

PROGRESS ON SUSTAINABILITY REPORT

2020

# MaCher



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## A Message from our President

2020 has been a year like no other. Global, national and local issues are defining our year and in many ways our generation. A global pandemic, loss of loved ones, mass unemployment and, as I write this, our home state of California is on fire. Our skies are full of unhealthy air and there's no question our climate crisis is killing humans and ecosystems. Then in May, just as we realized that Covid-19 was not going away anytime soon, the murders of George Floyd, Ahmaud Arbery and Breonna Taylor, among others, proved beyond any doubt that we must no longer ignore the unresolved, and unacceptable lack of social justice.

I find the heartache and discomfort of the last few months deeply interconnected. So many businesses are experiencing challenges, yet I see reason for great optimism as we take the opportunity to reaffirm that "how we continue" will be full of kindness and grace to all, helping others and our environment.

When MaCher became a certified B Corp in 2014, we signed the B Corp Declaration of Interdependence and promised to conduct business as if people and place mattered. We expressed ambition to do no harm, benefit all and act with dependency and responsibility to each other and our future generations. These principles continue to guide us and are more important than ever.

We are focused on playing our part to critically identify the inequities and inequalities that exist throughout society. We are listening and learning. As an example, we have created a Justice, Equity, Diversity and Inclusion (JEDI) team to help us build awareness and gain an understanding of how we dismantle white supremacy.

We will identify additional ways to work with our customers and partners, where individually and together we can help solve some of our most pressing social and environmental injustices.

As you review our progress and our challenges detailed in this report, I invite you to ask questions and share your own experiences with your sustainable practices. So many times, our very best work is when it is amplified through the ripples of our partnerships and collaborations.



**Derek Hydon**  
President

“  
**I see reason for great optimism as we take the opportunity to reaffirm that “how we continue” will be full of kindness and grace to all, helping others and our environment.**  
”



## A Message from our COO

Over the last 12 months, I have faced some of the most challenging days of my 18 years at MaCher, but I am also grateful to be part of some of our most innovative moments.

The COVID-19 pandemic has affected everyone, every business and every industry. Personally, I have had to learn to balance the schooling of my children and my family's well-being while listening to and finding ways to support our team as they adapted to their new realities. I've learned to stop apologizing for my children's on screen cameos and I've embraced the joy of a spontaneous hug during a tiring day or company-wide applause for a background TikTok routine. Every week brought a new set of challenges for us to overcome together and along with it came a new definition of work-life balance.

We embarked on a journey towards self-management a few years ago, when we flattened our organization and removed layers of management and hierarchy. We are a team not managed by a "boss", but accountable to each other and our common goal. Self-management has allowed us to pivot during the pandemic and utilize skills within our team that may not have shown up in a more traditional structure.

It has birthed a whole new way of supporting each other and building on our culture from a distance. We have experienced everything from meditation sessions, public speaking practice to virtual happy-hours and family discos.

We saw the deepening of our transition to this model through our team's involvement and passion around the Black Lives Matter movement as it gained renewed and heightened attention. Self organization practices showed up in the formation of our Justice, Equity, Diversity and Inclusion team (JEDI). We are taking a good look internally - reviewing every aspect of our recruiting, interviewing, hiring, training and onboarding procedures.



We are reorganizing our Culture & Talent Team to ensure a safe space to report grievances and evaluating structures and systems that would prevent Black, Indigenous or Persons of Color from thriving in our business. We know we can do more and we will. We are committed to breaking the systemic racism structures within and beyond our business.

While it's certainly a different journey from the one I envisaged at the start of the year, the dedication from our MaCher team to adapt to the circumstances without wavering on our mission is inspiring. We are innovating in the face of adversity and it's turning out to be far more a rewarding experience to be with a team that has everyone's interests at heart.

Annette Levy  
COO





## Our Purpose

We partner with brands to help them express who they are, designing thoughtful products and meaningful solutions that get them noticed.

We're a certified B Corp, using our business as a force for good to provide the best workplace, care for our environment and positively help others.

We make better things, to make things better.



## Case Studies

Here are two examples of how we make better things to make things better:

### Davines

Products made by the sustainable beauty company and fellow B Corp Davines use natural ingredients, cultivated with care.

To highlight the relationship between beauty, agriculture and local traditions, **Davines invited us to design a beautiful bracelet.** The focus of the program was to promote conversations about the need for healthy food and community supported agriculture (CSA) farms, to preserve and protect unique plant species and local traditions.



## Building conversations that help protect unique plant species and local traditions

## Removing single use plastics and improving the guest experience

### Regent Cruise Line

Regent Cruise Line had realized that their practice of giving guests plastic bottles of water was wasteful and unsustainable and they wanted to make a change. **We worked with Regent and the CDC to design a water bottle that could be washed in commercial dishwashers and then be re-used onboard.**

The use case for Regent was simple; by providing access to premium filtered water and giving each guest a stylish stainless steel reusable bottle, they improved the guest experience, lowered their costs (buying and warehousing bottled water) and removed 2 million single use bottles from their ships and our eco-system.







## Our Culture

Our purpose and values guide us through everyday work and life.

Our team and their collaborative effort is at our core.

We believe our company is only as good as the people who make it go each day and so we treat each other as family.

This inspires us to do right for each other, our clients and the world around us.



## CRAFT Values

Our CRAFT values are at the core of who we are. We strive to provide the best workplace, to care for our environment and to positively help others. These values guide us as we navigate new terrain or face challenges as a team. Our CRAFT culture holds us accountable to our business, our partners and to each other as we continue to evolve and grow together.



### **Collaboration**

Working together towards shared goals



### **Respect**

Care for each other & our environment



### **Authenticity**

Bring your best self to work



### **Family Pride**

Shared values and open communication



### **Trust**

Be clear, be honest, be accountable





### Impact Improvements

# Net Zero

Declared Climate Emergency, joined 500+ B Corps to become Net Zero by 2030

# 1.5°C

Signed on to Business Ambition 1.5°C and committed to Science Based Targets Initiative (SBTi)



Formed our first Justice, Equity, Diversity and Inclusion (JEDI) team



Formalized giving 2% of revenue

# 2.6m

Reusable water bottle program eliminated 2.6 million single use plastic bottles

# 34% ↑



Increased our 2020 B Corp re-certification score to 129, an increase of 34%

Completed environmental self assessments with top 10 significant suppliers



Participated in Global Climate Strike and Black Lives Matter protests



Lobbied with Members of Congress, LEAD on Climate 2020



SDG Action Manager Panelist at UN Climate Week

### Impact Deficiencies

**1** Educational training on Justice, Equity, Diversity and Inclusion topics for our team members

**2** No reduction in PVC and PU material usage

**3** Decrease in reusability of our products from 96% to 92%<sup>5</sup>



Honored by B Lab as 'Best for the World' 2019



UN Global Compact Participant since 2016



Average employee tenure of 6.9 years

92% OF OUR PRODUCTS ARE REUSABLE



CERTIFIED B CORP SINCE 2014



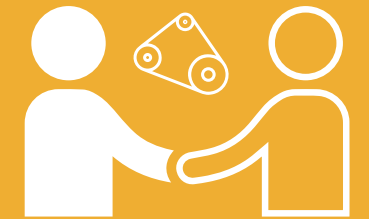
100% carbon neutral for US operations



Donate 2% gross revenue



C-TPAT certified and validated since 2010



SUPPLY CHAIN ALIGNED WITH UN DECLARATION OF HUMAN RIGHTS

100% pass rate on material compliance



98% on-time delivery



1991

Founded USA

1993

Our first nonprofit donation to The Midnight Mission

2001

Creation of v1 of our CRAFT Culture

2003

Formation of significant non-profit partnerships with Heal the Bay and Tourism Cares

2008

Launched our Green Commute initiative

2015

Introduced Self-Managed business model

2014

Certified as a B Corp, score 84.3

2016

UN Global Compact Signatory

2017

B Corp recertification, score 96.4

2017/18/19

Honoree for B Corp Best for the World

2018

Expanded Operations to Cambodia and India + UN Global Compact Participant + Female Board Membership

2019

2 team members joined partnership + Signed SBTi + Joined B Corp Net Zero 2030 initiative

2020

Recertified as a B Corp with a score of 129.4 + Formed official JEDI team



## UN Global Compact

Using the [UN Global Compact](#) as our guiding framework, we prioritize our own sustainability efforts in order to encourage, and promote ripples of systemic change within our circle of influence.

The [UN Global Compact's ten principles](#) guide our strategies, policies and decision making in all areas of our value chain. We align our strategies and operations with universal principles on human rights, labor, environment and anti-corruption and take actions that advance broader societal goals.

Our progress is measured against the [17 UN Sustainable Development Goals](#) (SDGs).



## UN Sustainable Development Goals (SDGs)

The United Nations' 2030 Agenda for Sustainable Development is a critical 'call to action' to achieve 17 Sustainable Development Goals (SDGs) in the next 10 years. We closely identify with 9 of the SDG goals as areas of high and medium impact for the development and implementation of our environmental, social and governance goals.



<h1>1</h1> <p>NO POVERTY</p> 	<h1>3</h1> <p>GOOD HEALTH AND WELL-BEING</p> 	<h1>4</h1> <p>QUALITY EDUCATION</p> 	<h1>5</h1> <p>GENDER EQUALITY</p> 	<h1>8</h1> <p>DECENT WORK AND ECONOMIC GROWTH</p> 	<h1>10</h1> <p>REDUCED INEQUALITIES</p> 	<h1>12</h1> <p>RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<h1>13</h1> <p>CLIMATE ACTION</p> 	<h1>17</h1> <p>PARTNERSHIPS FOR THE GOALS</p> 
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## SDG Action Manager

This year, the UN Global Compact collaborated with [B Lab](#) to launch the [SDG Action Manager](#). This tool maps sections of the B Impact Assessment to each SDG. Given its transversal nature, SDG 17 (Partnerships for the Goals) is incorporated into every module. This framework has helped us remain accountable by using a scorecard evaluation against each SDG to highlight areas of strength in our business and areas that need improvement.







34%

Our B Impact Score has improved by 34% since 2016



2%

We publicly committed to invest 2% of our annual revenue in social and environmental enterprises



We advanced our work in resource conservation; diverting waste and increasing our use of recycled fabrics over virgin materials in our products



3yrs

Best for the World Changemaker Honoree for past 3 years

## B Impact Score: B Corp

At MaCher, we strive to balance creating a better world with creating profits.

We make products that solve business problems, that people will actually use, that are made out of quality materials so that they can last, and that strengthen the relationships between brands and their customers.

We know that the industry we work in is not perfect - neither are we, but we want to be part of the solutions to make things better.

We proudly became part of the [B Corp community in 2014](#). This means that we are committed to meet the highest standards of social and environmental performance, transparency and accountability and have our actions verified by B Lab.

## Team Development

Our team culture is paramount and we work hard to develop a welcoming family environment. Our self-management structure guides us to take ownership and be accountable and responsible. No hierarchy, no 'bosses'.

### HOW WE SHOW UP TO DEVELOP OUR CULTURE

We provide access to Employee Assistance program

**Weekly Zen for 10 program - guided team meditation**

Parents are supported through flexible return to work schedules and paid time off after welcoming a child

**Nursing mothers are provided for in the office space**

We have a flexible paid sick leave policy

**100% paid premium on medical insurance + additional paid optical and dental program**

Our employee handbook is in accordance to the UN Convention of Human Rights

**We offer long and short term disability and life insurance**

Flexible work plans for varying lifestyles

**We provide extensive onboarding training including anti-harassment and unconscious bias training**

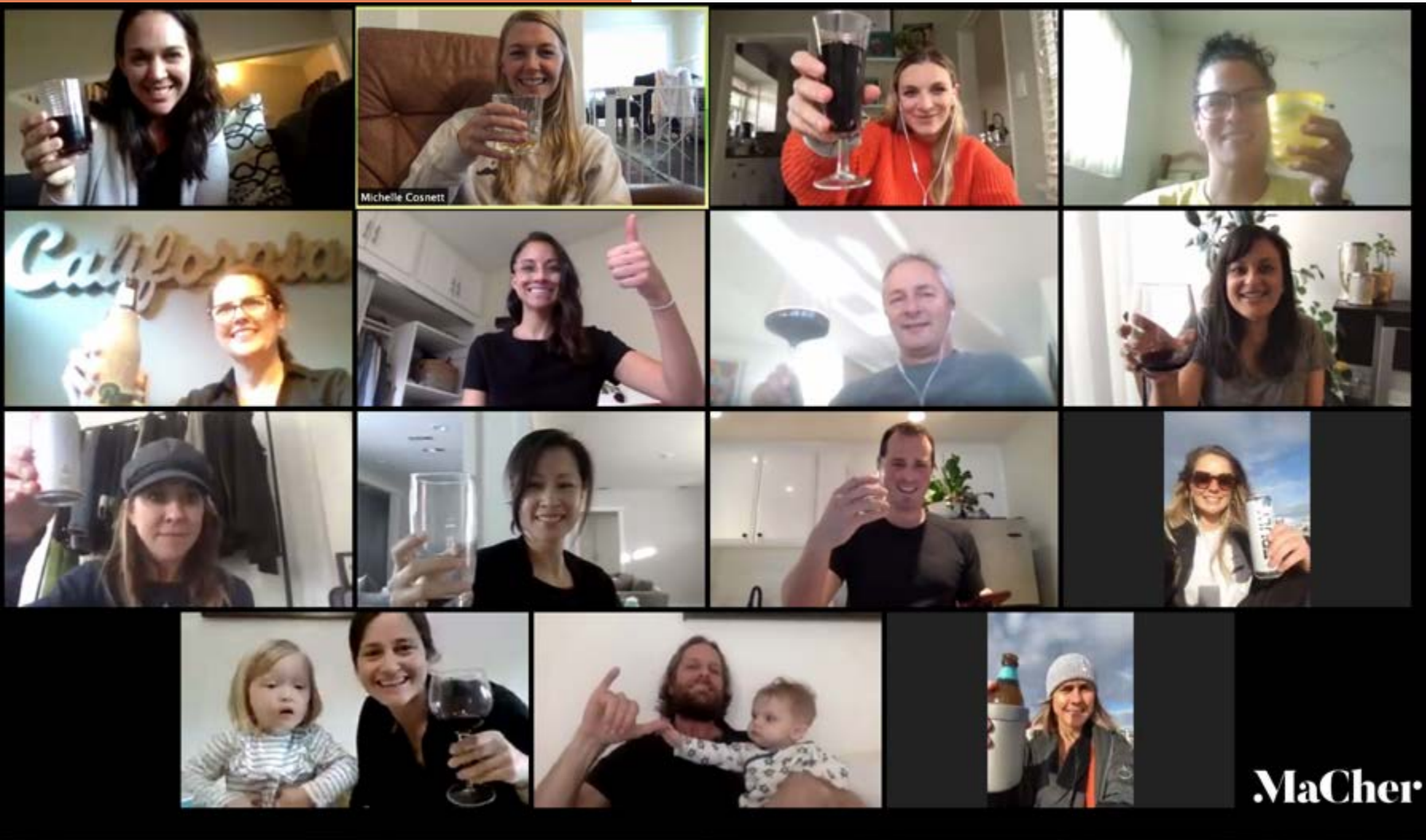
20 paid company hours dedicated to volunteering

**360 reviews for all team members**

Professional leadership and development coaching for all team members

**FYI - team lead education platform for sharing knowledge on social and environmental issues**





## A Toast to Teamwork

2020 has been a whirlwind for us all, presenting incredible challenges and making us question our practices like never before.

Shifting to remote working because of the COVID-19 pandemic brought a renewed focus to the well-being of our team members. Our learnings grew into a Remote Work Handbook. Part guide for staying connected and cultivating wellness, and part call-to-action to reflect, improve and urge businesses to use their operations as a powerful force for good in the recovery.

We miss each other and can't wait for the day that our potluck lunches and coffee runs can be shared in person again. Until that day, we will continue to find new and innovative ways to show up for one another and maintain our culture from a distance.



## **Our Commitment to Justice & Anti-Racism**

At MaCher, we stand against anti-Black racism and all forms of oppression. We commit to putting practices in place that support Black, Indigenous and People of Color team members; cultivating a culture that minimizes bias and recognizes and addresses systemic inequities.

As we continue to learn about the inequities, inequalities and injustices deeply rooted in our society, we will focus on transforming our dialogue and discussion into action.



## **Black Lives Matter**

This year, the fact that we are not all in this world together has never been clearer. The systemic racism in our society has been highlighted not just by the senseless deaths of George Floyd, Breonna Taylor, Ahmaud Arbery and many others, but also by the rate at which Black, Indigenous, People of Color and those living in poorer areas with higher levels of pollutants have been disproportionately affected by COVID-19.

We have recognized some of our own inadequacies. We were not public enough with our stance in solidarity with the Black community, we made some mistakes in our internal management of colleagues and we realized that our work environment needs to do more to be fully inclusive and equitable for everyone. We have work to do to expand our culture and break down racism and we are working on addressing these questions:

### **3 How do we best allow space in our business for conversations around structural racism?**

We formed a JEDI task force to advise and collect feedback from internal and external voices.

Our JEDI team is leading discussion groups every quarter for our team.

### **1 How are we educating ourselves about racism?**

We are committed to 6 internal education programs per year on JEDI topics (Justice, Equity, Diversity and Inclusion).

US Black History lesson for all team members.

Resource sharing platform for books, articles and videos.

### **2 What inequities and inequalities exist in our business?**

We are reviewing our hiring, onboarding and ongoing team development processes to learn how they can be improved to be more aligned with JEDI best practices.

### **4 What practices do we have in place that support Black and People of Color team members?**

We are reorganizing our Culture & Talent Team to ensure a safe space to report grievances and evaluating structures and systems that would prevent Black, Indigenous or People of Color from thriving in our business.

### **5 How are we allowing our team members to bring their authentic selves and culture into our business?**

We are still working on this and are making it a focus for the upcoming year.



## Mental Health

The COVID-19 crisis has affected everyone. Whether we were affected personally by illness, or by the mental toil that lock down, a lack of sociability and a deep concern for our family and friends has had on our lives. At MaCher, we have tried to take away the stigma of talking about mental health.

HERE'S HOW WE SUPPORTED OUR TEAM

Mental Health check in text system

**Bi-monthly team feedback survey**

'Zen for 10' meditations, twice per week

**Mindfulness coloring series to disconnect**

#remote\_life channel on Slack to share experiences

**Social distancing handbook**

Employee Assistance Program - access to free consultations

**'Distant Disco' to end the week**

Company Yoga

**Virtual happy hours and coffee chats**

**6.75hrs  
of group  
meditation**







OUR CULTURE: 2019/20 PROGRESS

What we pledged for the last 12 months	How we showed up	Our Score	SDG Alignment	How can we be better?
Expand the content and quality of MaCher's health and wellness program. Develop clear policy, education and assistance around harm reduction, mental health and alcohol and drug misuse.	We implemented a weekly mindfulness and meditation program. We also started to support our team with mental health conversations through our FYI educational program.			We still need to work towards a clear policy and assistance program that supports all team members with challenges faced during mental health crisis.
Healthy meals at all company events and celebrations.	We prioritized moving to healthy, organic and plant based foods as well as supporting local businesses for our catered events.			
Guarantee that all full time employees earn a fair, livable wage.	We increased our minimum full time salary to \$50k after 1 year of service. During COVID-19, all full time team members were asked to take reduced salaries, but we did not reduce any salary below our minimum of \$50k.			

Did Not Meet Expectations

Met Expectations

Exceeded Expectations



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: 2019/20 PROGRESS :

What we pledged for the last 12 months	How we showed up	Our Score	SDG Alignment	How can we be better?
Increase the number of team members engaged with external coaches to 90%.	92.3% full time team members were engaged with our development coach Iris Gelt Warner and created IDPs (Individual Development Plans).		 	
Amplify the effect of our performance in gender equality to all stakeholder groups.	We have not found a platform to help others in improving their gender equality performance.			Gender discrepancies are still hugely prevalent across the world. <sup>3</sup> COVID-19 has only exacerbated the issue <sup>4</sup> and we feel we can do more to encourage other businesses to work alongside us to close these gaps. We don't have a specific solution but are always looking for options to consider.
Train 4 diversity, equity and inclusion specialists to increase our JEDI practices and engagement across our team.	Only 1 team member completed additional training. Some of our team members have started their training but were unable to complete all modules due to impact of COVID-19.		 	We are focused on training all our team members further on JEDI topics. We have formed our first JEDI team that will be reviewing our hiring, on boarding and internal education practices to create a more inclusive space at MaCher.
Demonstrate our commitment to JEDI practices by encouraging 20% of our team to participate in further education.	100% of our team members attended an FYI on Diversity in the Outdoors aimed to improve our knowledge in the historical barriers that Black Americans face when participating in outdoor adventure and travel. 100% of team members also attended a US Black History lesson aimed at improving our knowledge on this historical causes of systemic racism prevalent in today's society.		 	We provided a town hall meeting and an anonymous survey to our team to learn where we may be underperforming in this area and are using that feedback to craft our ongoing team education.

Did Not Meet Expectations

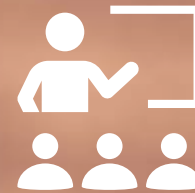
Met Expectations

Exceeded Expectations





## Focus for the Future



### Our Pledge Next 12 Months



We will develop and offer a paid internship program that provides mentorship and professional development to high school and university level students from diverse and traditionally underrepresented backgrounds.

We will offer six JEDI related training opportunities to all team members.

We will continue to support the mental wellbeing of our team members through our 'Zen for 10' twice-weekly meditations.

## Team Member Features



**Breanne**

I lead an internal mentorship program to provide all team members access to education and to develop leadership skills no matter their role, identity or background.

**Michelle**

Based on my experience with mediation and yoga, I was interested in helping provide regular meditation sessions to the team. I helped create Zen for 10, a weekly meditation practice available to everyone at MaCher.



**Jamila**

My goal is to create a culture of openness and a support system around mental health challenges for our team. I provide multiple avenues for team members to let me know if they are struggling and in need of support.



## Team Member Features



**Richard**

I created one-on-one support and guidance for any team member wanting to participate in a run, endurance or fitness challenge.

**Anna**

While we had systems for trash and recycling collection, we had no process for the disposal of our office food waste. I found a local garden with composting infrastructure a few blocks from our office and now we partner with them for composting all our green office waste.



**Jules**

I created a sales tool and engagement strategy with consumer insights and learnings around Diversity and Inclusion in the beauty industry to share with clients and partners.

## Team Member Features



**Jon**

I work with our supply chain partners on our commitment to the SEDEX framework. We currently have 4 of our top 10 reporting under the 4-Pillar structure and another 3 reporting under the 2-pillar structure. Additionally, we have self-reported data from our top 10 suppliers allowing us to establish our baseline for environmental impact in our supply chain.

**Ben**

I created our own, internal public speaking/design thinking group called Venice Speech. The process was finding a way to merge a more traditional public speaking club platform with that of a contemporary, design thinking one.



**Betsy**

My goal was to review the baseline of individual poly-bag usage and create a mechanism to document how orders were being packed. We are now tracking weight of polybags per order to determine true progress. This small shift in focus has a big impact on reducing our overall plastic consumption.





## Our Environment

The next decade is critical. The recent report from the [Intergovernmental Panel on Climate Change](#) (IPCC) warned of severe consequences of a failure to prevent global warming. To limit the temperature increase to 1.5°C above pre-industrial levels, emissions need to halve by 2030 and drop to net-zero by the middle of the century for the best chance of avoiding the worst impacts of climate change. We believe in science and the power of community effort to urgently meet the challenge. To that end, we made two commitments this past year:



### SBTi

This year, we are implementing [Science Based Targets](#) throughout our business to help us track and measure our reductions













### Net Zero 2030

[MaCher joined 500+ B Corps](#) that publicly committed to accelerate the reduction of their greenhouse gas emissions and reach a 1.5 degree trajectory by 2030

### 1.5 °C

In September of 2019, we joined the global movement of 200 other leading companies in the [Business Ambition for 1.5°C](#)

2019/20 PROGRESS

What we pledged for the last 12 months	How we showed up	Our Score	SDG Alignment	How can we be better?
Establish end of life disposal instructions for our products.	We have not completed the instructions and are extending this goal to 2021. We spent the year understanding the infrastructure of waste management in the US and how to best educate consumers on what can be done with products at the end of life.			Develop closed-loop product options and work with industry partners to resolve barriers to recycling and repairs.
Reduce logistics packaging by 25% using 2019 baseline by 2021.	Over 50% of our orders have reduced logistics packaging by more than 80% per order. We have eliminated over 800K poly bags this year.		 	We are working on converting every order to bulk packing when possible.
Establish company policy on plastics reduction, recyclable and compostable plastics.	Our policy focuses on removing plastics where possible or replacing virgin plastic with recycled content. We do not promote compostable plastic products as the end of life infrastructure is not readily available. We designed an educational FYI - 'Trash Talk' to educate our team on different plastic types and recycling capabilities around the world.		  	We are looking for large scale solutions to replace or minimize use of all virgin plastics. Our biggest challenge is finding replacements for PVC and PU materials.
Implement an open-loop recycling test with 2 clients to properly dispose/recycle packaging waste.	We developed a tracking system to measure packaging use on orders. We have worked on one test case with a client but have yet to implement it.		 	We are looking for options to manage end of life of packaging waste, through either eliminating packaging or capturing it before it ends up in landfill or waterways.

 Did Not Meet Expectations

 Met Expectations

 Exceeded Expectations



.....  
: 2019/20 PROGRESS :

What we pledged for the last 12 months	How we showed up	Our Score	SDG Alignment	How can we be better?
Quarterly update of Sustainable Materials Toolkit.	The Sustainable Materials Toolkit is now a living document as we discover new materials and apply their use to new products. We are always developing this tool based on most best available material innovations.		 	We are always looking for materials that lessen our impact on the environment. Our biggest hurdle has been finding the right replacements for PVC + PU materials.
Create Progress on Sustainability impact reports for 12 clients by 2021.	We designed a tracking system to monitor our clients impact progress. This system was interrupted during a transition away from a project management software we had used to track the impact components. We have not been able to successfully implement the reporting mechanism to all clients but we have produced 1 successful case study.		  	We will design and implement a new tracking system to fulfill this pledge.
Increase adoption of a carbon offset to 10% of all orders by 2020.	Only 2% of our clients' orders based on spend were offset through our carbon offset program.		 	Carbon offsetting is not the solution to solving our climate crisis but it can be used to reduce carbon debt. Our focus is shifting to regenerative practices in the future. We will still encourage our clients to first measure and reduce emissions and then offset remaining emissions that can't be avoided.
25% team using green commute program.	Prior to the pandemic lock down we had 23% of our team engaged in our green commute program.		 	With remote work becoming the new normal, we believe our future work commute emissions will be reduced significantly.
100% of team with sustainability KPI	100% of our team set individual sustainability goals or Key Performance Indicators.		 	COVID-19 had a significant impact on the team's abilities to achieve their individual goals. We had a 65% completion rate on the goals set, we hope to get an 80% conversion rate next year.



Did Not Meet Expectations












Met Expectations



Exceeded Expectations

2019/20 PROGRESS

What we pledged for the last 12 months	How we showed up	Our Score	SDG Alignment	How can we be better?
Science Based Targets Initiative (SBTi) - Sign the commitment letter and set science based emissions reduction targets by 2021/22 FY for US footprint.	In 2019 we signed the SBTi commitment letter and are now working on our targets.			We have 24 months to create our scope 1-3 baselines and submit our reduction goals to SBTi.
Design and develop new product ranges focused on recycled materials or closed-loop design - Incorporate closed loop design into a product that has a positive environmental impact by 2021.	This year we focused on using recycled fibers and other sustainable materials to replace virgin materials. Our NPD team traveled to India to develop new product ranges with our supply partners using recycled materials. We increased orders using recycled materials by 5%. Our new design impact toolkit is being applied to all new product development.		 	Develop closed-loop product range.
Expand our reusable water bottle initiative to eliminate single use plastics.	13% of our travel clients adopted our reusable water bottle program to replace single use plastic water bottles.		  	We are working to add new reusable product ranges to offer our travel and beauty clients including: Bamboo cutlery sets, reusable straws and face masks.

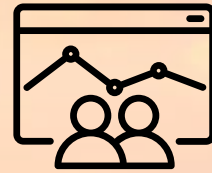
 Did Not Meet Expectations

 Met Expectations

 Exceeded Expectations



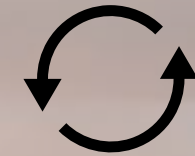
### Focus for the Future



Provide quarterly team training focused on topics such as waste mitigation, material innovations and regenerative practices

# 40%

Increase the use of RPET or other recycled fibers or of sustainably certified materials to 40% of all orders



Present a minimum of one circular design concept to our clients every quarter

### Our Pledge Next 12 Months



Build Scope 3 GHG emissions inventory system



Reduce logistics packaging by 25% using 2019 baseline



Create Progress on Sustainability impact reports for 12 clients



Establish end of life disposal instructions for all products made

### Next 2 Years

▶ 100% of our products are reusable

▶ Remove all single use plastics from our products

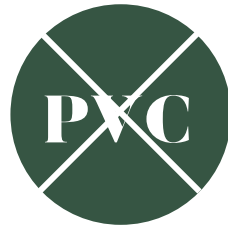
▶ Approval on SBTi goals for emissions reduction

### By 2030

▶ Net Zero emissions

## Material Performance

### Last Year's Performance

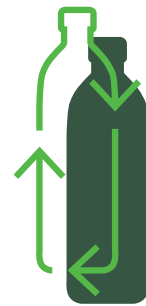


Last year, we pledged to measure and eliminate PVC usage from our products by 2023.

This year we converted more of our products to sustainable materials however we did not see a difference in our PVC material usage. We are committed to finding alternative solutions for PVC and PU materials.

### Material Spotlight

RPET is the fabric made from recycling plastic bottles. By encouraging the use of this material for our products (rather than PU, PVC or other virgin materials), 308,900 plastic bottles were diverted from landfill.

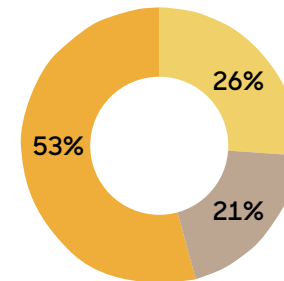


### Year on Year

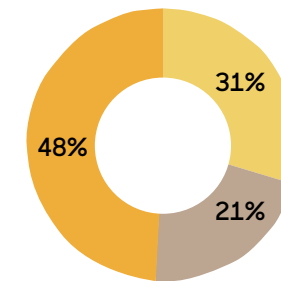
Sustainable material transition performance Year on Year



2018-2019 FY



2019-2020 FY



LIGHT YELLOW Sustainable Materials

YELLOW Other Non Sustainable Materials

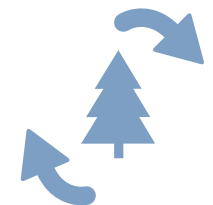
BROWN PVC

### Next Year & Beyond

40%

NEXT YEAR: 40% products from sustainable materials

By 2023: 60% products made from sustainable materials



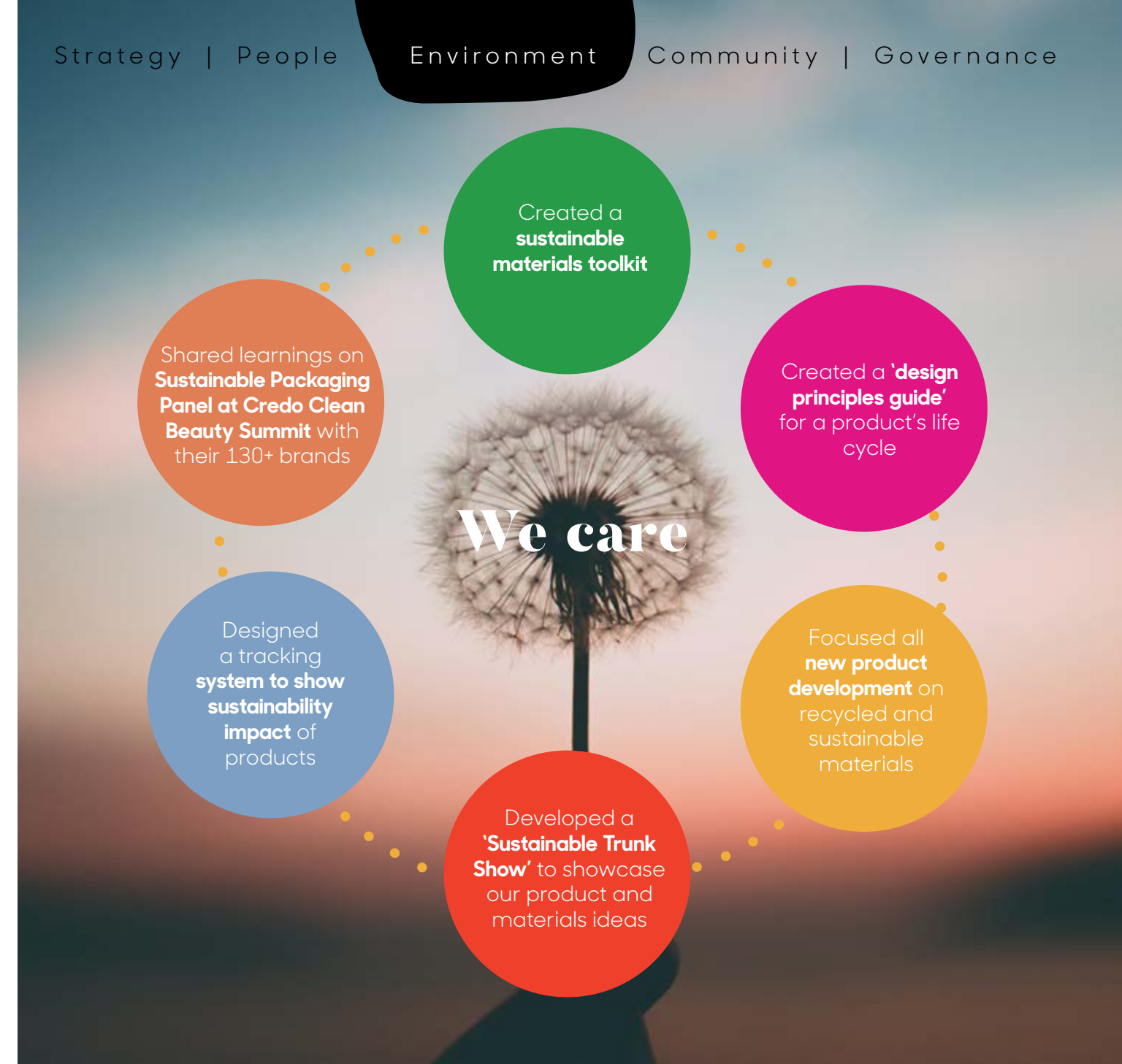


# Spotlight

## Designing for our Environment

As a company that manufactures products, we know that we have an extra responsibility to tackle waste, plastic pollution and climate change and work towards a circular economy.

This year, applying Design Thinking principles, we've increased our focus on designing products that have less impact on our environment, sourcing the most sustainable materials and then actively sharing our learnings with others.



## The Power of Imagination

The Imaginary Travel Company is a concept developed by the team at MaCher that reimagines the intersection of travel, sustainability and mindfulness. Travel is a life changing experience. Our concept is to maximize wanderlust while minimizing the carbon footprint.

For the debut collection, we focused on the adventure traveler. A savvy traveler whose passion for exploring the world ignites a desire to reduce their environmental impact.

The Adventurer travels light, carrying only necessities for each excursion. The collection is sustainable and transparent by design; boldly highlighting its ethical manufacturing. All materials used are either recycled or renewable and the energy used in making them has been offset with The Conservation Fund.

The artwork advertises the material properties and life cycle data. Products are thoughtfully designed with features to help eliminate single-use plastic waste and encourage reusability while traveling.

View the full collection: <https://imaginarytravel.co/sustainabletraveler>





## Celebrating Earth Month at MaCher

Each year, in celebration of Earth Month, every team member commits to making a personal change in their life. These pledges remind us that our individual efforts are so vital in creating positive change, spreading awareness and helping us to be mindful of the choices we are making everyday.



2018	<b>32%</b>	adoption of which 50% hit their goal
2019	<b>74%</b>	adoption of which 85% hit their goal
2020	<b>100%</b>	adoption of an Earth Day Pledge

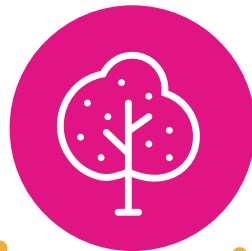


**Angela**

Eat plant-based diet 3 times a week

**Daph**

Plant a fruit tree on my sidewalk so the fruit is available to pick for the neighborhood



**Jon**

Take shorter showers by using my "timer block." 5 minutes if shaving and washing hair, 3 minutes if not

**Anna**

Shift 90% of toiletries to zero waste options- Bite toothpaste, solid shampoo, conditioner, face wash and lotion



**Richard**

Organize a volunteer day to do with my family

**Tarina**

Ride bike at least once a week to work



**Sandra**

No more single-use straws



## Our Community

We amplify our voice and scale our impact through key partnerships with those organizations in our community who share our goals and values in order to create greater positive change that benefits everyone. Over the past year, a core focus has been leveraging these partnerships to help us reduce the use of plastics, particularly single use plastic water bottles.

With COVID-19, there is an increased focus on sanitation and hygiene across the world. As a result, plastics reduction has been scaled back. We believe a COVID-19 world can and must include sustainable solutions, resilience measures for communities and workers and the protection of biodiversity.

We will continue to have conversations with businesses and suppliers on how they can reduce single use plastic reduction, utilizing our multi-stakeholder partnerships such as Tourism Cares, USTOA and Heal the Bay.





### B Lab

Our support of B Lab extends from our recertification fees, to B Local LA development and sponsorship of events.



### The Conservation Fund

We partner with The Conservation Fund for our carbon offsetting program for both our operational footprint offset and our clients orders.



### Tourism Cares

Our support is varied from board representation, cash and product donations as well as pro bono support from multiple MaCher team members.



### CEW

We support CEW and Cancer & Careers through product design and donations for their events.



### UN Global Compact

Our support for the Foundation for UN Global Compact is through cash donations.

## Strategic Partnerships

In 1993, we made our first donation as a business to the LA Midnight Mission. Since then we have consistently grown our giving partnerships through an informal program to invest back into our community through nonprofit organizations and industry groups. For many years we have substantially given to various organizations in need.

In October 2019, we publicly announced our formal commitment to distribute at least 2% of our annual gross revenue to our nonprofit and social enterprise partners.

In particular, we want to support those organizations who are helping advance social and environmental change across the industries that we operate. These include travel, retail and beauty. We are also looking to invest in organizations that help further our goals around Justice, Equity, Diversity and Inclusion in our workplace and our community.





## Community Partnerships

In recent months like many organizations, MaCher has fully woken up to sheer scale of the many inequities and injustices within our society and we are more determined than ever to leave behind an equitable legacy.

Our work with various community organizations covers issues as diverse as coastal protection, kindness for the seriously ill and their careers and community gardening.

Our future plans will identify whether there is further scope to target our efforts towards marginalized local communities and those that are affected by our operational footprint.

# Spotlight

## Caring for our Community

# 600+ hrs Giving Back

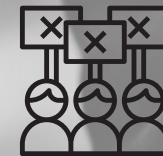
We have a formal commitment of 20 paid volunteer hours offered to every team member per year. Individuals can choose how they use these hours in giving back time to their communities or on pursuing issues that resonate with them personally.

### Examples of our community involvement include:



**100 +**

collective team hours supporting the Black Lives Matter movement



**30 +**

collective team hours for the Global Climate Strike



**65 +**

collective team hours for kids sports coaching



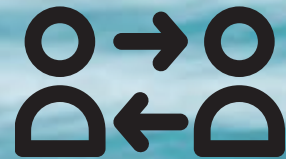
# Spotlight

## Ripples

Using our business as a force for good includes encouraging others and looking for ripples of change beyond our business and circle of influence.

While harder to measure, we see positive shifts in conversations, intentions and actions taken that spur us on in these endeavors.

Here are a few 'Partnership for the Goals' ripples from this past year:



### Coaching

We have been advising and supporting companies in their transition to B Corp as well as non profit board development.



### Collaborations

Such as with [Tourism Cares](#), [USTOA](#) and the [Jordan Tourism Board](#) to help reduce plastic water bottle use at the USTOA annual conference.



### Investments

Such as [Kitro](#) that helps restaurants measure and reduce their food waste.



### Webinars & Panels

Sharing consumer and market insights data to inform audiences around the world on topics around Post-COVID consumer attitudes and growing sustainable practices.



## Supply Chain Partnerships

# 15 yrs

average tenure with our top 8 supply chain partners.

# 100%

of our strategic manufacturing supply partners commit and adhere to our Social Accountability Standards and Code of Conduct—based on the [UN Universal Declaration of Human Rights](#) and the [International Labor Organization](#) conventions ([SA8000](#)).

# 92.5%

of our business has been placed directly with strategic supply partners who have committed to transparent, accredited 3rd party audits measuring social and/or environmental performance.

Everyone involved in the creation of our products is of equal value to us and we are committed to ensuring the ethical treatment of all.





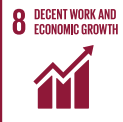




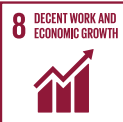




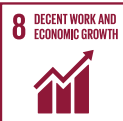



Our rigorous onboarding practices for our supply chain partners include self-assessments, onsite visits and third party auditing. We also support the efforts of our partners on their journey of continuous improvement through ongoing, frequent and periodic audits and visitations.

We realize there is no perfect in an imperfect world, however our goal is to bring everyone along with us on our goal for sustainable best practices.

### Manufacturing Map



.....  
: 2019/20 PROGRESS :

What we pledged for the last 12 months	How we showed up	Our Score	SDG Alignment	How can we be better?
Min of 5 significant suppliers reporting on resource usage by 2020 for either energy or water consumption.	100% of our top 10 (by spend) manufacturing partners have completed a self-assessment on their sustainability policy and are reporting on water, energy and gas usage.		 	We are looking to establish baselines from our 2019 data so we can set reduction targets with our partners for the future.
Increase a number of core suppliers with SEDEX 4 pillar certification to 5 by 2023.	To date, 4 of our top 10 suppliers have completed 4-Pillar Audit. Additional 3 have at least a 2 pillar SEDEX audit.		   	We will continue to improve this metric to convert our 2 pillar suppliers to the 4 pillar audits, which add the environmental and business ethics transparency and performance.
Measure the diversity of ownership among our suppliers.	We have developed a supplier tracking tool that is measuring the diversity in ownership of suppliers.		   	We are looking at how we can use this data to further diversify our supply chain.
Create incentive program for Tier 1 suppliers to promote transparency of Tier 2 and beyond suppliers.	Currently we have not been able to implement the incentive program however we are prioritizing our Tier 1 suppliers working on their impact reporting and we will be altering our SOP to include more transparency in communication for our supply chain partners on trading.		   	We are looking to develop a stakeholder engagement program that will incentivize our partners with their reporting on supply chain involvement and impact.

 Did Not Meet Expectations

 Met Expectations

 Exceeded Expectations



**Focus for the Future**

**Our Pledge Next 12 Months**



**95%**

Increase our spend to 95% of our total business (currently at 92.5%) awarded to strategic suppliers based on social and/or environmental performance



To achieve this, we will hold our trading partners accountable and require audits and transparency from their factory partners

**Next 2 Years**



100% of our total business awarded to strategic suppliers based on social and/or environmental performance



Develop local supply chain partnerships for the US based projects



Increase a number of core suppliers with SEDEX 4 pillar certification to 5



## **Our Governance**

As a certified B Corp we have a legal commitment to consider all the stakeholders affected by the decisions we make as a business, including our environment. Our Benefit Corporation structure is a legal obligation for us to pursue positive stakeholder impact alongside profit.

Our stakeholders are those who directly influence and/or are influenced by our day-to-day operations. We also consider those who our business operations affect, such as the communities we work in and the industries impacted by our business.

### **Our stakeholders include:**

Team Members

#### **Board Members**

Clients

#### **Supply Partners**

Industry Peers

#### **Our Local Communities**

Travel, Beauty, Retail and other Industry Associations in which we operate

#### **Our B Corp and Global Compact Communities**

Non-profits, Environmental and Social Enterprises

### Feedback We Love It

We use multiple strategies to collect feedback from our stakeholders. Encouraging honest feedback, whether appreciation, coaching or evaluation helps us improve our reach and depth of understanding of what is important to all our stakeholders

Some current feedback mechanisms include:

### Our pledge in the next 12 months:

▶ Create a feedback system for external stakeholders

▶ Implement quarterly feedback surveys for external stakeholders



Quarterly employee happiness surveys

360

360 reviews for all team members



glassdoor

Glassdoor reviews



Social Media: LinkedIn and Instagram



Exit interviews



Supply partner annual feedback reviews and visits



Peer reviews of our annual Progress on Sustainability Report



Company, Department and Team Member Meetings



MaCher's Board



Industry round tables



New hire orientation



## How We Share Our Progress

Sharing both our progress on our successes as well as the targets we continue to strive for, holds us accountable to our commitments. Our transition towards an inclusive economy makes this all the more important.

Some of the many ways we share our progress on our sustainability goals include:

Annual Progress on Sustainability Report

**Team Member Training**

Our Website, [www.macher.com](http://www.macher.com)

**Directly with Our Clients**

Company, Department and Team Member Meetings

**Public Speaking and Facilitation**

Association and Not-For-Profit Involvement

**Industry Round Tables**

Supply Partner Visits

**Supply Chain Collaboration**

Social Media

**New Hire Orientation**



## MaCher Partners



### Derek

In 1992, newly arrived in America, I met two people who would change my life: my future wife Deb, and my future business partner Martin. Martin and I started to build MaCher USA around simple core values and a shared vision that business can be both profitable and a force for good in the world. We've always thought of MaCher as a living organism, where we are honored to be custodians.

As we accelerate our self-managed environment, my role is to protect our purpose and culture and to challenge myself and others to drive systemic change in the world to create a more shared and durable prosperity for all. In this COVID-19 era, we are all experiencing difficulties, however the deaths of George Floyd, Ahmaud Arbery and Breonna Taylor (among others) have led me to understand my own white privilege. I commit to our team and future team members, that MaCher will be an inclusive place to work.



### Annette

I joined MaCher in 2002. My tenure is officially an adult that can vote! Over this time my role has evolved from a project manager on a team of 3, all the way to COO (but not the regular kind). I spend my days looking at how we can consistently improve and develop our self management model from an operational perspective.

My focus is creating an environment for our decisions to positively contribute to our CRAFT culture, deliver incredible results for our clients while aligning it all with our purpose and values. My motivation is our team. They are the most passionate, innovative, hardworking and fun group of people I've known. For this decade I plan to show up by taking meaningful steps to create a more inclusive and diverse workplace and by making a safe environment where all teammates feel welcome, heard and empowered.



# MaCher Partners



## Patrick

Before I joined MaCher in 2014, I'd never heard of a B Corporation or even comprehended the idea of using a business as a 'force for good'. It seems unapproachable at first, almost contradictory. I was always taught that businesses were unfeeling profit machines, only shareholder value matters, nothing else. Fortunately, our business and many others like us are bucking this trend. We can have purpose and profit. We can facilitate change disproportionate to our size.

The great joy of my role is that I get to use our design and manufacturing knowledge to make the world a better place. What a job description! We've got lots to improve on as a business and so do I as an individual. As an institution and as individuals within this institution we're not afraid to talk about where we need to improve. A top priority right now is my education as an active anti-racist. Other topics to improve on are active listening and sharpening my persuasion skills. Feeling uncomfortable is typically an indication of growth, I intend to have an uncomfortable decade!



## Martin

37 years ago our business started from a very humble beginning in Australia. Nine years later we opened our doors in the US with no concept that it would become the business it is today. The adventure for me over this time has been the opportunity to challenge people that they can do better, dig deeper and discover they have talents that give them and people around them more alternatives. It is an exhilarating feeling, shining a light on an area of growth that gets someone through to the next level of their own very personal journey.

The speed of change we are experiencing today is accelerating at a blistering pace and is requiring nimbleness at a degree I have never seen before. More specifically with COVID-19, I see the importance of the MaCher tribe galvanizing not only as an economic unit but as a socially cohesive group to buffer these incredible headwinds.





# Governance



Headquartered in Los Angeles, USA



Other locations: Australia, New Zealand, UK & China



Our annual reporting period is July 1 - June 30

# 26

We have 26 team members in the USA

# 1/3

Board of Directors is 1/3 female



Privately held C Corporation & CA State Benefit Corporation. Certified B Corp since 2014. Most recent score 129 points



Travel & Tourism, Beauty & Retail, Direct Sales and Universities



USA: 80% F / 20% M

# Appendix.

- 01. The calculation of the number of single use plastic bottles eliminated by our reusable water bottle program is based on the assumption that the guests average two single use plastic bottles per day<sup>A</sup> on a 7 day average cruise.<sup>B</sup>
- 02. The calculation of single use plastic bottles diverted from landfill from RPET products is based on the research that 1 kg of RPET can keep 60 water bottles out of the environment.<sup>C</sup>
- 03. <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/gender-equality-womens-rights-in-review-key-facts-and-figures-en.pdf?la=en&vs=935>
- 04. [https://www.unfpa.org/sites/default/files/resource-pdf/COVID-19\\_A\\_Gender\\_Lens\\_Guidance\\_Note.pdf](https://www.unfpa.org/sites/default/files/resource-pdf/COVID-19_A_Gender_Lens_Guidance_Note.pdf)
- 05. After further analysis we broke our reusability into 2 further categories. Using this categorization 10% of our 92% of reusable products had low reusability.  
 High reusability = product that has a lifespan of more than a year with normal use.  
 Low reusability = product that can be reused multiple times but has a lifespan of less than a year with normal use.

- A. ["Despite Concerns, 60% of Adventure Travel Operators Still Use Single-Use Plastic Bottles."](#) Adventure Travel Trade Association, 2018.
- B. ["Cruise Industry Overview and Statistics."](#) Florida-Caribbean Cruise Association, 2010.
- C. ["Recycled Polyester vs Virgin Polyester."](#) Waste2Wear.



# Thanks

We hope some of our progress has inspired you and created at least one actionable idea or two.

We are happy to answer any questions about our progress and our work.

We also freely help businesses review and develop their own sustainability journey.

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