

MaCher



PROGRESS ON
SUSTAINABILITY REPORT



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A MESSAGE FROM OUR PRESIDENT

It is a pleasure to present MaCher USA's first **Progress on Sustainability Report**.

With a 33 year history of "giving back", MaCher is a business that works hard to do good in the world while producing innovative products that help consumers share their experiences with others. What started as a grass roots "right thing to do" has developed into a core mission to do right by the Earth, put people before profits, positively influence others, and provide the best workplace possible.

Since 2008, we have calculated and offset 120% of the environmental cost of MaCher's USA business activities in partnership with [The Conservation Fund](#). In 2014, MaCher became a [Certified B Corporation](#), an achievement we are all proud of, as it provides a compelling roadmap for businesses to measure progress in four core areas: **Governance, Workplace, Community, and Environment**. In 2016, MaCher became a signatory to the [United Nations Global Compact](#).

We have produced this report as part of our commitment to the United Nations Global Compact and in support of public accountability and transparency. The report outlines our goals and progress on sustainable business growth, bringing people in our communities together to learn from others and share ideas that help us live our values, enrich lives, and reduce our impact on the environment.

To reach our vision, we must remain relevant to each of our clients' businesses and continue to engage their consumers with strategically compelling reusable products. We believe consumers are increasingly interested in products that enhance experiences and are designed with life cycle in mind. MaCher is working with our supply partners and clients to provide a full product life cycle calculator to reflect the environmental impact of our products; all the while maximizing and extending their value to consumers and the return on investment for our clients.

We accomplish all this through the incredibly creative and resourceful talent of our MaCher team members and open collaboration with other stakeholders, including the amazing resources of the B Corp community, freely available to everyone. We challenge ourselves to live with purpose and find balance and happiness while promoting stakeholder-friendly practices.



Derek Hydon
President

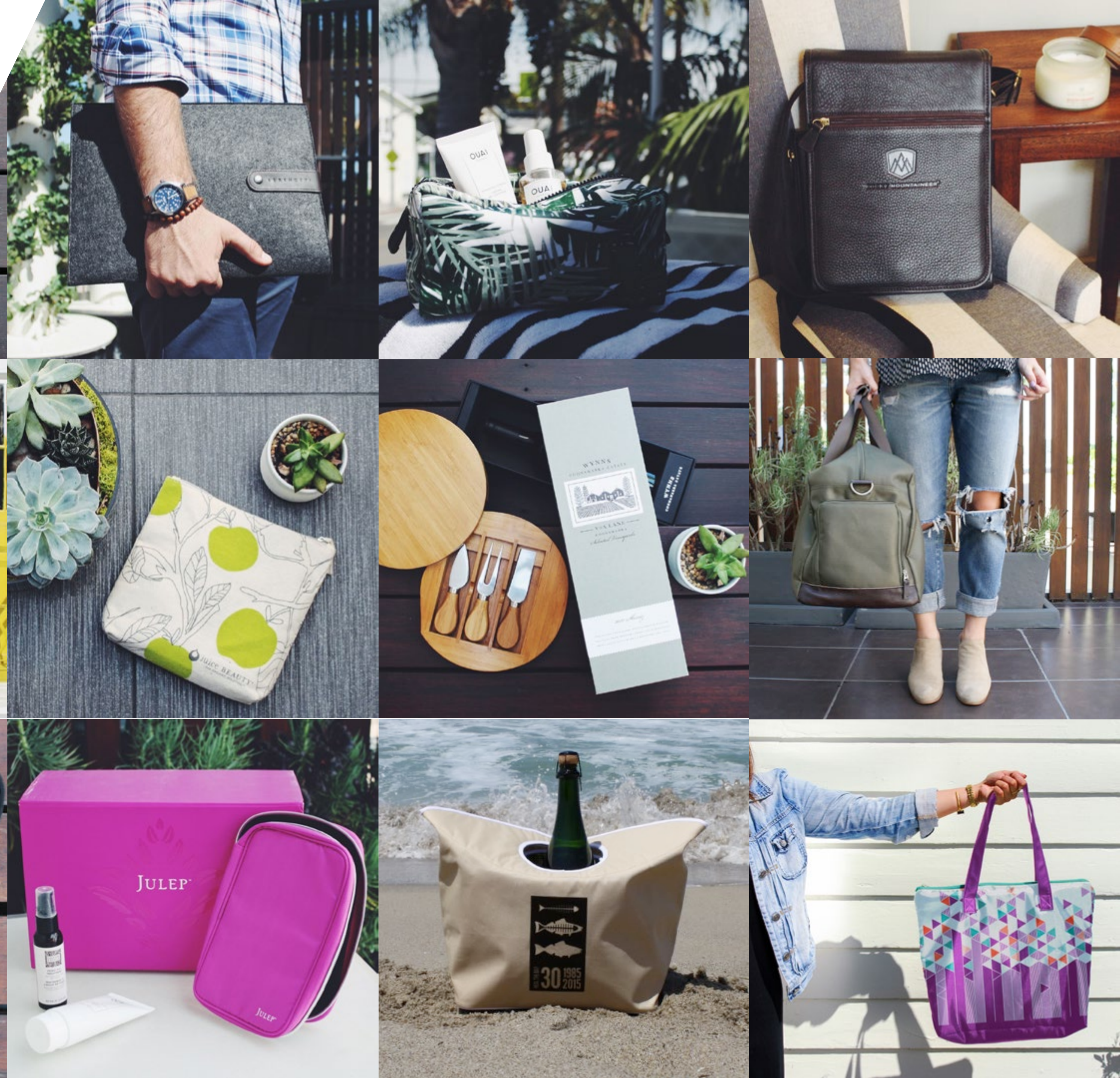


WHO IS MaCher?

By Trade, MaCher custom designs and manufactures branded products, packaging, and merchandise. From ideation to execution we craft branded merchandise that inspires consumer loyalty and advocacy.

By Talent, MaCher creates solutions that are authentic to our client's brands; strategically helping them increase sales, launch new products, gain and retain consumer loyalty, and raise their brand awareness.

By Craft, MaCher gives back; we believe business can be a force for good, benefitting all our stakeholders ... not just our shareholders.



OUR VISION AND MISSION

Vision

MaCher uses business as a powerful force for good, striving to provide the best workplace, do right by the Earth and positively impact others.

Mission

Our products help consumers share great experiences and influence consumer purchase behavior. We work with our clients and supply partners to innovate, design, and manufacture brand relevant reusable products and packaging solutions.



1.0 OUR APPROACH: HAVING A PURPOSE BEYOND PROFIT

MaCher has always put people before profits.

Over the past 8 years our team has expanded our knowledge and resources to make more of a difference in areas we care deeply about – our team members, our clients, our community and the environment.

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.

*Please see section 2.0 for a partial list of our stakeholders.



1.1 OUR CORE VALUES AND 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.

With an authentic and well-defined company culture, we 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 success as well as lessons learned.

WE LIVE BY OUR CRAFT



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

WE BELIEVE THAT WHAT'S BEST FOR THE BUSINESS BENEFITS US ALL.

WE BELIEVE *that passion, curiosity, and a thirst for learning enhance experience.*

WE BELIEVE in tackling challenges with **POSITIVITY** and a sense of urgency.

WE BELIEVE IN SEEKING THE ADVICE OF OTHERS WHEN MAKING DECISIONS.

WE BELIEVE *in taking initiative and going **beyond expectations.***

WE BELIEVE *ACCOUNTABILITY AFFORDS FLEXIBILITY, WHICH LEADS TO WORK/LIFE BALANCE.*

WE BELIEVE *in smiling, laughing, and always having each other's back.*

WE BELIEVE A GOOD CUPCAKE CAN MAKE **EVERYTHING** BETTER.

WE BELIEVE IN OUR **CRAFT** CULTURE AND FIERCELY PROTECT IT.

WE BELIEVE *we are a work in progress.*

1.2 OUR STRATEGY AND PRIORITIES

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

- Increase our [B Corp certification score](#) by 10 points by September 2016
- Positively influence our clients by proposing sustainable solutions
- Educate our team and clients on 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:

- Facilitate team member education and professional development
- Focus on sustainable design
- Host and facilitate peer learning round tables
- Develop and expand partnerships with industry association and non-profit partnerships
- Adopt and establish sustainable best practices to accomplish [LEED certification](#) for our Los Angeles building



1.3 OUR SUSTAINABILITY OBJECTIVES

We believe our business and our team are positioned to both learn and help others adopt more sustainable business practices. The products MaCher produces are mostly manufactured in Asia, and all our suppliers meet strict compliance requirements for materials and labor conditions. We have set four challenging objectives to be accomplished over the next 3 years.

- By 06/2017, increase the percentage of our products that are truly reusable from 92% to 95%.
- By 06/2017, all shipping cartons and packaging will be either sustainably sourced or a full carbon offset paid for the environmental impact of these products.
- By 06/2017, offer our clients a full product life cycle calculator to educate on the trade-offs between product strength, waste, and sustainability.
- By 06/2019, all single use products will be either 100% sustainably sourced or a full carbon offset paid for the environmental impact of these products.

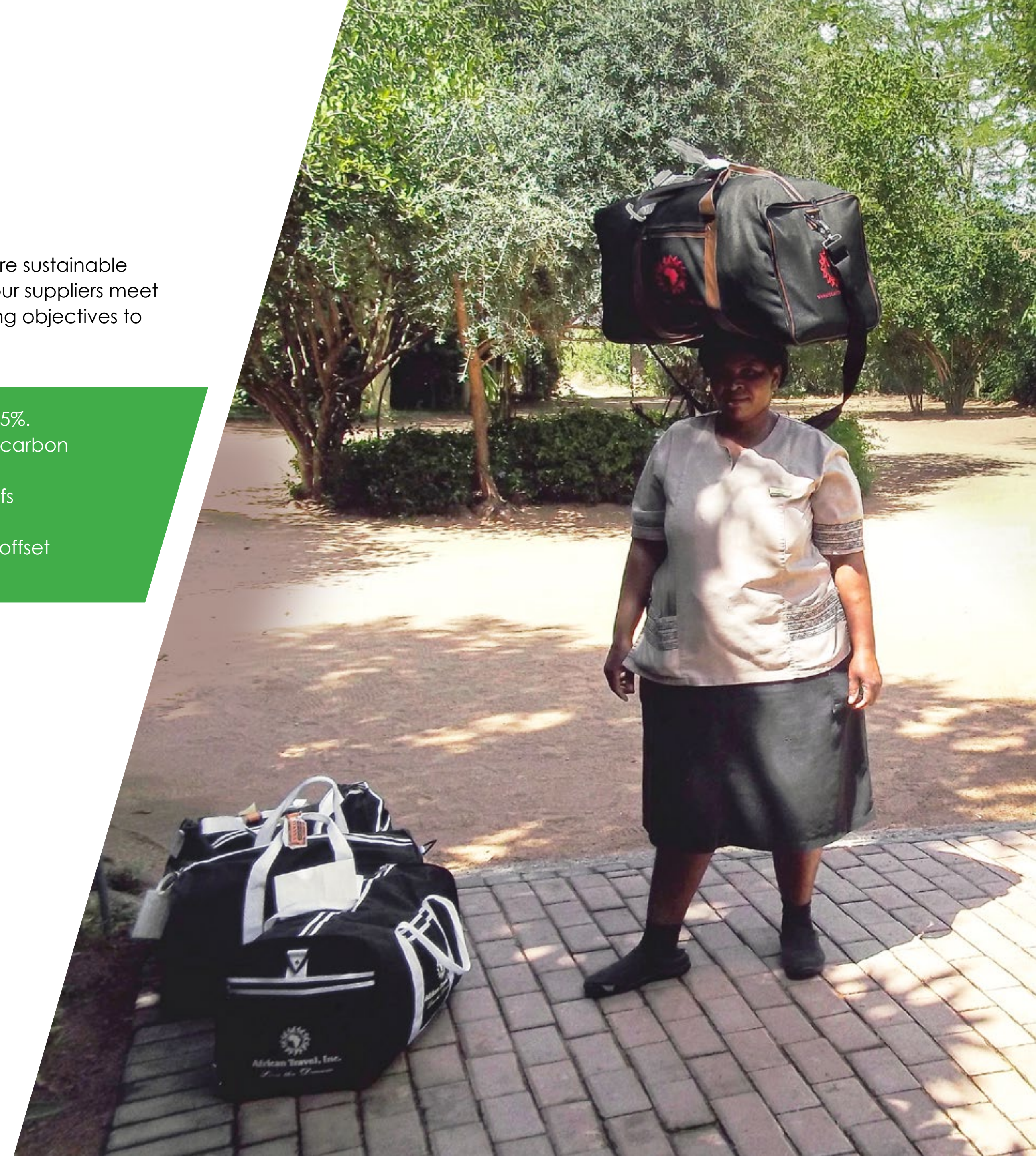
We aim to accomplish this by:

- Increasing team member engagement
- Encouraging and improving client education & engagement
- Measuring our progress
- Working conjointly with our supply partners
- Complying with sustainable and socially responsible global standards

Our objectives are aligned with the United Nations 5 Ps of sustainable development – People, Planet, Prosperity, Partnerships and Peace.

A more specific outline of these topics is provided in Section 5 covering our proactive approach to sustainability.

We remain fully committed to the [B Corp standards measurements](#).



2.0 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 opinions of 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 Non-Government Organizations (NGOs)
- Owners



3.0 COMMUNICATION CHANNELS

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

- Annual Progress on Sustainability Report
- [Website](#)
- Social Media
- New Hire Orientation
- Company, Department and Team Member Annual Sustainability Goals
- Public Speaking and Facilitation
- Association and Non-Profit Involvement
- Industry Roundtables
- Supply Partner Visits
- Logistics Supply Chain Collaboration



4.0 BUILDING OUR CULTURE AND WORKFORCE

Our business thrives on creating a culture and working environment that benefits everyone both professionally and personally.

We have pledged over 20 hours of professional development and 24 hours paid volunteer time for each team member per annum.

We believe that when a company truly cares for and respects its team members, clients, and community, it is rewarded with an invaluable commitment to success.



4.1 TEAM ENGAGEMENT

MaCher annually conducts a company-wide offsite meeting designed to bring our team together to learn, grow, foster internal communication and build relationships.

We view our team members and their happiness as the key to running a successful business. Here are some survey responses from our last team offsite which measures the effectiveness of the event.

OFFSITE FEEDBACK

**MACHER
REALLY IS A
FAMILY**

WE NEED MORE TIME FOR
**INTERACTIVE
EXERCISES**

SESSION THAT
WILL HAVE THE
MOST IMPACT ON
THE BUSINESS

19% PRODUCT
BRAINSTORM

14% TED TALK

14% HOW MACHER
IS DIFFERENT

14% LIFELINES

14% SCISSORS
COMMUNICATION

10% WALK THE
CONES, TRUST, &
COMMUNICATION

99% LOCATION WAS
AWESOME

59% LIFELINE WAS THE MOST
**HIGHLY RATED
& MEANINGFUL**

SOME OF THE
EXERCISES NEEDED
**CLEARER
INSTRUCTIONS**

LOOKING FORWARD
TO HAVING MORE
**PRODUCT
BRAINSTORMS**
BEFORE LUNCH!

67% THOUGHT DRINKS ON
**THE PATIO
WAS EXCELLENT**
BUT WISH MORE PEOPLE
HAD BEEN ABLE TO STAY

80% WERE LOOKING
FORWARD
TO OUR DAY
TOGETHER

WE WANT MORE
BUSINESS INSIGHT
SUSTAINING PARTNERSHIPS
BUILDING RELATIONSHIPS
HOW THE FINANCIALS WORK

WE WANT TO
UNDERSTAND
EACH OTHER'S
ROLES BETTER
**LET'S DO
A DAY IN
THE LIFE OF
EXERCISE**

MORE
**TED
TALKS**
MORE
OFTEN

CREATIVE OFFSITE

IT WAS FUN
TO LEARN
SOMETHING
TOGETHER

W E
LEARNED
FROM EACH
OTHER'S STRENGTHS
& **S H A R E D**
KNOWLEDGE!

OPSTEAM OFFSITE

SALES SUMMIT

L O V E D
GOAL SETTING
& LEARNING ABOUT
THE **"WHY"**

4.2 TEAM MEMBER BENEFITS

Team member benefits are a key part of our compensation package. All full-time MaCher team members receive the following extensive benefits:

- 100% company paid 401k retirement plan
- 2.5 paid volunteer/pro-bono days each year
- Company profit share for all team members
- Maternity and paternity leave
- 20 hours minimum professional development
- Green Commute financial incentives
- Car purchase contribution for all vehicles over 40mpg
- Office fruit & vegetable garden
- 100% company paid medical insurance
- Dental and vision care reimbursement
- Wellness checks
- Generous paid vacation
- Long & short term disability coverage
- Health Employee Assistance Program (EAP)
- Emergency travel assistance
- Charity matching donations - typically 50% of the amount an individual raises up to a maximum of \$1,000 donation by MaCher per employee in each calendar year

We are constantly striving to provide our team with the highest quality benefits and have made some key additions for 2016:

- Benefits package available for part time team members
- Increase in vacation days after 1 year with the company
- Increase in paid maternity leave and the addition of paid paternity leave
- After 1 year employment, \$1,000 incentive deposit to purchase a fuel efficient car



4.3 CLIENT IMPACT

One of the most exciting realizations is that many clients and industry association partners have taken a great interest in our sustainability initiatives.

We are grateful to a few key 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. We are also humbled every time a client asks us about our culture or sustainability initiatives and thrilled when they adopt some of our own practices.

Our business has also grown in every performance metric, suggesting a happier environment for our team. Clients have increased confidence in our ability to help their business.

We notice deeper strategic discussion as to how we can help our clients engage more authentically with their consumers and distribution partners.

We see consumers increasingly shift purchase behavior to products that have been thoughtfully designed and responsibly sourced. We think this is a significant differentiator and an under-valued marketing opportunity. We hope that other industry partners will learn from our model as we seek and develop best practices.

Here's an example of a multi-functional product that reduces waste and creates brand engagement; it can be used as a bottle carrier, tablet or book stand, planter box, or storage caddy.



5.0 THE 5 PS OF SUSTAINABLE DEVELOPMENT

We have chosen to align the reporting of our progress to the standards adopted by United Nation's 5 Ps of Sustainable Development.

1. People
2. Planet
3. Prosperity
4. Peace
5. Partnerships

We use the [B Corp certification process](#) to measure our activities and set goals.

Integration across all of MaCher's initiatives allows for a more holistic contribution to the development of sustainability and the realization of the agenda set forth by the United Nations.



5.1 PEOPLE

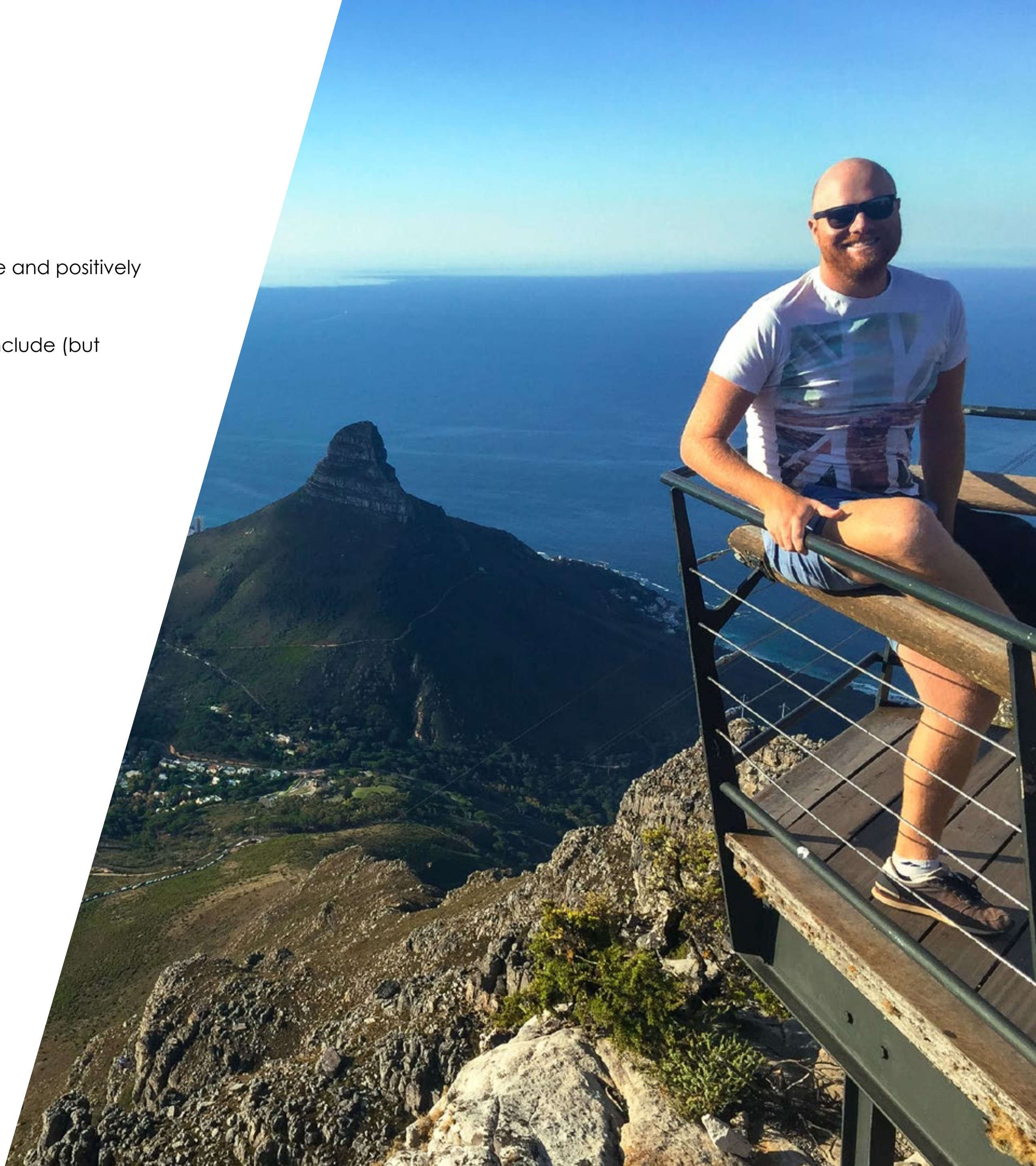
Included in our Vision Statement is MaCher's promise to strive to be the best workplace possible and positively impact others; this includes any person, party, or stakeholder that is touched by our business.

We promote a number of practices that help cultivate and strengthen our workplace. These include (but aren't limited to):

- Team Member Benefits
- Team Member Professional Development
- Equal Employment Policy
- Non-Harassment Policy
- Factory Operating Procedure and Social Accountability Certification
- Community Outreach
- Advocacy and Facilitation for Sustainable Practices
- Health & Safety Standards
- First Aid training

MaCher was [voted #6 in Los Angeles](#) in the 2015 Happy City Top 10 [HAPPY] Places To Work For

This award recognizes companies and organizations that invest in people through employee strategies that best attract, retain, and develop talent - and demonstrate how it contributes to sustainable growth and being an employer of choice. Organizations are surveyed on how team members are engaged in strategic goals and company values, and how human and supporting resources have been optimized.



5.2 PLANET



2015/16 ACHIEVEMENT
OUR FUTURE GOALS

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 below 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.



TODAY: We offset 330 tons of CO2 emissions via our partnership with The Conservation Fund who purchase, restore and manage sustainable forests.

OUR GOAL: Reduce our environmental impact of our US Operation and increase our use of renewable energies.



TODAY: Focus on answering “why” create a product. **92% of all our products were designed as fully reusable.**

OUR GOAL: 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.



TODAY: Register for LEED certification process. Green Audit conducted by ECHS (Environmental Charter High School).

OUR GOAL: Accomplish LEED B+MO certification in 2017. Implement recommendations from ECHS audit.



TODAY: 70% of all shipping and packing materials use recycled content.

OUR GOAL: 100% recycled or a full carbon offset of all shipping materials by June 2017.



TODAY: 18.5% of our team participates in our Green Commute Program that encourages and rewards staff for car-pooling, biking, walking or using public transport to get to and from work.

OUR GOAL: Expand program participation to 25% of our team.



TODAY: We try to work with Benefit Corporations and other sustainable business partners.

OUR GOAL: Expand our partnerships with B Corps and other sustainability partners.



TODAY: Office materials are recycled and / or sustainably sourced eg LED lighting, composting, on-site hydroponic garden, cork tiles, correct eWaste disposal.

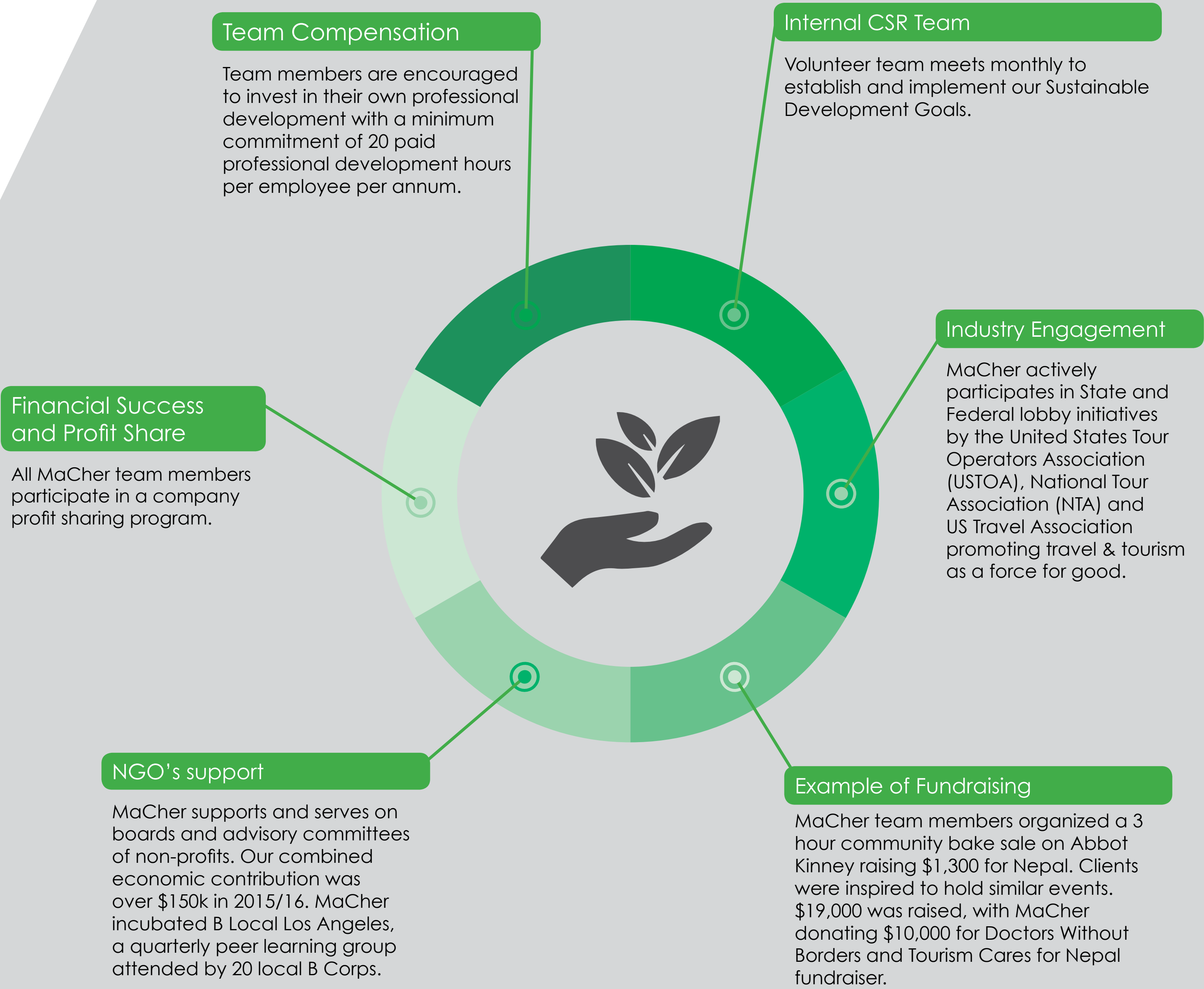
OUR GOAL: 90% sustainably sourced office consumables by June 2017.

5.3 PROSPERITY

MaCher actively facilitates conversations with all our stakeholders, using the power of business and peer learning, to alleviate poverty, address climate changes, build strong community, and a great place to work.

MaCher seeks to operate best practices that include policies acknowledging our social and economic obligations:

- Supplier Code of Conduct
- Equal Employment Policy
- Non-Harassment Policy



5.4 PARTNERSHIPS

MaCher understands the importance of partnerships and takes great pride in the variety of far-reaching philanthropies, associations and organizations we have been lucky enough to cultivate a relationship with. As displayed in the preceding People, Planet, and Prosperity sections we believe in “better together” and understand the vital role our partnerships play in establishing and maintaining the success of MaCher.



5.5 PEACE

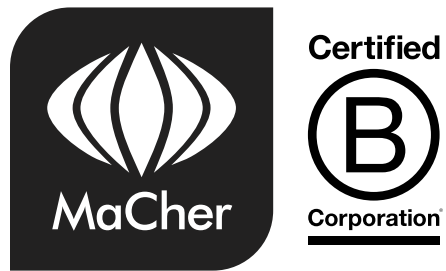
MaCher operates within the guidelines of the UN Global Compact, believing in our business and our stakeholders to give our all, help others along the way and leave the planet in a better place.

Our products often start with raw materials that must be harvested, processed, weaved, sewn, and manufactured. We take pride in insisting on the transparency, accountability and inclusiveness throughout the supply chain.

With this in mind we strive to contribute to food and income security to all those who may be involved in helping us provide solutions to clients.

We know that peace is highly correlated with economic opportunity. Therefore, our contribution to peacemaking largely involves supporting better futures for the workforce in our supply chain.





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Thank you

