



MaCher
AUSTRALIA

2022 CSR & SUSTAINABILITY REPORT

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MESSAGE FROM OUR GM

Since beginning our CSR and Sustainability journey in 2019, we have been refining our product offering and the way we do business to meet our CSR and sustainability objectives. 2022 was a significant year for our team. After publishing our first 'CSR and Sustainability Report' in 2021, 2022 was our first year working towards specific, measurable targets and goals, assessing our improvement and performance and now publishing the results in this report.

We are excited by the opportunity to continually learn and improve, both as a team and as a business. Whilst we continue to evolve the way we do business and measure our impact, our ability to influence and support our clients on their own sustainability journey is an important part of our role.

With our ability to harness our team's knowledge, passion, skills and commitment in areas of design, product development and manufacturing, we are uniquely positioned to help our clients, suppliers and partners through education, innovation, creativity and capability.

Simon Back

General Manager, MaCher Australia





Ultraceuticals Cosmetic Bag and Bellyband, 2022

COMPANY OVERVIEW

MaCher is a global company with 40 years' experience designing, developing, sourcing and manufacturing gift-with-purchase products, premium packaging and promotional merchandise for the liquor, health & beauty, cosmetic, travel and FMCG industries. We work with leading brands to deliver innovative products to the highest standards.

By trade, we custom design and manufacture products and premium packaging. By talent, we create solutions that are authentic to our clients' brands. Strategically, we help them increase sales, launch new products, gain and retain consumer loyalty and raise brand awareness.

Increasingly, we consult, design, partner and work with brands to define and meet short and long term sustainability targets.

By understanding our clients' business needs, we are able to deliver sustainable and ethical sourcing combined with total cost of ownership through our supply chain strengths.

OUR SUSTAINABILITY POLICY:

As a business, MaCher Australia recognises and places value on the impact we have, both socially and on the environment, through our actions, decisions, and influence. In line with our CRAFT Values, we are committed to the execution of our CSR and Sustainability Strategy, including working towards our Sustainability Targets.

We consider the environmental footprint of our products throughout our design process, designing products that are **Reusable** (to be kept & valued); **Recyclable** (through curbside collections) and **Responsible** (making better choices through sustainable material selection).

Our goal is to be a source of continual 'best-practice' information and solutions for our clients, suppliers, and partners and to challenge ourselves individually and collectively to play a role in being part of a sustainable future.

This will be a constant learning process. With our ability to harness our team's knowledge, passion, skill and commitment in areas of design, product development and manufacturing, we are uniquely positioned to help our clients through education, innovation, creativity and capability.



Skinitut Mother's Day Limited Edition Gift Set, 2022

OUR SUSTAINABILITY STRATEGY:

1. To embed our CRAFT values in all relationships and decisions we make as a business.
2. To consider product end-life throughout the product development phase, designing products that are easily recyclable or intended for reuse (with a high perceived value by the end user).
3. To design product and packaging solutions with a considered use of raw materials, using responsibly sourced and/or recycled content where possible.
4. To reduce unnecessary materials as part of our product and packaging design process, minimising end consumer waste.
5. To maintain a diligent QC process throughout all stages of production, minimising fault rates and waste.
6. To choose factory partners that are committed to adhering to our Social Accountability Standards (SAS), Standard Operating Procedures (SOP) and the UN Sustainable Development Goals.
7. To measure, assess and report our ongoing performance to specified sustainability targets in our publicly available, annual 'CSR & Sustainability Report'.
8. To integrate social and environmental performance principles and practices into management and employee training, performance goals and reviews.
9. To maintain ongoing memberships and certifications with key industry bodies (EcoVadis, Sedex, APCO, AIP).



Cape Byron Gift Box, artwork by Co-Partnership



INDUSTRY MEMBERSHIPS:

Australian Packaging Covenant Organisation (APCO)

Australian Institute of Packaging (AIP)

EcoVadis

Sedex

Cosmetics NZ

SUSTAINABLE MATERIAL CERTIFICATION:

FSC Forest Stewardship Council (FSC)

Control Union Global Recycled Standard (GRS)

Programme for the Endorsement of Forest Certification (PEFC)

INSPECTIONS & TESTING:

HQTS

SGS

2022 AT A GLANCE:

BUSINESS:

ecovadis

Bronze
EcoVadis

Sedex®

Certified ethical &
responsible business
practices



100% pass rate on
material compliance



100% supplier partners committed to
MaCher Social Accountability Standards
& Standard Operating Procedures.

PROJECTS:



32% of total
products recyclable*
(increase from 28% in 2021)



65% of total
products reusable*
(increase from 62% in 2021)



97% of paper
products recyclable
or reusable



9.4% of total products made
from recycled content*
(increase from 4.2% in 2021)



20% of paper
products made using
recycled content



9% of total products made
from plant-based textiles*
(increase from 8% in 2021)

TEAM:



12.05 yrs average
employee tenure



71% employees
female identifying



48% full time employees
52% part time employees



\$16,160 financial & in-kind
charity donations by MaCher
(increase from \$11,800 in 2021)



202 hrs
staff training
(increase from 104 hrs in 2021)



243 hrs employee social
responsibility initiatives
(decrease from 271 hrs in 2021)

* % based on annual revenue, 2022 calendar year.

CRAFTE CULTURE

Our CRAFT values are at the core of our culture, as we strive to be a great workplace and have a positive impact. Our CRAFT values hold us accountable to our business, our partners, our environment and to each other as we continue to evolve and grow together. These values guide us as we navigate new terrain and face new challenges.



C R A F T E

COLLABORATION

Work together towards shared goals

RESPECT

Always act with integrity

AUTHENTICITY

Bring your best self to work

FAMILY PRIDE

Shared values and open communication

TRUST

Be clear, be honest, be accountable

ENVIRONMENT

Commitment to our sustainability goals



TEAM HIGHLIGHTS:

International Women's Day – company team morning tea to celebrate women's achievements and raise awareness against bias.

Global Climate Strike – 25 March Sydney Climate Strike attended by two staff, standing in solidarity with flood affected communities and reiterating the message about the human cost of climate disasters to national leaders.

Walk for WAGEC – 5km team fundraising walk for Women & Girls Emergency Centre. Proceeds go to help women and children walk away from violence, with programs that build financial independence, nurture well-being and prevent violence from happening in the first place.

WAGEC volunteer time – in support of Youth Day, five staff spent a day renovating an indoor communal area in a WAGEC accommodation space. Time was spent prepping walls, painting and cleaning up.

Australia's Biggest Morning Tea – team event to raise vital funds for Cancer Council Australia, assisting those impacted by cancer.

Plastic Free July – team members participated in the 'Choose to Refuse' Challenge, pledging to be part of the solution to plastic pollution by avoiding single use plastics for July.

Celebrating Cultural Diversity – Chinese New Year team lunch

DONATIONS & VOLUNTEERING:

Financial Donations

Impact for Women

Women & Girls Emergency Centre (WAGEC)

Beyond Blue

South Australian Variety Club

Student support program, Hunan Province, China

In-kind Donations

Red Nose Australia

Women & Girls Emergency Centre (WAGEC)

Volunteer Time

Women & Girls Emergency Centre (WAGEC)

Team Fundraising

WAGEC team walk

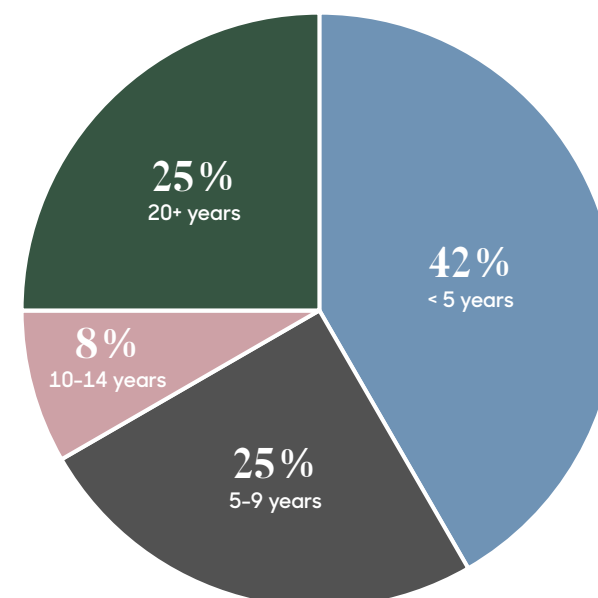
Cancer Council, Australia's Biggest Morning Tea



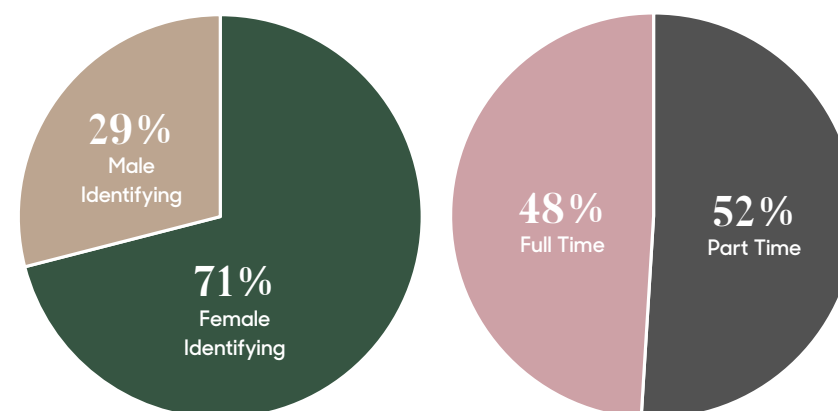
HR METRICS

Headcount	
Number of Staff	24 staff
Employee Retention	
Average Tenure	12.05 years
New Staff	6 staff
Staff exit	4 staff
Engagement & Wellbeing	
Remote Working - % of staff able to RW	96%
Employee hours social responsibility initiatives (during work time)	243 hours
Absenteeism	
% staff who took Paid Annual Leave	100%
	Av 17 days pp
% staff who took Paid Sick/Carers leave	100%
	Av. 6 days pp
Paid Long Service Leave days taken	27 days
	3 staff
Staff eligible for Paid Long Service Leave	9 staff
Days lost due to absenteeism	0 days
Learning & Development	
Training - Sustainability	86 hours / \$8,700
Training - Skills (not onboarding)	116 hours / \$24,700
Training - onboarding program	107 hours
Carbon Offset on flights	39 flights
Compensation	
Staff paid above minimum wage	100%
Work Safe / Work Cover claims	0

STAFF TENURE - DETAIL



DIVERSITY, EQUITY, INCLUSION



SUSTAINABILITY HIGHLIGHTS:

Sustainable Material & Product Innovation

Development of moulded fibre (sugarcane bagasse and bamboo) as a material solution for sustainable, premium packaging.

Increased distribution of Flexi-Hex 100% recyclable protective ecommerce packaging through The Sustainable Packaging Store and Australia Post Online Business Store.

Expansion of recycled content material library for employee & client use.

Award Winning

GOLD Award for Sustainable Packaging Design – Reusable / Recyclable in the 2022 Australian Packaging Innovation & Design Awards (PIDA) for The Royal Australian Mint Moulded Fibre, Proof Coin Packaging, recognising material innovation, lightweighting and recyclability.

Certifications

Sedex Certification

EcoVadis Bronze Certification

Business & Process

Revision of MaCher Constitution to ensure a Mission Locked, Impact Business Model, legally ensuring MaCher's social and environmental performance is part of decision-making over time, regardless of company ownership.

Implemented reporting on sustainability and CSR initiatives & progress in monthly board and company wide WIP meetings.



Manly Spirits, Coastal Stone Gift Box

SUSTAINABILITY PROGRESS: MATERIAL SOLUTIONS

Throughout 2022, we continued to expand our range of innovative, sustainable material solutions across all product categories.



Recyclable Packaging

- Suitable for curbside recycling
- FSC & recycled content boards & papers
- Recyclable varnishes & plant-based laminations
- Rigid core, art card, kraft board and corrugate
- Paper 'ribbons', textured papers and boards
- Tin & timber
- Moulded fibre pulp



Bags + Accessories

- Plant based fibres – cotton & jute
- Post-consumer recycled polyester
- Recycled content PU
- Organic & recycled content cotton
- Paper 'straw'
- PVC free PEVA and TPU



Lifestyle

- Bamboo & FSC Timber
- Semi-precious stones
- Recycled content textiles
- Soy wax candles
- Reusable, on-trend product design

PROJECT & MATERIAL INNOVATION: MOULDED FIBRE PACKAGING

In 2022, MaCher Australia launched moulded fibre as a material solution for sustainable, premium packaging.

Made from a blend of bamboo and bagasse (sugarcane waste), its two different fibre lengths provide packaging with both flexibility and tensile strength. While being plastic free, it mimics the performance properties of plastic, including moulding capability, enabling lids to fasten securely and product to be held in place without the need for glued internal foams or textiles.

MaCher designed and produced the award winning Royal Australian Mint Proof Coin Packaging from single material moulded fibre, replacing the previous packaging solution that was comprised of ABS plastic, EVA Foam, multiple synthetic textiles, adhesive glues, rigid paper board and metal components. The redesigned moulded fibre box ensured the packaging degrades at the end of its life and reduced the packaging weight from 149 grams to 49 grams.

While entry-level moulded fibre packaging has been used by the food and beverage industry in Australia, this is the first time it has been used to create high-end, premium, collectable packaging, a packaging category that is usually dominated by a heavy use of mixed materials, including lacquered timber, textile covered boxes and plastics.

The Royal Australian Mint Moulded Fibre Proof Coin Packaging by MaCher won the GOLD Award for Sustainable Packaging Design – Reusable / Recyclable in the 2022 Australian Packaging Innovation & Design Awards (PIDA).



MATERIAL INNOVATION: RECYCLED CONTENT TEXTILES & NPD



In 2022, MaCher Australia significantly expanded our recycled content textile material library. Adding to an existing range of recycled polyesters, the updated range includes recycled content textured puffer polyesters (an alternative to stitch heavy quilted fabrics), recycled content mesh, ripstop and internal wadding, plus recycled content PU's and recycled content cottons.

In addition to the expanded material library, New Product Development (NPD) investment was made to demonstrate how these textiles could be applied to client relevant product solutions. Brand owners were then engaged in pre-brief NPD meetings to demonstrate the capabilities of sustainable material alternatives, assisting with the conversion of projects to sustainable materials.



SUSTAINABILITY PROGRESS: INDUSTRY LEADERSHIP & STAFF TRAINING



Business Initiatives

Revision of MaCher Constitution to be a Mission Locked, Impact Business Model, legally ensuring MaCher's social and environmental performance is part of decision-making over time, regardless of company ownership.

Implementation of detailed product reporting on sustainability metrics, including recyclability, reusability, landfill and recycled material content. Reporting capability available to staff and clients.

Expansion of sustainable materials swatch library, with accessible in-office samples (available for staff and client use) and educational tools to assist implementation.



Staff Training

202 hrs staff training hours completed in 2022, an increase of 94% from 2021.

Externally facilitated courses include:

Aust. Packaging Covenant Organisation:
Tracing Recycled Content
Everything an SME needs to know about the ARL Sustainable Packaging Bootcamp

Aust. Institute Packaging:
Introduction to Corrugated Packaging
Close the Loop Virtual Tour

Australia Post: Australian e-commerce Summit

EcoVadis: RBI – Reducing Greenhouse Emissions



Talks & Memberships

Simon Back, General Manager, speaker, at "Packwine Forum – Sustainable Packaging for the Wine Industry" hosted by Australian Institute of Packaging (AIP).

Nadia Klaczekiewicz, Creative Manager, speaker at NZ Cosmetic, Toiletry & Fragrance Assn (CTFA) annual conference, presenting 'Seasonal Packaging & Gift With Purchase Designed for Sustainability'.

Individual staff memberships to Australian Institute of Packaging (AIP)

SUPPLY CHAIN SOCIAL ACCOUNTABILITY, COMPLIANCE & CERTIFICATIONS:

9 years

average tenure with our
top 10 supply chain partners

100 %

of our supply partners are
committed to adhering to our
Social Accountability Standards
(SAS) & Standard Operating
Procedures (SOP)

80 %

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

We pride ourselves in our qualified, sustainable, and compliant manufacturing supply base which consists of a core group of factories that work directly with MaCher. Partnering with a core supplier network allows us to maintain successful relationships, manage quality, understand factory capacity/flexibility, drive innovation and ensure successful service levels. Our suppliers must operate in full compliance with the laws of their respective countries and with any other applicable laws, rules and regulations.

We require all suppliers to adhere to the SA8000 standards for Social Accountability. The supplier must allow MaCher and/or any of our representatives or agents unrestricted access to their facilities and to all relevant records at all times, whether or not advance notice is provided.

We have in place a Supplier Compliance Program which our suppliers must adhere to. The completion of these documents is a safeguard for MaCher and our clients. Ethics and integrity define who we are, so building and maintaining relationships with suppliers is imperative to confidently know we are doing the right thing.

These contracts are constantly monitored and reviewed through internal and external auditing processes and cover standards, policies and procedures. Our Global Standard Operating Procedure (SOP) and Social Accountability Standards (SAS) ensure our suppliers are compliant to the following:

- Ethical sourcing
- Quality Control
- Independent Testing
- Continuous Improvement
- Confidentiality

SUSTAINABILITY PROGRESS: SUPPLY CHAIN INFLUENCE & INITIATIVES

Supplier Training

Continued training for suppliers on Australasian sustainability requirements, including the 2025 National Packaging Targets, single use plastics ban, material selection and certification requirements.

Removal of Unnecessary Plastics

We have replaced single-use soft plastic protective packaging with tissue paper where possible and transitioned from individually packaged products to bulk packaging. When single-use soft plastic protective packaging is necessary, we prioritise recycled content LDPE.

Material Certification

Ongoing diligence with supply-chain certification for FSC, recycled content and organic materials, ensuring brand owners can communicate substantiated, engaging, environmental product messaging to consumers about their design choices.



SUSTAINABILITY PROGRESS: ONSITE INITIATIVES

Onsite Recycling & Waste Management

Separate waste collections for:

- Curbside recycling
- Landfill

Supply Purchasing Policy

Preferred suppliers list for office supplies, all required to have published sustainability credentials.

Charity Donations

Textile based product samples & bags donated to NSW & VIC local charities.

Travel

39 flights flown with carbon-offset purchased

Measurement & Reporting of Office Utilities

	2021	2022	% Change
Water Yrly Consumption kL	105.5	128	21%*
Water Av Daily kL	0.29	0.30	3%
Energy Yrly Emissions t	12.05	11.13	-8%
Energy Av Daily kWh	40.96	38.26	-7%
Printing Yearly AV PCM	3,007	3827	27%*

* Increase attributed to return to office of all staff post Covid lockdowns of 2021.

DOCUMENTED COMPANY POLICIES:

- Sustainability policy
- Employee Volunteering
- Gender Pronoun
- Leave
- Supply purchasing
- Travel (includes carbon offset requirement for all air travel)
- Remote working
- Equal Opportunity
- IT and Equipment Usage
- Anti-Bribery and Corruption
- Whistle-blower policy
- Equipment disposal

In Progress:

- Workplace Health & Safety
- Workplace Discrimination, Harassment & Bullying
- Drug, Alcohol & Smoking



PROGRESS, TARGETS & ONGOING INITIATIVES

2022 Targets & Initiatives - ongoing for 2023

	Due	Status	Comments
Formalised strategy for the engagement of clients on packaging and product sustainability by end 2023.	December 23	On target	
Clear & accurate sustainability communication on website and social media.	December 23	On target	
Include client /project specific sustainability recommendations on all brief submissions.	December 23	On target	
Provide client education on relevant pack claims and labeling, including ARL.	Ongoing	On target	
Apply clear on-pack messaging to assist appropriate end-of-life product / packaging disposal by consumer.	Ongoing	On target	
Identify problematic products and transition brand owners to sustainable alternatives. Provide client guidance on APCO Prep Tool.	Ongoing	On target	
Offer clients the option to carbon offset freight by end 2023.	December 23	On target	
Membership and involvement with key industry bodies – APCO, AIP, EcoVadis, Sedex, Cosmetics NZ.	Ongoing	On target	
Continue to work closely with factory partners to source and develop sustainable material alternatives.	Ongoing	On target	
Environmental assessment of Tier 1 suppliers by 2025. Document yearly performance on material recovery & recycling, water recycling & management, clean energy and energy efficiency.	December 25	On target	
Maximise paper material recovery through curbside recycling collections with removal of PP laminations from all non-reusable packaging.	December 23	On target	
Reduce % of products manufactured with landfill end-life from 10% of annual revenue in 2021 to less than 5% in 2023.	December 23	On target	Products with landfill end-life 5.24% of annual revenue in 2022.
Achieve average 60% recycled content in paper products by 2025.	December 24	Below target	Paper products with recycled content 19.6% of total paper / board products in 2022 (based on \$ value). Current material cost and quality impacting brand owner uptake.

PROGRESS, TARGETS & ONGOING INITIATIVES

2022 Targets & Initiatives cont.

	Due	Status	Comments
Remove problematic plastics (PVC & PS) from supply chain.	December 23	On target	PS eliminated. PVC widely substituted with alternate materials.
Achieve av. 30% recycled content in remaining plastics by 2025.	December 24	Below target	Current material cost impacting brand owner uptake.
Reduce flexible plastic from protective shipping packaging. Ensure all remaining soft plastic is made from recyclable, recycled content (target min.10% by 2025) LDPE(4), HDPE(2), PP(5).	December 24	On target	In progress, converting remaining soft plastic in supply chain to recycled content LDPE. Formalised measurement of supply chain soft plastic usage implemented in 2022. Reporting on performance from 2023. Soft plastics currently not recyclable in Au – collapse of RedCycle collections.
Phase out all virgin polyester textiles and replace with recycled polyester (RPET).	December 23	Below target	Current material cost impacting some brand owner uptake.
Present organic & recycled content cottons to brand owners as an alternative to traditional cotton.	Ongoing	On target	Current material cost impacting brand owner uptake.

Additional Targets & Initiatives for 2023 onwards

	Due	Status	Comments
Document and publicly publish Sustainability Policy	August 23	On target	
Submit assessment for BCorp certification of MaCher Australia	October 23	On target	
Update EcoVadis assessment to progress from Bronze to Silver Certification	June 24	On target	
Prepare formalised staff training paths to develop Sustainability and CSR skillset across the business.	October 23	On target	
Formal incorporation of social and environmental considerations in business and staff KPI's, with assessment of performance in annual reviews.	Ongoing	On target	

— LET'S MAKE SOMETHING —

AMAZING TOGETHER

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