Sustainability Report
2023.

**Brand
Experience
Solutions.**

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Living sustainability!

Sustainability is one of the greatest challenges of our time and an integral part of our philosophy. In addition to the main goal of using resources responsibly, current economic and societal changes are driving a change of perspective and commitment to meaningful action.

As a company looking back on 40 years of success, we want to set an example and show how important economical, ecological and social aspects of sustainability are in our daily work and how we can integrate and implement them in our activities. Our code of conduct is based on these three main columns, which are outlined in the value statement of MC² Europe.

This sustainability report documents our ongoing commitment and contribution to a continuous process of optimization. It is updated on a regular basis and grounded in the United Nations' objectives and 2030 Agenda, which outlines 17 Sustainable Development Goals (SDGs). Since 2016, all member countries have been working on implementing this shared vision on a national level. We are able to incorporate contributions to 9 of the 17 goals directly into every part of our operation. We have also incorporated the criteria set forward by the German Sustainability Code (DNK) in accordance with Sections 315b, 289b, and 289c of the German Commercial Code (HGB) in order to do our part.

2023 has been a demanding year for everyone both politically and economically, as well as on a personal level. We continued to face various complications that put our flexibility to the test. For instance, material procurement was increasingly characterized by questions of availability. As a result, we were not always able to choose the solutions we would have preferred.

Nevertheless, we look towards the future with optimism – especially in terms of our sustainability efforts, our long-term perspective, and the expansion and professional development of our workforce and portfolio. We have taken many important steps in these key areas that show we are on a good path.

I hope you enjoy this report,

Stephanie Turnsek
People & Culture | Quality Manager

Company Profile.

— **About us**

Based in Hilden near Düsseldorf, MC² Europe is an independent subsidiary of MCH Group, one of the world's leading live marketing enterprises. With 40 years of experience as a full service partner, we create unique brand presentations for trade fairs, events, and showrooms all over Germany as well as abroad.

Our core competencies are consulting and project management. Customers value our direct communication through a main contact that is their interface to a tight-knit team. This ensures quick and efficient decision-making as well as sustainable and cost-efficient project implementation. Our Creative & Design team develops holistic concepts for brand experiences that make the most existing potential and offer a maximum of added value. Thanks to our cutting-edge in-house manufacturing division, we are not only a one-stop shop but can also offer an impressive level of quality and flexibility.

— **Strategy**

We are fully committed to making our business processes sustainable in order to help our customers plan and execute sustainable projects and make valuable inputs. Responsible actions are crucial to achieving economic success. Whenever we work on a project, we question costs and benefits of everything we do, focusing on the stated goals, and communicating openly about the right strategies with all parties involved.

We invest our profits in next-generation technologies as well as additional staff and training measures with a strong focus on long-term strategies and social responsibility.

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Commitment to Quality

Based on our corporate policy and company values, our entire activity is geared towards the goal of satisfying our customers with the quality of our services and bringing in the best possible third-party providers. Meeting our quality standards would be impossible without a well-trained, committed, and motivated team. At MC² Europe, everybody is personally committed to fulfilling our customers' requirements and taking that as an opportunity to continuously build our success as a company and as people. It is our goal to deliver high-quality products that never fail to impress, and to do so on time and at competitive rates.

Our team consists of highly skilled workers, experts who have been with MC² Europe for many years, and young talents who all contribute with their diverse skill sets and commitment to quality. This is what enables us to deliver outstanding results and fulfill or exceed our customers' expectations. Each team member is committed to implementing our quality measures in their respective field.

Milestones and Certifications.

— Our Milestones

In 2024, a certified validation according to DIN ISO 20121:2013 (Sustainable Event Management) will be conducted by GUTCert.

2023 ● Carbon footprint calculated for the year 2022 (including Scope 3) with MyClimate & Forliance

● Integration of DIN EN ISO 26000 "Guidance on Social Responsibility" into all processes

● Certification according to DIN EN ISO 9001:2015, DIN EN ISO 14001:2015, and DIN EN DIN EN ISO 50001:2018 maintained and validated according to DIN ISO 20121:2013 (Sustainable Event Management)

● Compared revenue and CO_2 emissions for the years 2020 & 2022 in order to document and quantify the effectiveness of reduction measures

2022 ● Certification according to DIN EN ISO 9001:2015, DIN EN ISO 14001:2015, and DIN EN ISO 50001:2018 maintained

2021 ● Initial certification according to DIN EN ISO 14001:2015 (Environmental Management)

● Recertification according to DIN EN ISO 50001:2018 (Energy Management) and DIN EN ISO 9001:2015 (Quality Management)

● Scope 3 emissions assessment for 2019 and 2020

● Planned measures for continuous optimization of carbon footprint

● Audit according to DIN ISO 20121:2013 (Sustainable Event Management)

● One team member qualfied as Quality Manager (IHK))

2020 ● Recertification according to DIN EN ISO 50001:2018 (Energy Management) and DIN EN ISO 9001:2015 (Quality Management)

● Installation of UV-protective film on large windows to reduce use of air conditioning

● Introduction of hygiene concept for own premises and events

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Since 2019 ● Installation of EV charging stations on company premises and ongoing transition to electrical or low-emission vehicle fleet

2019 ● Installation of solar panels

● Initial certification according to DIN EN ISO 50001:2018 (Energy Management) and DIN EN ISO 9001:2015 (Quality Management)

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2018 ● Introduction of a general code of conduct for sustainable use of resources (waste reduction; ventilation, heating, and lighting)

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2017 – 2019 ● Gradual switch to LED lighting throughout the premises

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ISO Certification

Since 2018, we undergo annual audits and re-certification according to the Energy Management standard DIN EN ISO 50001:2018 and the Quality Management standard DIN EN ISO 9001:2015, in line with our commitment to continuously improving our processes. In November of 2021, we added Environmental Management certification according to DIN EN ISO 14001:2015 as well as undergoing a Sustainable Event Management audit according to DIN ISO 20121:2013 to further solidify our expertise.

Guidance on Social Responsibility – DIN EN ISO 26000

As an organization, we subscribe to the principles of social responsibility set forth in DIN EN ISO 26000 and incorporate them in all our activities. We recognize the significance of sustainable and responsible action and contributing to societal progress and the protection of the environment and natural resources. In doing so, we also protect the interests and needs of our stakeholders.

Human rights, fair labor practices, environmental responsibility, fair business practices, consumer needs, and social responsibility are key aspects that we incorporate in our business processes and decision making.

We empower our team to go about their daily tasks following the principles of DIN EN ISO 26000. We provide access to training and further resources to increase awareness for social responsibility and its fields of action and ensure that everyone in our organization shares these values.

Sustainability in Live Marketing.

— **Event Management**

In 2021, several of our project managers acquired sustainable event management certification in accordance with DIN ISO 20121:2013 and are now transferring their expertise to all areas of work throughout the value chain for our customers. In 2023, we provided funding for additional training measures to further improve our employees' consulting expertise.

Key measures for our sustainable event management include:

- holistic concepts
- renewable and/or recyclable materials
- reusable components and materials
- careful selection of event venues and hotels (renewable energies)
- optimization of travel activity
- fair supplier terms and contracts
- local and regional suppliers
- sustainable catering
- environmentally and economically sound logistics
- packaging waste avoidance and waste separation

— **Transport, Travel, and Regional Sourcing**

Our travel guidelines describe how to plan and implement sustainable business travel, including board and lodgings. The major fair locations in Germany, such as Düsseldorf, Cologne, Essen, Frankfurt, and Hanover, are all within convenient range for our efficient fleet of vehicles. We have been working with the same reliable assembly teams for many years to guarantee high quality work and seamless communication at all junctures.

Travel is typically the greatest contributor to the emissions relating to an event. That is why we check the necessity of any travel activities as well as the means of transport used, offset any unavoidable travel emissions, and follow the rule of short paths. We favor local and regional service providers and create added-value hybrid solutions to sustainably include participants from far away via interactive online interfaces.

Most of MC² Europe's suppliers are located in the state of North Rhine-Westphalia. A small number of suppliers is based in other parts of the European Union (EU). This supplier strategy leads to improved reliability, locality, economic and ecological efficiency as well as ensuring legal compliance in terms of European labor and social standards.

— **Digital Event Formats**

Digital offerings in live marketing continue to round out the MC² Europe portfolio, and are a valuable addition to our range of services with excellent long-term perspectives. We strengthened our cooperation with innovative partners in the digital space to offer the greatest possible range of tangible and efficient experience options.

— **CO_2 Calculator and financial support for certified climate protection projects**

Thanks to our carbon calculators, we can track energy consumption for any given project in terms of emissions. This improves transparency and lets us identify unavoidable emissions, which we can offset 1:1 with financial contributions to sustainable climate protection projects. We already optimize a significant part of our energy consumption through our implemented sustainability strategy, and the concept for continued reduction of our overall CO_2 emissions documents our ongoing improvements.

To identify a baseline for evaluation and optimization, we also retroactively calculated our carbon footprints for 2019 (340.417 tons of CO_2) and 2020 (188.122 tons of CO_2). In 2022, we compensated the 2021 emissions through a climate protection project for the first time: 210 tons of CO_2 equivalent were offset via a CliMates reforestation project. For our 2022 emissions, which amounted to approximately 254 tons of CO_2 equivalent, we invested in the extensive climate protection initiative "Brazil Nut Rainforest REDD+ Project" in Peru, which focuses on combating forest degradation in the most biodiverse region of Peru, Madre de Dios.

The process owners are responsible for recording and evaluating the relevant data, which improves their awareness and understanding of the subject and enables them to better identify and implement potential for optimization.

Processes and Measures.

— Quality Management

The process model quality management system according to DIN EN ISO 9001:2015 focuses on our customers and their needs, measuring customer satisfaction in order to enable long-term improvements. To this end, we conduct methodical customer surveys and workshops, which are continuously evaluated. The respective questionnaires are expanded to raise awareness for matters of sustainability.

Suppliers and service providers were once again surveyed and evaluated with regard to their own carbon emissions and sustainability efforts. The results were included in supplier evaluations. In sourcing products and services, potential suppliers are informed about the significance, aside from economic criteria, of the energy efficiency and carbon emissions of the products and services provided for our selection process.

Continuous monitoring and adjustments are transparently accessible to the entire team. The system documents the relevant expertise for each department throughout the company and reflects all requirements of the relevant standards.

— Resource Management

As a service provider and manufacturer of goods, MC² Europe needs certain resources. Fuel and energy account for the majority of those resources. Using resources efficiently is therefore crucial to our business, which is reflected in our energy management system according to DIN EN ISO 50001:2018, our environmental management system according to DIN EN ISO 14001:2015, and our system for sustainable event management according to DIN ISO 20121:2013. Based on the carbon footprint documentation, we also put reduction goals and measures into place, ensuring increased transparency and quantifiable improvements.

Energy Management

The energy management system according to DIN EN ISO 50001:2018 systematically tracks power consumption to enable decisions regarding investments for improved energy efficiency. By tracking and analyzing energy sources as well as users, potential energy savings are identified for additional measures.

Photovoltaics

From 2021 until 2023, we obtained more than 50% of our electrical power from our own solar panels, feeding any excess energy back into the public grid, achieving a self-consumption rate of 70%. For 2024, we are planning to expand our solar power plant and double its capacity.

Fabrication

In our fabrication department, a cut list optimization software helps minimize offcuts and reduce material waste. The new multi-purpose devices for printing, copying and scanning purchased in September of 2022 are set to two-sided printing by default and were recalibrated to use 15% less toner in 2023. This further cuts back on paper and toner use. These printers, as well as our new plotter purchased in November of 2022, are also more energy efficient and use cartridges that emit less CO_2 than previous devices.

Modular and Reusable Fair Stand Systems

This year, we introduced two new modular and reusable stand construction systems and procured new components that we can use in creative and innovative ways for our customers.

Waste Management

For every type of waste, a disposal concept was put in place to ensure and document proper collection and disposal.

Company Software

MC² Europe uses enterprise resource planning (ERP) software called work4all, which is GoBD certified. This means that all processes, including those from completed projects, can be traced for 10 years. The software provides easy access to information on completed, current, and planned projects.

Accounting Digitization

In 2023, we increased the level of digitization in our accounting by introducing additional software interfaces. In addition to saving resources, this allows direct interfacing between billing information and accounting data, enabling greater overall transparency. Bank account statements are also no longer sent via mail. Instead, they are transmitted directly to the accounting software, and their processing is partially automated. Thanks to a "learning file", fewer and fewer transactions are not processed automatically.

A new interface between our company software and accounting program, which not only transfers transaction data but also combines it with digital documentation, further optimizes our processes and reduces the effort involved, as well as cutting back on paper use.

Mobile Work and Online Meetings

We continue to support convenient mobile work by providing modern IT hardware and software, while a new electronic timekeeping system that can also be accessed via app or PC makes mobile work more transparent and more efficient.

A data exchange tool is available via our website, which ensures all data is securely stored on our own server. Not only for the sake of sustainability, but also due to the world-wide interconnectedness and resulting scheduling flexibility of our work processes, we hold a lot of meetings online. For this purpose, we use our video conference studio or our redesigned workplaces with state-of-the-art equipment. All in all, we invested approximately €130,000 in office hardware and software in 2023.

Social Aspects.

— **Training and Continued Professional Development**

Many team members received individual qualifications in addition to the regular training measures. Based on the annual employee evaluations, we implemented safety trainings, fire safety trainings, a design course, a safety officer qualification, a seminar on sustainable event management according to ISO 20121, material trainings and trainings on new software as well as an e-learning program. We actively foster awareness for sustainability issues during our team meetings.

— **Infection Control**

All infection control measures were evaluated, and the rules were updated so that they could be included in the management system permanently. We continue to provide quick tests, FFP2 masks, and disinfectant, as well as a quarantine office, free of charge.

— **Securing Young Talent**

Working in a field governed by new trends, the latest technological developments, and constant time pressure requires a high level of competence. Our team combines sector expertise, creativity, excellent communication skills, technical knowledge, responsibility, initiative, and decision-making abilities, as well as an appreciation for our shared success.

Our broad spectrum of different tasks requires team members with a wide range of different talents and the drive to continually develop their own abilities, a keen sense for the latest trends, and the ability to give our customers solid advice on these matters. The same applies to changing conditions in terms of the target markets, customer requirements, and supplier selection. Due to the demographic shift in Germany, securing young talents and developing the skills of existing employees is of paramount importance. Our corporate value statement was updated to better reflect our commitment regarding individual professional development, diversity, fairness, and social responsibility in line with the principles set forth in DIN EN ISO 26000 (Guidance on Social Responsibility).

— Social Responsibility

Together, we take on social responsibility and have been supporting projects fostering cultural and educational integration for children and adolescents for many years, as well as financially supporting a broad range of local traditions. In addition, we initiated relief shipments for Ukraine.

We also appreciate and support our team members' personal commitment to various social causes.

— Healthy Workplace

To optimize ergonomics for a healthier workplace, we replaced 18 office chairs with high-quality design classics in early 2023, as well as providing several height-adjustable desks.
As part of our company health management, we also sponsor FitX gym memberships for our employees since 2023.
Furthermore, we provide access to fresh fruit and beverages for our team.

— Compliance

We operate within a framework of legal codes and stipulations. Complying with these rules is an essential requirement for the long-term success of any company. Many customers come to us not only due to the quality of our products and services, but also thanks to our reputation, which is built on the value-based and responsible conduct of every single employee.
The MCH group's Code of Conduct and MC² Europe's corporate value statement are our trusted decision-making guidelines, supporting everyone in living up to this responsibility every day. Since 2023, these efforts are supported by an E-learning program on corruption prevention, human rights, and anti-discrimination.

We are firmly committed to equality. Discrimination due to ethnicity, gender identity, religion or world view, disabilities, age, or sexual orientation is not tolerated.

Our annual Gender Pay Gap inquiry conducted since 2021 confirmed that there is no difference in pay between employees of different genders with the same qualifications and positions. We continue to ensure these principles are upheld.

Any harassment is strictly discouraged and sanctioned. The dignity of every person is to be protected against any and all encroachments. All business is conducted with strict adherence to the applicable health, safety, and environmental regulations, directives and applicable standards.

Goals.

— By 2030, we want to reduce our specific electricity consumption by 40% compared to 2022 by expanding our existing photovoltaics system and increasing our internal consumption ratio, as well as acquiring more energy-efficient equipment.

Baseline 2022 consumption → 103,167.66 kWh

— By 2030, we want to reduce our natural gas consumption by 15% by replacing gas-powered air conditioning units with heat pump technology and increasing our use of (renewable) electricity, permanently monitoring heater settings and usage, avoiding the heating of unused spaces, and adjusting the thermostats for our storage and manufacturing spaces from 19.5 °C to 18 °C.

Baseline 2022 consumption → 247,850.00 kWh

— By 2026, we want to reduce the distance traveled by car for commuting by 5% by introducing project-based electronic time tracking, further increasing the flexibility of working time models, expanding our remote work offerings and providing secure on-premises parking for bicycles and scooters.

Baseline 2022 mileage → 108,533.00 km

— By 2025, we want to reduce the carbon emissions for business travel by 6% by training employees on sustainable business travel and selection of modes of transport as well as board and lodging, in line with our new travel guidelines, which set forth measures for reducing carbon emissions and were signed by all employees.

Baseline 2022 business travel → public transport = 15,938.05 km
car = 21,304.26 km | flights = 45 | overnight stays = 160

— By 2025, we want to reduce the specific fuel usage by 15% by switching to more energy-efficient vehicles and increasing our use of electric vehicles and public transport (rail) for business travel, as well as forming carpools and expanding our remote work offerings and co-working days.

Baseline 2022 fuel consumption → gasoline 7,233,83 l | diesel = 13,233.78 l natural gas = 803 kg | electric car mileage = 5,594 km

— By the end of 2024, we want to reduce the amount of wooden sheet materials we use by 15%. Thanks to the reusable and modular wall elements acquired for € 300,000 in 2023, we will save approximately € 70,000 in material cost (wood), € 70,000 in manufacturing cost, and € 10,000 in disposal cost per year. We expect that the modular wall construction system can be used up to 35 times before needing to be replaced.

Baseline 2022 consumption → 66.66 t

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