

MaCher

2017

■ PROGRESS ON SUSTAINABILITY REPORT





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*This report is based on our fiscal year beginning July 1, 2016 and ending June 30, 2017

A MESSAGE FROM OUR PRESIDENT

Welcome to our second Progress on Sustainability Report. As you review our progress, you will find many examples of how MaCher and our team members work with multiple stakeholders to do right by the Earth, positively influence others and create one of the best places to work. MaCher’s tag line “the brand behind the brands” seems more appropriate than ever.

As we celebrate our 25th year in the United States, we are honored to work with many of the world’s leading brands. Our products and services help consumers share great experiences. We seek no recognition other than the joy of building partnerships between people and organizations to help improve the lives of others and take better care of our environment.

Importantly, in 2016, MaCher became a signatory to the United Nations Global Compact. We believe the [17 UN Sustainable Development Goals](#) (SDG’s) will improve the lives of people everywhere. The UN General Assembly acknowledges and encourages the role of tourism in the SDGs and has named 2017 the “[International Year of Sustainable Tourism for Development](#).” Sustainable tourism plays a critical role in being a true ‘force for good’ at economic, social, cultural and environmental levels, globally. We are proud to be part of this community, through our extensive work within tourism and other sectors. I hope you will consider supporting the 17 SDGs this year and long after. If you need any support in how you can make this happen, we are happy to help you.

As a [Certified B Corp](#) we measure our impact on our workforce, the communities we serve and our environment and set improvement targets. The [B Lab Impact Assessment](#) allows us to measure our progress in over 250 aspects of our business. MaCher accomplished a significant 12 point improvement over our last assessment, more details and comparison with past years can be viewed in our [B Lab MaCher Impact Report](#).

We are participating in the [B Corp Inclusion Challenge](#) to take action to move toward an inclusive economy. I am thankful to the team at B Lab, as well as the more than 2,200 certified B Corps that freely help and encourage us every day.

We have collaborated with many clients, industry associations and some new non-profits this year who do such incredible work. Recognizing the often untapped talent of our team, we’ve taken serious steps to introduce and encourage pro bono skilled volunteering for team members to help other organizations in need. It’s incredible to see how much value our team place on these volunteer opportunities and I am thankful to Tourism Cares and The Taproot Foundation for educating us and giving us the confidence to proceed.

These partnerships remind us that people matter. It simply thrills me to see how our team members are growing and actively participating to ensure our entire business operates with purpose and passion. This involvement helps our clients and numerous stakeholder groups accomplish meaningful results far exceeding anything that is on our balance sheet.


Derek Hydon
President



WHO IS MACHER?

We are strategic thinkers driven by a desire to seek out innovatively responsible ways to design, manufacture, reuse and recycle custom products and packaging.

MaCher custom designs and manufactures branded products, packaging, and merchandise. From ideation to execution, our mission is to craft branded merchandise that inspires consumer loyalty and advocacy.

We create solutions that are authentic to our clients' brands; strategically helping them increase sales, launch new products, gain and retain customer loyalty, and raise their brand awareness.

MaCher gives back; our purpose is to use business as a powerful force for good, benefiting all our stakeholders...not just our shareholders.

SUSTAINABLE DEVELOPMENT GOALS

Our objectives and progress reporting are aligned to the United Nation's [2030 Agenda for Sustainable Development](#) under 5 categories:

People
Planet
Prosperity
Partnerships
Peace

The “5 Ps” are the pillars that support the [United Nations 17 Sustainable Development Goals](#) which were launched in 2015, and aim to mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change.

We have developed our own set of tools and methods to gauge our contribution towards these global goals, and by doing so are better equipped to create positive change for the future.





SUSTAINABLE DEVELOPMENT GOALS

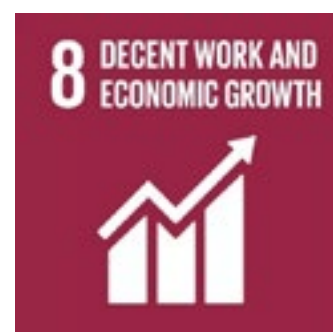
17 GOALS TO TRANSFORM OUR WORLD

Below are some examples of our contribution to these goals:



SDG3 - Good Health & Wellbeing

In 25 years, 100% of all MaCher mothers returned to work. They have been supported by our effective paid maternity (and paternity) leave and flexible return to work policy.



SDG8 - Decent Work and Economic Growth

We ensure all China suppliers meet SA 8000 to develop, maintain, and apply socially acceptable practices in the workplace.



SDG13 - Climate Action

We encourage all employees to reduce their environmental impact, one of which is our Green Commute program.



SDG5 - Gender Equality

68% of MaCher's team are female, represented across all departments and leadership positions within MaCher.



SDG10 - Reduced Inequalities

We have undertaken the B Lab Diversity and Inclusion challenge to promote empowerment and inclusivity within our workplace and those of our partners.



SDG14 - Life Below Water

We support Heal the Bay, who aim to protect our coastline, revitalize our urban waterways, and advocate smart water policies.



SDG6 - Ensure Access to Water and Sanitation for All

In 2017 we partnered with DIGDEEP, who are working to ensure that every American has clean, running water forever.



SDG11 - Sustainable Cities & Communities

We volunteered 190 hours in 5 cities, to transform and revive tourism related public spaces.



SDG15 - Life on Land

We offset our carbon footprint by 120%, by donation to The Conservation Fund to responsibly manage our forests, plant trees and reclaim land.



SDG7 - Affordable and Clean Energy

We are working towards LEED Certification and we upgraded our facilities to be more energy efficient.



SDG12 - Responsible Consumption and Production

We reduce waste in packaging and are building a Life Cycle Assessment calculator for all our products.



SDG17 - Partnerships for the Goals

We partner with organizations to create a ripple effect to improve social and environmental outcomes, globally.

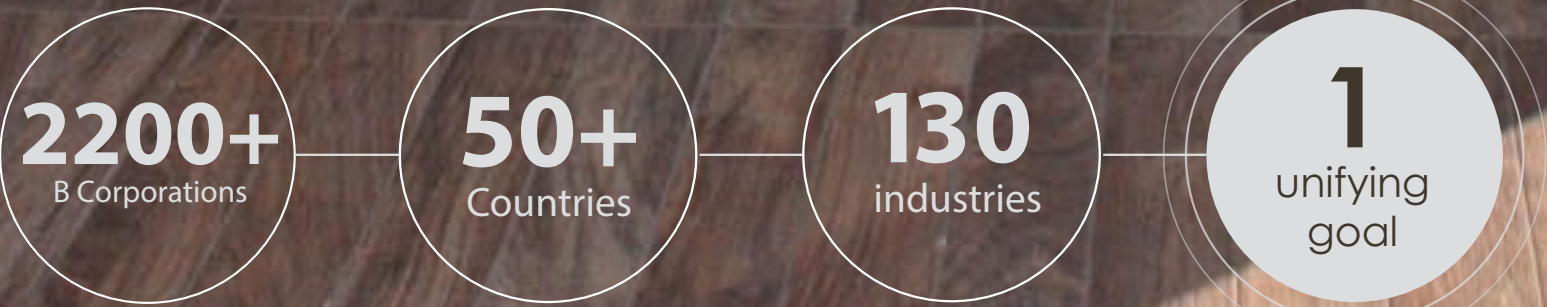
CERTIFIED B CORPS: HAVING A PURPOSE BEYOND PROFIT

As stewards of sustainability, MaCher has always put people before profits. Over the years our team has expanded our knowledge and resources to make a difference in areas we care deeply about. We believe that by giving back to the community, the environment, and the partners we work with, our business can achieve greater success.

In 2014, MaCher USA became a [certified B Corporation](#). Certified B Corporations are a global movement of for-profit companies using business as a force for good. B Corps meet rigorous standards of performance, accountability and transparency. B Corps look to “B the Change” in the world we live in and openly communicate and share sustainability best practices.

Our goal is that all MaCher stakeholders benefit from our work, and that our [B Corp Scorecard](#) will continue to improve, along with our ability to positively influence others.

We use the [B Corp certification](#) process to annually benchmark our progress on set goals while playing an active role to help grow the B Corp movement.



PEOPLE

MaCher strives to provide the best workplace, do right by the Earth and positively impact others; this includes any person, party, or stakeholder influenced by our business.

We promote practices that help evolve and strengthen our workplace. Our team members come from diverse backgrounds and we are proud that our average employee tenure is almost 5 years.



CORE VALUES AND OUR CRAFT CULTURE

How we CRAFT our culture has a direct impact on the happiness of our team and is a key ingredient in sustaining our success.

We believe, with an authentic and well-defined company culture, we will attract the right talent, minimize turn-over, and increase engagement, productivity, creativity, sales and profit.

We define “the best workplace” as a community built on a foundation of trust and respect, where everyone is free to be themselves and learn from each other as we celebrate our shared successes, as well as, lessons learned.

MaCher conducts a quarterly employee engagement survey that seeks on-going feedback to create action plans to achieve a minimum 80% team member happiness rating. In our last survey, 92% would recommend MaCher as a great place to work.



COLLABORATION
Teach & learn through shared insights



RESPECT
Each other, our environment & our communities



AUTHENTICITY
Be yourself



FAMILY PRIDE
Embrace & build MaCher’s family culture



TRUST
Maintain clear, honest & open communication





DEVELOPING OUR CULTURE

MaCher fosters an environment that values individual and group differences within its workforce.

This year we engaged in the B Corp Diversity and Inclusion Challenge which incorporated best practices to ensure a more diverse and inclusive workplace. This included diversifying our offerings, our partnerships and our hiring strategies through:

Creating our website to be accessible to those who are visually impaired.

Forming a team to organize employee trainings on diversity and inclusion in the workplace. “Managing Unconscious Bias” training was provided to team members in July 2017.

Adopting inclusion focused recruitment practices. MaCher signed-up for an Applicant Tracking System (ATS) in partnership with Fitzii. This ATS has the capability to turn-off identification of names and locations of the applicants effective April 2017.

Changing our traditional paid Easter holiday to provide everyone with their choice of religious or other public holiday day effective April 2017.

TEAM MEMBER BENEFITS

MaCher provides numerous benefits to its employees beyond salary. We are constantly striving to provide our team with the highest quality benefits.

100%
company paid
401k retirement plan

2.5 paid
volunteer / pro bono
days each year

20 hours
minimum professional
development

100%
company paid
medical insurance

All full-time MaCher team members receive the following benefits:

- + Company *profit share* for all team members
- + Long and short term **disability coverage**
- + Access to long term **financial planning**
- + Benefits package available for *part time* team members
- + *Charity matching* donations
- + **Dental and vision** care reimbursement
- + Generous *paid vacation*
- + Health **Employee Assistance Program** (EAP)
- + Remote work when applicable
- + *Maternity and paternity* leave
- + Performance **bonus**
- + *Car purchase contribution* for all vehicles over 40mpg
- + **Emergency travel** assistance
- + *Sponsorship* of employee team sports
- + **Green Commute** financial incentives
- + Office hydroponic *vegetable garden*
- + **Choice of** a religious holiday or other public holiday



COMMUNITY ENGAGEMENT



[789HRS
contributed
in kind]

1.3%
revenue
donated



56,234
products donated



637HRS
volunteered by
MaCher team



39
charities
supported



PLANET

MaCher engages in sustainable business practices to help protect our environment while utilizing resources responsibly and with integrity. By actively participating in the initiatives outlined in this section, we aim to lessen our short and long term impact on the Earth and contribute to a cleaner, healthier, and safer world for future generations.



OUR STRATEGIES AND PRIORITIES

Driven by the desire to grow our business while maintaining a purpose beyond profit, we plan to prioritize the following:

- Remain fully committed to the B Corp standards measurements and focus on improving our score in a sustainable nature
- Positively influence our clients by proposing sustainable solutions including waste reduction and increased reusability of their products.
- Educate our team and clients on the latest sustainability focused innovations
- Create a healthier working environment and reduce our environmental impact on the Earth

We intend to accomplish these goals through **five key strategies**:

1. Facilitate team member education and professional development
2. Focus on sustainable design
3. Host or facilitate peer learning round tables
4. Develop and expand partnerships with industry associations and not-for-profits
5. Adopt and establish sustainable better practices

OUR SUSTAINABILITY OBJECTIVES

2016 GOALS

2017 PROGRESS

Reduce the environmental impact of our US operations and increase our use of renewable energies.	In 2017 we increased our renewable energy usage by 2%. We also had a 5% energy reduction and 32% water usage reduction per employee over the 12 month period.
95% of our products being reusable and/or recyclable by June 2017. All single use items 100% sustainably sourced or fully offset, by June 2019.	93% of products produced this year were considered reusable or recyclable.
Accomplish LEED B+MO certification in 2017. Implement recommendations from ECHS audit.	Created policies and procedures to obtain LEED certification. Due to a delay in office remodeling, implementation timeline has been pushed out to 2019.
100% recycled or a full carbon offset of all shipping materials by June 2017.	Tracked 100% of shipments and used 70% of recycled content in packing materials and applied full carbon offset for balance of materials.
Expand from 18.5% to 25% of team utilizing the green commute program.	26% of our employees currently engage in our green commute program.
Expand our partnerships with B Corps and other sustainability programs.	Actively participated in Peer Learning Exchange with other B Corps and engaged B Corps in preference over other suppliers. Partnered with DIGDEEP Organization, who provides access to clean running water in America and education on water resources.
Increase our B Corp certification score by 10 points by September 2016.	Increased our B Corp score by 12 points to 96 points.
By June 2017, offer our clients a full product life cycle calculator to educate on the trade-offs between product strength, waste, and sustainability.	Engaged Clean Agency to help with the final stages of building our workable Lifecycle Assessment. Completion expected by December 2017.
90% sustainably sourced office consumables by June 2017.	In August 2016 we created and implemented a purchasing policy to ensure at least 90% of our office consumables were sustainably sourced.

2018 – 2020 GOALS

TOOLS & METHODS

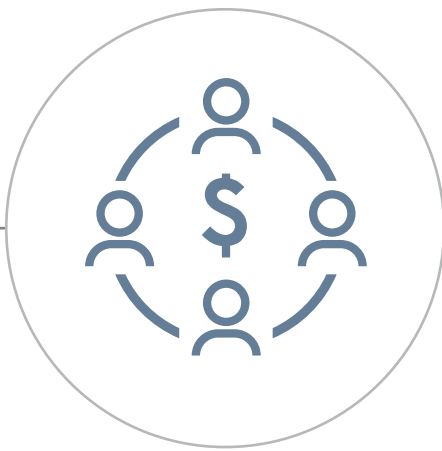
Increase our B Corp score to 101 by recertification, September 2018.	Provide tools for sustainability initiatives to be used for increasing client, employee and partnership engagement.
95% of our products being reusable and/or recyclable by June 2018.	Offer our customers a recycled/recyclable or sustainable solution with every presentation of a single use item.
New product development team to present quarterly product ranges for our clients that have a focus on utilizing sustainable materials and design for 2018.	Provide 2 FYI educational sessions to the team on sustainable new products. Define plans for a circular economy by 2018.
100% of MaCher marketing items to be sustainably sourced and/or a high level of reusability by June 2018.	Define standards and create an implementation and measurement plan.
Reducing the number of polybags used for samples and bulk production by June 2018.	Create a system to audit, measure and reduce poly packing on bulk production.
By June 2018, have a workable Life Cycle Assessment that we can offer an environmental offset to our clients on all orders.	Continue partnership with Clean Agency and build an internal/external education program around it.
Define and document core supply partners' environmental impacts by June 2020.	Defining our standards and create an implementation plan. Transparent communication with supply partners to understand processes and conduct interactive trainings. Environmental impact evaluation during supplier on boarding.

PROSPERITY



TEAM DEVELOPMENT

Team members are encouraged to invest in their own professional development with a minimum commitment of **20 paid professional development hours** per employee per annum.



FINANCIAL SUCCESS AND PROFIT SHARE

All MaCher team members participate in a **company profit sharing program**.



INTERNAL CSR TEAM

Volunteer team meets monthly to establish and implement our **Sustainable Development Goals**.



NOT-FOR-PROFIT SUPPORT

MaCher supports and serves on boards and advisory committees of non-profits. Our combined economic contribution was over **\$400k in 2016/17**. MaCher actively participates in **B Local Los Angeles**, a quarterly peer learning group attended by 20 local B Corps.



INDUSTRY ENGAGEMENT

MaCher actively participates in State and Federal lobby initiatives which support using **business as a force for good** in both the travel and beauty industries. We also share better practices within our industry and cross-industry.



PARTNERSHIP COMPLIANCE

MaCher is a member of the **Supplier Ethical Data Exchange (SEDEX) organization**, which is dedicated to driving ethical improvements in global supply chains specifically in the areas of labor standards, health/safety, the environment, and business practices.

In addition, our own Supplier Code of Conduct is based on **SA8000**, which is the United Nations universally accepted doctrine on human rights. We routinely maintain updated audit records, schedule regular factory visits, and share the vision with our suppliers to make an impact and continually improve business by adopting better practices.

CLIENT IMPACT

We are proud of our journey to date and grateful to a number of our clients who have taught us the importance of measuring sustainability practices in business. Many of MaCher's activities are inspired by the practices of clients and other stakeholders.

Our business has continued to grow in every performance metric, suggesting a happier environment for our team coupled with mutual passion for our clients who share these values. Clients have increased confidence in our ability to help their business.

The image to the right is an example of an upcycling collaboration project we did with The North Face. By producing a blanket using fabric and print swatches that would have otherwise ended up in landfill, we created an entirely new vision of the possibilities of rethinking and repurposing waste.



PARTNERSHIPS

MaCher understands the importance of partnerships. We take great pride in the variety of far-reaching philanthropies, associations and organizations with which we have been lucky enough to cultivate a relationship. We believe in “better together” and understand the vital role our partnerships play in establishing and maintaining the success of MaCher.

2017 PARTNERSHIPS



NEW PARTNERS





COMMUNICATION CHANNELS

Our sustainability story and KPIs are communicated through a variety of internal and external channels, including (but not limited to):

- Team Member CSR Training
- Annual Progress on Sustainability Report
- [Website](#)
- New Hire Orientation
- Company, Department and Team Member Annual Sustainability Goals
- Public Speaking and Facilitation
- Association and Not-For-Profit Involvement
- Industry Roundtables
- Supply Partner Visits
- Logistics Supply Chain Collaboration
- Social Media



STAKEHOLDERS

MaCher defines our stakeholders as those who directly influence and/or are influenced by our day-to-day operations.

We are committed to encouraging and responding to the advice and input from our stakeholders who contribute greatly to the success of MaCher.

Our stakeholders include:

- Team Members
- Clients
- Supply Partners
- Our Local Community
- Travel, Beauty and Retail Industry Associations
- The B Corp Community
- Charities and Not-For-Profit
- Owners





PEACE

MaCher operates within the guidelines of the UN Global Compact, believing that our business and stakeholders are a powerful force for good and able to give our all, to help others along the way and leave the planet in a better place.

Through extensive work with our clients and industry partners, we encourage travel and tourism as a way to gain respect and understanding of other people and cultures.

We know that peace is highly correlated with economic opportunity for all. MaCher's contribution to peacemaking largely involves meaningful employment. MaCher contributes directly to supporting better futures for tens of thousands of workers through our factory and supply chain workforces around the globe.

We also believe in creating peace of mind for all our stakeholders. Our products often start with raw materials that must be harvested, processed, weaved, sewn, and manufactured. We promote and encourage transparency, accountability and inclusiveness throughout our supply chain and comply with strict supplier operating agreements that we are happy to provide on request.

THANK YOU

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