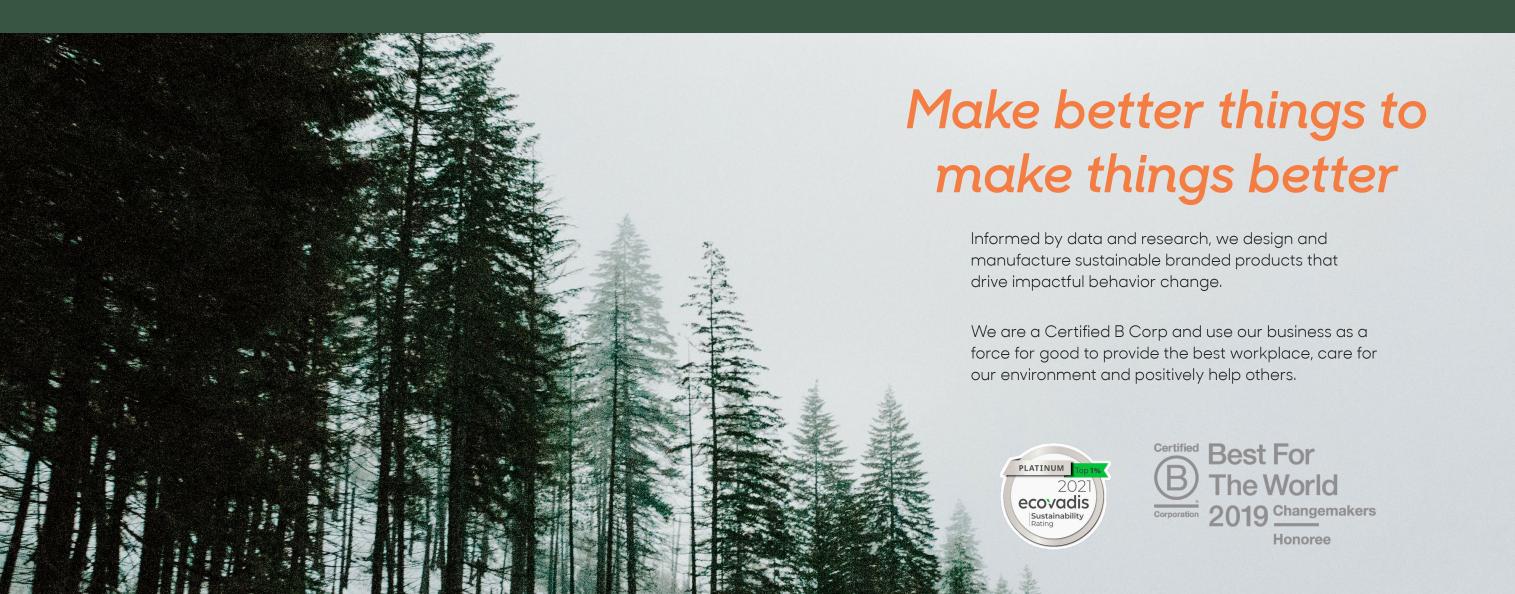
## — MaCher —

# OUR CLIMATE ACTION PLAN











# Our Plan for Net Zero 2030

"It is unequivocal that human influence has warmed the atmosphere, ocean and land." IPCC, 2021

In the last 2 years, we have been preparing our strategy to reduce our emissions in line with 1.5 degree trajectory above pre-industrial levels. Our plan is outlined in the coming pages and we acknowledge gaps may exist due to unreliable data or blind spots. We welcome feedback on where we could improve.

Without urgent action to address the climate emergency, our business and our team will face many challenges. We have identified these as the greatest risks as average surface temperatures continue to rise.

#### CLIMATE RISKS TO OUR BUSINESS:

- Increase in wildfire, flood, and storm severity will add to employee health and living risks
- Rise in air pollution and intensity of heat waves will put employees at an increased health risk
- Major disruptions to our global supply chain and distribution networks from increased intensity in weather
- Risk to business operations due to water scarcity particularly to the production of raw materials that our products are made from
- Disruptions to power supplies affecting ICT, cooling and transport infrastructure affecting home and office working and overall productivity levels













## B Corp Climate Collective Net Zero 2030

We are part of a group of 1500+ <u>Certified</u> <u>B Corporations</u> committed to Net Zero 2030.

## Business Ambition 1.5

Business Ambition for 1.5°C is an urgent call to action from a *global coalition* of UN agencies, business, and industry leaders, in partnership with the Race to Zero.

## Science Based Targets initiative (SBTi)

Science-Based targets align our business with the most ambitious targets of the Paris Agreement and pursue efforts to limit the global average temperature to 1.5 above pre-industrial levels based on the IPCC report.

## Tourism Declares

Tourism Declares is a global community of organizations, companies, and professionals committed to aligning plans with the need to cut global emissions in half by 2030.







## Measure

With the help of Climate Smart, a fellow B Corp, we have verified our baseline emissions for scope 1, 2 and 3 for the 2018/2019 fiscal year based on the GHG Protocol.

#### WHAT'S INCLUDED:

- Natural Gas burned (scope 1): For heating in our office.
- Electricity purchased (scope 2): Electricity that literally keeps our lights on in our office.
- Upstream and downstream transportation (scope 3): Sea, air, rail, and trucking to get all of our products delivered to our customers, this also includes our samples.
- Employee commuting (scope 3): Travel from our teams' home to our Venice, CA headquarters. Including public transportation.
- Business Travel (scope 3): Our clients are all over the world and we often meet them in person. This also takes into account hotel nights and taxi/ride share services.
- Waste generated (scope 3): Waste that we cannot compost or recycle in our HQ
  operations that will ultimately end up in landfill.
- Paper Consumption (scope 3): Paper that we consume in our HQ for printing.

#### WHAT HAVE WE EXCLUDED:

- Emissions from primary manufacturing suppliers (scope 3): At this time we are unable to collect accurate, complete or reliable data suitable to include in our scope 3 boundary. We do plan to launch a pilot program in the coming 12 months to understand if we can build a more accurate inventory from these partners.
- Emissions for product end-of-life (scope 3): Our products are sold through clients to consumers. We have very little visibility on their performance at this stage. To combat this we are putting our focus into designing for circularity and ease of reintroduction of materials back into the supply chain.



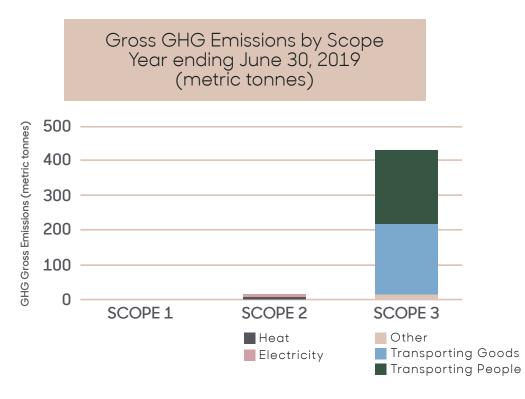




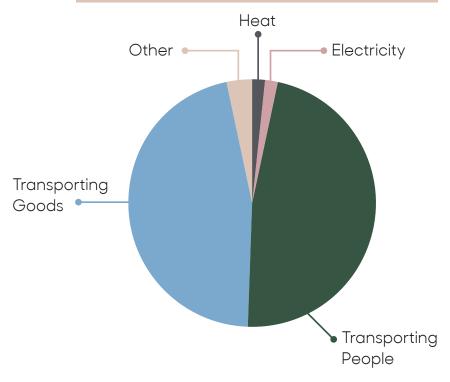
## 2018/19 GHG Emissions Baseline

To align our emissions reductions with science-based targets, we are using our 2018/19 inventory baseline. This is a more accurate reflection of our business footprint during usual times and will give us the best indication of where our most material impacts are. Over the next 12 months we will validate our 19/20 and 20/21 inventories.

	(metric tonnes)
Gross Emissions	443.57
Scope 1	2.93
200be 1	2.75
Scope 2	12.83
Scope 3	427.81
Purchased Reductions	-333
Net Emissions	110.57



Gross GHG Emissions by Activity Type Year ending June 30, 2019 (metric tonnes)









# We will <u>prioritize</u> the most material impacts of emissions based on our influence and risk to the environment, our health, and our business.

#### **ABATE**

- We will radically decarbonize our operations and our value chain, shifting to renewable energy sources and reductions in consumption of resources overall.
- By aligning with the Science-Based Targets initiative, we have committed to reduce our absolute scope 1 and scope 2 GHG emissions 50% by 2030 from a 2018 base year and to measure and reduce our scope 3 emissions.
- As of May 2021, our Headquarters in Venice are powered by 100% wind generated energy.

#### COMPENSATE

- We also recognize the need for carbon to be sequestered and natural carbon sinks to be preserved and will continue to make contributions to carbon sequestration projects as a necessary step in compensating for our current emissions.
- For unavoidable emissions, we purchase carbon credits through responsible and highly accredited carbon sequestration programs that also support economic development.
- In 2021 we launched "Opt-In for Our Future" carbon compensation pricing, which automatically includes the cost of purchasing carbon credits for every order. The amount of credits equates to the carbon footprint for raw material production, manufacturing, packaging and transportation of goods to our clients.
- Our current primary partner for these credits is <u>SeaTrees</u>, whose work supports communities planting and protecting blue-carbon coastal ecosystems.
- We are currently investigating carbon capture and ways to invest in making our own operations carbon positive.









## SeaTrees

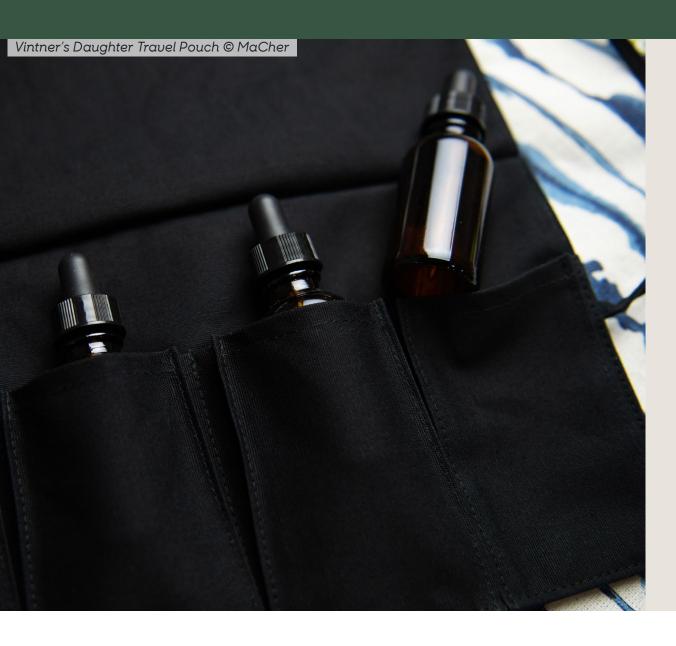
Some of the energy that we use in our operations produces greenhouse gas emissions. We use as much energy as we can from renewable sources (our LA head office converted to 100% wind energy in May 2021, for example), while other sources still rely on fossil fuels.

To help balance these polluting emissions, we support <u>SeaTrees</u>, a not-for-profit company that invests in ocean health by planting and protecting 'blue-carbon' coastal ecosystems. Coastal and marine ecosystems capture and store more carbon per unit area than any ecosystem on land. These coastal ecosystems not only capture and store the carbon we emit, but also provide essential habitats for plants and animals and support sustainable jobs.

SeaTrees invests in a number of projects where we operate or are significant to the industries we represent. We're particularly excited that one of the projects we are supporting includes 125,000 sq ft of kelp restoration in Palos Verdes, California, just down the beach from our head office in Venice. Since our partnership we have purchased 700 tonnes of carbon credits through their REDD+ project in Cambodia, compensating for MaCher's operational footprint.







#### **PUBLISH**

For transparency and accountability, every year we will publish our emissions and provide updates on our progress in comparison to our baseline year of 2018.

## **ADVOCATE**

To limit global warming to 1.5 degrees, we apply principles of SDG 17, Partnerships for the Goals, to create trusted collaborations with our customers, suppliers and other stakeholders. We call on every business to do the same.

## **EVALUATE**

Every 5 years to ensure our targets are aligned with the Science Based Targets initiative recommendation and most up to date science.









# Decarbonization Goals

NET ZERO	2030
Provide client impact reports for all clients using "Opt-In for Our Future" carbon compensation scheme	12 months
Launch first tier manufacturing supplier GHG reduction pilot program	12 months
Reduce team commuting by 30% from 2018 baseline	2023
Establish future reduction target using 2020 baselines for our manufacturing partners	2023
Reduce air business travel by 40% from 2018 baseline	2025
1 supplier from top 10 manufacturing partners converted to renewable energy	2025









# Thank You

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

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

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MaCher

