



MaCher 2024 Impact Report

An overview of MaCher's
vision, governance, culture,
and performance as a
certified B Corp in 2024

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Purpose of this Report?

Our annual impact reporting is based on our financial year July 1st to June 30th.

2024 represents: July 1st, 2023 to June 30th, 2024

We use this report to inform on our efforts to:

- Enhance workplace culture
- Reduce our environmental impact
- Advance equity
- Uphold responsibility across our value chain
- Foster collective action to share ideas and solve problems
- Accountability tool to follow and spur our progress

In our selected case studies, we aim to share our learnings to inspire others. We encourage you to contact us if you would like to know more about our work or looking for support in your own work.



Message from our President



Two major events in the United States tell me “business as usual” has passed a key tipping point.

First, the devastating fires that swept through Los Angeles (our company's home for three decades) served as a stark reminder of climate change's immediate impact on our communities. Second, a sobering reality emerged when 49.8% of US voters cast their ballots against environmental sustainability and equitable societal well-being, signaling that a significant portion of our population feels unheard.

The warning signs are unmistakable. We've approached or exceeded critical planetary boundaries, as evidenced by NASA's Global Heat Map and the Global Risks Report, which ranks climate and nature-related challenges as the top four risks for the next decade. I believe it'll only be when our family members and friends are more painfully impacted by climate change that we will find the collective courage to change our course, but it doesn't need to be this way.

Business success in the 21st century demands a new paradigm. Rather than focusing solely on GDP and shareholder returns, we must embrace a human-centered approach that benefits all stakeholders while maintaining profitability. The growing B Corp movement, projected to reach 10,000 certified companies by 2025, demonstrates that responsible business practices can deliver strong returns while caring for people and planet.

At MaCher, our business is thriving, thanks to our distributed leadership model, our focus on our team and community, and our commitment to environmental stewardship. This 2024 Impact Report showcases how our remarkable team members have innovative solutions that redefine business success, achieving exceptional results while staying true to our values.

I invite you to learn more about our Teal business model and how we're building a more sustainable future. Our team stands ready to share our journey and insights with you.

Derek Hydon
President, MaCher

Our Story - 30+ Years of Purpose-Driven Impact

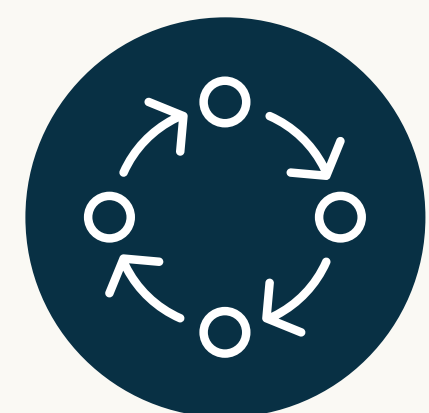
At MaCher, our 30-year journey reflects a business model that has increasingly recognized the long-term value of strengthening purpose alongside profit. We've continuously evolved our approach, understanding that meaningful impact and business success are deeply interconnected.

We've embedded sustainability and social responsibility into our core business model through four strategic pillars:



Carbon and Nature -

Actively measuring and minimizing our environmental footprint



Circular Design -

Reimagining product lifecycles to eliminate waste



Justice, Equity, Diversity, and Inclusion (JEDI) -

Amplifying underrepresented voices and leveraging diverse perspectives to drive innovation



Collective Action -

Collaborating across our value chain to drive systemic change

This work helps enable us to strategize, design and produce relevant products that create an exceptional ROI for our clients, with value creation well beyond the transaction. Each product represents an opportunity to demonstrate sustainable innovation, support social equity, challenge traditional manufacturing paradigms and mitigate risk.

Our B Corp certification in 2014 was more than a milestone, it was a fundamental shift in how we govern our business. By prioritizing stakeholder impact alongside financial performance, we've redesigned our decision-making to consider the broader ecosystem of people and planet. Our recent B Corp recertification score of 141 points isn't a destination, but a continuous commitment to learning, improving, and pushing the boundaries of responsible business.

At the heart of MaCher's evolution is an unwavering purpose: to create lasting, scalable impact that benefits people, communities, and the planet. The future ahead is not just about a profitable business – it's about leveraging our resources, expertise, and influence to catalyze a more sustainable, equitable, and regenerative world.

Our 2024 Wins

A strong commitment from our team and partners has led to some substantial progress.

Reduction in Emissions

Achieved a 76% reduction in Scope 1 and 2 emissions from the 2019 baseline, surpassing short-term SBTi targets.

Sustainability in Materials

Avoided 880 metric tons of CO₂e by using 40% recycled content, representing significant progress in reducing reliance on virgin plastics.

Team Engagement

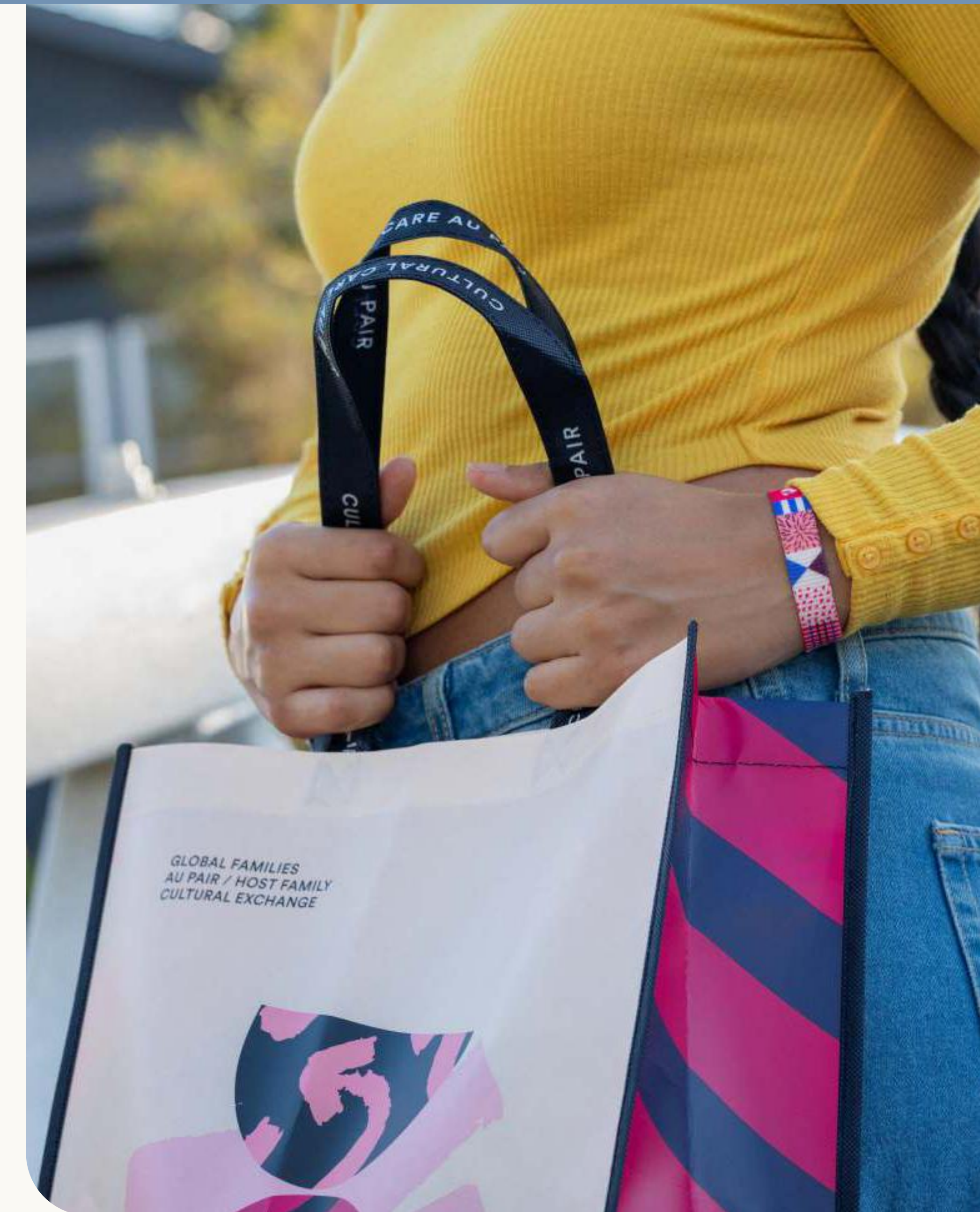
Achieved a 92% annual team engagement score, reflecting a strong and positive workplace culture.

Indigenous and Low-Income Support

Funded 4 educational scholarships or business grants for Indigenous or low-income students and entrepreneurs since 2022.

Circular Design Progress

40% of products now meet two or more circular design criteria, moving closer to our target of 100% by 2030.



CULTURAL CARE AU PAIR × MaCher



SOLEIL
TOUJOURS × MaCher

Our 2024 Misses

Despite our commitments, not everything we set out to do in the last 12 months came to fruition.

Supply Chain Emissions Reporting

Only 7% of Tier 1 suppliers reported on Scope 1 and 2 emissions, highlighting low engagement in reducing supply chain emissions.

Social Impact Spend

Less than 1% of procurement was directed toward social impact suppliers, far below our target of 10% by 2030.

Scope 3 Emissions Increase

Instead of moving toward the 2030 goal of a 25% reduction in Scope 3 GHG emissions, there was a 26% increase from the 2019 baseline, largely attributed to supply chain disruptions, increased air freight, and business travel.

Category Zero Materials

No materials qualified for the newly defined "Category Zero" standards in the last 12 months, indicating challenges in sourcing top-tier sustainable materials.

Accessibility Initiatives

Failed to complete the accessibility audit and communications toolkit due to competing priorities.



SECTION 1

Sustainability Certifications & Commitments

MACHER 2024 IMPACT REPORT

Certifications & Ratings

- Third-party evaluations of our business practices and impact measurements help us to benchmark our performance and provide opportunities for improvement.

Reporting Standards

- Reporting to multiple entities holds us accountable and ensures others can track our progress in a transparent format.

Certifications and Ratings

Certified B Corp since 2014

Our B Corp Certification means we have met rigorous standards of social and environmental performance, public transparency, and legal accountability to balance profit and purpose. We last certified with 141 points.

Platinum EcoVadis Rated since 2021

Our Platinum EcoVadis rating of 94/100 places us in the top 1% of companies globally for our social and environmental performance, showcasing our commitment to sustainable practices.

C-TPAT Validation since 2008

As a C-TPAT Tier 2 validated company, we have demonstrated enhanced security measures and processes that go beyond the basic requirements, providing increased confidence in our supply chain integrity.





Wacoal × **MaCher**

Reporting Standards and Commitments

UN Global Compact Participant

As a UN Global Compact participant since 2017, MaCher USA Inc. annually reports on its progress in aligning its strategies and operations with the UN GC's principles on human rights, labor, environment, and anti-corruption.

GRI Index

We follow the Global Reporting Initiative (GRI) standards and published our latest GRI Index to transparently report on our sustainability performance across environmental, social, and governance areas.

Glasgow Declaration

The Glasgow Declaration on Climate Action in Tourism is a commitment to accelerate climate action in the travel and tourism sector, to which MaCher USA has pledged its support and reports on our climate action plan annually.

Science Based Targets Initiative

We have committed to a near term target to reduce 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.

SECTION 2

Our Purpose & Governance —

MACHER 2024 IMPACT REPORT

Purpose

- As a Certified B Corp, we hold ourselves accountable to create value beyond making a profit.

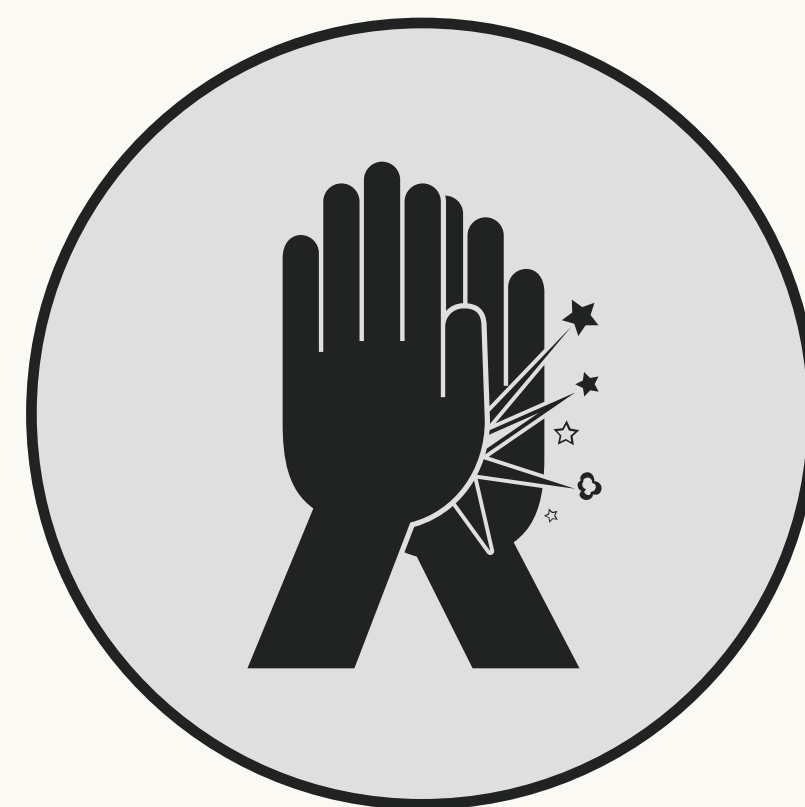
Governance

- Our governance practices are rooted in our commitment to transparency as well as a culture modeled on Teal (or self-organized) principles.

Purpose

Informed by data and research, we responsibly design, and manufacture branded products that drive impactful behavior change.

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



The Best Workplace

Create a safe, inclusive, and supportive environment where team members can fully be themselves and feel valued for their strengths. Promote equitable benefits and compensation, ensuring a healthy work-life harmony.



Care for Our Environment

Design products for circularity, optimizing supply chains, and implementing energy-efficient practices to minimize our environmental impact and promote a healthier future.



Positively Help Others

Leverage our lessons learned and share resources in sustainable practices, to inspire and enable others to create positive change in their communities.

**Make better things,
to make things better.**

Our Governance

Organizational Structure

MaCher has adopted the principles of a self-organized governance model. This removes unnecessary hierarchy and emphasizes individual accountability, and collective decision-making based on [Teal principles](#).

Decision Making

Our governance embraces principled decision-making, prioritizing long-term outcomes guided by ethical transparency.

Beneficial Ownership

MaCher is a privately owned company, with 4 partners, 3 male and 1 female.

Leadership Commitment

Company leadership have KPIs related to sustainability outcomes and review sustainability performance on a quarterly basis, along with other business metrics.

Accountability and Performance

All team members have an annual 360 review which includes at least one impact performance KPI and compensation is directly tied to impact performance.

Compliance and Ethical Standards

The company aligns its policies to SA 8000, UN Convention of Human Rights as well as the 10 Principles of the UN Global Compact. We utilize audits, certifications and ratings to hold us accountable.

Stakeholder Engagement

The company conducts a materiality review every 3 years which includes input from all major stakeholder groups. In addition, conducts quarterly employee feedback surveys and annual stakeholder feedback on sustainability strategy. Our key stakeholders are employees, customers, supply partners, industry associations, non-profit partners, community, and the environment.

Risk Management

The company leadership reviews regulatory, governance, environmental and social risks on an ongoing basis. Company goals and policy adaptations are based on the risk review.

Location

This report covers the actions and impact of MaCher USA, UK and Switzerland.

GRI Report

For more information on our governance structure and performance can be found in our [latest GRI Report](#).



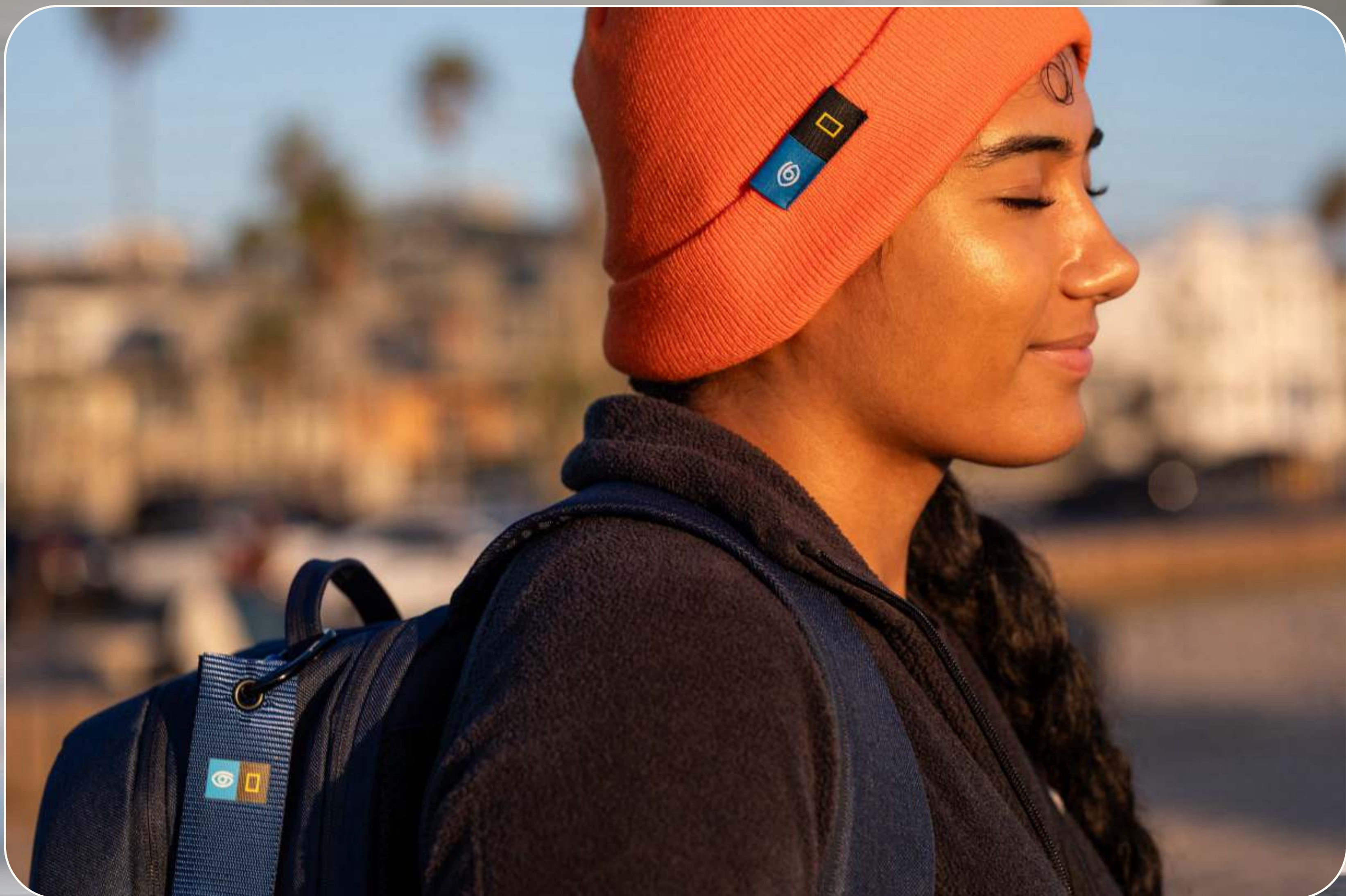
Our Culture

-  - Collaboration
-  - Respect
-  - Authenticity
-  - Family Pride
-  - Trust

Putting people first has been the foundation of MaCher's success, with our **vibrant culture** enabling us to navigate challenging times. Our dedication to **employee well-being** and growth has fostered resilience and adaptability during the difficult times. We remain dedicated to our vision, continuously learning and improving to achieve our accomplishments.

We are in a new era of evolving our **self-organized business**. **Hierarchy has been dismantled**, and self-organized practices have taken root. Budgets are dispersed, feedback is exchanged, and advice processes are integrated; reflecting our commitment to Teal organizational principles inspired by Frederic Laloux's '[Reinventing Organizations](#)'.

This study and practice has empowered our team, transitioning us from defined roles to **leveraging our unique abilities** across the organization. Encouraged by our progress, we've introduced innovative benefits, including a 32-hour work week, to support our evolving needs.



Our Culture Practices

Developing our culture is the foundation of our company. Implementing progressive practices cultivates an environment that fosters innovation, productivity, and celebrates diverse perspectives, ensuring the well-being and growth of our valued team members.

Purpose

Our purpose goes beyond profit and serves as a unifying force at MaCher, aligning our team members around meaningful goals that incorporate more than just financial metrics which creates deeper engagement in our daily work. When our team understands that their work can contribute to broader social and environmental benefits, it fosters a more resilient and adaptable culture that can better navigate challenges and market changes.

Self Organized Structure

A non-hierarchical, self-organized structure cultivates a more dynamic and empowered culture by distributing decision-making authority and encouraging initiative at all levels. Without the confines of traditional top-down structures, our team can take ownership of problems and propose innovative solutions. This structure supports understanding of unique skills while developing rapid learning and adaptation. The results show natural leadership development, free flowing information sharing and significant performance improvement.

Wholeness

The concept of wholeness at MaCher recognizes that team members perform at their best when they can bring their complete, authentic selves to work - including their diverse perspectives, personal values, and unique experiences. This approach aims to create psychological safety that encourages open dialogue, innovation, and honest feedback, while acknowledging that each team member's personal growth and well-being directly contributes to the company's collective success.

Vision Development

Our collaborative approach to vision development empowers our team to collectively shape the company's evolutionary purpose and goals. Through inclusive processes, the team establishes a shared understanding of the positive impact we aim to have, which then directly informs how work gets done through self-organized teams and initiatives. This participatory model cultivates a culture of ownership, accountability and purpose, aligning the entire organization around contributing to our long term vision and impact.

Commitment to Fostering a Culture based on Justice and Anti-Racism

We stand against oppression and racism in all forms.

We acknowledge intersectionality and how that plays a role in the access to opportunity as well as in experiences of discrimination.

At MaCher, we are taking action to address systemic racism and practices that oppress or discriminate. Our team supports each other by listening to our lived experiences and working on how we can provide an environment for every person's perspective to be welcomed and valued.

We are committed to building awareness of the biases we may hold and the ways we can practice allyship, dismantle patriarchal and white supremacist actions and commit to creating a culture of lifelong learning.





Justice, Diversity, Equity and Inclusion

We are committed to our team being filled with diverse experiences, where team members feel valued, understood and empowered. Not only will this allow us to create a safe space for our team, but also to engage in the kind of collaboration and conversation that helps us create innovative solutions for our clients. We are also committed to learning and understanding what barriers we unintentionally create that prevent representation from all voices.

We have 4 pillars of inclusion that we feel are inherent for creating a culture that prioritizes all over the few.

Deconstructing Bias

Implicit biases can lead to others being overlooked or undervalued. By recognizing and building our awareness to the bias that exists in our thinking, we are better equipped to alter our practices and policies to be more inclusive.

Feeling Welcome

To attract diversity of thought and experiences, it's important to us that we can demonstrate our workplace is where people will feel accepted for being their whole self.

Building Empathy

We believe demonstrating empathy is a vital skill of leadership and is necessary to collaborate more effectively and improve the dynamics of our relationships.

Feeling Valued

Every team member should feel that their growth and development is our priority, and we are invested equally in everyone. We want to practice leading with curiosity and drawing on multiple perspectives and life experiences.

SECTION 3

Materiality Review & Strategy

MACHER 2024 IMPACT REPORT

Materiality

- We surveyed our stakeholders as well as used industry assessments to understand the issues that impact our business and where our business impacts society.

Strategy

- Using our material issues to guide us, we have a roadmap on how we want to improve our impact.

Most Material Issues to our Business



Product Safety and Quality

Having products that can be safely produced and used as well as designing for durability over single or limited use.



Ethical Sourcing

Ensuring the responsible procurement of materials and adherence to labor standards throughout the supply chain.



GHG Emissions

Understanding our carbon footprint and taking urgent action to decarbonize across our value chain.



Employee DEI

Fostering an environment that celebrates diversity, inclusiveness and provides equitable practices for all employees.



Plastics and Waste

Addressing the plastics crisis in product design and removing toxic chemicals used in production.

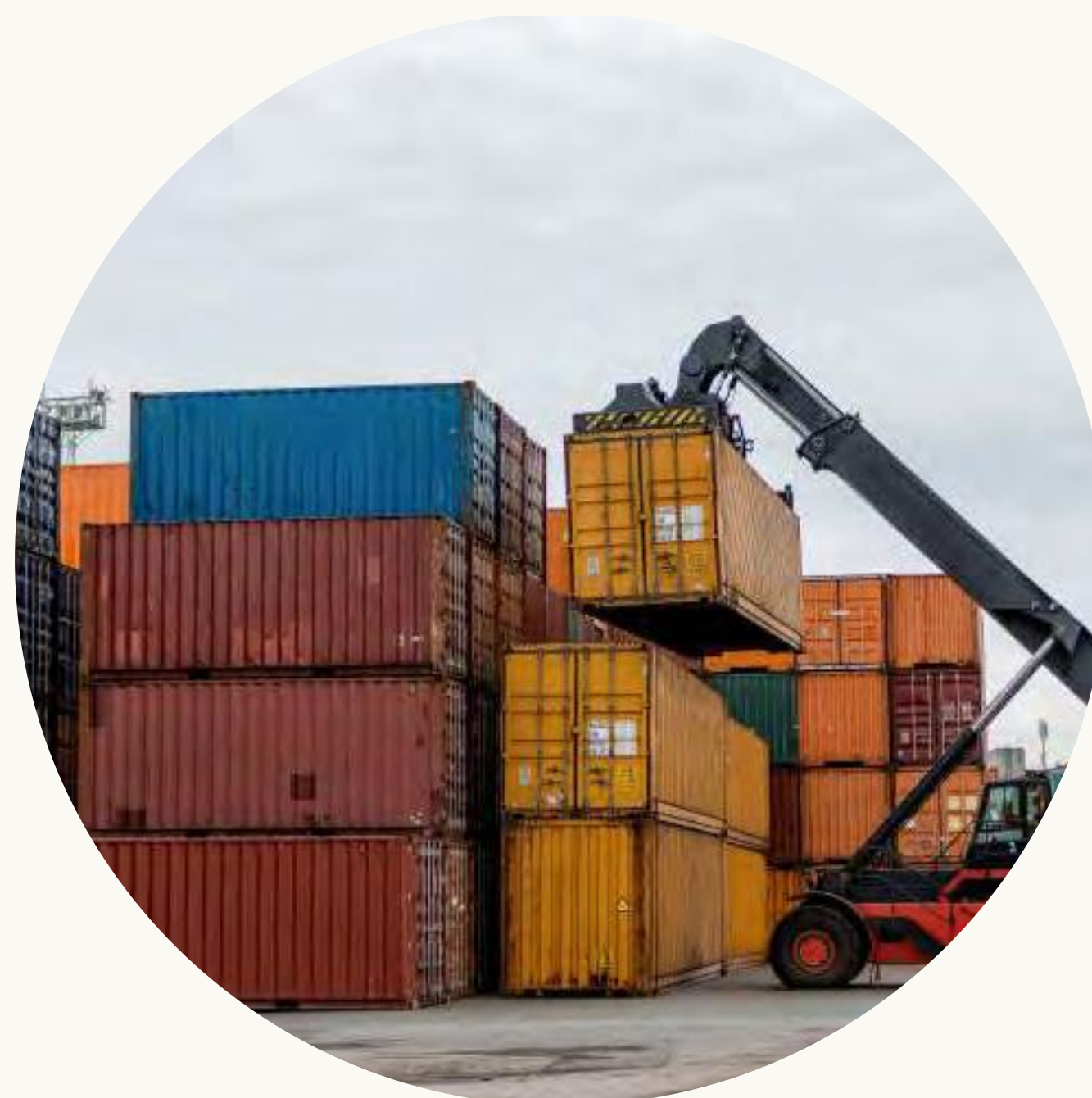


Human Rights and Working Conditions

Respecting human rights and ensuring safe, ethical working conditions for employees and suppliers.

Current Risks to our Business

Understanding the current risks to our business is key to building a strategy that can support mitigating these risks for our business prosperity but also prosperity of our stakeholders. Lack of recognition can leave our business exposed both in the short and long term. These risks are listed in order of highest to lowest risk.



1. Regulatory and Compliance

- Incoming regulations from the EU including CSRD, EU Green Directive and ERP will impact the business. Failure to comply or have circular solutions could lead to legal action and fines.

2. Geopolitical Disruptions

- Geopolitical tensions including risks of imposed tariffs and changing trade policies, are an issue to both our business and our clients' due to supply chains operating across many countries. To avoid major disruptions, we need to further diversify our supply chain.

3. Labor Rights

- Poor working conditions or labor rights violations within our value chain can result in protests, loss of key partnerships, or even legal action, affecting our ability to operate smoothly. Understanding labor conditions and supporting human rights in our supply chain is necessary.

4. Weather Chaos

- Increase in extreme weather events can cause disruptions to production and logistics which may lead to loss of product and revenue. Failure to act on climate change will directly impact the business' ability to operate.

5. Resource Availability

- As demand grows for sustainable materials, availability may decrease, and prices could increase. In addition, over-consumption will lead to loss of natural resources.

6. Reputation and Brand Risk

- Failure to have a business and marketing strategy that centers on sustainable solutions and avoids greenwashing may damage reputation and cause loss of trust from our customers.

7. Changes in Consumer Preference

- Consumers are savvier about environmental and social impact of products. Failure to design products to meet these needs will impact revenue.

Developing our 2030 Strategy

Our Approach:

We've developed a comprehensive sustainability strategy focused on creating meaningful change and ensuring long-term business resilience. Our approach is deliberately collaborative, data-backed, and aligned with global sustainability standards.

Strategic Alignment:

Our strategy has been crafted to meet rigorous international sustainability frameworks, including B Corp certification standards, EcoVadis best practices, and UN Global Compact principles. We've carefully mapped our initiatives to UN Sustainable Development Goals, ensuring our efforts are strategically targeted and globally recognized.

Core Pillars:

1. Carbon and Nature
2. Circular Design
3. Justice, Equity, Diversity and Inclusion
4. Collective Action

Strategic Development:

We created this strategy through extensive stakeholder engagement, gathering insights from internal team members, clients, industry representatives, community partners, and suppliers.

Key Strategic Principles:

Our strategy emphasizes holistic impact through strategic partnerships. We prioritize cross-sector collaboration, evaluating initiatives across our entire value chain and actively seeking opportunities to work with industry associations, regulators, NGOs, and business leaders. MaCher's leadership is committed to providing robust resources, while our team integrates sustainability accountability directly into their employment agreements, ensuring a unified and purposeful approach to our strategic goals.

Our Impact Pillars



davines × **MaCher**
beauty + sustainability

Carbon and Nature

We recognize the urgent need to transition away from fossil fuels and to invest in both renewable energy sources and in the regeneration of nature. Having our team and value chain exposed to extreme weather events and biodiversity loss can leave our business exposed. We want to mitigate harm and support initiatives that rejuvenate the planet.

Circular Design

The fourth largest contributor to GHG emissions is waste¹. In addition, it's estimated between 16–35% of all microplastics in the ocean originate from synthetic textiles². We are in the business of making products, often ones associated with waste and plastics. A key priority is to further expand our circular economy solutions. The primary impact we can create is investing and supporting solutions for our product to move from a linear model to a circular one.

Justice, Equity, Diversity and Inclusion

Our aim is to be experienced as a company that actively promotes equity, human rights, and anti-racism. This includes actions that value and empower underrepresented populations within our business and our communities. A more diverse team is good for both financial and sustainability performance³. The greater action we take to value and provide for all people in our value chain, the more our business can thrive.

Collective Action

Our impact is limited if we focus solely on our operational footprint. By incorporating partnerships to act collectively, we can scale awareness, education, impact and solutions. The purpose of these relationships is also to challenge, guide and collaborate with us on responsible business practices. They include industry associations, nonprofits, social enterprises, and B Corp network groups.

Ambitions for 2030

GOAL 1

NET ZERO 2030 - SCOPE 1 + 2

GOAL 2

ALIGN SUPPLY CHAIN WITH SOCIAL AND ENVIRONMENTAL GOALS

GOAL 3

EXPERIENCED AS A COMPANY THAT ACTIVELY PROMOTES EQUITY, HUMAN RIGHTS, AND ANTI-RACISM

GOAL 4

PRIORITIZE FINANCIAL EQUITY

GOAL 5

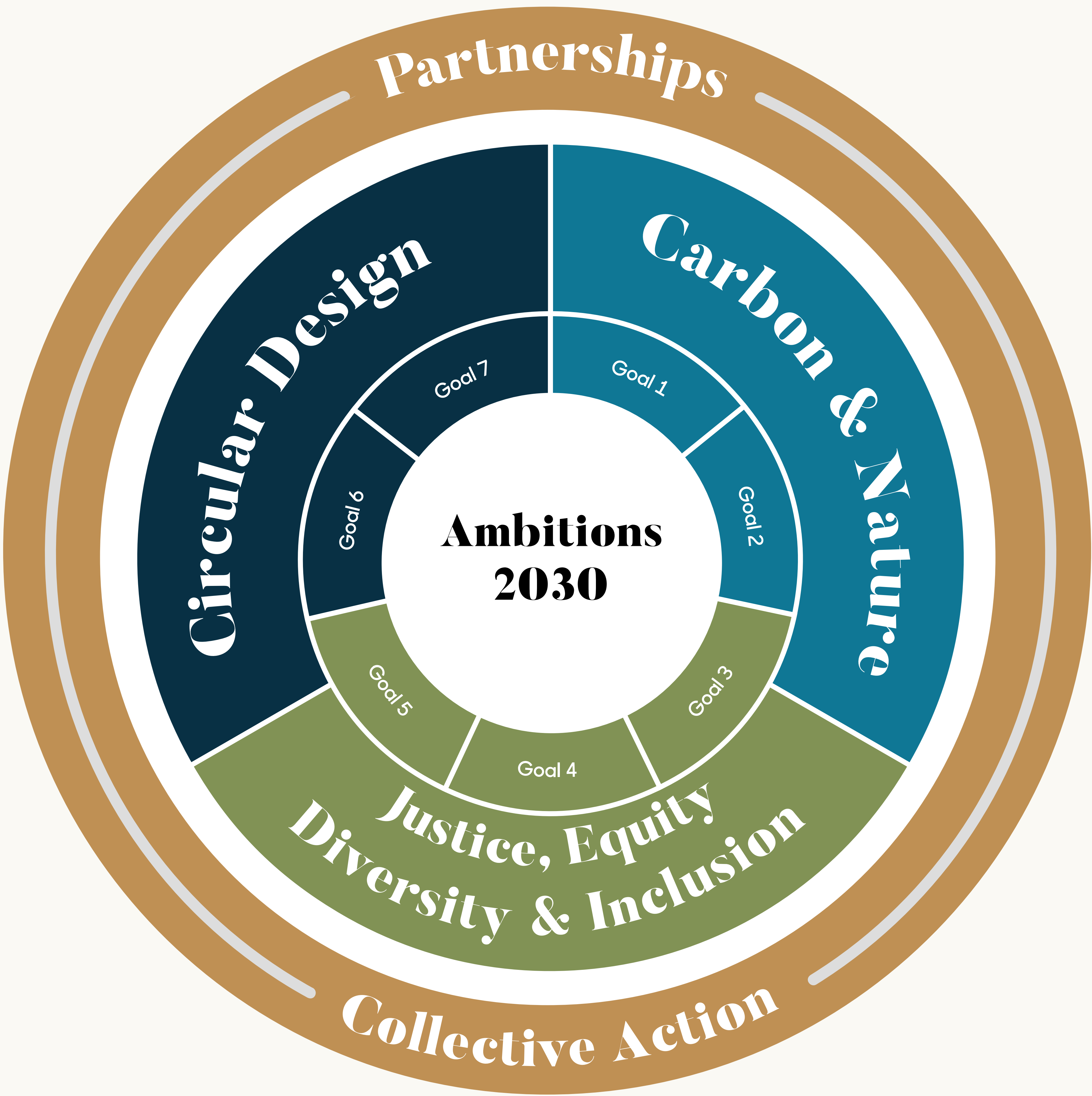
CREATE EQUITABLE OPPORTUNITIES

GOAL 6

REMOVE VIRGIN PLASTIC FROM PRODUCTS

GOAL 7

ALL PRODUCTS DESIGNED FOR CIRCULAR ECONOMY



Ambitions for 2030

Ambition Pillar	Ambition Metric	Specifics	UN SDG	UN SDG Target	Progress Update
Carbon and Nature	Net Zero Scope 1 + 2	Net Zero Emissions on Scope 1 + 2 according to SBTi standards		<u>Target 13.2</u>	Very close
	Align supply chain with social and environmental goals	50% Tier 1 Suppliers Reporting on Scope 1 + 2		<u>Target 12.6</u>	More work required
		25% Reduction in Scope 3 Emissions		<u>Target 13.3</u>	More work required
		Have a nature-positive plan and goals for our products and supply chain		<u>Target 12.2</u>	New goal
Circular Design	All products designed for circular economy	100% Products Designed for the Circular Economy (D4 Category)		<u>Target 12.5</u>	On our way
	Remove virgin plastic from products	95% Reduction in Virgin Plastics		<u>Target 12.5</u>	On our way

Ambitions for 2030

Ambition Pillar	Ambition Metric	Specifics	UN SDG	UN SDG Target	Progress Update
Justice, Equity, Diversity and Inclusion	Experienced as a company that actively promotes equity, human rights, and anti-racism.	Our workforce representation across employees and contractors reflects the demographics of our community, within a 5% margin for racial and ethnic diversity	10 REDUCED INEQUALITIES	Target 10.3	On our way
		From 2022 - Delivered 16 paid educational scholarships or business grants to Indigenous or low-income students or entrepreneurs	4 QUALITY EDUCATION	Target 4.5	On our way
	Prioritize Financial Equity	85% satisfaction rate on employee surveys for financial fairness and equity, in addition to Gender Pay Equity on Gross Salary	8 DECENT WORK AND ECONOMIC GROWTH	Target 8.5	New goal
	Create Equitable opportunities through our Products	10% spend on social impact suppliers by 2030	8 DECENT WORK AND ECONOMIC GROWTH	Target 8.3	More work required
		By 2030, 25 identifiable projects collaborating with artists from underserved communities using a 2024 baseline	10 REDUCED INEQUALITIES	Target 10.2	On our way
Collective Action and Partnerships	Use our business to scale change in our industries	100% of our goals are progressed through collaboration and strategic partnerships	17 PARTNERSHIPS FOR THE GOALS	Target 17.16	On our way

A close-up photograph of a person's hand placing a blue smartphone with a speckled case into a dark grey, textured fanny pack. The fanny pack is worn around the person's waist, and a small tag with the brand name 'MaCher' is visible on the side. The background is a solid dark red color.

Performance on Near Term Targets

MaCher

Results: Our performance on our 12-24 month goals

Environmental Near Term Targets

Incomplete

Responsible business travel policy - 2024

We have been researching and are still forming a policy that makes sense for our business and goals. Our business travel emissions have risen in the last 12 months, so this is still a priority for us.

Making Progress

Allocate resources through our climate fund - 2024

We have formed a strategy for allocating funds and have started to make our first investments.

Done!

Define Category Zero - 2024

We have created a definition, but no materials have qualified for our category zero in the last 12 months.

Making Progress

100% elimination of virgin plastic materials - 2025

Down to 12%. We have pushed this goal out to 2030 to provide time to find solutions and realized a 95% reduction is a more realistic target.

Making Progress

Circular solution for lanyards - 2025

We have been testing different materials like recycled content but also different return solutions for lanyards.

Results: Our performance on our 12-24 month goals

Environmental Near Term Targets

Going Backwards

100% material content labelling - 2025

Down from 49% last year to 43% this year. We need to pick up the pace as this helps us provide transparency to consumers and support end of life solutions.

Making Progress

100% usage of paper packing tape - 2025

We implemented a trial of switching to paper tape which has been successful. 43% of our shipments last year used paper tape for the trial. We plan to roll this out to our other partners in the next 12 months.

Making Progress

Take back program partnership - 2025

We are researching partnerships that would make the most sense for our business model and products but haven't landed on the right one.

More Work Required

Seek low carbon shipping methods - 2025

We have been tracking opportunities to use low impact vehicles for transportation, but the logistics industry still has a lot of work to do to have these options available at scale.

Making Progress

All suppliers reporting through ESG software - 2025

After our first year of implementation of SupplyShift, we have 71% of Tier 1 suppliers reporting on ESG metrics.

Making Progress

Audit logistics suppliers for environmental and social practices - 2025

With the integration of SupplyShift in the last 12 months we were able to survey our logistics suppliers. Currently, we have a 33% response rate which we are hoping to improve next year.

Results: Our performance on our 12-24 month goals

Social Near Term Targets

Incomplete

Accessibility communications toolkit - 2024

Due to other priorities in the business around hiring practices, this wasn't accomplished but is still on our todo list.

Making Progress

Ethical Marketing Policy - 2024

We created 2 policies around local artist collaborations and guidelines for aligning marketing language to EU Green Claims Directive and California labelling laws. We are continuing to add to these policies and guidelines.

Making Progress

32 hr work week - 2024

We have implemented a 32-hour work week benefit and we are still fine tuning how this works best for all eligible team members to ensure it can be used consistently.

More Work Required

Improve our nearshore business to 10% of spend - 2025

Currently at 3.8%. We are struggling due to a combination of challenges, including a lack of suppliers with the necessary capabilities to meet our product needs, as well as a lack of commitment from our clients but we continue to seek the right partnerships.

Making Progress

Supply chain living wage gap analysis - 2025

We haven't commenced this work, but our Supply Shift surveys have given us insight on where to begin.

Making Progress

Human rights risk mapping - 2025

We have started to evaluate different regions and their risks depending on materials we are procuring. We have already produced some region-specific policies such as a ban on virgin cotton from China.

Done!

Team engagement target of 85% - 2024

Our team engagement score across our quarterly surveys gave us an annual result of 92%. We will continue to benchmark ourselves against this result.



SECTION 4

Environmental Impact —

MACHER 2024 IMPACT REPORT

Products

- The environmental impact of our products is our top priority. We are improving design, materials, packaging, and product lifecycles to support the circular economy.

Operations

- Despite our smaller operational footprint, we are dedicated to closely monitoring and minimizing our emissions, water consumption, and waste generation.

The 'Why' Behind our Environmental Goals

Net Zero Scope 1 + 2

As scientific evidence proves we are well beyond our planetary boundaries earlier and earlier every year. This includes atmospheric greenhouse gases. We can easily monitor and prioritize our Scope 1 and 2 emissions, and we calculate Net Zero is achievable before 2030, given the control and access to solutions available to us.

25% Reduction in Scope 3 Emissions

To move toward a Net Zero future as society, we also need to radically reduce our Scope 3 emissions. At this stage, a Net Zero target year is difficult to state however, we plan on reducing our absolute Scope 3 emissions by 25% by 2030 from a 2019 baseline. As technology assists us in data collection and analysis, we feel we will have a more confident target date soon.

50% Tier 1 Suppliers Reporting on Scope 1 + 2

For us to make an impact on our Scope 3 emissions, we need the support of our suppliers. To date, only 7% of our Tier 1 suppliers are reporting on both Scope 1 and 2 emissions. We are focused on improving this metric and educating our suppliers to measure and reduce impact within their business.

Have a nature-positive plan and goals for our products and supply chain

Our business relies on goods and services that are dependent on natural resources and a healthy environment. Over the coming months, we will be mapping our value chain to identify the key risks and opportunities for how we interact and rely on these resources. We predict scarcity of raw materials and water inputs due to over exploitation, climate change or policy change. Ensuring that we can decouple these relationships between our supply chain and the natural environment will allow us to better mitigate future financial, supply chain, reputational and regulatory risks and help to create a positive legacy from our organization.

100% Products Designed for the Circular Economy (D4 Category)

The promotional products industry has a history of producing low cost, low value items which some studies have indicated lead to 60% of the promotional products ending up in landfill. By designing for durability, quality and value, we can make products desirable and less likely to become waste. Our D4 categories create a framework to design our products within the circular economy. The current economy encourages a take, make, waste linear model. As a B2B business, we have less influence on the end stage material recovery. We use circular design principles to design waste out of our supply chain, supporting circular systems.

Less than 5% Usage of Virgin Plastics

We are facing a plastic pollution crisis⁴ and we drastically need to reduce how we consume and treat plastics. It has become increasingly evident that this is not just an environmental health issue but also a human health problem. For decades, the promotional products industry has commonly used plastics as a low-cost material. We are looking at all possible avenues to reduce virgin plastics in our products to less than 5% of materials and replace with either recycled plastics or other renewable alternatives.

Current Performance on our Environmental Goals

2030 Goal	Last Year	This Year	Summary of Progress
Net Zero Scope 1 + 2 (reduction from 2019 baseline)	76% Reduction	76% Reduction	It's looking good
25% Reduction in Scope 3 Emissions from 2019 baseline	26% Increase	32% Increase	More work required
50% Tier 1 Suppliers Reporting on Scope 1 + 2	0%	7%	On our way
Have a nature-positive plan and goals for our products & supply chain	N/A	NEW GOAL!	Excited to explore this
100% Products Designed for the Circular Economy (D4 Category)	86%	79%	It's going the wrong way
Less than 5% usage of Virgin Plastics	17%	12%	It's looking good!

Approach to our Products.

BROOKS

×

MaCher



Circular Product Design

In 2022, we set ambitious goals to introduce circular design principles into our products. We began with establishing four circular design principles that identify the ways in which our products can be a part of the circular economy. We created and implemented a materials hierarchy to categorize materials and identify where we can reduce our material upstream impacts.

We identified areas in production to reduce waste, both by manufacturing product more efficiently and introducing recycled materials to divert waste.

All these actions are in service of our commitment to SDG 12, Responsible Consumption and Production.



Minimizing our products' environmental footprint

As we progress toward our goals for creating products that are meant for the circular economy, these key considerations are used when thinking about reducing our impact.

Materials

We developed a materials hierarchy (p.42), to help us track our most desirable to least desirable materials usage. Our aspirational materials are part of the circular economy, and we are increasing our adoption of those materials.

Packaging

Packaging is mostly single use and there are limited viable opportunities in our current system to reuse packaging, so we aim to eliminate packaging as a priority. Where it can't be eliminated, we use either recycled content, sustainably managed materials or use curbside recyclable materials.

Durability

The promotional products industry is often synonymous with poor quality manufacturing. We design for long-lasting products and those that people will love and want to use over again. The longer we can use a gifted item, the less likely it will end in landfill.

Cyclability

We ask ourselves how we can design products that will have the least amount of intervention when trying to return materials to the value chain. Our starting point is providing accurate details on product materials through voluntary content labelling.

Minimizing Waste

Waste in production of goods is a huge concern. We consider materials wastage, water waste, packaging waste and space waste, not to mention waste of creating a bad product that no one will use. Good product design and logistics expertise are critical steps in either eliminating sources of waste or planning for the reuse of waste in other ways.

Location

On average, 3% of our product emissions are produced from shipping emissions. Although this is significantly more when air shipping product. Producing our products closer to the destination can reduce the impact of these emissions. We need to be sure that we are also sourcing the raw materials in the same location and using low impact shipping methods like sea freight or trucking short distances.



Indagare x MaCher

Circular Design

Designing circular products requires evaluating their contribution to a closed-loop system. Key considerations include durability, recycled content, waste reduction, and reintegration into the value chain. Our circular design approach identifies and measures our products against four criteria, to create products that minimize environmental impact across the lifecycle.



Explora × MaCher

Design 4 Categories:

design for

REUSE



Design high quality products using consumer insights to maximize the desirability and re-usability of the product.

design for

ZERO WASTE



Design for a zero-waste lifestyle by eliminating single use products through innovation & manufacturing optimization.

design for

WASTE REDUCTION



Design using recycled and repurposed materials.

design for

CLOSED LOOP

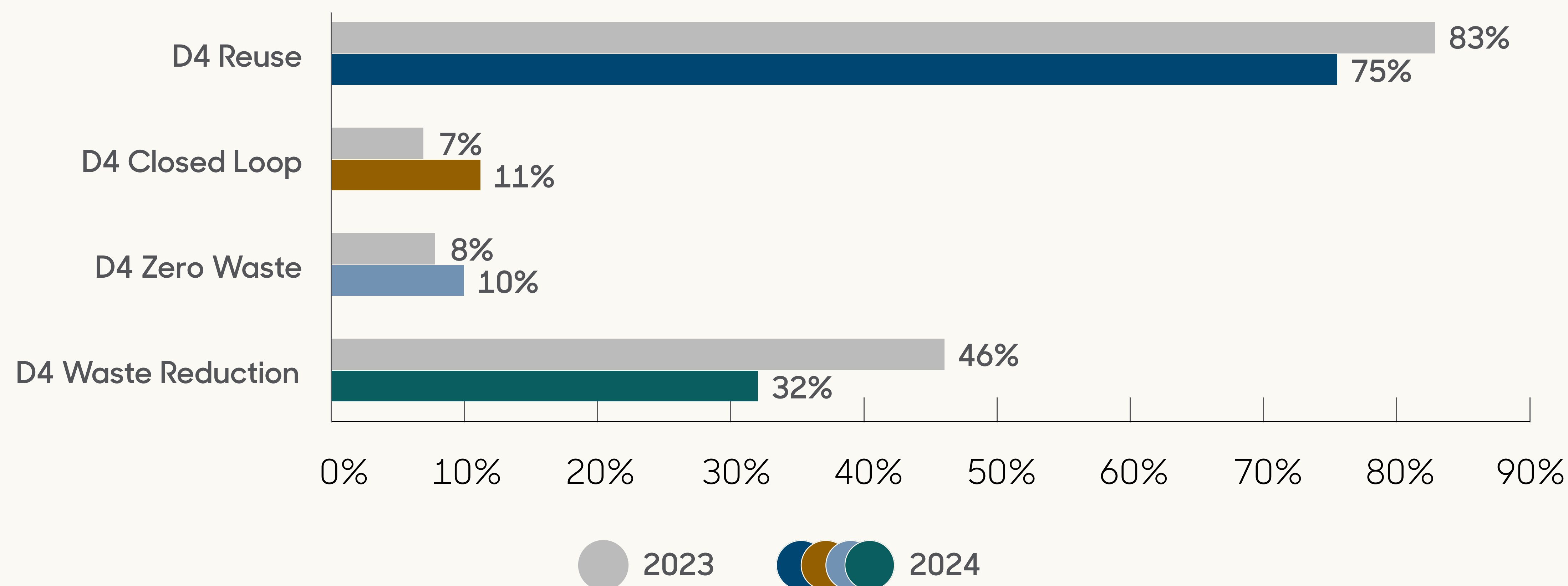


Design with the end of life in mind ensuring that products are refillable, compostable or recyclable.

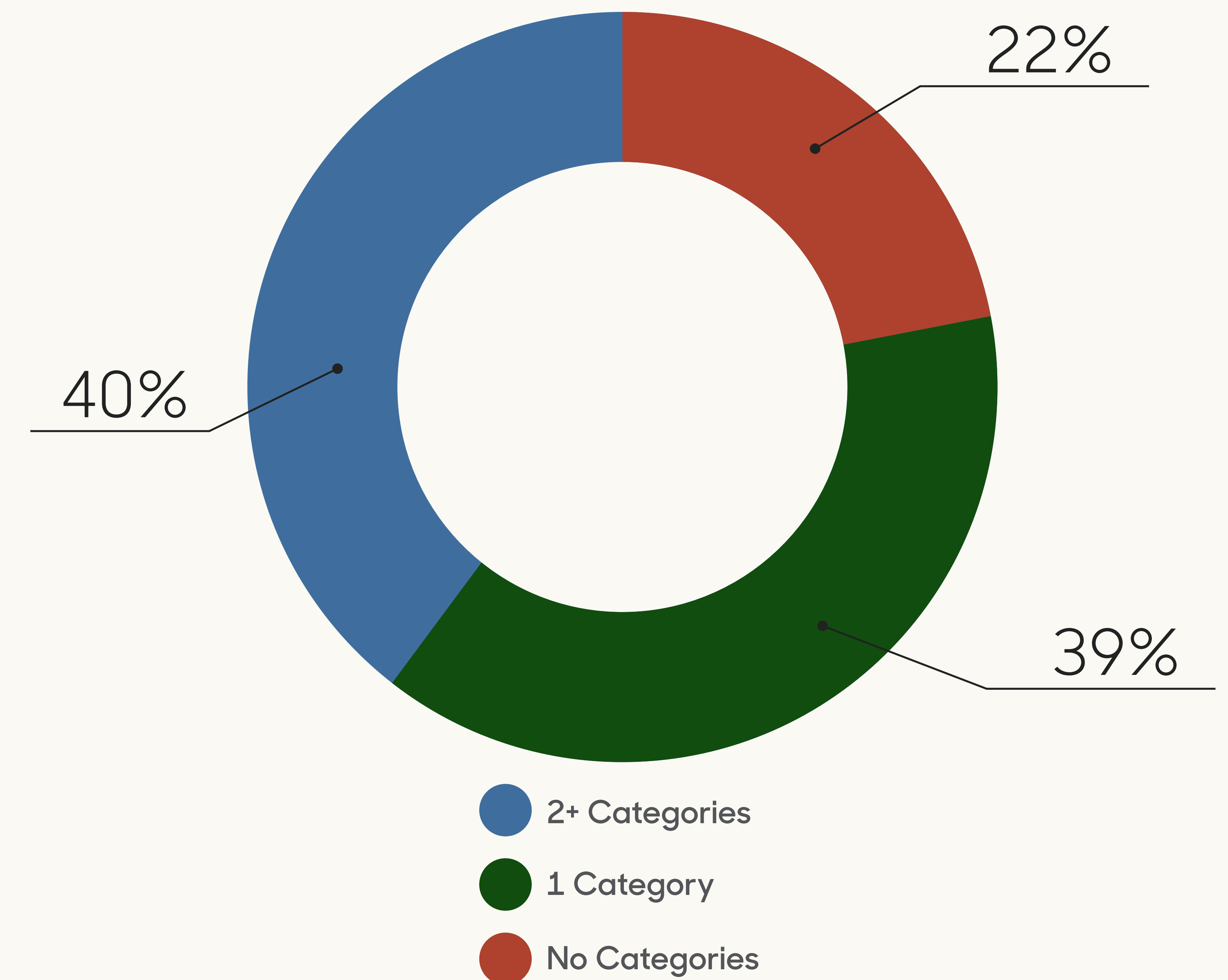
Design 4 Categories

We have set ambitious goals for designing our products for circularity. Currently, 75% of our products are designed for reuse, 32% are designed for waste reduction, 10% are designed for zero waste, and 11% are designed for closed-loop systems. Our priority in tracking this data is to have a minimum of 1 category per product, we are less concerned which category is represented. We aim to have a minimum of two circular design categories for every product by 2030.

% of products with a circular design feature - 2024



% of Products Qualifying with D4 Categories - 2024



In the last year, we have 40% of our products qualifying with 2 or more D4 design criteria.

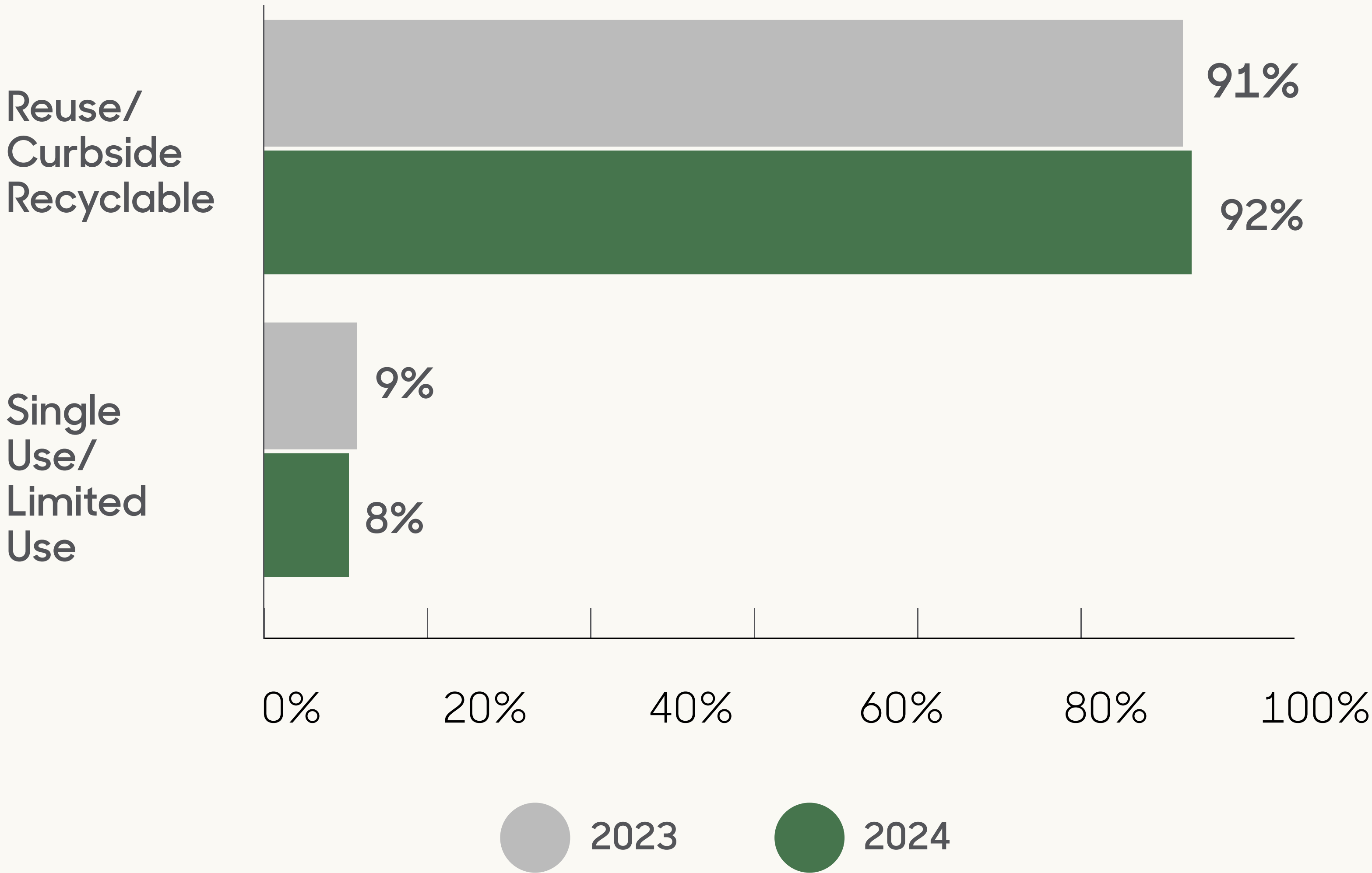
Durability - reuse vs single-use

While the industry has traditionally focused on short-term promotional items, for some years we have been working to shift toward durable, reusable products that serve a genuine purpose in people's lives.

Designing items for longevity not only helps reduce waste but also creates better value and ROI for our clients; when promotional products become useful daily items, they naturally generate more conversations and brand impressions over time, and they align with growing environmental awareness.

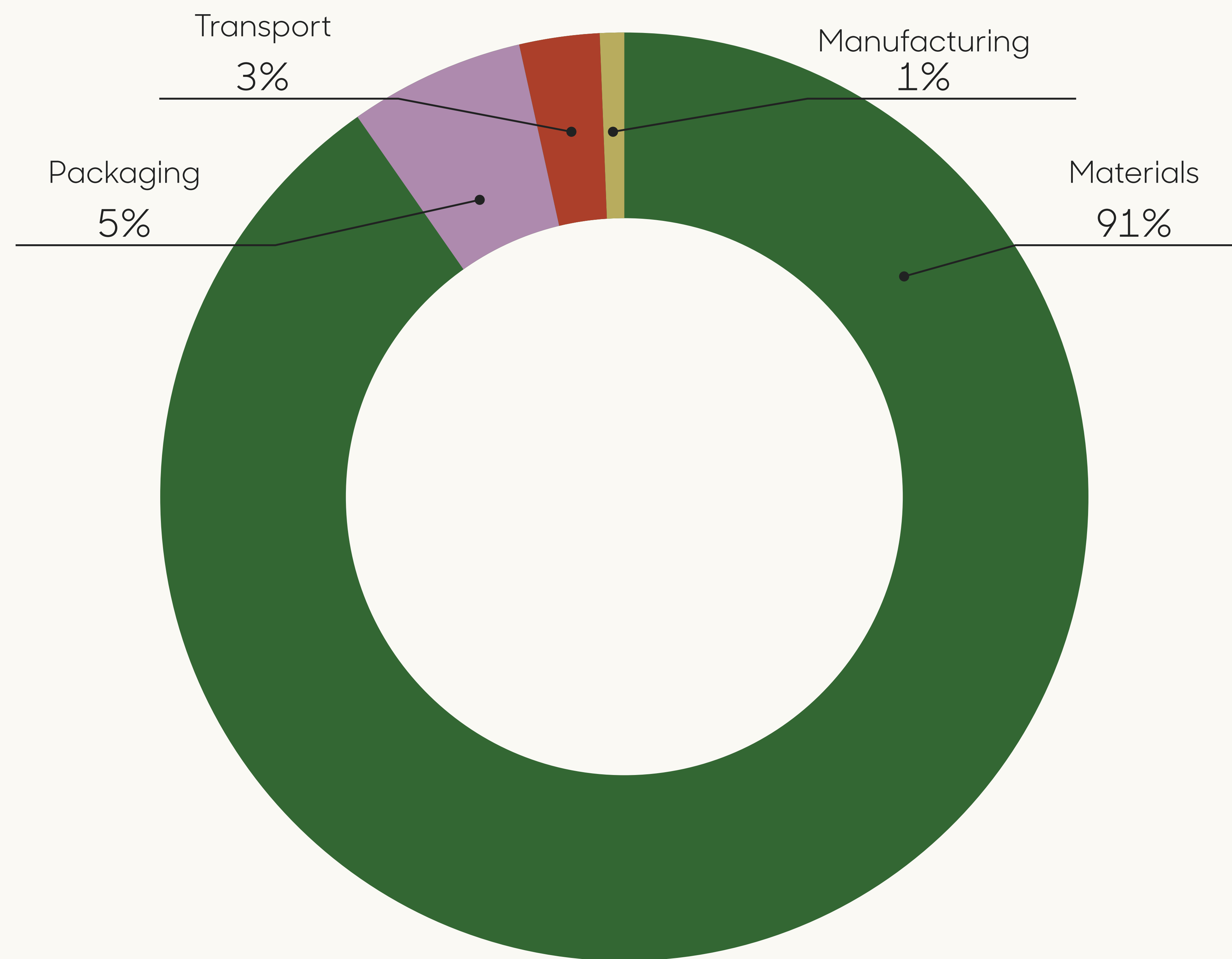
While we still have much to learn and improve, we're committed to developing products that demonstrate both our clients' and our own dedication to sustainability.

% of Reusable/curbside recyclable products - 2024



Product Emissions

Breakdown of emissions on average for our products



Raw Material Emissions

Our 2023-2024 fiscal year was the first year we calculated the LCA for all products we manufactured. As a result, we determined that most emissions generated by the creation of our products is from the extraction and production of raw materials. We are actively researching and testing materials that are available in the market, suitable for our products at scale, and can reduce our emissions in this category.

Recycled material inputs dramatically reduce our material emissions in most cases, and we aim to increase our usage from 40% this year to 65% by 2030. To achieve this, we intend on increasing our usage in category Zero and category 1 of our materials hierarchy.

Even though materials emissions can be reduced by recycled or regenerative inputs, they will always make up the largest portion of our product emissions.

Materials Hierarchy

We designed this hierarchy to identify our most desirable, lower impact materials at the top, down to our least desirable, high impact materials at the bottom. We measure our materials usage for our primary materials using this hierarchy. Our aim is to utilize materials as much as possible that qualify in categories Zero and 1.

Premium Regenerative, Circular, and Multi-Certified
(most desired)

Category Zero
Fully traceable, third-party verified sustainable materials with measurable positive impact, closed-loop systems, and regenerative sourcing practices.

Sustainable Renewable, Recycled, and Certified

Category 1
Recycled, compostable, organic, FSC wood, agro-waste byproduct.

Conventional Renewable, and Abundant

Category 2
Virgin recyclable, silica, wood, conventional, non-organic plant based, blended agro-waste byproduct

Non-Renewable

Category 3
Virgin petroleum plastics, leather, mined metals and stones

No List

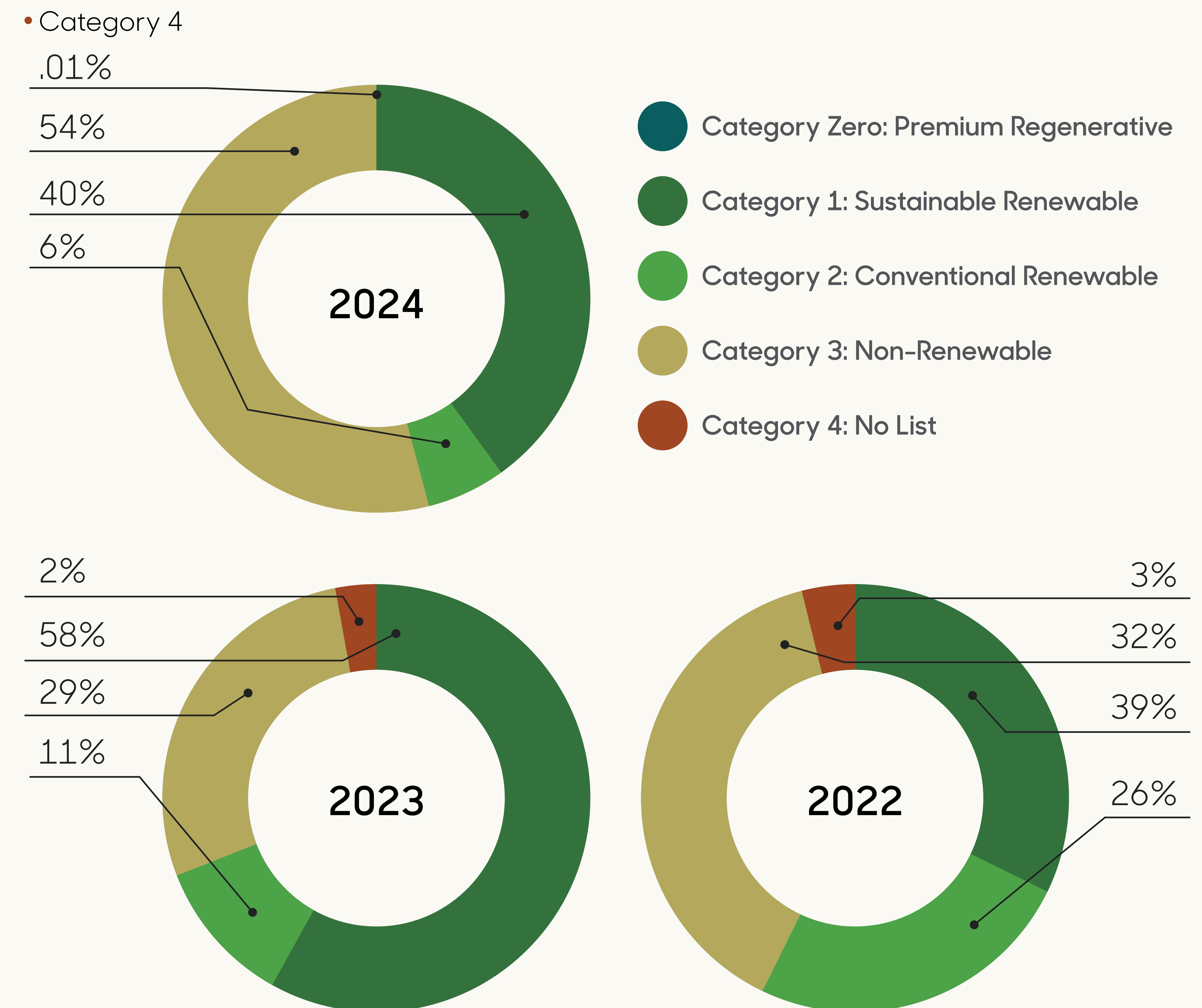
Category 4
Virgin PVC/PU, melamine

Materials Usage Performance

Since 2018 we have been tracking our materials usage closely. We had an ambitious goal to remove PVC and PU as a primary material by 2023. Today, we have less than 0.01% of our main materials representing PVC/PU usage.

Now that we are so close to accomplishing our ambitious goal, we have shifted our focus to transitioning our materials sourcing to be concentrated in Categories 1 and Zero.

We do have a significant portion of materials falling in category 3 which is a concern. The good news is most materials represented aren't virgin plastics and the products are mostly designed for closed-loop systems like stainless steel, reusable water bottles. However, our goal is to find suitable replacement materials for these products, such as certified, recycled stainless steel which would improve the material categorization to category 1.



Materials Usage Performance

Understanding the environmental and health impacts of plastics in our industry has driven our commitment to more responsible material choices. While plastics offer versatile, cost-effective solutions with unique performance features in promotional products, accessories, and apparel, their impacts on human and environmental health – from pollution and toxicity to ecosystem disruption and fossil fuel dependence – require urgent action.

We began this journey in 2018 by committing to eliminate PVC from our products by 2023, recognizing that this fossil fuel-based material poses risks throughout its lifecycle – from manufacturing impacts on workers to environmental consequences during use and disposal. Building on this initiative, we've set an ambitious target to eliminate 95% of virgin plastic usage across our product range by 2030. Our progress toward this goal has been steady, though we acknowledge the technical challenges in finding high-performance alternatives for the remaining applications.

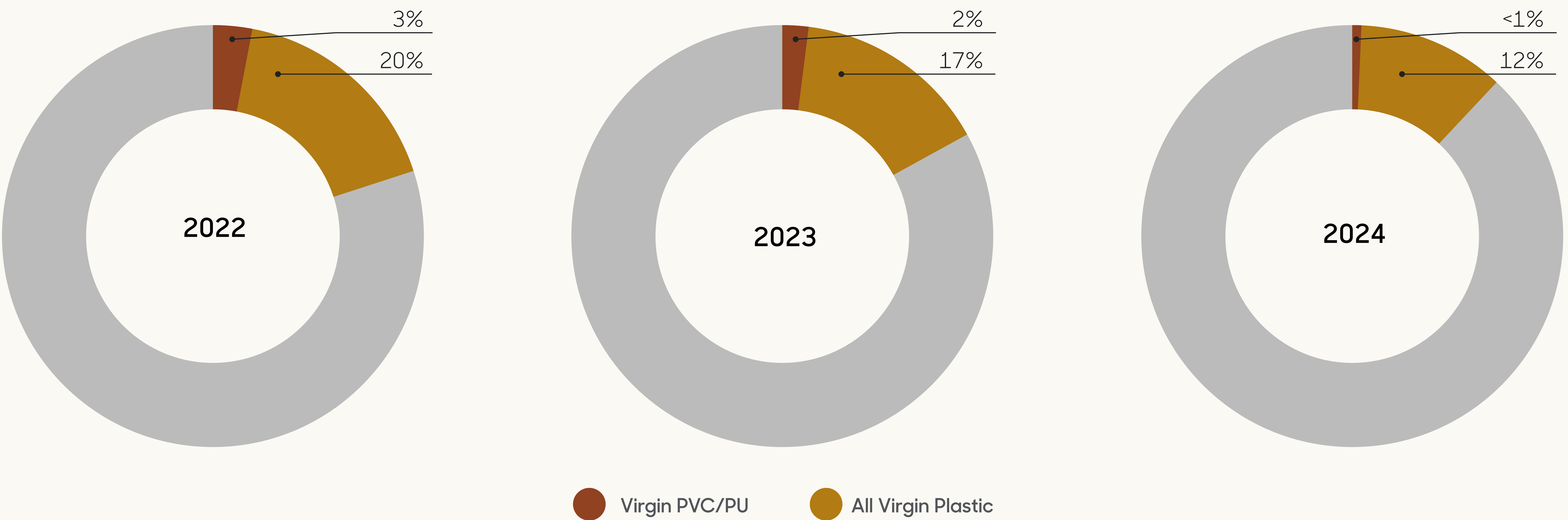
Through ongoing collaboration with suppliers and materials scientists, we continue to explore innovative solutions that maintain product quality while reducing our reliance on virgin plastics.

Current progress:

1. PVC elimination target: Less than 1% of main materials in 2024
2. Virgin plastic removal: On track toward 95% reduction by 2030
3. Material innovation: Actively testing and implementing alternatives

Plastic Materials Usage

% of total materials (kg) used across all products in FY 23/24



Giving Samples a Second Life

As a design company, our product development process naturally generates multiple sample versions – high-quality, usable items that cannot enter our regular retail channels. These samples previously risked ending up in landfill despite their potential value to others.

To address this challenge, we were fortunate to form a strategic partnership with the Every Child's Dream Foundation, a 501c3 non-profit founded by Tasha-Nicole Terani. The foundation, born from Terani's personal experience with childhood abandonment, provides essential support to vulnerable children worldwide. This collaboration has allowed us to create a circular solution: our product samples now find new purpose in supporting children in need, while avoiding landfill disposal.

In 2024, this partnership had a significant impact. We donated 2,616 items with a total product value of \$31,000+, diverting 1,322 pounds from landfills. The product range included bags, backpacks, beauty accessories, notebooks, clothing, water bottles, and plush toys.

This partnership is an example of our ongoing efforts to commit to both social impact and environmental stewardship. By transforming potential waste into resources that serve vulnerable communities, we hope to advance our zero-waste goals while creating positive change. We are grateful for the opportunity to demonstrate our values in action, repurposing our product samples to make a meaningful difference.



Packaging and Logistics Approach

Poly Bags

The standard practice in apparel and accessories manufacturing has been to individually pack product in single-use, plastic bags (poly bags). These bags are used to protect the product for shipping and storage, once removed they are immediately destined for landfill. Through our own policy change 5 years ago, we have reduced single use, virgin plastic usage by bulk packing product and by using recycled paper or sourcing recycled plastic for any remaining bags we do use. We are still searching for a viable alternative to replace the protective bag in the future that is easier to recycle or decompose.

Shipping Modes

There is a significant difference in shipping emissions when flying product from the manufacturing location to the destination rather than shipping it via sea freight. It can be 65x more emissions via air⁵. We manage our production timelines to ship as much of our product as possible via sea freight. Lately with logistics disruptions, we have seen a spike in the use of airfreight. We are monitoring this increase and expect to see this reduce in the next 12 months.

Shipping Cartons

Shipping cartons are highly reusable and recyclable if they are handled correctly. To ensure the recycling process is more efficient and more cartons are recycled, we have been testing using paper tape. Paper tape ensures that the full carton is easily recyclable. In the last year we piloted using paper tape on 43% of our shipments. To support the change with our partners, we funded the machines for applying the tape to the cartons.

Near-Shoring

In the last few years, we have established new factory partnerships in Latin and North America that meet our stringent requirements for human rights and environmental protections. While these new partnerships in Colombia, Guatemala, Mexico and the US have slightly higher costs. The greater positive impact, reduced emissions and lower geopolitical risks create additional value, while supporting our clients with their own sustainability commitments.



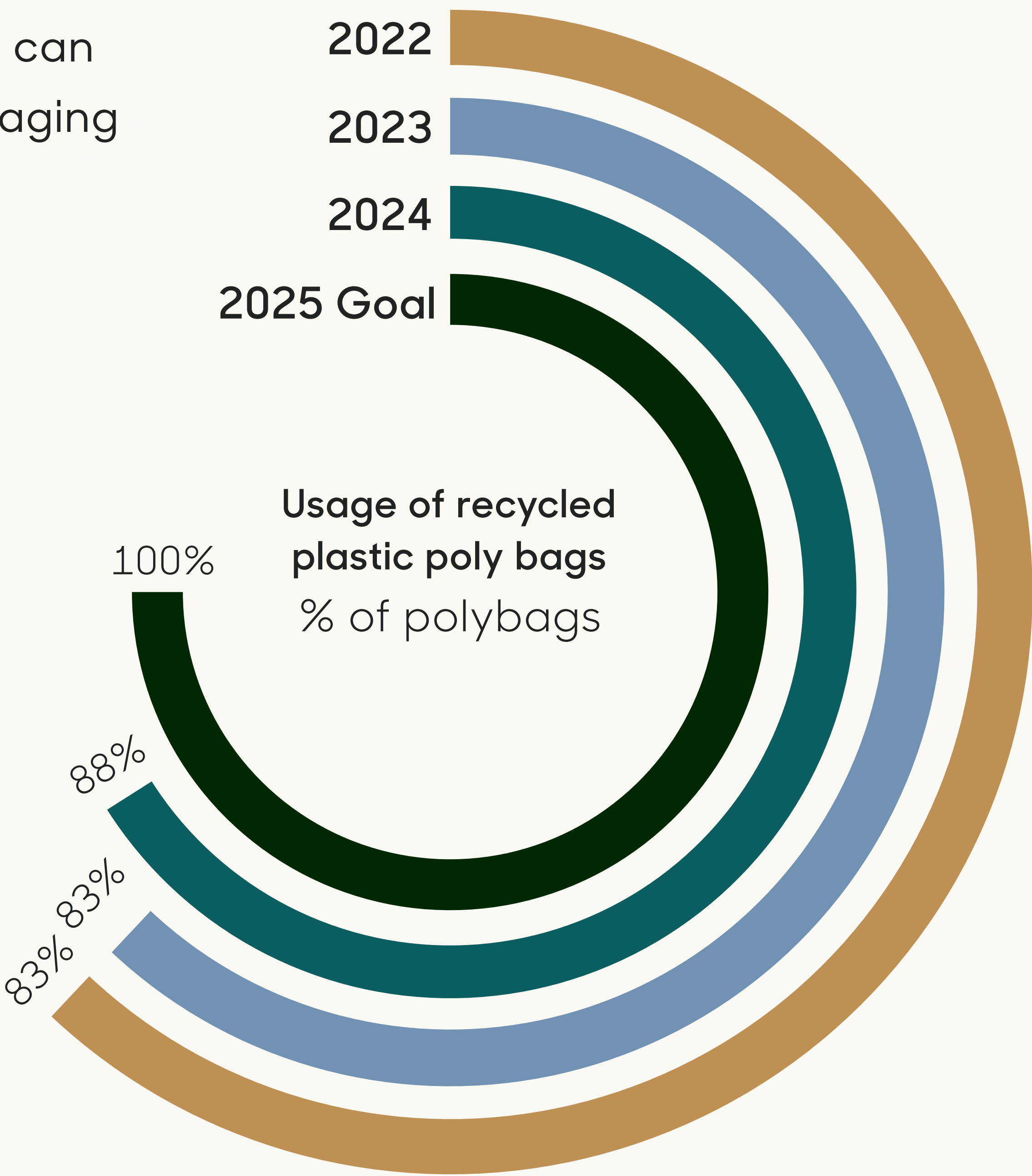
TAUCK  x MaCher

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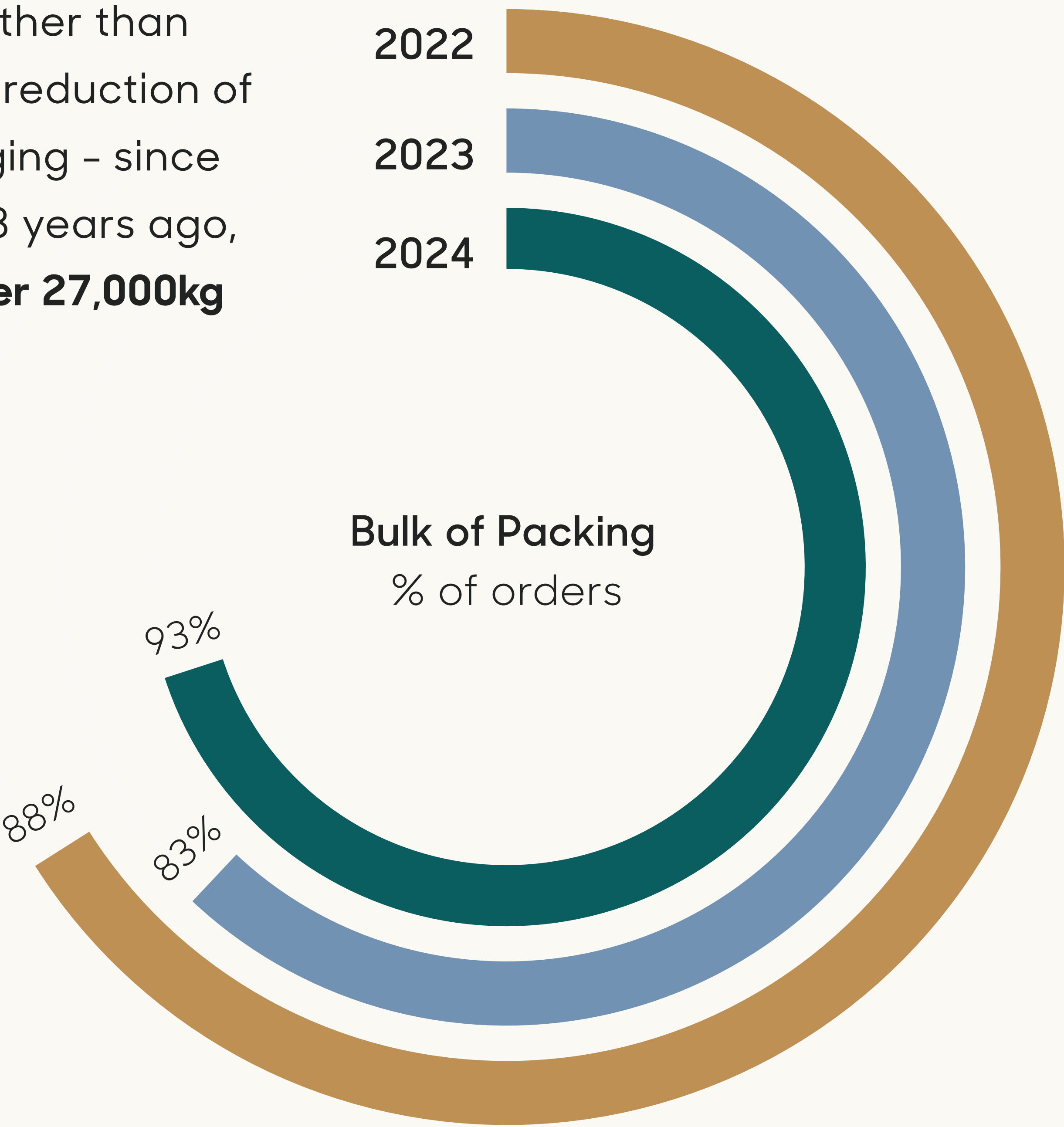
2024 IMPACT REPORT

Plastics in Packaging - Performance

While we have reduced plastics dramatically, we also want to source recycled content for the plastic packaging we do use until we can find a viable non plastic, packaging alternative.

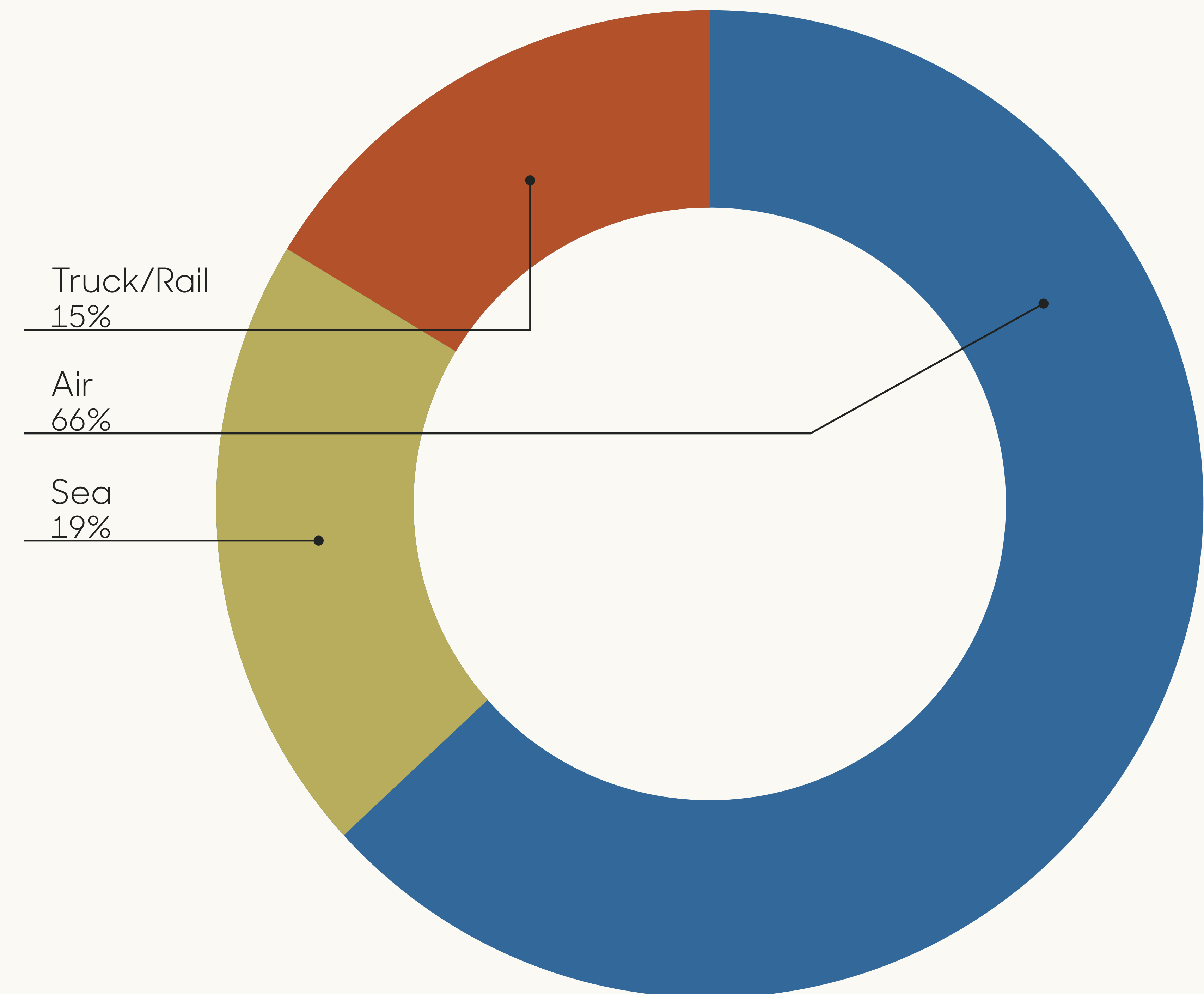


Bulk packing multiple products into one larger plastic bag rather than individual bags supports reduction of single use plastic packaging - since we began this program 3 years ago, **we have avoided using over 27,000kg of single-use plastic bags**



Logistics Performance - % of emissions

Air transportation, while representing a smaller portion of our overall shipping volume, accounts for a significantly larger share of our transport-related emissions. Though we prioritize maritime shipping across all projects to minimize our environmental impact, certain timeline constraints occasionally necessitate air freight solutions. We actively collaborate with clients and suppliers to prevent these high-emission scenarios through better planning and scheduling. However, we also recognize that lasting change requires broader industry transformation, particularly through increased investment in aviation sector decarbonization.



% of emission from per tonne/
km of product transport - 2024



Approach to Our Operations

 AMAWATERWAYS®

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MaCher®

Minimizing our operational environmental footprint



TAUCK  x **MaCher**

Emissions

Since 2008 we have been measuring our emissions across scope 1,2 and 3. In 2019 we set and had an approved Science Based Target for short term reduction of scope 1 + 2 emissions by 50% by 2030 on the SME track. We achieved this goal by 2022 through procurement of renewable energy in our headquarters. For the future we are aiming to achieve Net Zero on Scope 1 + 2 by 2030 at the latest and we are shifting to finding opportunities to reduce our scope 3 emissions in line with 1.5 and achieving Net Zero well before 2050 on Scope 3 emissions. Our emissions reporting is in more detail on the following pages.

Energy

We have been measuring our gas and electricity usage since 2008, In this fiscal year our total electrical energy consumption reduced by 23%, totaling 3080 kWh using 100% LADWPs "Green Power". Our total energy intensity of our operations reduced by 63% since 2019 because of LED implementation and other energy saving practices. While we procure 100% renewable energy in our headquarters, our focus has shifted to support our team to use renewable energy in their remote work locations, only 22% of the team reporting using renewable energy at home.

Water

Water in Los Angeles where our headquarters is located, is a limited resource due to the location and necessity of water to be piped over the mountain ranges. We have been proactive in saving water as much as possible, have drought tolerant landscaping and fitting the office facilities with water saving devices. Water consumption in this fiscal year was 119 m3 This is 22% reduction since 2019.

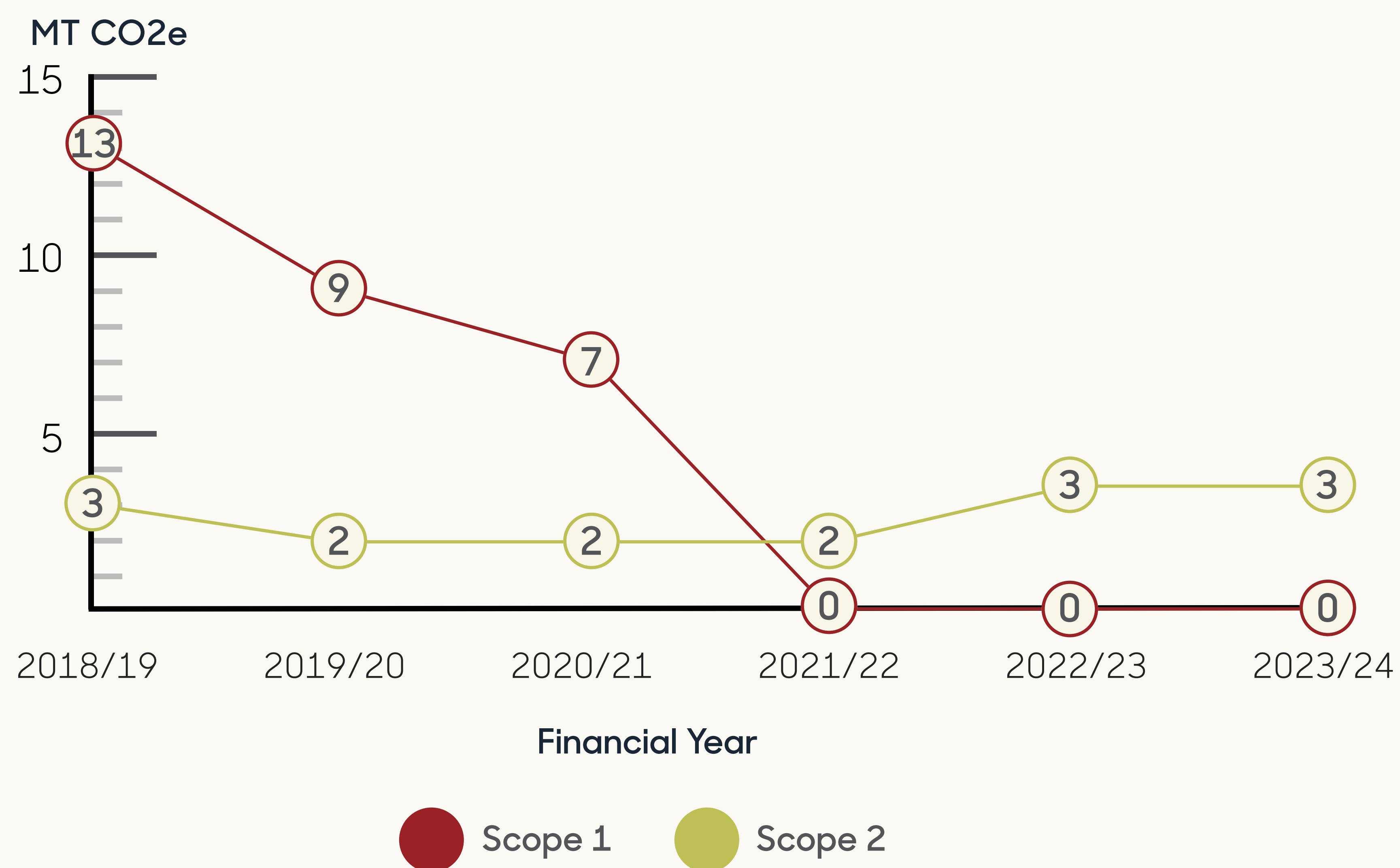
Waste

Waste generation is a smaller part of our footprint, but we have worked to reduce solid waste and divert waste created in our headquarters. Through both increased diversion of waste and reduced number of employees in the office our waste has decreased since 2019 by 95% (down to 382kg of waste to landfill). We are conscious of reusing shipping materials and recycling materials where possible. Our team visited a local recycling facility 2 years ago to better understand the waste system and be more informed on actions we can take to minimize waste.

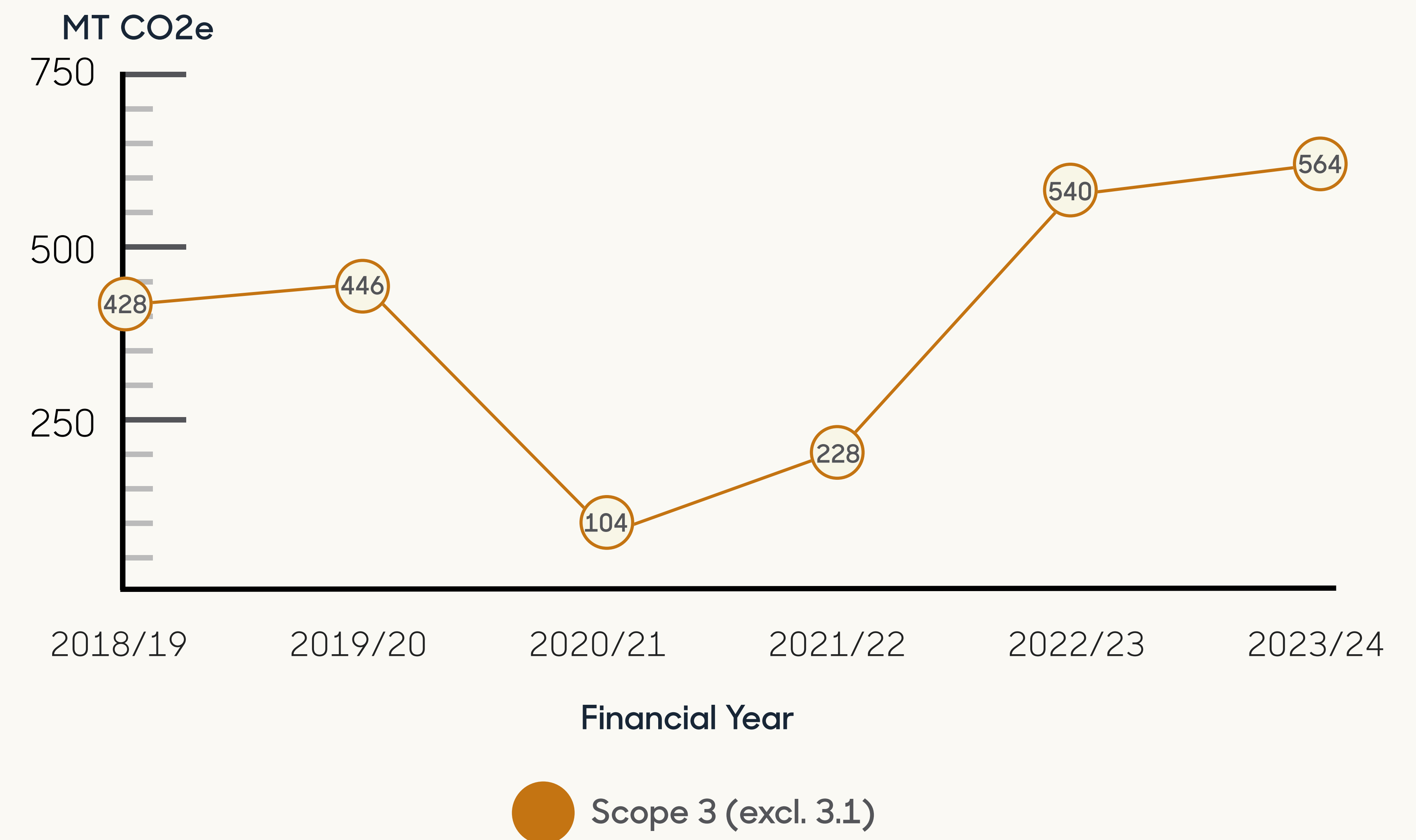
GHG Emissions

Our Scope 1 emissions have remained steady over the years; however we have plans to convert natural gas water heating to electrical heating by 2028 which will help us to achieve Net Zero emissions on Scope 1 and 2. Our scope 3 emissions are rising since our 2019 baseline which is concerning, this rise is mostly attributed to supply chain disruptions which has led to increased air freight shipments as well increase in business travel. We are researching how we can best avoid these emissions in the future and bring our Scope 3 emissions down. We understand this will take significant partnership across our value chain.

Scope 1 + 2

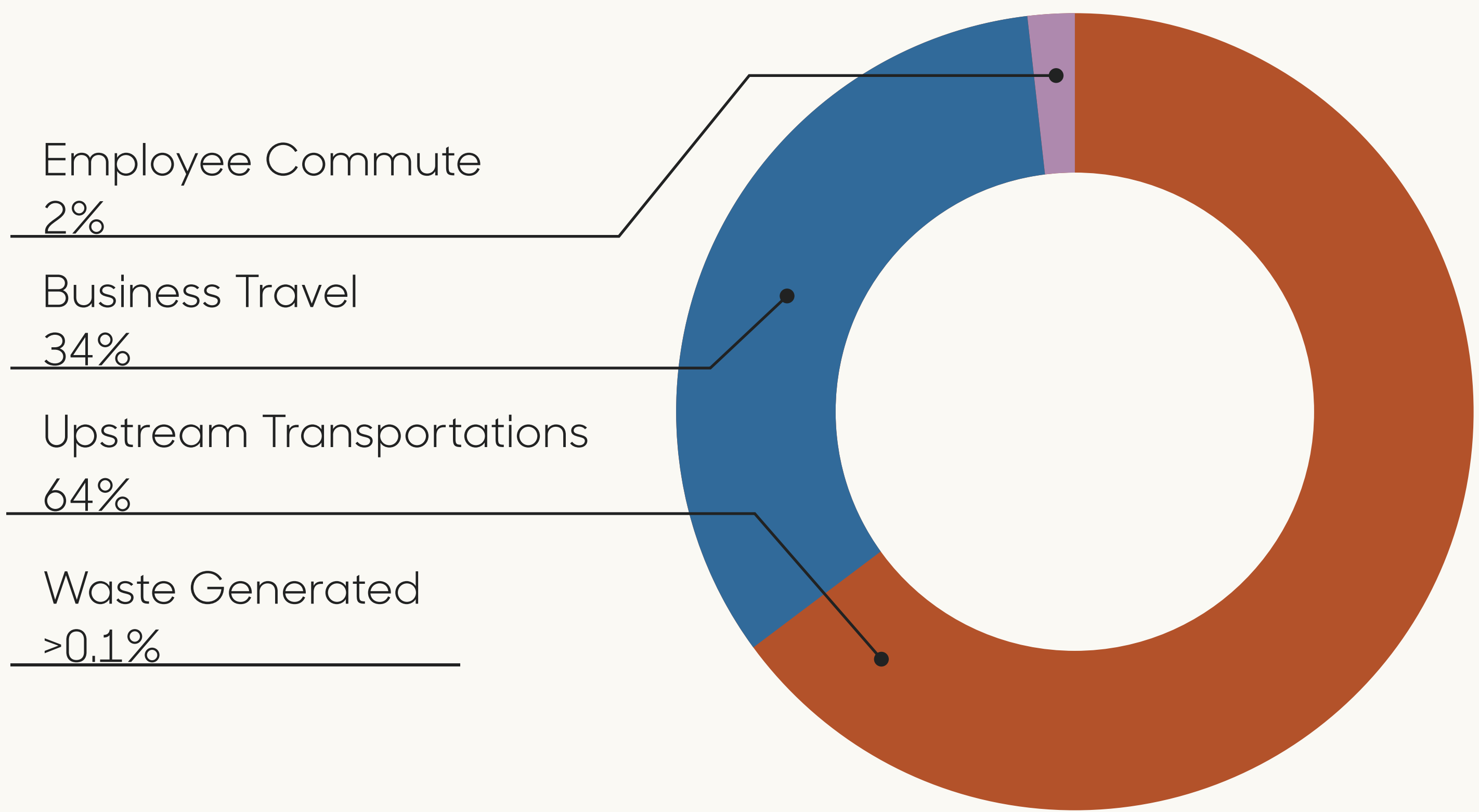


Scope 3



Scope 3 Emissions

Since 2019, we have comprehensively tracked our Scope 3 emissions – the indirect emissions in our value chain. However, one crucial piece was missing: an accurate measurement of our purchased goods and services. This changed in 2024 when we completed Life Cycle Assessments (LCA) for our entire product portfolio, revealing the full picture of our environmental impact. This breakthrough in measurement showed that our purchased goods and services (Category 3.1 under the GHG Protocol) represents 90% (Fig 2) of our total Scope 3 emissions – making it our most significant opportunity for climate action. Armed with this new understanding, we are channeling investment through our Climate Fund to specifically target and reduce emissions in our supply chain over the coming years.



Scope 3 Emissions FY 2024
excl 3.1: 564 MT CO2e (Fig 1)

Exclusions Fig 1:

(due to difficulty in collecting accurate and/or reliable data)

Emissions from materials, primary manufacturing suppliers, packaging, emissions from product end of life and emissions from remote offices.



Scope 3 Emissions FY 2024
incl 3.1: 5828.1 MT CO2e (Fig 2)

Climate Action Fund: Progress Update

Recognizing that carbon credits alone cannot address our value chain emissions, we established a comprehensive Climate Fund allocating 1% of revenue to both emissions' compensation and reduction initiatives.

While we continue to support certified natural sequestration projects like mangrove forests, our Climate Fund now takes a more holistic approach by investing directly in our value chain emissions reduction. While we are only in our second year of the fund, we have a strategic plan for our investments and although we know results will take time, we are positive we are headed in the right direction.

Our Climate Fund focuses on six strategic areas:

1. Value chain education and capacity building
2. Materials innovation and sustainable alternatives
3. Employee-driven innovation programs
4. Supply chain diversification to reduce transport emissions
5. Enhanced emissions tracking and reporting technology
6. Strengthened supply chain oversight and control



Decarbonization Initiatives

A strong commitment from our team has led to some substantial progress.

Scope 2: 100% renewable energy usage at Venice location

Scope 1 +2: Achieved our short term SBTi Target, 50% reduction of Scope 1 + 2 emissions

Scope 3: By partnering with Supply Shift we know that 7% of Tier 1 suppliers are measuring their emissions.

Scope 3: Complete LCA analysis across all products = First-time measurement of Category 3.1 emissions

Scope 3: Through introduction of recycled materials, 38% reduction in virgin petroleum plastics since 2022, 40% of all materials are recycled. 880 MT emissions avoided from recycled materials in 2024, 120% increase from last year!

Product Emissions

Since 2008, we have been measuring our Scope 1, 2 and partial scope 3 emissions. During this time, we have compensated for these measured emissions through the purchase of carbon credits. As we continue to pursue opportunities to directly reduce our emissions through operational improvements and supply chain initiatives, purchasing high-quality carbon credits allows us to take immediate action to mitigate the environmental impact of our current product lifecycle and business operations. This balanced approach of emissions reduction and compensation enables us to make meaningful progress while we innovate towards a lower-carbon business model.

MaCher has built a partnership over the last five years with Seatrees, a pioneering organization dedicated to ocean-based carbon sequestration. Through this collaboration, we are proud to announce that for the first time, we have compensated for 100% of the cradle-to-gate emissions generated across our entire product portfolio in the last financial year.

Seatrees' innovative approach focuses on restoring and protecting coastal ecosystems, which are proven to be highly effective carbon sinks. By investing in Seatrees' verified blue carbon projects, we are not only compensating for our environmental impact but also actively contributing to the regeneration of vital marine habitats. This partnership aligns with our commitment to addressing the climate crisis through collaborative, nature-based initiatives that deliver tangible benefits for both the planet and our communities.





Capturing the poetic story of business

We've been telling stories through thoughtful product development in the travel industry for over 30 years. Our team is comprised of industry and sustainability experts, travel junkies, trend forecasters, and production & logistics gurus. From concept to custom development to delivery and fulfillment - travel products are our world.



SECTION 5

Social Impact

MACHER 2024 IMPACT REPORT

Fair Labor + Ethical Sourcing

- We prioritize improving workplace conditions, responsible sourcing, supply chain transparency, and worker empowerment to support human dignity across our value chain.

Community Investment

- Community investment drives positive change in society. We look to empower local communities through scholarships, mentoring programs, and strategic partnerships.

The 'Why' Behind our Social Goals

Our workforce representation across employees and contractors reflects the demographics of our community, within a 5% margin for racial and ethnic diversity

Racially diverse teams outperform homogenous teams by 35% on financial returns⁷. This goal will benefit MaCher by exposing us to diverse perspectives and experiences that drive innovation and better decision-making, while also demonstrating our commitment to equal opportunity. Having a workforce that mirrors the community's demographics can lead to better understanding of and service to our customers, enhanced problem-solving through varied viewpoints, and improved talent attraction in an increasingly diverse marketplace.

85% satisfaction rate on employee surveys for financial fairness and equity, in addition to Gender Pay Equity on Gross Salary

Employee compensation equity isn't just about matching market rates – it's about ensuring our team feel valued and treated fairly, which our 85% satisfaction target and gender pay equity commitment addresses directly. When employees believe they are compensated fairly compared to their peers and market standards, they are more likely to stay with us longer, perform at their best, and recommend us as an employer. This benefits our business through reduced turnover costs, stronger employee engagement, and enhanced ability to attract top talent in a competitive market.

By 2030, 25 identifiable projects collaborating with artists from underserved communities from a 2024 baseline

This goal represents our commitment to amplify diverse creative voices and ensure our creative outputs reflect varied cultural perspectives and experiences. This initiative not only provides meaningful economic opportunities for artists who may face systemic barriers in the creative industry but also enriches our creative work with authentic, diverse viewpoints that resonate with our broad customer base.

From 2022 – Delivered 16 paid educational scholarships or business grants to Indigenous or low-income students or entrepreneurs

Native American students account for about 1% of post secondary students in the United States⁸. Supporting Indigenous and low-income students/entrepreneurs through scholarships and grants is one commitment by MaCher in reducing economic barriers and creating pathways for historically underserved communities to access education and build businesses. This investment in economic mobility can also help develop future talent pipelines, strengthen relationships with local communities, and address systemic inequities.

10% spend on social impact suppliers by 2030

By committing to direct 10% of our procurement spend to social impact suppliers – such as minority-owned, women-owned, and social enterprises – we're building a more resilient and diverse supply chain while creating economic opportunities. This goal delivers multiple benefits: it strengthens local economies, enhances our supply chain resilience, helps us meet growing stakeholder expectations around social impact, and often leads to innovative solutions as these suppliers may approach challenges differently.

100% of our goals are progressed through collaboration and strategic partnerships

Complex business and sustainability challenges cannot be solved in isolation. By deliberately seeking out partnerships with other organizations, community groups, industry peers, and experts, we multiply our impact, share resources and knowledge more effectively, and develop more innovative solutions than we could achieve alone.

Current Performance on our Social Goals

2030 Goal	Last Year	This Year	Summary of Progress
Our workforce representation across employees and contractors reflects the demographics of our community, within a 5% margin for racial and ethnic diversity	N/A	Within 10%	On our way
From 2022 - 16 paid educational scholarships or business grants to Indigenous or low-income students or entrepreneurs	2 Scholarships + Grants	2 Scholarships + Grants (4 in total since 2022)	On our way
85% satisfaction rate on employee surveys for financial fairness and equity, in addition to Gender Pay Equity on Gross Salary	N/A	NEW GOAL!	Building our Benchmark
10% spend on social impact suppliers by 2030	<1%	<1%	More work required
By 2030, 25 identifiable projects collaborating with artists from underserved communities from a 2024 baseline	N/A	2 Collaborations	On our way
100% of our goals are progressed through collaboration and strategic partnerships	N/A	NEW GOAL!	Building our Benchmark

Employee Welfare and Benefits

Fair Wages + Benefits

Our commitment to employee well-being is reflected in our comprehensive compensation structure. Examples include an individualized living wage for all team members, including 1% of quarterly revenue shared equally among non-commissioned employees when targets are met. Our benefits package invests in our team's future with a 4% company-contributed 401K plan with socially responsible investment options and fully employer-paid medical insurance premiums. To further strengthen our commitment to equitable compensation, we are implementing a financial fairness survey in the coming year to measure and enhance our performance in this critical area.

Workforce Development + Engagement

Professional growth remains central to our employee development strategy. We provide every full-time team member with a dedicated professional development budget, demonstrating our commitment to continuous learning. In 2024, our team members completed an average of 36.3 training hours per person, and we've set a target to increase this to 40 hours per employee in the coming year. Our commitment to employee engagement is reflected in our quarterly team surveys, which achieved a 92% engagement score throughout the year, highlighting the strong connection between our professional development initiatives and overall team satisfaction.

Work-life Harmony

We prioritize work-life harmony through progressive policies that support our team members' diverse needs. After one year of service, employees transition to a 32-hour work week while maintaining full benefits, alongside comprehensive paid parental and family care leave. Our commitment to inclusive support is demonstrated through our newly introduced menopause/ menstruation and reproductive loss benefit policy. We embrace flexible working arrangements, offering LA-based employees the option to work remotely 50% of their work hours, after their first year, while supporting working parents with adaptable return-to-work plans and flexible hours for all team members.

Local Artist Partnership

Sherrae Rucker - Product Photography

Our Local Artist Initiative creates intentional economic opportunities for creative voices from underserved communities by integrating their work into our core business activities. This program is part of our 2030 goals; to "Create equitable opportunities through our products." It connects clients with artists who bring authentic cultural perspectives and community storytelling to our creative work. The initiative goes beyond representation – it's designed to amplify visibility of both individual artists and their broader creative communities.

When seeking a photographer to elevate our product design documentation and client product storytelling, we intentionally aligned this business need with our commitment to supporting local artists. Through [Creative Futures Collective](#), we partnered with Los Angeles-based visual storyteller Sherrae Rucker to reimagine our product photography and marketing visuals.

Sherrae's impressive portfolio includes creative direction for Live Nation Entertainment, and post-production for Paramount+, and leading beauty brands like Nars, Dior, and Chanel. Their work consistently demonstrates a commitment to breaking down barriers and fostering inclusivity, particularly through their role in establishing Live Nation Women's social media presence and creating content series that amplify women's voices.

Sherrae's distinct aesthetic and narrative approach brought fresh perspective to our marketing materials, while delivering the professional quality imagery needed to showcase our products effectively (much of the photography included in this report is part of their work). This collaboration exemplifies how our Local Artist Initiative creates mutual value.

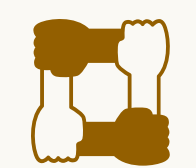


Justice, Equity, Diversity and Inclusion Performance



Pay Equity

We've achieved equal pay for equal work across comparable roles and responsibilities, while acknowledging a 2.8% gender pay gap stemming from current gender distribution across specialized functions like sales. We're actively addressing this gap through balanced recruiting and skill development opportunities across all roles, particularly in higher-compensated positions, while maintaining our flat organizational structure and commitment to pay equity within roles.



Inclusive Hiring and Promotion Practices

We've strengthened our commitment to equitable opportunity through systematic improvements in hiring practices. Our implementation of blind resume reviews, standardized interview formats, and regular interviewer training on inclusive practices helps minimize unconscious bias in candidate selection. In the coming year, we will develop a transparent framework for career progression and compensation decisions, with clear criteria for salary reviews and professional development opportunities.



Racial Equity Leadership Program

Our company owners deepened their commitment to racial equity through B Lab US/CAN's Racial Equity program, seeking to better support and foster a more diverse workforce through meaningful structural changes. The initiatives resulting from this program have been comprehensive, including the introduction of a more flexible Health Equity HRA, significant improvements in retirement plan participation (from 62% to 79%), elimination of credit checks from hiring, implementation of anonymous demographic tracking for candidates, and a complete restructuring of financial benefits to ensure equitable compensation across all team members.



Team Demographics

Annual diversity representation analysis shows strong representation of women (74%), people with disabilities (32%), AAPI (13%), and multiracial team members (9%), exceeding national averages. We recognize the need to improve representation in key areas where we fall significantly below U.S. Census demographics: Hispanic/Latinx (4% vs 18.9% census), Black (4% vs 13.6% census), Indigenous (0% vs 1.3% census), and LGBTQIA+ (0% vs 7.1% census) communities. These gaps inform our future recruitment and inclusion strategies.

74% Female | 26% Male | 0% Non-binary

13% AAPI | 4% Black | 4% Hispanic/Latino | 0% Indigenous | 0% MENA | 9% Multiracial | 70% White

68% Able | 32% Disabled

9% Gen Z | 44% Millennial | 43% Gen X | 4% Boomer



Justice, Equity, Diversity and Inclusion Training

Team members completed an average of 10.2 hours of JEDI-focused professional development. Training included essential topics like sexual harassment and violence prevention, alongside deeper learning experiences such as empathy workshop, designed to strengthen inclusive behaviors and cross-cultural understanding.

Looking ahead, we're expanding our learning curriculum to include more practical application workshops, peer-led discussions, and ongoing education that moves beyond awareness to action. These sessions will focus on translating learning into daily practices that support inclusion and belonging for all team members.



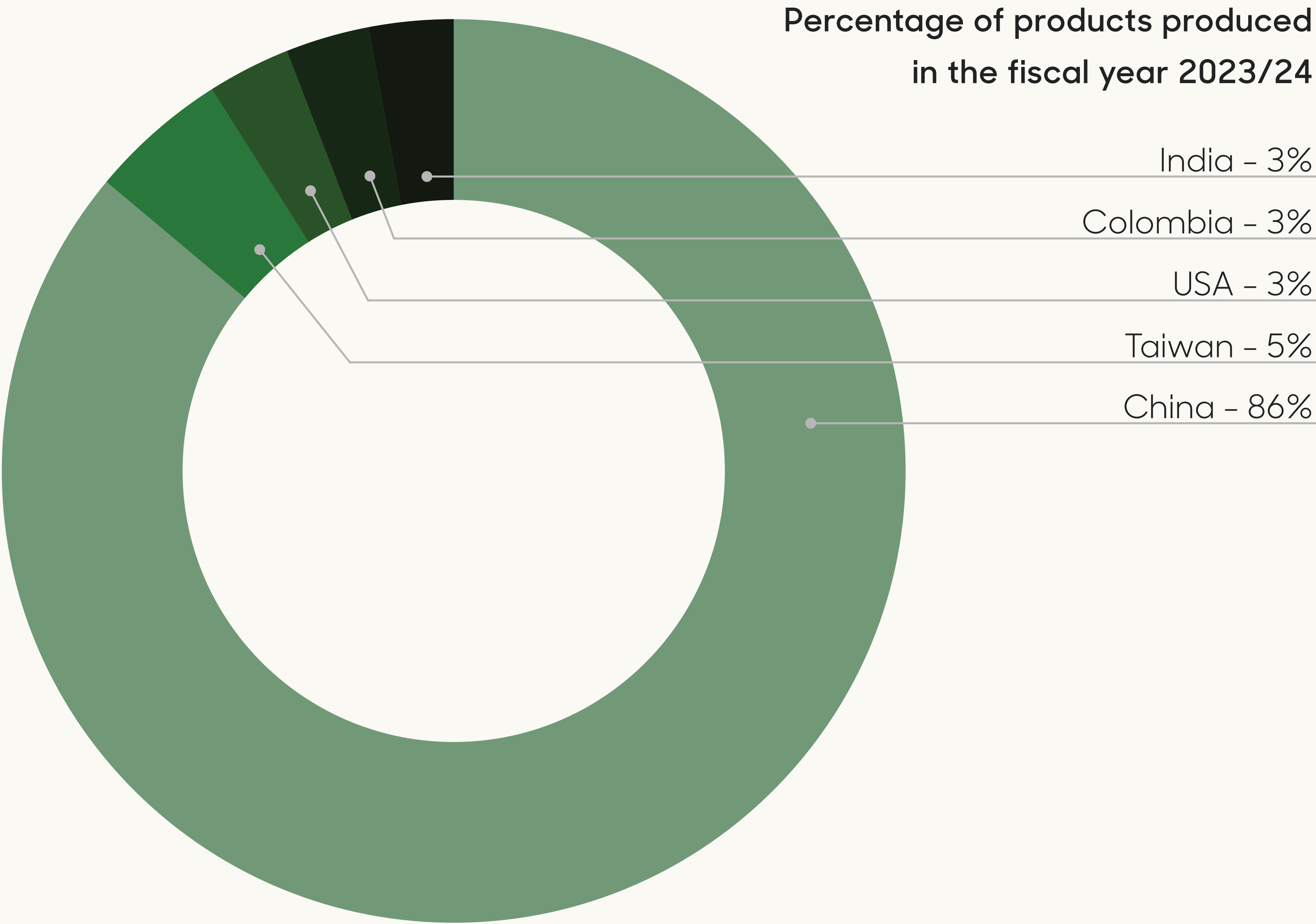
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Value Chain Development

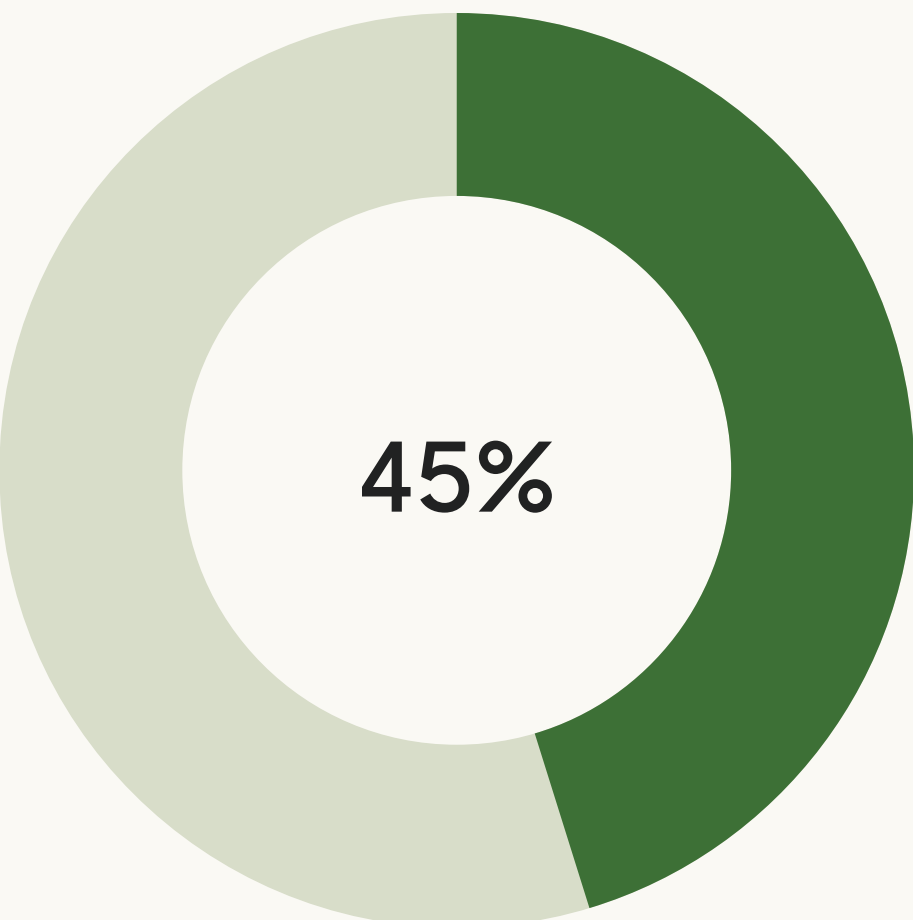
We are proud of our long-standing factory relationships. Our supply partners are more than vendors to us, they are an extension of our team and align with our values. We work together in our commitment for continuous improvement to uphold standards for safe and fair working conditions and improve our environmental and social impact.



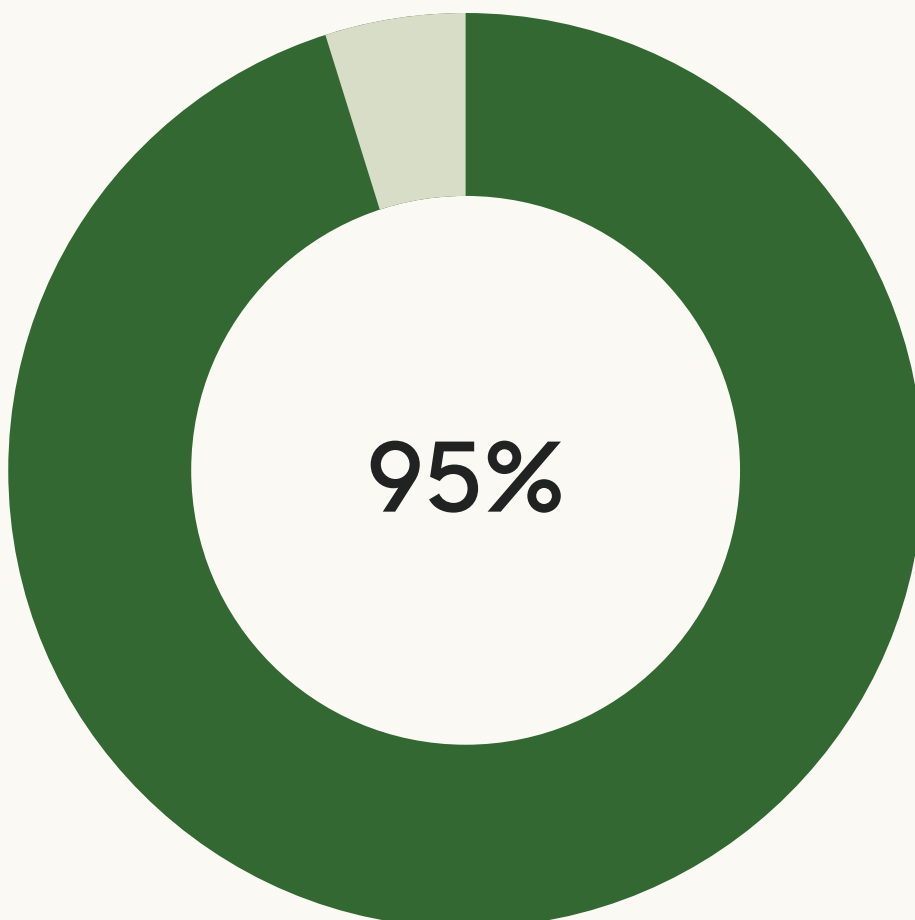
Our success depends on everyone involved in the creation and delivery of our products.

Value Chain Development

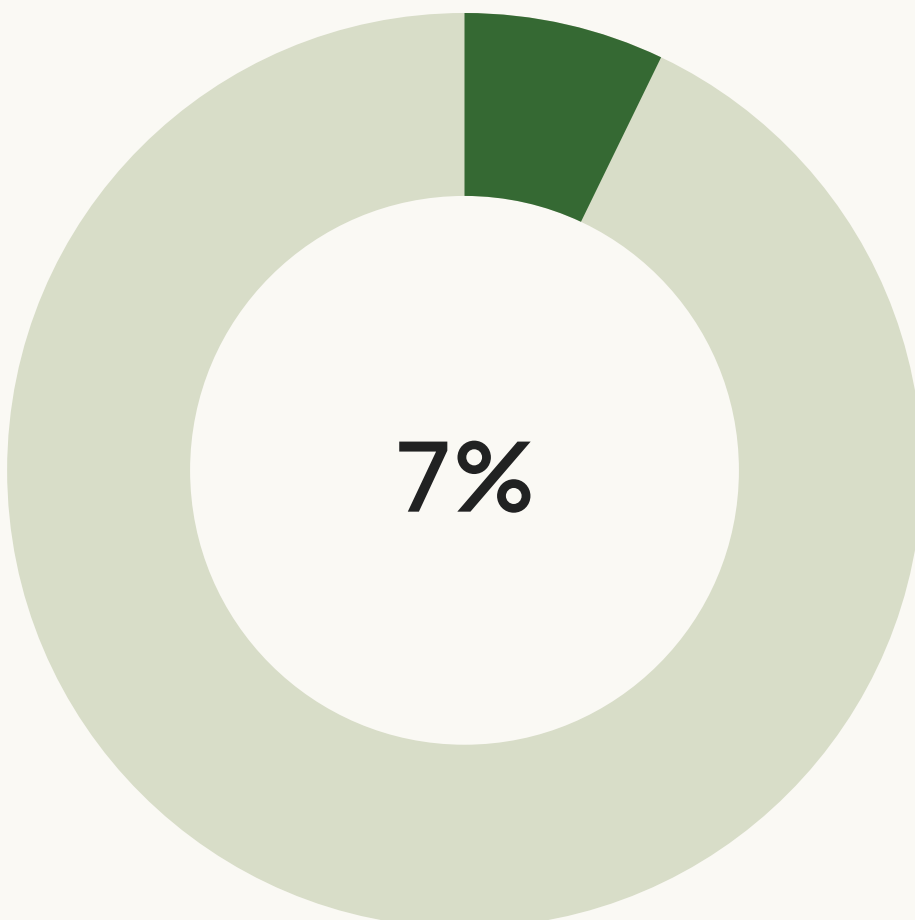
MaCher has partnered with SupplyShift to begin a comprehensive analysis of our supply chain's social and environmental performance metrics. This data-driven assessment will enable us to identify areas for improvement, track progress over time, and share transparent sustainability updates with our customers and stakeholders.



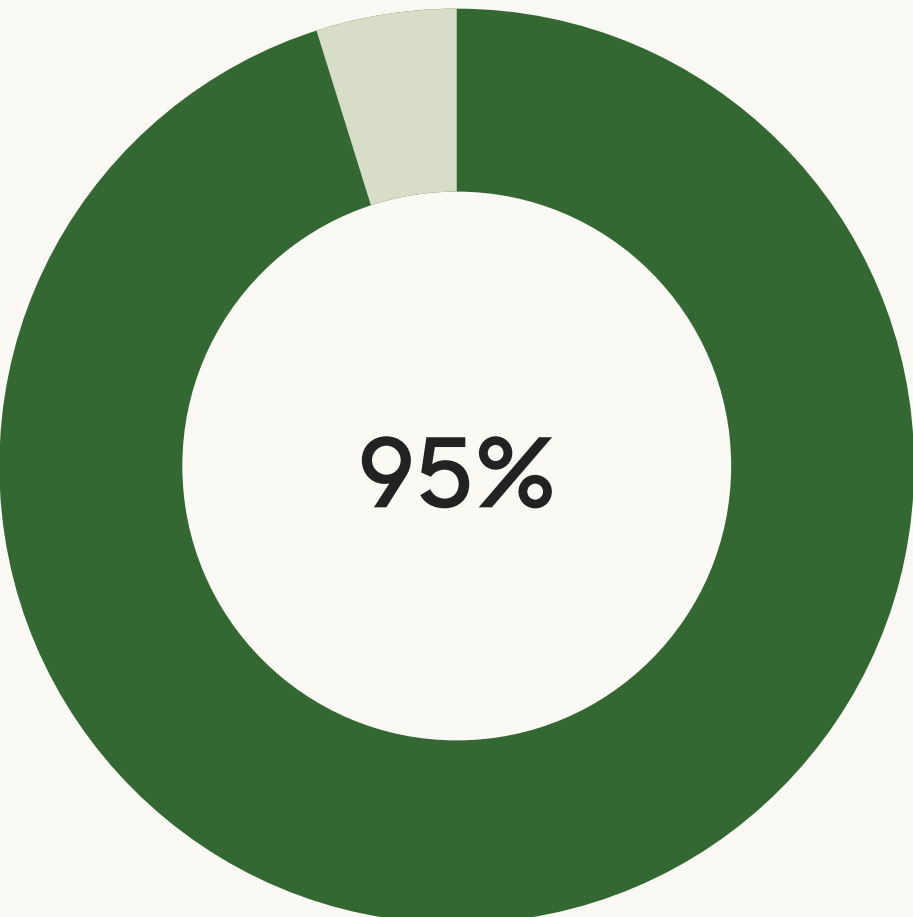
% of manufacturing spend with women-owned business



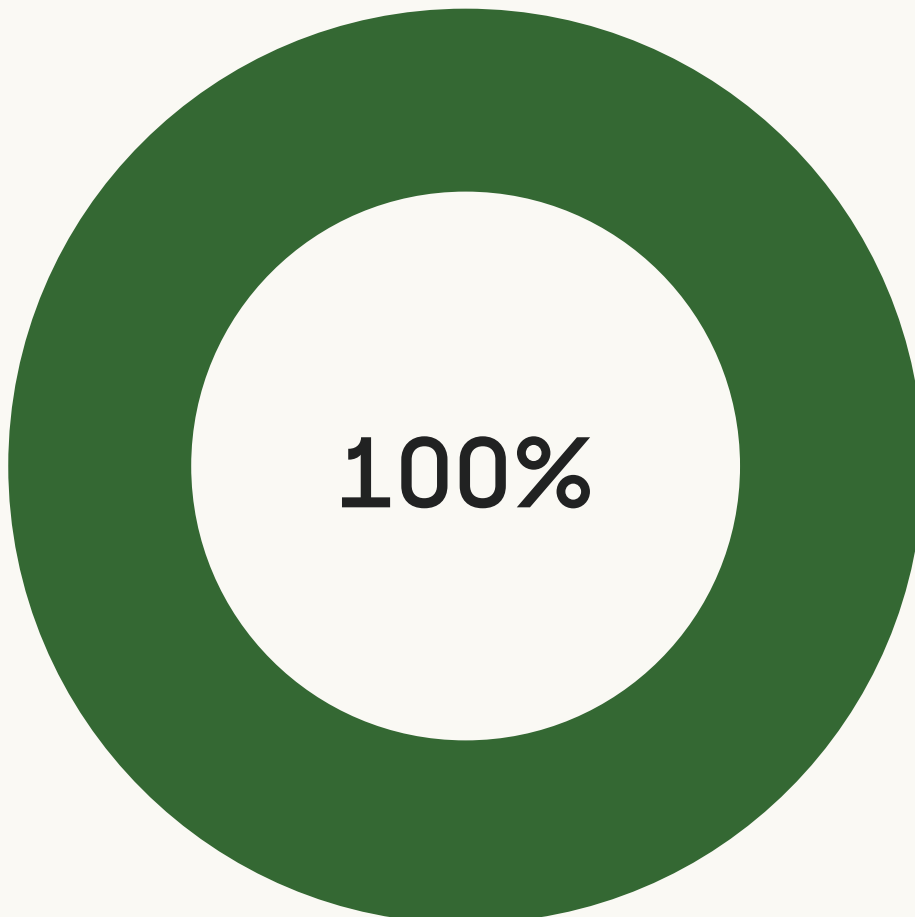
% of suppliers audited for environmental performance and metrics



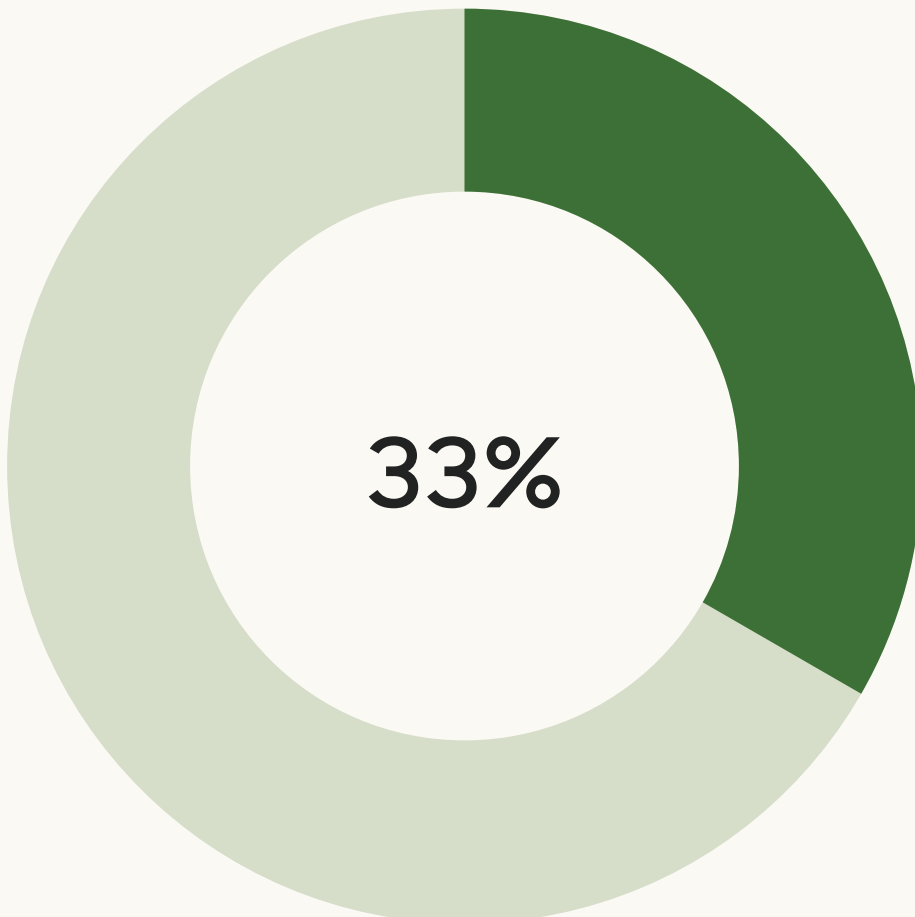
% of suppliers reporting on GHG emissions



% of suppliers audited for human rights conditions, labor, or fair working conditions



% suppliers committed to our Social Accountability Standards based on UN Convention of Human Rights



% of suppliers monitoring and recording water usage

Customer Success

We prioritize client success through multiple channels: maintaining rigorous quality and safety standards for all products, developing ethical marketing guidelines that inform both our practices and client recommendations, and proactively preparing clients for upcoming regulations. Our approach combines product excellence with transparent communication, ensuring clients receive accurate information and guidance. We regularly assess customer satisfaction to maintain service quality and adapt to evolving needs. Our dedication extends beyond basic compliance to serve as a trusted partner in our clients' sustainability journeys.



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2024 IMPACT REPORT

Product Safety and Quality



Our commitment to safety and quality is demonstrated through rigorous material testing and supply chain transparency. We achieved 100% compliance with regulatory requirements, including California's Prop 65. We are actively monitoring and responding to emerging PFAS health concerns through dedicated testing and material selection protocols.

Customer Satisfaction



We evaluate our customer satisfaction through retention rates over 3 years as well as qualitative and quantitative feedback from our customers. In the last year, we didn't implement our annual feedback survey, however we have collected feedback through end of project conversations.

Ethical Marketing



In the last 12 months we have been developing an ethical marketing policy to better equip our team on accurate as well as inclusive communication. Our policy also supports our customers in how to align with new regulations such as the EU Green Claims Directive.

Reset Tourism Fund Impact Overview

We partnered with the [Untours Foundation](#) for their Reset Tourism Fund to support the growth of purpose-driven travel and tourism businesses, recognizing their unique potential to create lasting social and environmental impact. Since 2023, we have provided \$100,000 in contributions, supporting transformative projects that exemplify this approach, including Kijani Supplies and Taita Falcon Lodge.

Kijani Supplies (Kenya) demonstrated remarkable resilience and growth, increasing sales by 330% despite regional challenges including severe flooding in May. Beyond their commercial success, Kijani showcased strong community leadership by coordinating humanitarian aid distribution during these floods, exemplifying how sustainable businesses can serve as anchors for community resilience.

Taita Falcon Lodge's (Zambia) rebuilding project transformed a setback into an opportunity for enhanced sustainability. After a devastating bushfire, the lodge reopened in April 2024 with significant improvements including solar power systems, rainwater harvesting, and locally-crafted buildings. This renewal not only preserved vital local employment and training opportunities in an economically challenged region but also elevated the property's environmental performance. The lodge's steady growth in bookings since reopening demonstrates the business case for investing in both community development and environmental sustainability.

These investments showcase how targeted funding can support businesses that balance social impact, environmental stewardship, and economic viability while strengthening local communities' resilience to climate-related challenges.



Bringing Children's Stories to Life

Richard Flores, joined the MaCher team over 15 years ago and he is also a founding member of the [Ales Foundation](#) - a nonprofit committed to improving the lives of children in underserved communities. Leveraging his passion for making a difference, Richard recently wrote and published a heartwarming children's book called "[The Hunt for the Perfect Wave](#)."

Recognizing the positive impact Richard's work could have, MaCher donated funds to help print 800 copies of the book, which will be distributed in the Dominican Republic in 2024 through the Ales Foundation's established community networks. The Ales Foundation's social mission is to provide necessities, educational resources, and poverty alleviation support to help children, and their families thrive.

As both an Ales Foundation leader and a MaCher team member, Richard exemplifies the power of combining professional skills with personal purpose. Through this collaboration, MaCher is proud to amplify the Ales Foundation's grassroots efforts, using the distribution of Richard's book to bring joy, learning, and tangible resources directly to the communities that need them most. By supporting Richard's initiatives, MaCher is empowering our employees to leverage the company's resources for meaningful social impact.



SECTION 6

Collective Action —

MACHER 2024 IMPACT REPORT

Industry Collaboration

- Partnering across industry allows us to accelerate sustainable change at a systemic level rather than working in isolation.

Education

- By teaching and mentoring others, we can multiply our positive impact far beyond what we could achieve alone.



Industry Collaboration

The B Beauty Coalition

100+ hrs volunteered in last 12 months

The B Beauty Coalition is a peer led collaboration among both B Corp certified Beauty brands and their direct suppliers. Our support has been leading the Steering Committee, setting up the operations for the coalition members to be able to collaborate effectively, coordinating webinars and providing onboarding support to all new members. To date the coalition has delivered industry tools such as the B Beauty Navigator and providing access to the latest best practices through webinars. The coalition is working to elevate best practices to the entire beauty industry.

USTOA Sustainability Committee

60+ hrs volunteered in the last 12 months

USTOA is a major travel sector association, representing over \$16 billion of economic activity. We co-chair the Association's Sustainability Committee that formed, developed and implemented a comprehensive sustainability education program and provide free sustainability practice tools for both association members, as well as inviting other associations to participate. Early in this process USTOA also hired a full-time Impact professional to lead impact work to support the associations membership.

Education

Tourism Cares Sustainability Workshops

90+ hrs volunteered + 3 x workshops delivered to 29 participants

For the past 3 years, we have been developing and hosting 4-month workshops with Tourism Cares. The purpose of these workshops is to support executives in the travel industry to start their sustainability journey and support them to develop sustainability strategies in their businesses. The workshops are a combination of topic deep dives, group discussion and 1:1 mentoring.

After surveying the participants, we learnt that pre-workshop, most had no priority for sustainability. Post-workshop, 60% of participants had started building a sustainability strategy and 67% started to engage their supply chain in sustainability measurements. We will continue to follow the journey of our participants and hope to track the changes in their business over the years.

Mentoring

50 hrs volunteered in the last year.

Our team is passionate about sharing their skills and expertise with others. In the past year, our team members spent 50 hours providing small group and individual mentoring to students from our local schools, Santa Monica College and Pepperdine Business School students as well as other other industry professionals.

The team provided mentoring in areas such as design critiques, portfolio reviews, mock interviews, career advice, leadership transitions for CEOs, business model evolution for consultants, and personal development for team members. This mentoring has led to significant outcomes, including mentees landing freelance, part-time, or full-time jobs. It's also an opportunity for our team to connect with others outside the business and develop their own skills through this practice.



Marcus Thomas, an Interaction Design (IxD) student at Santa Monica College, has spent the last two years helping to shape this Impact Report as a designer, guided by mentorship from MaCher.

Feedback from Sustainability Workshop Participants

Tourism Cares x MaCher Workshops



Janelle

"I highly recommend this course to anyone who values the destinations they sell and wants a customized blueprint for how best to serve the local people, wildlife, and attractions, and to ensure guests have the optimal travel experience now and in the future. The course culture is nonjudgemental, pragmatic, engaging and supportive; everyone in the travel or tourism sector should consider taking it."



Shannon

"This course was a fantastic one for honing and sharpening our thinking about sustainability, giving us a 'leg up' for pursuit of B Corp certification and was also wonderful to meet people from the industry I didn't know and to learn alongside them and be inspired by everyone's desire for tourism to be a healthier industry!"



Brett

"I greatly enjoyed the Tourism Cares & MaCher Sustainability workshop. I learned a lot and it truly changed my outlook and the way I think about sustainability."



James

"The Tourism Cares and MaCher workshop is the product of great minds and big hearts! Paula, Derek, Emma, Rochelle and Gen gave so much time, put in endless thought and preparation and designed a logical progression from the why through the how of navigating a sustainable travel journey."



Fraser

"The sustainability workshop was the best piece of industry learning I've done in recent years. Right from the first session, my mindset shifted from a desire to do more to "I can do more!" and that continues here in the months after the course ended."



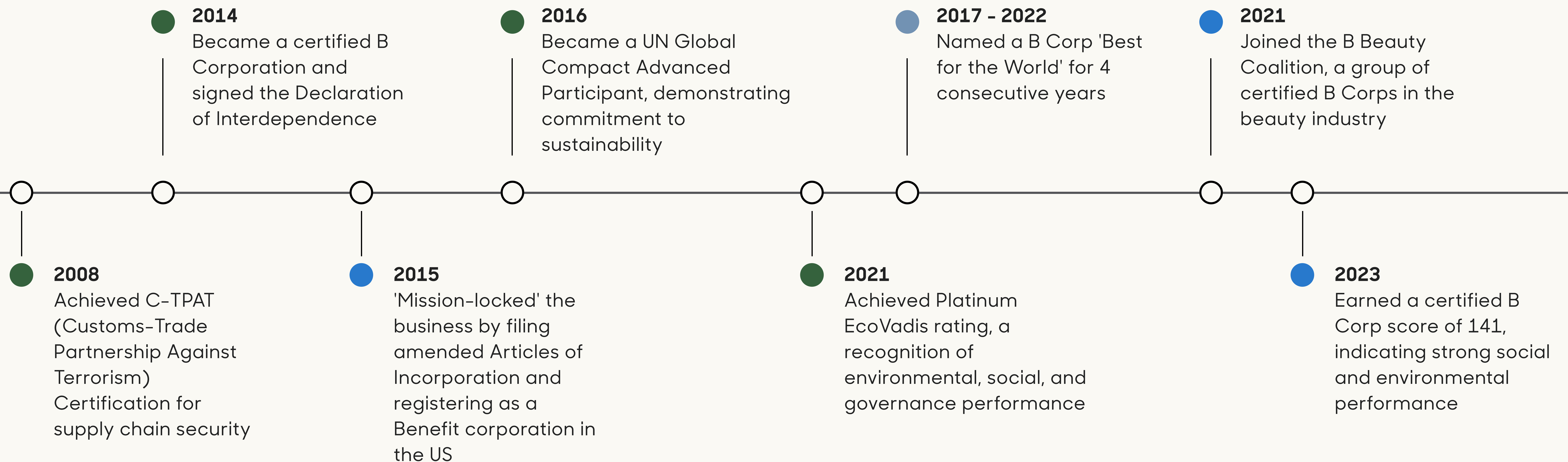
Alison

"The various sessions help to break down any barriers around the topic and help to create the basis to grow a strategy."

Key Commitments in the Last Decade

Key

- Certifications
- Awards
- Progress Milestone





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ORGANIC BEAUTY

Glossary of Terms

Carbon Footprint

- The total amount of greenhouse gas emissions, measured in carbon dioxide equivalents (CO₂e), produced directly and indirectly by an individual, organization, event, or product over a specific period.

Circular Economy

- An economic system aimed at eliminating waste and promoting the continual use of resources by designing products and processes that enable reuse, repair, recycling, and regeneration, thereby minimizing environmental impact and maximizing resource efficiency.

CO₂e

- Carbon dioxide equivalent; is a standardized unit used to measure the global warming potential of greenhouse gases by expressing their impact in terms of the equivalent amount of carbon dioxide (CO₂) that would produce the same warming effect over a specific time frame.

Curbside Recyclable

- Materials must be easily recyclable in greater than 60% of US households.

GHG Emissions

- Greenhouse Gas Emissions; these include 7 gases that trap heat in Earth's atmosphere. If produced at a greater rate than sequestration or removal can occur, they become the cause of extreme weather events. The gases are Carbon Dioxide, Methane, Nitrous Oxide, Chlorofluorocarbons, Hydrofluorocarbons, Perfluorocarbons and Sulfur Hexafluoride.

JEDI

- Justice, Equity, Diversity and Inclusion.

Materiality

- Refers to the principle of determining what information is significant or relevant enough to influence decision-making by stakeholders, such as investors, employees, customers, or regulators. It is commonly used in financial reporting and sustainability contexts to identify and prioritize issues that could impact an organization's value, performance, or reputation.

MT - Metric Tons

- Metric tons, carbon accounting standard for measuring carbon dioxide emissions or carbon dioxide equivalent emissions.

Renewable Energy

- Energy derived from natural resources that are replenished on a human timescale, such as sunlight, wind, water (hydropower), geothermal heat, and biomass, which are considered sustainable and have minimal environmental impact compared to fossil fuels.

Scope 1 Emissions

- Direct greenhouse gas emissions from sources that are owned or controlled by an organization, such as emissions from fuel combustion in company-owned vehicles or facilities.

Scope 2 Emissions

- Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, or cooling that an organization consumes.

Scope 3 Emissions

- Indirect greenhouse gas emissions that occur throughout an organization's value chain, both upstream and downstream, excluding Scope 1 and Scope 2 emissions. These include emissions from activities such as purchased goods and services, employee commuting, waste disposal, and the use of sold products.

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SEATTLE STORM × **MaCher**

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