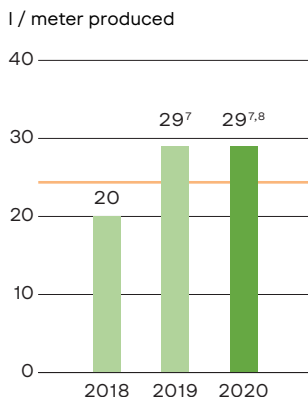
**Share of renewable energy of the energy produced and purchased<sup>4</sup>**



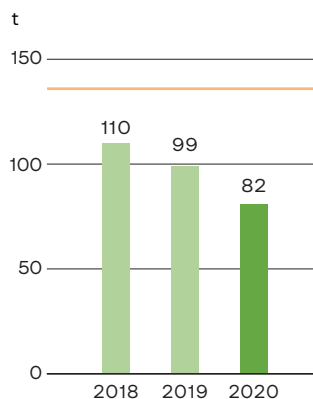
**Carbon dioxide emissions**  
(scope 1 and 2), target to reduce by 50% from the 2010 baseline of 1,399 tonnes



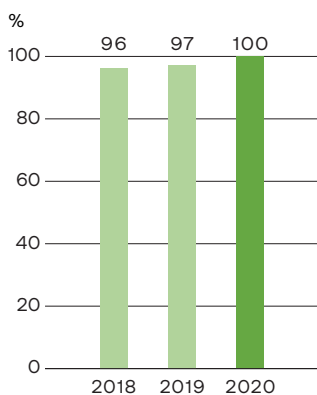
**Water consumption,**  
target to reduce by 20% from the 2010 baseline of 31 l / meter produced



**Waste generated from operations<sup>9</sup>,**  
target to reduce by 20% from the 2010 baseline of 170 tonnes



**Percentage of waste generated being reused in energy production or as recycled material,**  
target 100%



<sup>4</sup> Covers the fabric printing factory and head office operations in Helsinki and for electricity consumption also the facilities in Kitee and Sulkava.

<sup>5</sup> Consumption grew mainly as a result of introducing a higher heat of combustion for biogas as of 1 January 2020. Calculated using the previous heat of combustion, the consumption per meter would have been 4.0 kWh.

<sup>6</sup> The figure for 2020 has been restated based on the 2020 emission factor. Earlier this year, we reported 162 tonnes of emissions, which was calculated using the factor for 2019.

<sup>7</sup> Water consumption increased due to a second wash introduced for some fabrics to enhance color fastness. The washes were continued in 2020.

<sup>8</sup> Marimekko has increased the share of linen as its material. Linen fabrics must be washed before printing, which increases water consumption per meter.

<sup>9</sup> Covers the fabric printing factory and head office operations in Helsinki.

### New, ambitious emission reduction targets

In 2020, we continued studies to calculate the carbon footprint of our operations. The footprint of the printing factory and headquarter operations, which was first estimated in 2019, was further defined. In addition, the CO<sub>2</sub> footprint of our other offices and the stores we operate globally as well as the environmental footprint of the textile materials used were evaluated. The resulting data was used to set targets and action plans for reducing emissions both in our in-house operations and in our supply chain in the coming years as part of our new ambitious sustainability road map for 2021–2025. According to these new targets, we aim to reduce emissions from our operations, covering the printing factory, our offices and the Marimekko-operated stores globally, by 40 percent by the end of 2025. We are also committed to reducing the environmental footprint of the textile materials used by 30 percent per one kilo of material used, measured with the Higg Material Sustainability Index that considers the whole environmental footprint of the materials from fiber to fabric. Our plan is to align our emission reduction targets with those of the Paris Agreement on climate change.

In addition to the achieved and planned emission reductions, we want to slow down the climate change by offsetting the current emissions from our own operations. In 2020, we offset the remaining carbon footprint of our operations through supporting a reforestation project in Uganda. Read more on page 41.

## Inbound airfreight minimized

Our main means to reduce emissions from logistics are optimizing transportation routes, choosing lower-emission modes of transport and offsetting emissions. In 2020, we worked to minimize the use of airfreight in inbound logistics; currently all production is shipped by lower-emission modes such as sea, rail and truck transport and only samples and individual urgent deliveries are shipped by air. We offset the carbon dioxide emissions from all our outbound store and e-commerce deliveries in Finland and from e-commerce deliveries elsewhere in Europe. The emissions offset from these deliveries totaled 461 tonnes (513) and their emission impact was offset within the framework of climate projects financed by Posti (Finnish Post) and DHL. During the year, we also set targets for emission reductions in the future. By the end of 2025, we aim to reduce the greenhouse gas emissions from inbound and outbound logistics by 50 percent in relation to volumes transported.





### New ways to improve material efficiency

Decisions made in the design phase affect material consumption, for example the amount of cutting waste generated. In addition, we want to continuously improve the material efficiency of our production to ensure that valuable materials are not thrown away. In 2020, we developed and produced upcycled bags made by utilizing leftover fabrics from previous production runs, giving them a new life. Further, we started to collect dyes left over from our printing production and utilize them for printing new fabrics. The resulting color mix depends on the colors used for printing at that time and gives each product a unique color. Both the upcycled bag series and the products printed with leftover dyes were launched in our first collection for 2021.

In 2020, our inventories rose momentarily in the first half of the year as demand fell suddenly, when our own retail stores were temporarily closed in the second quarter due to the coronavirus pandemic. Marimekko's timeless design combined with an extensive chain of outlet stores and related promotions provides good opportunities for reducing inventories, and at the year end, inventories were at normal levels.

### Towards fewer chemicals and better alternatives

In textile manufacturing processes such as bleaching, dyeing, printing and finishing, various chemicals important for the appearance and properties of the textiles are used. The use of these different chemicals and substances is strictly regulated in the EU and in other markets. We seek to reduce the use of chemicals and replace them with alternatives that are better for the environment and for people.

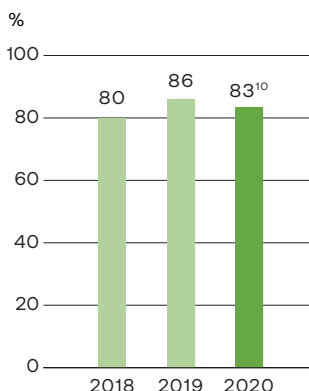
To ensure compliance with both legal and our own requirements, we have chemical management principles in place for our in-house printing factory as well as for our partner suppliers. For our suppliers, the requirements are detailed in contracts and in our Restricted Substances List, which is regularly updated. The last update was made in 2020 and it was communicated to our suppliers in early 2021. We monitor compliance with these requirements through risk-based material- or product-specific analytical tests done in external laboratories.

In 2020, we took many steps towards fewer chemicals and better alternatives. We developed the first-ever Marimekko products printed with a new, plant-based indigo dye. Replacing synthetic indigo with a plant-based alternative reduces the use and release into the environment of hazardous chemicals, as

the extraction process for Finnish Indigo uses only common non-toxic substances such as formic acid and slaked lime. In our printing factory, we also tested using a dirt-repellent finish made with plant-based, renewable raw materials. Furthermore, we increased the use of unbleached fabrics in our collections. Using unbleached fabrics makes the natural characteristics of the material more visible and removes one chemical-intensive phase in the production process.

The majority of the fabrics printed in our textile printing factory in Helsinki are certified according to the STANDARD 100 by OEKO-TEX®. In 2020, 83 percent (86) of the fabrics printed by our factory were covered by the certification. The decrease is attributable to our increased use of linen; linen fabrics are currently not included in Marimekko's OEKO-TEX® certification. Labeling in accordance with the STANDARD 100 by OEKO-TEX® can also be found, for example, on the towels and bed linen manufactured by our suppliers for us. The certificate guarantees that the materials contain no substances harmful to people or the environment, as detailed in the standard criteria.

**Share of materials certified according to the STANDARD 100 by OEKO-TEX® in the in-house printing factory**



<sup>10</sup> The decrease in the share of certified materials is attributable to the increased use of linen; linen fabrics are currently not included in Marimekko's OEKO-TEX® certification.



## Marimekko's own operations became carbon neutral in 2020

At Marimekko, our vision is to leave no burden for the coming generations and we believe that, in the future, timeless and sustainable products will be made in balance with the environment, in line with the principles of the circular economy.

We have long worked to reduce our own carbon footprint. In 2016–2020, our target was to halve the scope 1 and 2 emissions of our printing factory and headquarters from the 2010 baseline. The work progressed well, and in 2020 the emissions from these operations were 149 tonnes of carbon dioxide equivalent, which was 89 percent less than in 2010. Nearly 90 percent of the energy used in the property is already from renewable sources. In addition, sizeable renovations have been made in the building with special focus on energy efficiency.

In recent years, we have studied the carbon footprint of our different operations in more detail. In 2019 and 2020, we evaluated the carbon footprint of our printing factory and head office in Helsinki, our other offices as well as the stores we operate globally. This footprint covers the most significant scope 1–3 emissions from these operations according to the GHG protocol, including energy production and consumption, the use of materials and equipment, the waste generated as well as eating, business travel and commuting by our personnel.

As a result of continuous development work and emission

offsetting, our own operations, including our printing factory, offices and our own retail stores globally, became carbon neutral in 2020. To offset the emissions from our own operations, we have supported a reforestation project in Uganda through myclimate, a non-profit organization based in Switzerland and specializing in voluntary CO<sub>2</sub> compensation measures. The project promotes sustainable forest management by encouraging local communities to reforest areas and implement sustainable forest management plans that reduce the need to cut down forests valuable to biodiversity. In addition, the project supports the diversification of incomes for the local communities, thus further reducing the pressure on the forests. Protecting the local forests enables increased carbon sequestration as well as conserving biodiversity in the area. [Read more about myclimate and the project in Uganda.](#)

We have launched several initiatives to substantially reduce emissions within our entire value chain in the coming years as well, starting from raw materials, and we aim to align our emission targets with those of the Paris Agreement on climate change. For our own operations, our new target is to reduce the carbon dioxide emissions by 40 percent from the 2019 level by the end of 2025. Our long-term vision is that our operations leave no trace on the environment.



An inspired mind generates original ideas.

An inspiring and  
responsible workplace

A photograph of three women of different ages posing outdoors on a cobblestone surface. In the center is a large, realistic sculpture of a red strawberry with green leaves. An elderly woman on the left wears a pink and white striped shirt, a pink floral apron, a pink and white checkered cap, and red sneakers. A young woman on the right wears a white dress with large pink watermelon prints and black sandals. A young woman in the foreground sits on the ground, wearing a blue and white floral dress, a blue bucket hat, and light blue sandals. The background is a white tent-like structure under a blue sky with white clouds.








Sustainability commitment 5

We provide an inspiring  
and responsible  
workplace.

We believe in fairness, courage and cooperation and foster an open, low-hierarchical corporate culture that is based on creativity and entrepreneurship. 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 2020	Status 2020	UN SDGs
<b>We support the personal and professional growth of our employees by training and building competence.</b>	Developing practices supporting employees' professional and personal development to be even more systematic	<p>We continued updating and streamlining our performance management model for better user experience and improved overall clarity. Managers were trained about the changes.</p> <p>We planned several actions for 2021 in particular to support employees working remotely.</p>		4: Quality education
<b>We foster the Marimekko Spirit that emphasizes equality, diversity, creativity and teamwork.</b>	Making equality and diversity an even stronger part of Marimekko's culture and operations	<p>We started to implement the action plans based on the Marimeter employee engagement survey results at both team/department and company level.</p> <p>We updated our equality plan for Finland together with the representatives of the employees. We also updated our HR process-related guidance regarding diversity, equity and inclusion and provided training in it.</p>		5: Gender equality
<b>We will be the preferred employer in our sector.</b>	High ranking in selected surveys measuring employer image	<p>Activities to develop our employer image were conducted in Finland.</p> <p>On the list of the most attractive employers in Finland (a survey carried out by Universum), our ranking stayed at 2nd place among business professionals. Among business students, we were ranked the 4th most attractive employer in Finland (2019: 3rd).</p>		
<b>We are committed to responsible and ethical business practices.</b>	Acting in accordance with the law and ethical and responsible business principles	76% of Marimekko employees had completed the Code of Conduct e-training by the end of 2020. Training about the Antitrust Guidelines and Insider Policy was given in several virtual sessions with managers and key employees.		12: Responsible consumption and production

 Annual target not achieved
  Progress made
  Progressing according to plan

### A company culture emphasizing fairness, courage, cooperation and equality

Marimekko's success rests on strong staff commitment and the ability to utilize every employee's skills and creativity in daily work. We believe in fairness, courage and cooperation, and foster an open, low-hierarchical corporate culture that is based on creativity and entrepreneurship. The Marimekko Spirit, incorporating the company's values, forms the backbone of how we work together at Marimekko. The UN's Universal Declaration of Human Rights and Marimekko's Code of Conduct provide the basis for managing social issues in our own operations.

Marimekko's culture and working environment are founded on equality, valuing diversity and inclusion. No discrimination is tolerated. We want to provide a safe, caring, communal and respectful working environment for each Marimekko employee. Any issues relating to inappropriate behavior are investigated according to set processes. We promote equality based on our equality plan, provide training for managers, and measure success with employee engagement surveys.

In 2020, we reviewed our HR process-related guidance on diversity, equity and inclusion, and organized training in it for managers. A related training session was also held for the wider organization.

### **Strong leadership and active feedback culture support high employee engagement and performance**

The objective of the annual Maripeople performance management model is to ensure clarity of expectations, systematic two-way feedback between an employee and manager, and dialogue on the personal development journey of the employee. The coronavirus pandemic further emphasized the importance of developing leadership and management skills, including leading in remote circumstances. During 2020, we continued to further develop leadership and management skills across the organization as good leadership improves well-being, commitment and performance.

In 2020, we continued the implementation of our Maripeople performance management model first piloted in 2017 and worked to further develop it for better user experience and improved overall clarity. Also, we included leadership KPIs in the model to enable us to better measure the quality of leadership performance and managerial work as well as to gain valuable input for planning leadership and team-level development activities and other support needed. The leadership KPI feedback survey was sent out for the first time in December 2020 to evaluate the leadership and managerial work of our managers at our headquarters and other offices globally. In 2021, this feedback survey will be extended to cover our store managers and similar roles in retail. Maripeople training was provided to the managers to make sure everyone was familiar with the updates made to the materials and to ensure the topical parts of the performance management model were recapped.

At the turn of 2020 and 2021, updates were made regarding the Maripeople model of our retail organization, and training was provided accordingly in early 2021. In addition, a project to further develop our Art of Selling and Art of Leading Sales concepts was planned and kicked off at the beginning of 2021.

### **Long-term focus on enhancing personnel commitment**

The aim of our Marimeter employee engagement survey is to gather the views and opinions of our employees regarding their own work, their teams, leadership, and Marimekko as an organization and as an employer. The survey provides a secure channel for all employees to express their opinions confidentially and thus a way to contribute to organizational development. No survey was carried out in 2020, as the previous study was conducted at the turn of 2019 and 2020. During 2020, we started to implement the team- and department-specific action plans based on the latest survey results and began work to review the existing survey and concept with the goal of introducing changes in 2021.

### **Proactive approach to well-being and work ability**

At Marimekko, personnel well-being is supported by promoting employees' health, work ability and functional capacity, and by ensuring an empowering working atmosphere. This work is done in close cooperation between occupational healthcare, human resources, managers and the occupational safety organization. We have our own early support model, aimed at improving work ability and workplace well-being. The objective is to increase dialogue between the manager and employee in particular in matters related to the work and work ability, to improve

the working conditions, and prevent prolonged absenteeism and early disability retirements. As preemptive measures of occupational safety, hazards and risks involved in the work are recognized and evaluated. Employees report their safety observations through a joint notification system. In Finland, reported safety observations and occupational accidents are monitored regularly, and corrective actions needed are taken based on them.

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, recognizing risks, and avoiding hazards and near misses. We carry out regular risk assessments in stores, the printing factory and office environments, and combine this data with the data from workplace surveys. We also provide training related to occupational safety to employees. Reported near misses and occupational accidents are monitored regularly in Finland. In 2020, Marimekko employees had 7 accidents (11).

Occupational health and safety is one of our main focus areas, and the global pandemic has also contributed to an even stronger emphasis on occupational safety at all sites.

### **More systematic training in Code of Conduct and other key policies**

It is important for us to work according to the same principles around the world, complying with local laws and the Marimekko values and following responsible and ethical business practices. By having shared principles, we aim to ensure fair and equal treatment in the workplace and to manage the risks of everyday work. The key principles for ethical business practices are included in the Marimekko Code of Conduct and the Supplier Code of Conduct and more specific instructions are given for example in the Antitrust Guidelines, Insider Policy and in instructions in regard to privacy. Anti-corruption and anti-bribery matters are addressed in contracts with partners such as suppliers and distributors.

We have a Code of Conduct e-training which all employees are required to complete. At the end of 2020, 76 percent of Marimekko employees had completed the e-training. In 2021, this training will be more closely integrated into our onboarding process to ensure an increase in the completion percentage. In addition, in 2020, several virtual training sessions on antitrust and insider matters were organized.

We are committed to further developing our onboarding process, and the work continues in 2021. One objective of this work is to ensure that the Code of Conduct and some other policies are even better incorporated into the process.

### **New organization to further strengthen customer-centricity and omnichannel approach**

The health and safety of our personnel and customers is a top priority for Marimekko. Consequently, with the coronavirus pandemic escalating in different markets, we decided in March 2020 to temporarily close all of our own retail stores in Finland, Scandinavia, Germany, the United States and Australia. As a result of consultative negotiations conducted in Finland and corresponding processes in the other countries, almost the entire retail organization was laid off temporarily due to the unfortunate,



exceptional situation. Later on, employees in the different countries were invited back to work in stages as our own stores were reopened with elevated health and safety measures in place and complying with local restrictions and recommendations, but some of the layoffs continue as the pandemic is still impacting customer numbers in stores negatively.

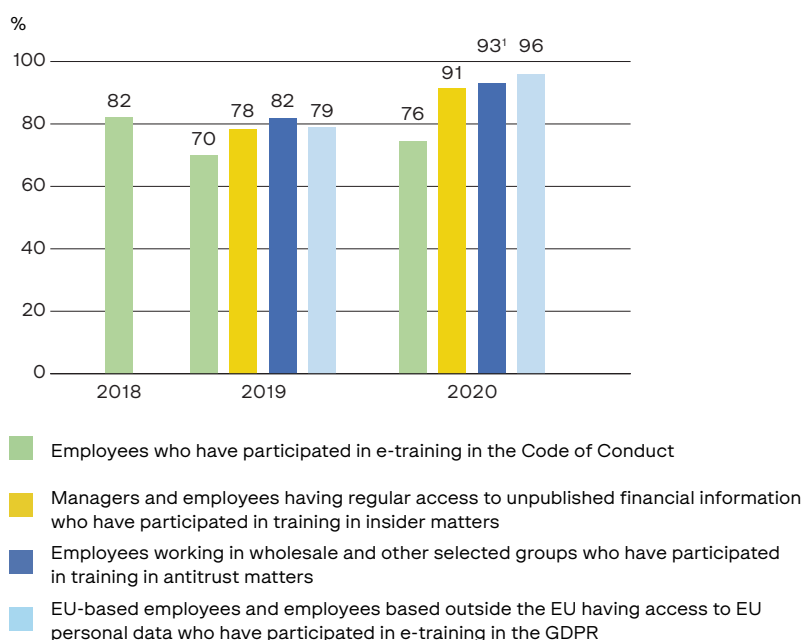
Overall, the coronavirus pandemic has expedited the transformation of consumers' purchasing behavior and intensified structural changes in the fashion and specialty retail sector, such as digitalization. It has accelerated the shift to digital sales channels among customers, including new customer groups, and this will also influence Marimekko's distribution channel choices in the future.

On 8 October 2020, Marimekko announced that its consultative negotiations in Finland and the corresponding processes in its organizations in Scandinavia, North America and Australia, initiated in August, had been completed. The aim of these negotiations and corresponding processes was to reorganize and streamline our operations to better respond to the aforementioned structural changes in the sector and the dramatic transformation of consumers' purchasing behavior. The new organization following the consultative negotiations and the corresponding processes further strengthens our customer-centricity and omnichannel approach in an increasingly digital market. In Finland, the reorganization and streamlining of

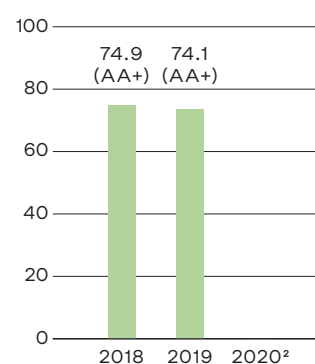
operations led to the termination of 20 employment contracts and 31 people were offered a new or a significantly modified job. The reorganization also affected our organizations in Scandinavia, North America and Australia and led locally to the restructuring of some jobs. Marimekko estimates to achieve annual savings of around EUR 1.3 million in total through the reorganization and streamlining of cost structure.

Marimekko provided support for all those affected by the organizational changes, introducing alternative paths to re-employment to those losing their jobs, for example. The support also included some reskilling activities for employees with a new or a modified position. In addition, Marimekko provided managers with support in leading their teams in the change and paid special attention to employee well-being. Well-being together with occupational health and safety continue to be important focus areas for Marimekko – especially in these exceptional pandemic circumstances.

**Share of employees who have participated in training in responsible and ethical business practices**



**Employee engagement score**



<sup>1</sup> In 2020, the training was targeted at wholesale staff; not fully comparable with the 2019 figure.

<sup>2</sup> No survey in 2020 as the previous study was conducted at the turn of 2019 and 2020. The functionality of the concept for Marimeter will be evaluated during the first half of 2021.





# Stakeholder engagement





For us, sustainability work is a joint commitment and about continuous improvement together with our staff, partners and other external stakeholders. We want to be transparent about how we work and to have an active dialogue with our community and stakeholders. We are open to feedback and use it to develop our sustainability work.

Our stakeholders are diverse, which is why we also communicate with them in a variety of ways. We get feedback on our operations, for example, as customer feedback, as suggestions from our employees, in meetings with and inquiries from investors and representatives of various other stakeholder groups, as well as through both traditional and social media. The coronavirus pandemic further intensified discussion about sustainability in the fashion and textile industry, addressing topics such as the industry's social and environmental impacts, sustainable consumption, and the circular economy. During the year, we continued to actively engage with our community, for example through our Q&A sessions in social media, entitled Behind the Patterns. The topics that aroused most interest among our community were the origin and sustainability of materials, sustainability in production as well as diversity. We received and answered questionnaires from various NGOs regarding, for example, the origin of the cotton used by Marimekko, emissions in our supply chain, transparency and sustainability communication, and the realization of living wages in our supply chain. In Finland, we participated in an assessment of Finnish companies' human rights performance and, as part of industry collaboration, in developing a new tool to evaluate brands' sustainability and in creating carbon neutrality road maps for the textile and retail industry.

#### **Cooperation is the best way to solve shared challenges**

In addition to striving to improve day by day in our own operations, we engage with various industry networks, as we believe that collaboration is the most effective way to promote sustainable practices in the industry and to achieve change on a broader scale. For this reason, we are involved in many collaborative initiatives of the textile and fashion industry. Since 2011, we have been a member of amfori BSCI, an international initiative which promotes the monitoring and improvement of working conditions in global supply chains. In 2013, we joined the Better Cotton Initiative (BCI). The BCI connects people and organizations 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 labor associated with raw materials, including cotton. We also participate in the activities of textile and fashion industry organizations in Finland (such as the Finnish Textile and Fashion association, Fashion Finland and the Finnish Fashion and Sports commerce association).

## Our most important stakeholders

Consumers, partners and retailers  
Personnel  
Shareholders and investors  
Partner suppliers  
Media  
Organizations, such as NGOs and charities  
Universities and research institutes

# Key figures

## Key figures for financial responsibility

	2020	2019	2018
Net sales, EUR 1,000	123,568	125,419	111,879
Comparable operating profit, EUR 1,000	20,173	17,117	12,199
Result before taxes, EUR 1,000	17,562	16,151	17,552
Return on investment (ROI), %	22.5	17.9	47.6
Dividends paid, EUR 1,000	-	15,003	4,045
Gross investments, EUR 1,000	2,143	2,594	1,280
Equity ratio, %	46.6	40.2	70.0
Salaries, wages and bonuses paid, EUR 1,000	19,429	21,186	19,989
Pension and other indirect social expenditure, EUR 1,000	4,418	5,365	5,607
Income taxes, EUR 1,000	3,798	3,133	3,855
Purchases from suppliers of goods and services <sup>1</sup> , EUR 1,000	48,533	45,397	42,125

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

## Key figures for environmental responsibility

	2020	2019	2018
Fabric printing factory output, million meters	1.0	1.1	1.1
Electricity consumption <sup>1</sup> , MWh	1,064	1,564	1,637
Heating energy consumption <sup>2</sup> , MWh	817	1,546	2,213
Biogas consumption <sup>2,3</sup> , MWh	4,495	4,172	3,905
Biogas consumption relative to output <sup>2,3</sup> , kWh	4.4	3.8	3.6
Direct carbon dioxide emissions (scope 1), tonnes (biogas)	0	0	0
Indirect carbon dioxide emissions (scope 2), tonnes (electricity and heating)	149	306	350
Direct carbon dioxide emissions (scope 1) relative to output, tonnes (biogas)	0	0	0
Water consumption <sup>2</sup> , m <sup>3</sup>	29,641	31,563	21,625
Water consumption relative to output, liters per meter	29	29	20
Waste generated from operations <sup>1</sup> , tonnes	82	96	110
Waste utilization rate <sup>4</sup> , %	99.7	97	96
Share of non-utilized waste <sup>5</sup> , %	0.3	3	4
Share of more sustainable textile materials <sup>6</sup> , %	72	71	-
Share of textile products made with more sustainable materials <sup>7</sup> , %	-	-	5
Better Cotton sourced <sup>8</sup> , tonnes	864	995	748
Share of Better Cotton of total cotton sourcing <sup>9</sup> , %	82	96	64
Share of fabrics printed in in-house printing factory certified according to STANDARD 100 by OEKO-TEX <sup>®</sup> , %	83	86	80

<sup>1</sup> Applies to the fabric printing factory and head office operations in Helsinki and the facilities in Kitee and Sulkava.

<sup>2</sup> Applies to the fabric printing factory and head office operations in Helsinki.

<sup>3</sup> A higher heating value has been applied to biogas as of 1 Jan. 2020. Calculated using the previous heating value, the consumption in 2020 would be 4,057 MWh and 4.0 kWh per meter of production.

<sup>4</sup> Utilization as energy or recycled material.

<sup>5</sup> Includes the share of waste that has been sent for specialized waste disposal (e.g. hazardous waste) or to landfill

<sup>6</sup> The figure includes the combined share of more sustainable materials, recycled materials and Better Cotton, calculated from the total weight of purchased textile materials.

<sup>7</sup> Calculated from sales (€). A product made from more sustainable material is defined based on the MADE-BY organization's fiber classification where materials containing 45 percent or more of fiber 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.

<sup>8</sup> Includes Better Cotton Claim Units (BCCUs) declared in the Better Cotton Initiative's Better Cotton Platform online system. One kilogram of raw cotton lint equals one BCCU.

<sup>9</sup> Calculated from the total weight of cotton products sourced added with an estimation of the cotton lost in the production process. The Better Cotton Initiative changed their calculating guidelines in 2020. The comparison figure for 2019 has been restated accordingly. The figure for 2018 is not comparable with those for 2019 and 2020.

## Employee key figures

	2020	2019	2018
Average number of employees <sup>1</sup>	434	442	433
Employees at year end <sup>1</sup>	422	450	445
New employees <sup>1</sup>	58	83	63
Leavers <sup>1, 2</sup>	46	38	49
Average turnover <sup>3</sup> , %	8.5 / 16.0	9.4 / 22.1	11.4 / 22.3
Average age of employees, years	39	37	36
Employee gender ratio, women/men, %	92/8	92/8	93/7
Share of women in Board of Directors, %	50	57	57
Share of women in Management Group, %	78	71	71
Sick leave absences <sup>4</sup> , %	2.3	2.7	2.9
Work and commuting accidents <sup>5</sup>	7	11	11
Healthcare expenses per person <sup>4</sup> , EUR	663	833	831
Overall result of personnel survey, scale 0–100 <sup>6</sup>	-	74.1 (AA+)	74.9 (AA+)

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

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

<sup>3</sup> The average voluntary turnover of permanent employees was 8.5 percent for office and production staff and 16.0 percent for store personnel. As is typical in the company's sector, the turnover of store personnel is somewhat higher than the average.

<sup>4</sup> Calculated on theoretical regular working hours. Applies to employees in Finland.

<sup>5</sup> Applies to employees in Finland.

<sup>6</sup> No survey in 2020 as the previous study was conducted at the turn of 2019 and 2020.

## Key figures for responsible sourcing

	2020	2019	2018
Manufacturing in the EU, % of sales	60	64	66
amfori BSCI audited suppliers	19	18	22
Share of product purchases from amfori BSCI audited suppliers			
in non-EU countries, %	79	77	79
Share of product purchases from other audited suppliers			
in non-EU countries, %	21	21	19
Share of amfori BSCI audited suppliers with an acceptable result <sup>1</sup>	95	77	76
Violations of Code of Conduct related to use of child labor	0	0	0

<sup>1</sup> 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.





# Reporting principles and GRI

This is Marimekko's eighth 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

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 applies to the fabric printing factory and head office operations in Helsinki and for electricity consumption also the production facilities in Kitee and Sulkava that were closed in 2013. Data for Marimekko stores in Finland and stores and offices abroad is not included in the figures. Environmental key figures have been calculated based on information provided by the service providers both on measured consumption and related emission factors. Scope 1, scope 2 and scope 3 categorization 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 organization located outside Finland.

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

The figures related to supply chain and sustainable materials are calculated manually, based on reports extracted from internal systems, such as sales and purchase reporting and supplier management system. The shares of manufacturing by country are based on the sales of products in euros by country of origin. The share of Better Cotton is calculated as a share of Better Cotton sourced in relation to estimated

total cotton consumption of the products purchased during the reporting period in weight. Data for Better Cotton sourced is based on the Better Cotton Initiative's information system (Better Cotton Platform). The share of more sustainable textile materials is calculated based on the share of different textile fibers used in our products, measured in weight depending on the composition of the product and the quantity of items purchased. 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, 28, 36 and 44. 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 together 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 has 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 contact us at [sustainability@marimekko.com](mailto:sustainability@marimekko.com).

# GRI Content Index 2020

Disclosure		Included	Section/additional information
GRI 102: GENERAL DISCLOSURES			
Organizational profile			
102-1	Name of the organization	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 2020, p. 30 ( <a href="https://company.marimekko.com/en/releases-publications/annual-reports/">https://company.marimekko.com/en/releases-publications/annual-reports/</a> )
102-4	Location of operations	Yes	Financial Statements 2020, p. 1 ( <a href="https://company.marimekko.com/en/releases-publications/annual-reports/">https://company.marimekko.com/en/releases-publications/annual-reports/</a> )
102-5	Ownership and legal form	Yes	Financial Statements 2020, Corporate Governance, p. 79 ( <a href="https://company.marimekko.com/en/releases-publications/annual-reports/">https://company.marimekko.com/en/releases-publications/annual-reports/</a> )
102-6	Markets served	Partly	Financial Statements 2020, p. 4 ( <a href="https://company.marimekko.com/en/releases-publications/annual-reports/">https://company.marimekko.com/en/releases-publications/annual-reports/</a> ).
102-7	Scale of the organization	Partly	Key figures, p. 50–51 (net sales, total number of employees)
102-9	Supply chain	Yes	Our value chain, p. 10 Sustainable supply chain, p. 28–29 Key figures, p. 50
102-12	External initiatives	Yes	Sustainable and timeless design, p. 17 Sustainable supply chain, p. 30
102-13	Membership of associations	Yes	Sustainable and timeless design, p. 17 Sustainable supply chain, p. 30 Stakeholder engagement, p. 49
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, 28, 36 and 44 Financial statements 2020, p. 16–17 ( <a href="https://company.marimekko.com/en/releases-publications/annual-reports/">https://company.marimekko.com/en/releases-publications/annual-reports/</a> ) <a href="https://company.marimekko.com/en/sustainability/sustainability-strategy/risks-and-opportunities/">https://company.marimekko.com/en/sustainability/sustainability-strategy/risks-and-opportunities/</a>
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Partly	Marimekko in brief, p. 4 An inspiring and responsible workplace, p. 44–46 <a href="https://company.marimekko.com/en/about-marimekko/core-values/">https://company.marimekko.com/en/about-marimekko/core-values/</a> <a href="https://company.marimekko.com/wp-content/uploads/2021/06/Marimekko-Code-of-Conduct_2021.pdf">https://company.marimekko.com/wp-content/uploads/2021/06/Marimekko-Code-of-Conduct_2021.pdf</a>



Disclosure		Included	Section/additional information
Governance			
102-18	Governance structure	Yes	Financial Statements 2020, Corporate Governance p. 79–83 (https://company.marimekko.com/en/releases-publications/annual-reports/)
Stakeholder engagement			
102-40	List of stakeholder groups	Yes	Stakeholder engagement, p. 49
102-41	Collective bargaining agreements	Partly	At the end of 2020, 78 percent (77) of Marimekko employees in Finland were covered by collective bargaining agreements.
Reporting practice			
102-47	List of material topics	Yes	Reporting principles and GRI, p. 53 Tables on p. 16, 22, 28, 36 and 44
102-48	Restatements of information	Yes	Share of Better Cotton and carbon dioxide emissions for 2020 have been restated. See p. 17 and 39.
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 1 January to 31 December 2020.
102-51	Date of most recent report	Yes	The previous review was published on 18 June 2020.
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. 53
102-55	GRI content index	Yes	GRI content index, p. 54–58
102-56	External assurance	Yes	Reporting principles and GRI, p. 53

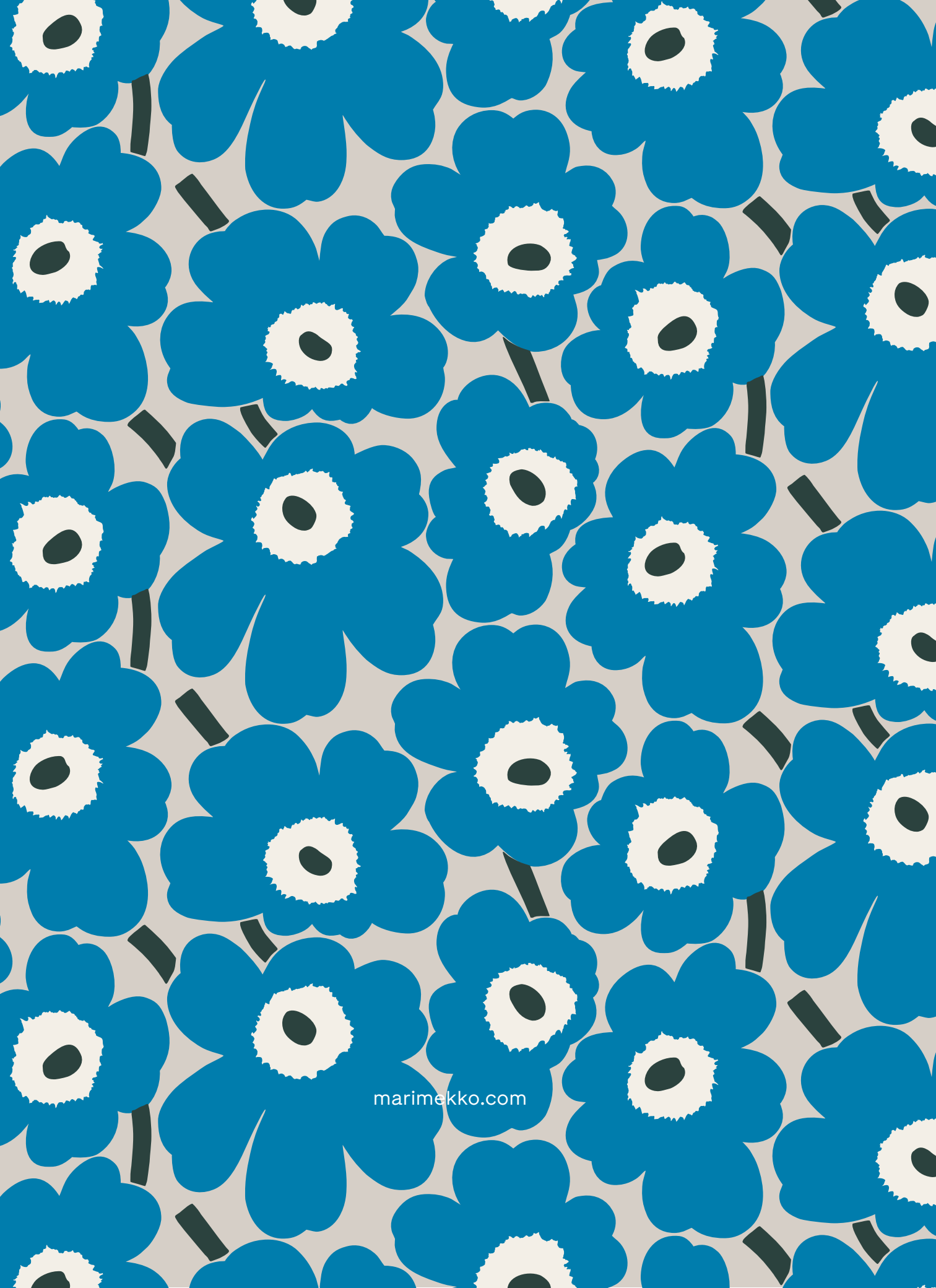
Disclosure		Included	Section/additional information
MATERIAL TOPICS			
GRI 103: Management approach			
103-2	The management approach and its components	Partly	General approach to sustainability management, targets for material topics and management approach for sustainability in supply chain reported on the following pages: Sustainability at Marimekko, p. 12–13 Tables on p. 16, 22, 28, 36 and 44 Sustainable supply chain, p. 30
Economic value added			
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	Partly	Key figures, p. 50–51 Financial statements, 2020 ( <a href="https://company.marimekko.com/en/releases-publications/annual-reports/">https://company.marimekko.com/en/releases-publications/annual-reports/</a> )
Sustainable materials			
	Marimekko’s indicator: Share of more sustainable raw material used in products	Partly	Sustainable and timeless design, p. 18 Key figures p. 50
Resource efficiency			
GRI 302: Energy			
302-1	Energy consumption within the organization	Partly	Resource efficiency and the environment, p. 36–39, 41 Key figures, p. 50 Reporting principles and GRI, p. 53 Figures are reported in watt-hours.
302-4	Reduction of energy consumption	Partly	Resource efficiency and the environment, p. 36–39, 41 Key figures, p. 50 Reporting principles and GRI, p. 53
GRI 303: Water and effluents			
303-5	Water consumption	Partly	Resource efficiency and the environment, p. 36–39 Key figures, p. 50 Only total amount reported.
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Partly	Resource efficiency and the environment, p. 36–39, 41 Key figures, p. 50
305-2	Energy indirect (Scope 2) GHG emissions	Partly	Resource efficiency and the environment, p. 36–39, 41 Key figures, p. 50
305-3	Other indirect (Scope 3) GHG emissions	Partly	Resource efficiency and the environment, p. 41

Disclosure	Included	Section/additional information	
GRI 306: Effluents and waste			
306-2	Waste by type and disposal method	Partly	Resource efficiency and the environment, p. 36–40 Key figures, p. 50 Only total amount of waste and the utilization rate reported.
Personal and professional growth of employees			
GRI 404: Training and education			
404-2	Programs for upgrading employee skills and transition assistance programs	Partly	An inspiring and responsible workplace, p. 44–46
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			
405-1	Diversity of governance bodies and employees	Partly	Key figures, p. 51 Financial Statements 2020, Corporate Governance, p. 79–80 ( <a href="https://company.marimekko.com/en/releases-publications/annual-reports/">https://company.marimekko.com/en/releases-publications/annual-reports/</a> )
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			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Partly	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. In the amfori BSCI audits during 2020, no findings were made related to freedom of association and collective bargaining.
GRI 408: Child labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	Partly	The amfori BSCI principles included in Marimekko's Supplier Code of Conduct include the prohibition of using child labor. No incidents of using child labor have been reported in the operations of Marimekko's direct suppliers during the reporting period.
GRI 409: Forced or compulsory labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Partly	The amfori BSCI principles included in Marimekko's Supplier Code of Conduct include the prohibition of forced or compulsory labor. According to amfori BSCI risk classification, of the countries where Marimekko products are produced, China holds a higher risk in terms of bonded labor. No incidents of using forced or compulsory labor have been reported in the operations of Marimekko's direct suppliers during the reporting period.

Disclosure		Included	Section/additional information
GRI 412: Human rights assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Yes	Due diligence approach described in the section on Sustainable supply chain, p. 32. An impact assessment covering Marimekko’s direct suppliers in all countries except Finland and Sweden was made in 2018. For manufacturing countries see p. 29.
GRI 414: Supplier social assessment			
414-2	Negative social impacts in the supply chain and actions taken	Partly	Sustainable supply chain, p. 28–32 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. Our own personnel also visit our partner suppliers’ facilities. In 2020, visits to factories were not possible due to the travel restrictions applied during the coronavirus pandemic.
Compliance			
GRI 416: Customer health and safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Yes	No incidents resulting in fines, penalties or warnings during the reporting period. One incident regarding occurrence of restricted substances above required limits was identified by Marimekko and corrective measures were taken before the products were put on the market.
GRI 417: Marketing and labeling			
417-3	Incidents of non-compliance concerning marketing communications	Yes	No such incidents during the reporting period.
GRI 419: Socioeconomic compliance			
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			
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. 76 percent (70) of Marimekko employees had completed the Code of Conduct e-training by the end of 2020. 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.







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