



Stand der Dokumentation: 31.12.2020 Alle Fakten werden jährlich aktualisiert. Release: 01.06.2021

Sustainability

We create the most sustainable customer relationships in live communication.

Dear Customers and Partners,



Stefan Trieb

Questions surrounding sustainability have been the subject of public discussion for many years. Sustainability issues very often affect corporate activity and influence the selection of business partners. Moreover, the general public has become critical, demanding that companies clarify their positions on sustainability.

Our business, the live communications industry, is attracting attention too. At mac we have proof of our commitment to sustainability.

Sustainable corporate activity has numerous dimensions. The most important are grouped under the three pillars of sustainability, which are ecological, economic and social. We are comfortable with this triad and how it has guided our actions for several years. Our holistic approach has been incorporated in the corporate vision we developed in 2020. The decision to release this first Sustainability Report from mac was prompted by that vision.

We see the report as an offering to our customers and the general public and as our commitment to employees and partners not to stop here and settle for what we have accomplished so far. We can achieve much more – in collaboration with you.

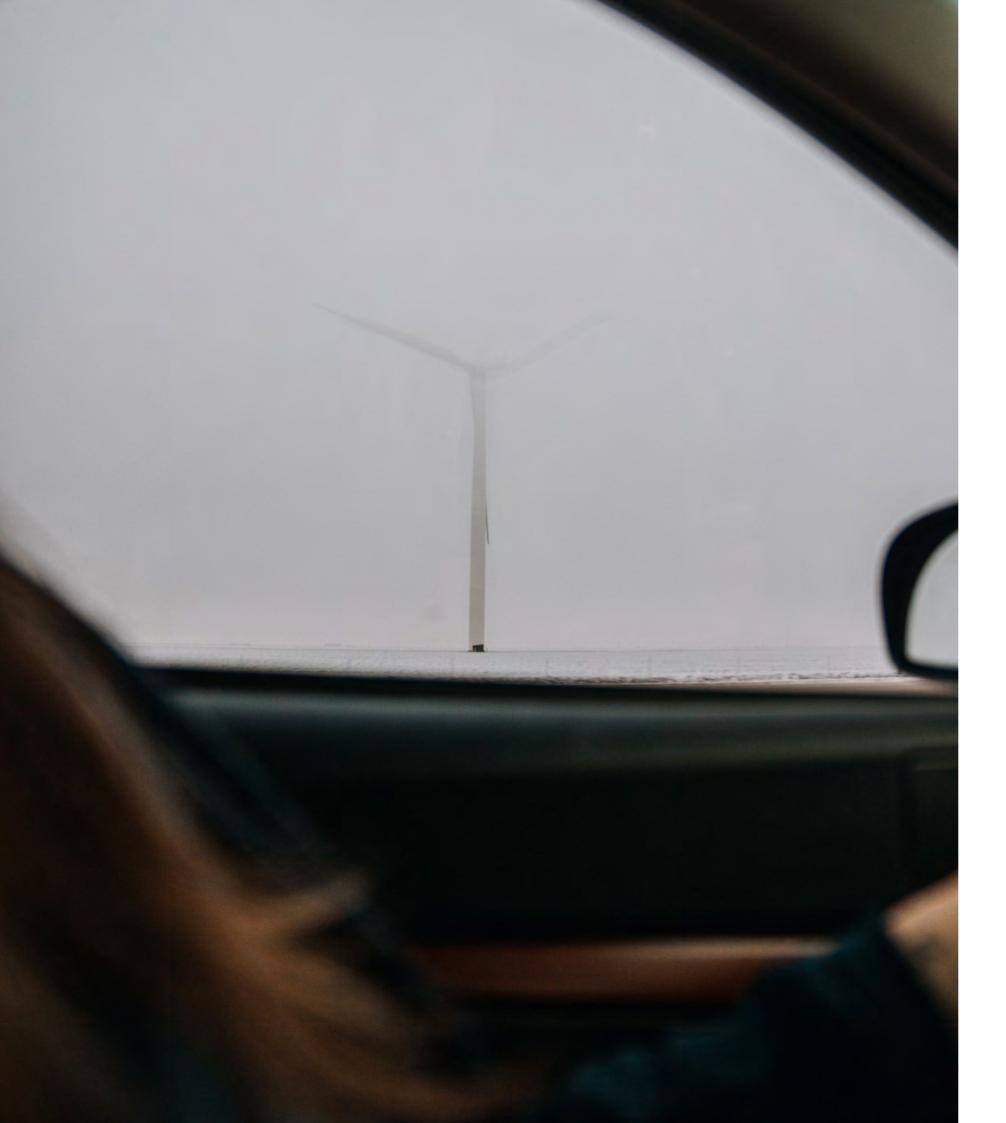
It is a tough job to bring together brand leadership and sustainability under tight budgets. We gladly take up the challenge. We know our foundation is strong, thanks to our consulting competence and our unique integrated planning and production campus in Langenlonsheim, which is backed by a global network of partners.

Our customers can turn to us for answers and orientation when they are looking to reconcile the conflict involving economic and ecological concerns vs. brand and cost management.

We know that our customers need solutions that bring social, ecological and economic benefits.

Let's work together on a sustainable future!

Kind regards,



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1. Strategic Rationale

While many companies are still asking themselves whether sustainability pays off, we have seen how a commitment to sustainability leads to success in times of crisis. We are very proud of our long-term, transparent and trustful work with customers, employees and suppliers. Together we effectively combine our brands and people.

Economically sustainable action secures our company's future.

Sustainability as a Continuous Improvement Process

When you think about live communication, sustainability does not necessarily come to mind. We are convinced that trade fairs, events and showrooms are needed because they bring people together. They provide space for personal interaction, help relationships grow and evoke emotional responses. But we also know that where people come together in temporary environments created specifically for that purpose, resources are consumed.

As a service provider, we are obliged to consider the effect of our work. Together with our customers, we

make conscious decisions and consider their impact on society and the environment. We continuously analyze processes and products in order to develop even more sustainable solutions. We are always learning.

The future looks promising, not least of all because we are witnessing the ongoing creation of digital live communication and the enhancement of classic formats through hybrid concepts.

The groundwork was laid in 2005 with our groundbreaking decision to establish the position of sustainability officer. Our appointee Tobias Mannhold first studied Environmental and Resource Management at BTU Cottbus and later acquired his master's degree in Environmental Sciences at Lund University. Mr. Mannhold regularly takes continuing education courses so that he can give the best possible advice internally and advance the Continuous Improvement Process.

Sustainability pays off

Companies bear responsibility. We do too, mostly for our customers because we owe our existence to them. Our responsibility further extends to our employees and our partners. Our employees' average length of service of more than 10 years shows us that we do many things right. We provide vocational training for several occupations and proudly point out that trainees and students make up more than 10 percent of our staff. Nevertheless, we would like more. We bank on longterm partnerships with our suppliers, offer attractive working conditions and take our social responsibility seriously. Sustainability is lived and practiced in our company.

With our standards for wall building, floor construction and systemic components – like our wooden reusable subconstruction frames – we decided long ago in favor of construction principles that allow frequent reuse. That conserves resources and provides economic

advantages.

From an ecological point of view, we think of closed cycles and strive for environmentally friendly procurement. Beyond that, in the design phase we consider the materials' subsequent use or its disposal. We purchase green electricity and cover about 90 percent of heating needs by burning wood remains in our in-house heating system. The rest of our heating comes from natural gas, which is CO2 neutral as of 2021.

Economically sustainable action secures our company's future. As part of a family-owned business with a solid equity ratio, we are financially equipped to deal with crises too. From our real estate to machinery, we make investments without borrowed funds as far as possible and thereby ensure our stability and independence.

Transparency as a promise

Even though some engagement first pays off in the medium or long term, we work day after day on optimization. We are convinced that the future belongs to sustainable companies. A high degree of transparency is very important to us. On the following pages we give you an overview of our efforts and report on already achieved successes. Completely openly and honestly.



We always strive for improvement



Marie Eichler Work-study Student

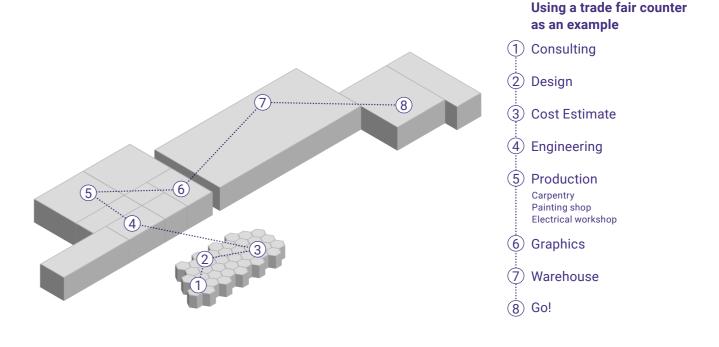
"I am happy to be able to work on the Sustainability Project and think it's great how mac invests in our future. It's exciting to get involved in such a timely topic with so much input. In my upcoming project work I would like to find out how sustainability can best be communicated. I'm particularly interested in telling you and others how we live sustainability. And I'm looking forward to learning about the prospects mac can offer when I have completed my studies."

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MOBILITÄT MATERIAL-EINKAUF MANAGEMI LIEFERANTEN-MANAGEMENT CO2-EFFIZIENZ

2. Sustainability in our DNA

Several years ago we at mac asked ourselves how we could measure sustainability in the operations of a live communication provider. To date there is no global standard or a defined evaluation system. Our efforts developed organically, based on the conviction of management and staff that we have to assume responsibility and that our efforts would pay off for us in the end.



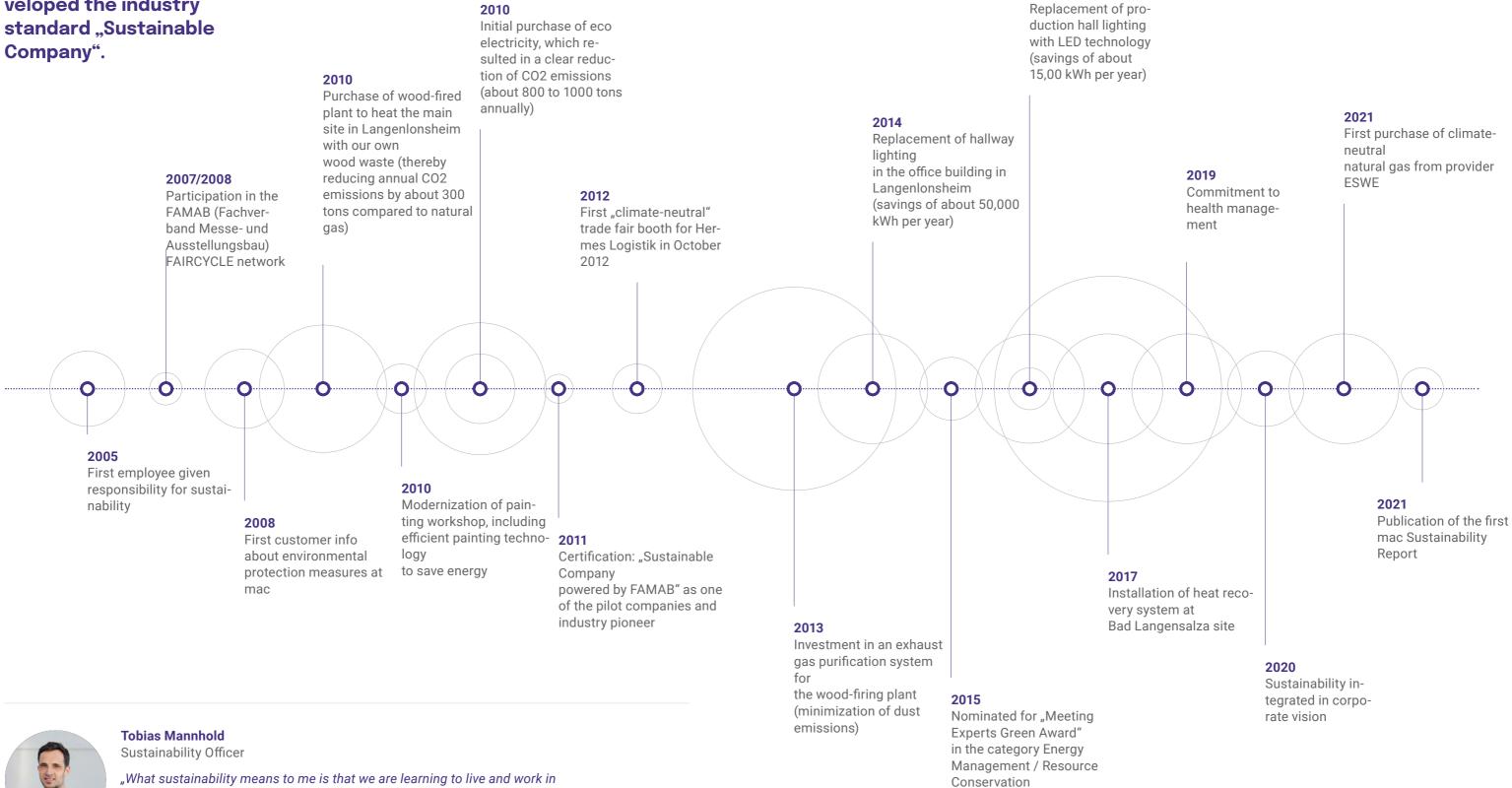
Our extraordinary vertical integration makes our foundation strong. We develop, design and construct at our integrated planning and production campus in Langenlonsheim, using semi-finished products and raw materials, which we prefer to acquire short routes for components from locally.

With modern production facilities, a high-tech warehouse and recycling

systems on the site, we are already practicing circularity to a great extent. Our vertically integrated process allows us to maintain the best possible control and guarantee exceptional quality. Furthermore, our planning to production eliminate the additional shunting that takes place in conventional subcontractor-centric production.

All that protects the environment and creates the greatest possible transparency over the entire production department. Customers can benefit from our transparency. For example, would you like to know the carbon footprint of your trade fair booth or of a separate trade fair counter? We can figure that out for

In 2011, as a pioneer in the live communication business. we co-developed the industry standard "Sustainable



2017



"What sustainability means to me is that we are learning to live and work in such a way that makes life sustainable in the long term within the natural bounds of our Earth. Obviously, we urgently need good ideas and innovative technical solutions – but it'll never work without people. And for me that

combination is the most fascinating aspect of the task!"

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CO2 reduced through heating with wood waste instead of gas (2010–2020)

equivalent to
... about 2,150 Frankfurt-New York
round-trip flights
(3,068 tons of CO2, according to
atmosfair.de)



CO2 reduction with green instead of gray electricity (2010–2020)

equivalent to

... about 56 million km by mid-sized car

(7.4 liter/100 km fuel consumption) That is about 1,300 times around Earth.



Electric power reduced by converting to LED since 2014

equivalent to

... the annual consumption of about 80 four-person households (at 3,000 kWh/annually, Source: Stromspiegel 2020)



Making sustainability measurable

In the absence of an established industry benchmark, we decided in 2011 to take an active pioneering role and promote the "Sustainable Company" standard. Today we are – one of the first trade fair builders

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 an FAMAB audited and repeatedly certified Sustainable Company.
 This designation covers the broad range of topics applicable to sustainable product and service quality. A company's energy and CO2 efficiency, waste, mobility, communication, supplier and material procurement along with ecological and social aspects are examined.

We have since developed a system of Key Performance Indicators with which we document our efforts and achievements.



Sabine Wagner
Design

"Most of the time I ride my bicycle, ever since I moved close to work in 2007. For one thing, it's good for me and for another, it's a small contribution to environmental protection."

3. Action Areas

In all three areas of responsibility, we strive for sustainable thoughts and deeds. True sustainability is achieved where all three areas intersect. The occasional conflict between ecological and economic sustainability goals poses special challenges that make demands on our creativity and innovative strength.



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Sustainable social action



Ensuring the health and safety of

our employees is a goal that lea-

ves no room for compromise. We

initiated the AOK program "Healthy

Company" and are working toward

program is continuous improvement

certification. The objective of the

in corporate health management.

Ergonomics plays a very important

role, particularly at industrial work-

Specific measures for "Occupational

Health and Safety" such as allowan-

ment, regularly scheduled resilience training and noise level measure-

ments contribute to a healthy work

ces for personal protective equip-

stations.

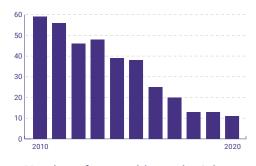
environment.

Our employees are the driving force and the heart of our company. What we build does not come from fully automated machines; people design, construct and set up everything.

We take seriously our responsibility for the society outside our campus in Langenlonsheim and therefore get involved in social projects and promote close cooperation even beyond Rhinehessen.

Health Protection

Our highest priority is guaranteeing employee safety on the job. We are very happy about the positive development in job-related accidents and are determined to achieve a Total Recordable Injury Rate (in Germany TMQ or 1000-Man Quota) of zero.



Number of reportable on-the-job accidents per 1000 employees

Employee Satisfaction

Sustainable corporate management requires continuous dialog with employees. Several years ago we came up with an expression – purple blood – for the special feeling of belonging that we at mac share. We carry the responsibility together and master the challenges together. Even during the difficult year 2020, 74 percent of employees said in an anonymous survey that they were actively involved in the changes taking place.

We continuously measure the satisfaction of our employees in our "Stärken stärken" (strengthen our strengths) program. In the most recent survey 83.3 percent of employees said they are "very happy" or "happy" to work at mac. That's a number that we would like to see go even higher.

Employers Participation

For more than 40 years we have had a works council that is actively involved in company affairs. As a member of the employer association Ernährung Genuss Hessen-Rheinland-Pfalz-Saarland e.V., we are subject to the tariff agreements of the NGG (Gewerkschaft Nahrung-Genuss-Gaststätten). Currently, that makes us the only company in our industry in which employees work under the protection of a tariff agreement.

Social Engagement

We are pleased to lend our support in the region, for example, by allowing the local fire department to use our premises for practical training. In addition, we make financial contributions to foundations or social projects of partner companies.

Recruiting Young Talents With Attractive Professional Training

We are convinced that the know-how and skills of experienced employees guarantee the highest quality possible. For that reason, we train the future professionals ourselves ourselves. Besides the eight apprenticeship occupations in administration and craftsmanship in which we train future live communication pros in our company, we have been a partner to the dual Hochschule Baden-Württemberg since 1999. We have accompanied 58 work-study students in business management with a specialty in Trade Fair, Congress and Event Management as they worked toward a bachelor of arts degree. One of those students recently joined our management team.

Six students are currently in workstudy (dual) programs.

In addition, we have been providing training for a bachelor's degree in engineering with the specialty wood technology since 2008. At the moment three students are in the dual training program; 12 have successfully completed this training in our company.

With support from partner operations, we were able to carry on vocational training during the corona crisis.

Facts and Figures SOCIAL

338 Employees

290 Professionals
48 Trainees
42 Company pensioners (15 still
to become company pensioners)

Corporate subsidized pensions

employee length of service Average: 12.9 years 68 employees > 20 years 26 employees > 30 years 3 employees > 40 years

In general, open-ended employment contracts Temporary workers to cover peak demands

Average age: 41 years heterogeneously distributed as per our personnel policy

227 men | 63 women

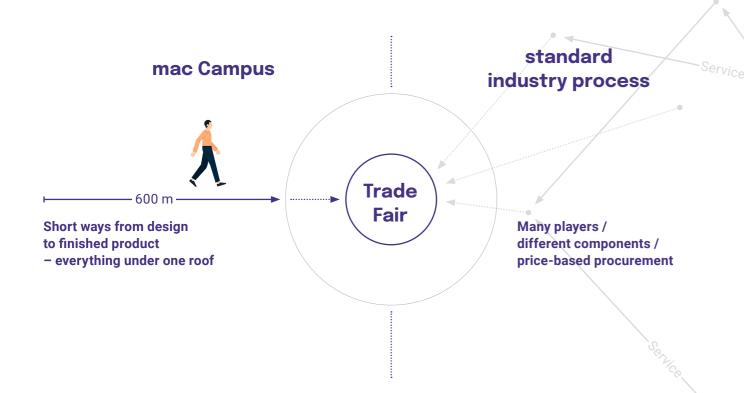
7 % of employees work part time

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Sustainable ecological action

Because of our broad inhouse supply chain, we generally purchase fewer services and products than is customary in our industry. When we do procure materials and services, we pay special attention to sustainability.

In addition to our own large on-site production facility, we see here great opportunities to fulfill our ecological responsibility.



Sustainable and fair partnerships

We always strive for long-term and fair cooperation with our subcontractors. For example, we have worked with our partners in assembly for an average of 30 years. Our major supplier, our wholesaler of wood, has been on board for nearly 40 years.

A good relationship includes that we pay for rendered services promptly and that we preferably choose established business partners in tenders. We place the same value on our partners' occupational safety, employment protection and material procurement as we do in our own company. Right now we are revising our Code of Conduct in order to map the requirements in CSR and Sustainability Entrepreneurship.

Sustainable procurement of materials

Strict procurement guidelines apply to the raw materials and services that we purchase. By relying heavily on local sources, we save on transportation and keep the related ecological and economic impact under our control.

We acquire about 85 percent of our wood materials from the nearby warehouse of our major supplier. That company, certified according to ISO 14001, has signed the voluntary membership declaration for the program of the Energy Agency for Industry (CO2 reduction and increase in energy efficiency).

Already today we lay about 50,000 square meters of velour carpeting with the GUT quality seal every year. The goal of GUT is the continuous optimization of environmental and consumer protection during the entire life cycle of textile floor covering – from the production to installation and recycling.

At this time we are working with our

supplier on a non-adhesive laying technique in order to allow single-material recycling and to be able to direct large amounts into a technical re-cycling process.

In our lacquer shop we are working with paint and dispersion mixers to generate the exact amount of paint required for a specific project. For the most part water-based paints are used and thus waste is prevented. Specifications for new products (especially paints, lacquers, adhesives, cleaning agents) are tested for health and environmental hazards. A product is approved for use at mac only if it contains substances with harmless properties or appropriate protective measures for its use have been put in place.

We maintain long and fair partnerships, subcontractors included.

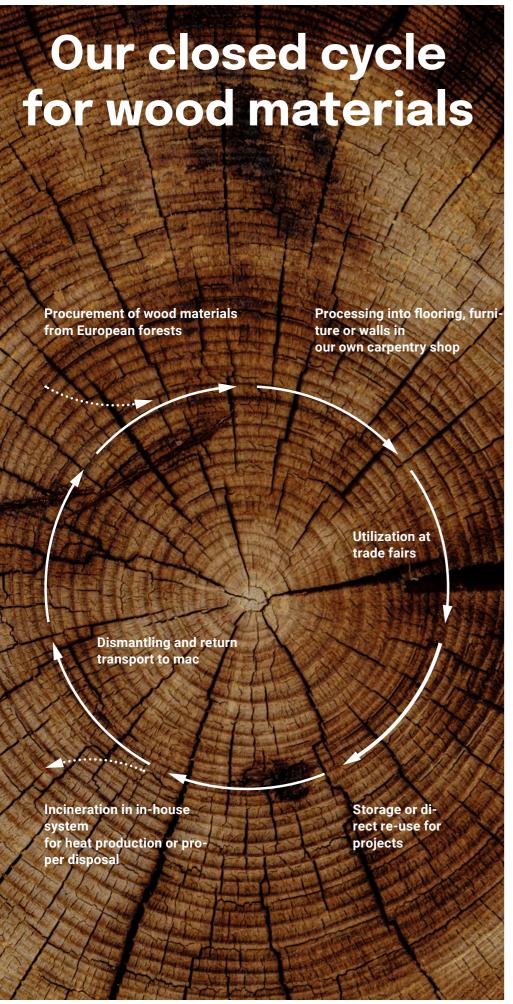


Silke EngelmannOffice of General Director

"For the past five years I have supported refugee assistance provided by the Bad Sobernheim evangelical church parish. The congregation offers a café as a platform for anyone interested in sharing information among themselves or with us aid workers. There are games and arts and crafts for children."

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Materials are procured locally if possible in order to minimize the ecological impact.

Ecological action at Langenlonsheim site

In the resource-consuming trade fair business, our most important principle is the re-use of materials. Of the currently utilized materials, we can re-use about 50 percent and we are continuously working on new ideas to increase that amount.

By using our own wood waste, we save about 2,300,000 kWh of gas every year for heating. All additional gas procured will be climate-neutral, starting in 2021.

In the lacquer shop we generate 75 percent of the heat output by means of a heat recovery system with thermal wheels specially designed for us. We utilize a major portion of the exhaust heat for heating purposes. By purchasing green electricity from renewable energy sources with the certificate "OK Power", we eliminate (mathematically) about 800 tons of CO2 emissions per year. In the past year we converted most of our lighting to LED technology and reduced our energy needs by 60,000 kWh per year.

Our solution, based on disposing as little as possible and re-using as much as possible, reduces emissions by keeping the number of required transports to a minimum. In the example of thermal recycling of our wood waste, we reduce the transport about 100 large containers per year.

What remains and for which no new use can be found, e.g., packaging material or edge protectors, we sort into 15 waste fractions.

Our contracted disposal company then sorts the residual waste into individual recyclable materials in order to minimize the burden on the environment.

To simplify the recharging process of e-cars and e-bikes for our customers and employees, we are expanding the infrastructure within the scope of the eMobility concept for our fleet of vehicles.

The implementation of our new "Green Car Policy" represents another milestone on the way to ending our reliance on fossil fuels. We are pursuing the important goal of redu-

cing the CO2 and nitrogen dioxide emissions way below the European average.

Sustainability at project level

Jointly with our customers we have realized about 30 climate-neutral projects – and thereby neutralized 1,000 tons of CO2.

Since 2012 we have offered climate-neutral trade fair booths via Natural Carbon Collection or CO2OL (https://www.co2ol.de/en/).

For approximately two percent of the contract value, we can implement emission-free trade fair booths that we have planned. The CO2 pollution is determined at the project level and the corresponding amount is offset via climate projects with social benefits.

Similarly, we can provide information about all the amounts and classes of substances used to build the booths and thus support the sustainability goals of our customers with

Facts and Figures ECOLOGY

190.000 m² of particle boards from **sustainable engagement** per year

1000t CO₂ offset by use of climate-neutral trade fair stands

Savings of 60,000 kWh

of electrical power though modernization of lighting systems

Sorting of **15** different waste fractions

Comparably low-emission vehicular fleet



Torsten Weis & Team

"When we saw a drastic reduction in the insect population, we had the idea of supporting native birds somehow. That's why we operate a feeding station year-round. Not only in the winter, but mainly in the breeding and rearing phases, birds expend a lot of energy and need to take in more nutrients."

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Economically sustainable business

Equipped with equity of 6 million EUR, we steer a steady coursethrough rough times. Our outstanding equity ratio before corona was made even more solid by Covid. We are proud that we have been able to report operating profits every year since 1996, with the notable exception of 2020.

Efficiency through investments

Sustainable investment strategy

From revenue earned we regularly invest in our buildings and equipment.

Within the past decade we have invested on average 3.3 million EUR per year. In 2019, for example, we acquired for 800,000 EUR an edge banding machine, which ensures the high quality and efficiency of our production for years to come.

In 2020 the total investment volume of about 400,000 EUR went into a new highly automated panel warehouse and the optimization of our internal logistics. As a result, we eliminated trips and thus emissions. Our investments assure top quality and optimum workflows. Short routes increase efficiency and generate direct customer benefit.

Sustainable customer relationships

Naturally, companies with similar values often find their way to mac. We are proud of our highly respected customers, many of whom we have been advising regularly since the 1980s.

Our long-term approach pays off over time. We save on opportunity costs for both parties because our permanently assigned customer teams know the target market and the internal processes of our customers. This knowledge enables us into providing the best consultation. Also, we create synergies in that we re-use the customer's materials several times, sometimes over years.

These efficiencies pay off, particularly in resource-intense projects, and help our customers and us to succeed in the long term even during difficult times.

Our largest customers we have been supporting for 25 years on average!



Facts and Figures ECONOMY

Equity of 6 million EUR

Buildings, installations and equipment are **company property**

Total investments of the past 10 years of about 33 million EUR:

- Edge-banding machine
- Panel storage in carpentry workshop
- Modernization of lighting

Long-term customer relationship



Torsten WolfDirector Sales

"From 2013 to 2019 we sent springtime greetings to our loyal customers in the form of young trees, including apple, orange, cherry, pear, magnolia and olive, and some grapevines. The reaction of our customers was overwhelmingly positive. They appreciated the trees as a sign of our interest in maintaining fruitful customer relationships. In addition, we were able to give back about 5,000 trees to nature in those years. You might Sustainability in an "extended sense" – enough trees for about 1.5 hectares of forest."

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