

The background image shows a modern building with a dark wooden facade and large glass windows. A prominent feature is a large, triangular skylight on the roof. In the foreground, a paved path made of light-colored stones leads through a lush garden with green trees and white flowering bushes. The overall scene is bright and natural.

MAC

2023 IMPACT REPORT



MAC-JEANS.COM

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Foreword by the management board

2022 was once again defined by major challenges within the industry, particularly due to inflation and geopolitical instability. Despite these difficult conditions, MAC was able to overcome the challenges and boost its revenue once more. It was able to do this thanks to its high delivery capacity, cooperative partnerships, reliability and its focus on the quality and desirability of our products.

Despite uncertain times, we continue to focus on our values: creativity, innovation, agility and authenticity. The desirability of our products, our investments in innovative methods and materials, the fast reactions to the market and our tradition and regional roots are what set MAC apart. In partnership with our retailers, producers and material suppliers, we work on solutions for the future and continue to build on our strengths: the development of desirable trousers that are being made from more and more sustainable materials and using increasingly environmentally friendly methods.

One major area of focus for 2023 will be the increasing attention given to our company's impact. We are proud of the fact that we have continually worked towards developing our materials and production methods in order to minimise our impact on the environment. This year, we will be going one step further and launching our first comprehensive pilot project focussing on the circular economy. Promoting and supporting the reuse and recycling of materials will be something we are driving forwards across the board. We will be focussing on the topic of resources, with our goal being the development of innovative materials to replace cotton fibres. We will also continue to look at the topic of carbon emissions. As a company, we are responsible for making a contribution towards fighting climate change.

The long-term financial stability of the company forms the basis for our commitment to society and the environment. This not only enables MAC to act boldly and decisively even in challenging times, but also to invest in the development of materials, production processes and climate protection measures.

This report aims to show you how we want to tackle the many challenges that await us in the area of sustainability and how we want to take responsibility. We have set our course and want to inspire you to join us on this journey!



Yours,

A handwritten signature in blue ink that reads "Eveline Schönleber". The signature is fluid and cursive, with a small accent mark over the 'ö' in Schönleber.

Eveline Schönleber
Managing Director/Shareholder



2. COMPANY PROFILE

Company profile

MAC AT A GLANCE

- MAC Mode GmbH & Co. KGaA was founded in 1973 in Wald/Roßbach by trouser specialist Max Gansbühler.
- Today, MAC is one of Europe's leading manufacturers of men's and women's trousers. Every year, MAC develops six collections each for women and men. Another four collections are being launched for the DAYDREAM line in the womenswear segment.
- Since its foundation, MAC has stood for harmony with nature. This is epitomised by our light-flooded company headquarters made of natural materials and surrounded by a large garden with wild flower meadows and watercourses.
- MAC is a key employer in the Cham and Regensburg districts. Today, the company employs some 420 staff members in a wide range of areas, from product development to sales.
- Female employees make up 90% of our workforce. Flat hierarchies, open exchange and a positive, motivational atmosphere distinguish the workplace culture at MAC.
- Our affiliated production facilities employ around 3,400 workers in the manufacture of MAC trousers. Our products are made as locally as possible, in Europe (Germany, North Macedonia, Poland, Italy) and in neighbouring countries (Morocco, Tunisia, Turkey).
- Besides Germany, MAC supplies other important markets such as Austria, Switzerland, the Netherlands, Belgium, Denmark, Finland, Spain, the UK and the USA.
- As well as through retail, MAC sells its products via its own online shop and various market-places. It also operates an off-price trade.



WHAT DISTINGUISHES US

WHAT DRIVES US

- Our product lies at the heart of everything we do. MAC trousers stand for desirable, high-quality fashion.
- Thanks to our in-house sewing workshop, the entire development process – from design and material research through product range development and pre-production, all the way to the first prototype sample – can be carried out at the MAC headquarters.
- Since 1973, our company has pursued an approach that unites economic success with environmental and social responsibility. Sustainability is a major topic that is anchored deeply at the heart of the corporate culture typical of a medium-sized, family-run company.

WHO WE WORK WITH

- MAC works together with organisations for the standardisation of sustainable working practices, such as Better Cotton™ and GOTS, and is a member of the German Environmental Management Association (B.A.U.M. e.V.).
- The company is also a long-standing member of leading associations and organisations such as German Fashion, Deutsches Mode Institut (DMI) and Dialog Textil-Bekleidung (DTB).

HOW OTHERS SEE US

- In 2023, MAC was once again named the 'TW Top Brand' for women's trousers by the industry trade magazine *TextilWirtschaft*. The company achieved overall victory across all categories as well as first place in the 'Commitment to Sustainability' category.
- In 2023, MAC received the European Green Award, a European award for particularly innovative sustainability projects.
- In 2023, MAC was named a 'Business in Bloom' by Bavaria in Bloom initiative from the Bavarian State Ministry for the Environment and Consumer Protection, which aims to promote more flower-friendly and insect-friendly companies.
- In 2022, MAC received the 'Sustainability Award' from the biggest purchasing association in the German-speaking world, KATAG.
- MAC was also a finalist in the German Sustainability Award in 2023.
- As a company, MAC is GOTS-certified.



OUR VALUES

Our values are principles and beliefs that guide everything that all of us do at MAC. They are enshrined in the MAC corporate culture and define the identity of our product and our cooperation with our partners.



CREATIVE

We hold our product to the highest standards. We are not satisfied with the status quo.



INNOVATIVE

We believe in innovation, in the digital transformation and in the permanent development of our product.



AGILE

We are fast, have flat hierarchies, respond quickly to the market and to customer requirements.



AUTHENTIC

We feel responsible for maintaining our tradition and are deeply rooted in our region. We promote the individual development of our employees.

Company profile

THE MAC VALUE CYCLE: FROM DESIGN TO RECYCLING

The value cycle of a pair of MAC trousers starts with their design and the development of styles that are desirable for our customers. The perfect fit is ensured by our own fit development team. All of the sustainability features are determined right from the product development phase (see p. 56 onwards).

MAC relies on sustainable materials and production processes when it comes to extracting and processing raw materials in order to maintain its environmentally and socially responsible approach (see p. 56 onwards).

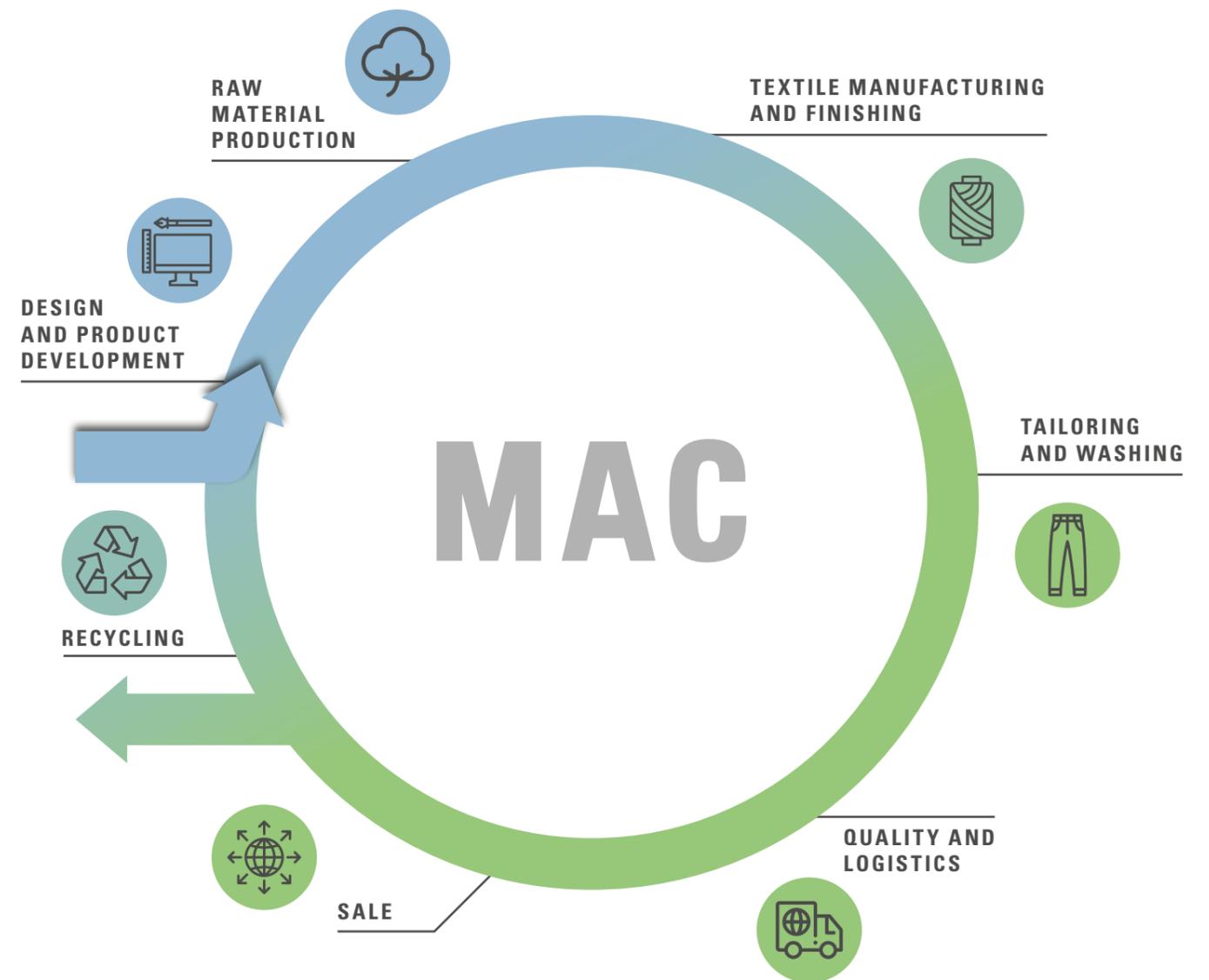
After the fabric is woven, it is subjected to several finishing processes such as dyeing and washing. MAC works together closely with its suppliers in order to implement new technologies to make these processes significantly more environmentally friendly (see p. 72 onwards).

After production, MAC trousers are transported to the logistics centre in Wald/Roßbach in the most environmentally friendly way possible. Prior to dispatching them to customers and retail partners, MAC conducts strict quality control testing at its headquarters.

The MAC trousers are then sold worldwide through specialist retailers, online and via social media. Products are dispatched using low-impact methods (p. 96).

MAC champions a circular economy and is looking to establish its own recycling programme for its trousers in future.

In sum, the value cycle of a pair of MAC trousers is an example of responsible actions within the textile industry. With sustainable materials, high quality standards and our own recycling programme, MAC promotes environmental and social responsibility along the entire production process.





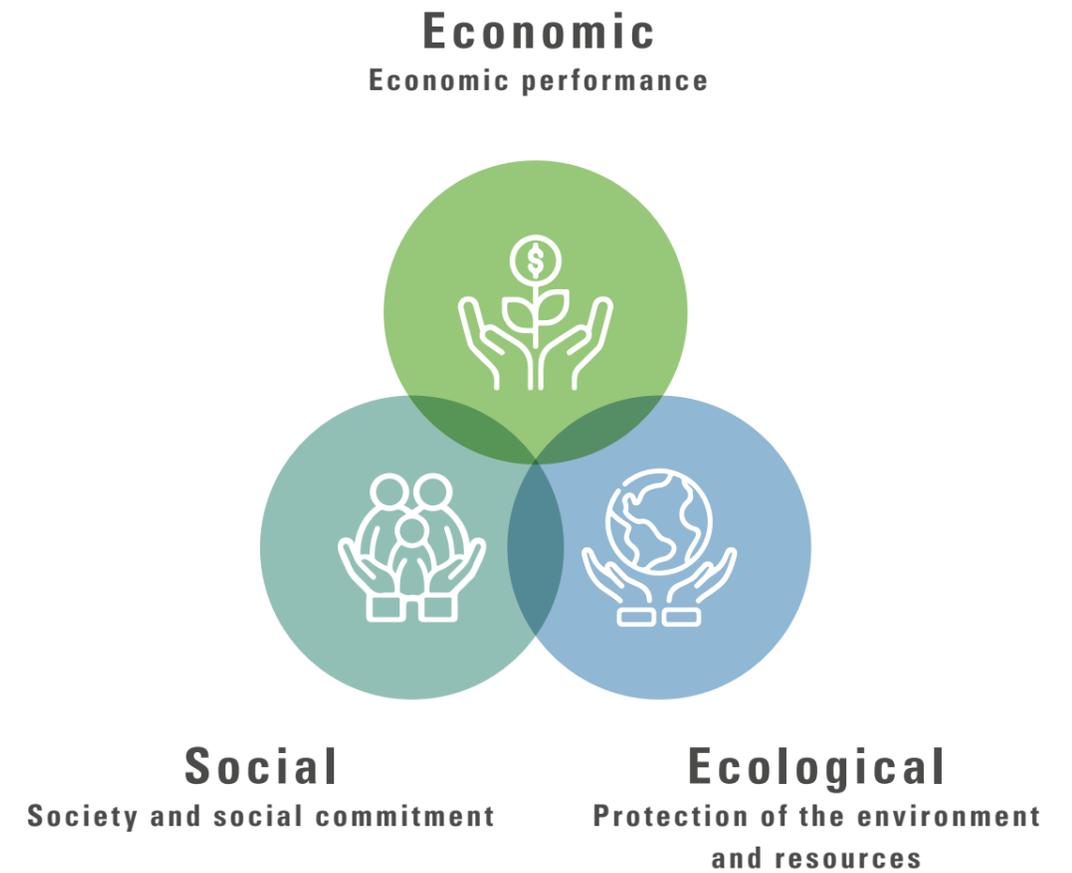
3. VISION AND STRATEGY

Vision and strategy

THE FOUNDATION OF OUR BUSINESS

MAC sees economic success and sustainable action as indivisible. We see ourselves as the long-term market leader for women’s and men’s trousers in the German-speaking region. We believe that economic success builds foundation of sustainable practices. Premium-quality materials, perfect cuts and on-trend styles – only by developing and selling desirable products we can secure economic success in the long term.

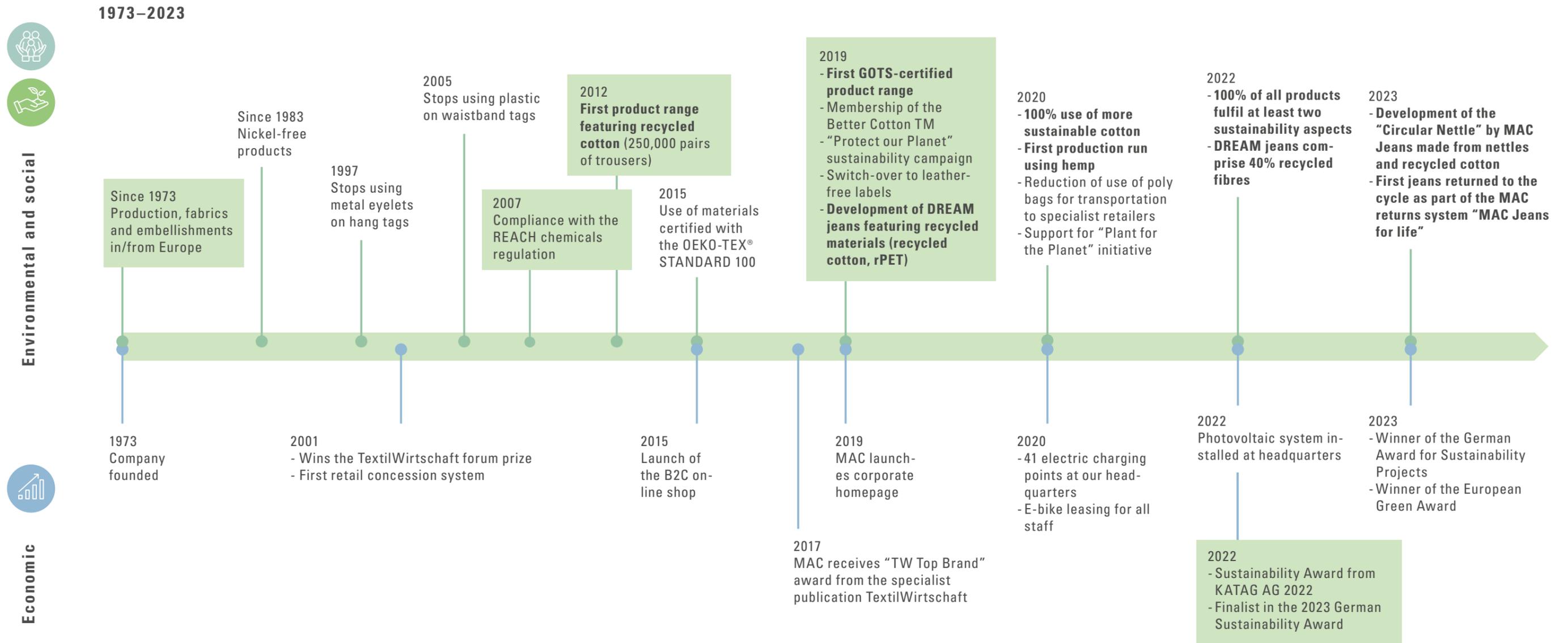
We pursue our economic goals in harmony with our ecological and social responsibility. Appropriate returns enable us to drive innovation and to invest in more sustainable materials, more environmentally friendly manufacturing processes and more climate-friendly infrastructure. Supporting our employees and everyone who works for us is very important to us. It is our mission to offer desirable, high-quality products that are manufactured in the most environmentally friendly and socially responsible way possible – starting with the outer materials to the linings to the embellishments. To do this, we question existing practices, search for new solutions and amend our processes as required. For us, sustainability is a daily challenge we pose ourselves.



Vision and strategy

OUR JOURNEY TOWARDS MORE SUSTAINABILITY

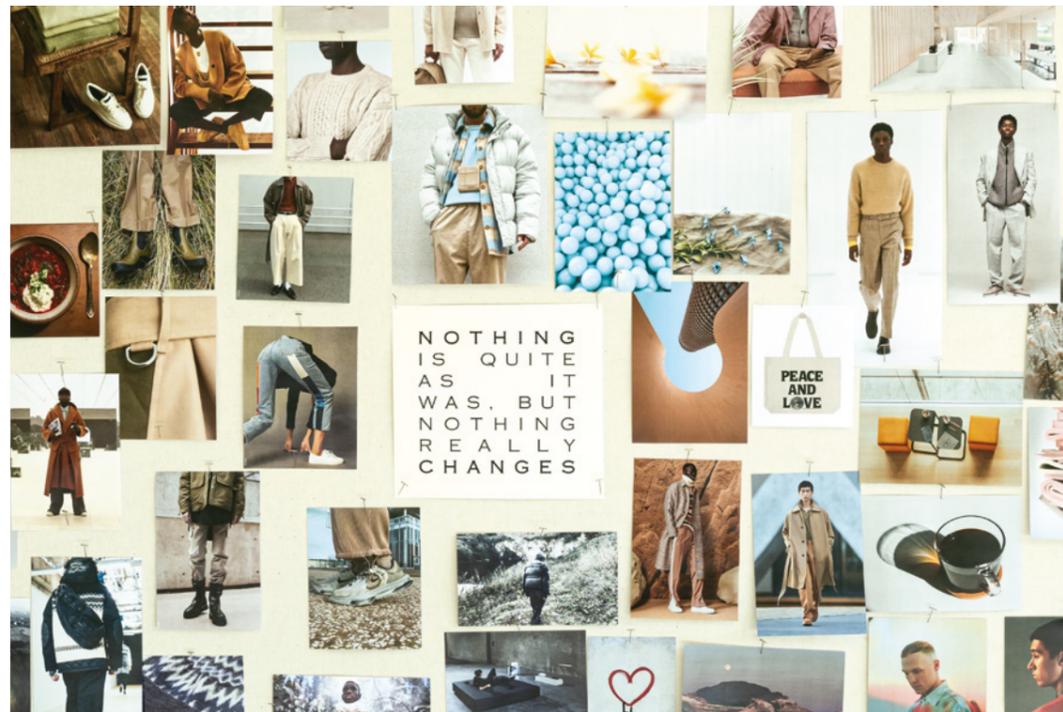
We live up to our responsibility – and have done so since 1973. We are proud of what we have already achieved. Of course, we still see plenty of areas where we want to boost our sustainability credentials in the future. For this reason, we pursue our sustainability targets consistently and step by step – towards more and more sustainability.



Vision and strategy

THE MAC WAY: WHAT DRIVES US WHEN IT COMES TO SUSTAINABILITY

Sustainability is an approach that MAC pursues in its own way. We are certain that our economic success is inextricably intertwined with our commitment to sustainability.



(DRIVING) INNOVATION

- We are pioneers.
- We are agile.
- We are courageous.
- We share knowledge.
- We invest in digitalisation.
- We develop solutions together with our partners and clients.



(TAKING) RESPONSIBILITY

- MAC is a major employer in the region.
- We strengthen the regional economy.
- We maintain close partnerships with suppliers.
- We stipulate social standards.
- We look after our employees and everyone who works for us.

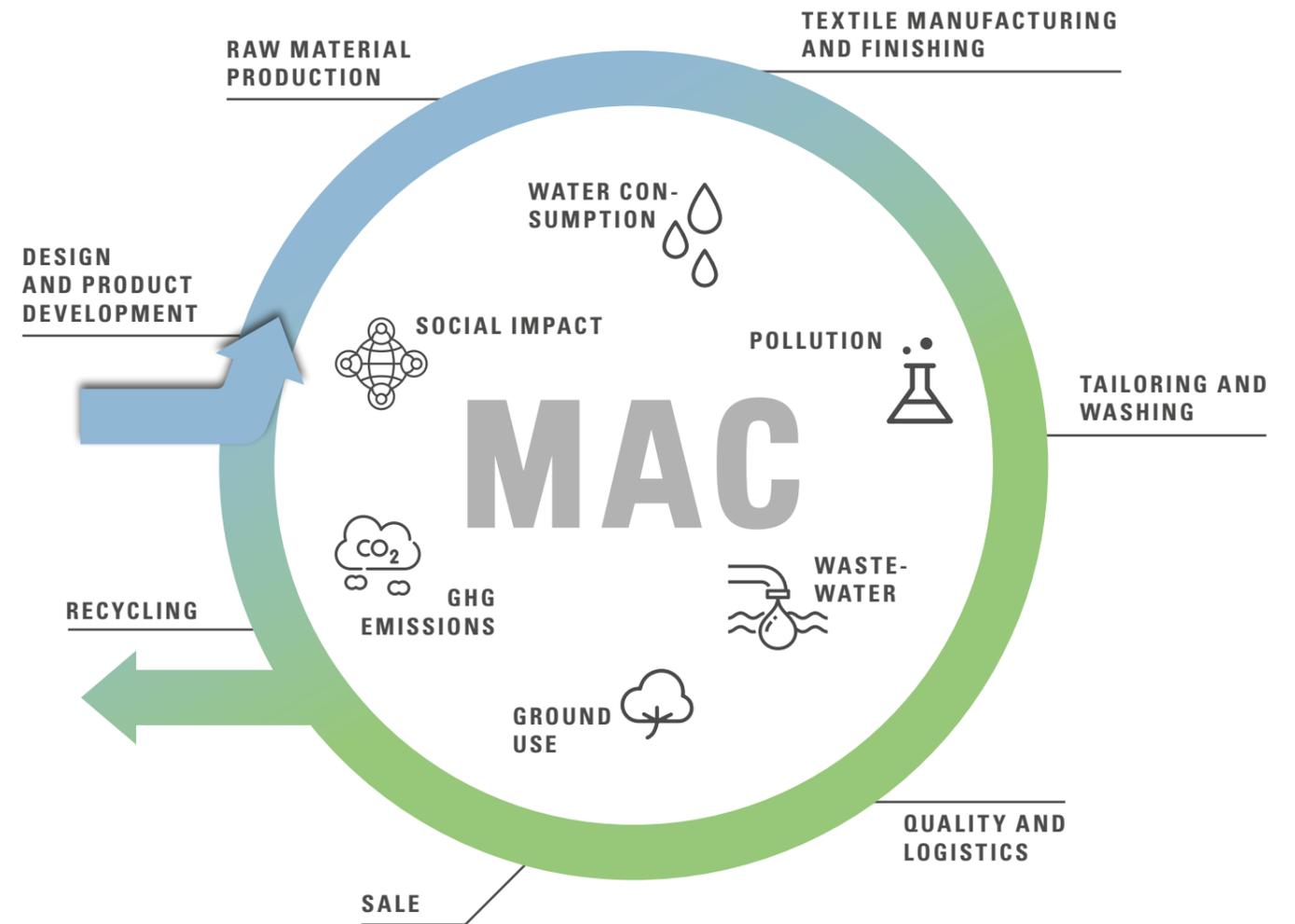
Vision and strategy

OUR IMPACT AREAS ALONG THE VALUE CYCLE

In our path towards more sustainability, we are taking the next step and analysing the environmental footprint of our products. To do this, we consider the entire cycle of a pair of MAC trousers no longer in use – from fibre production to recycling – always with the aim of minimising its impact on the environment.

We also consider our social impact on the people involved in the value chain.

The MAC sustainability programme adopts specific measures to take action in these areas and to find more environmentally sustainable alternatives (see p. 52 onwards).



Vision and strategy

OUR VISION: FROM BLUE TO GREEN TRANSFORMATION

Traditional "BLUE" jeans

The "hot spots" impact areas of our industry:



High **water consumption** for growing cotton and in the finishing process (washing process).



Pollution: Use of harmful chemicals for dyeing and washing. Use of pesticides in cotton cultivation.



High amounts of **wastewater**, sometimes highly polluted, from dyeing and washing.



Greenhouse gas emissions along the entire value cycle.



High **land use** for the cultivation of cotton.



Social impact for all direct and indirect employees along the entire value chain.



Sustainability as an approach: The MAC WAY

MAC's approach to a (more) "GREEN" jeans

We address precisely these impact areas in a continuous process within our sustainability programme.

Our vision for 2030:

"Protecting resources instead of using them"

- Virgin cotton will no longer be used
- Use of regenerative, low-impact fibres (e.g. hemp, nettle)
- Expansion of recycling and the use of recycled fibres

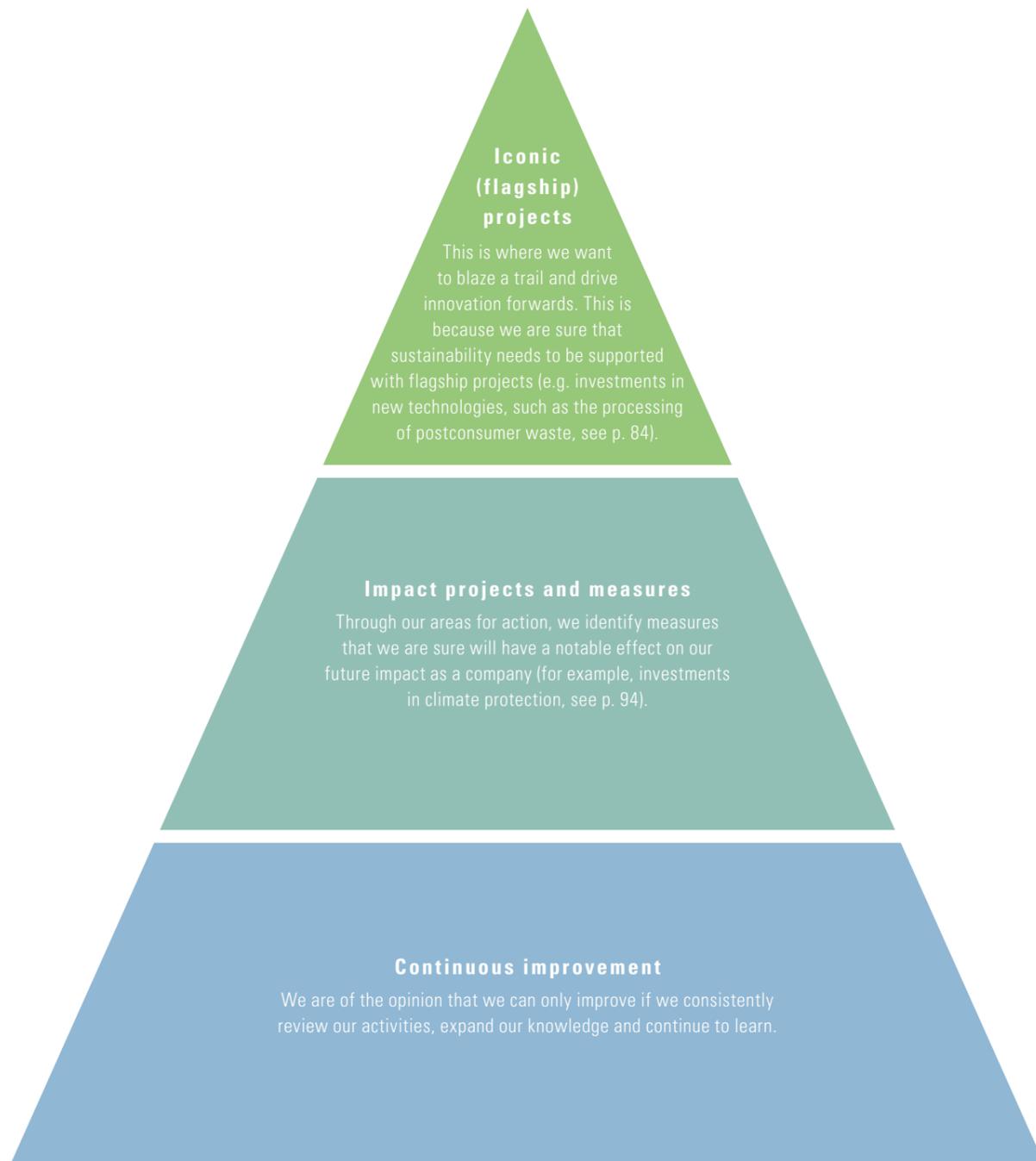
As a result of this transformation, MAC is a finalist for the 2023 German Sustainability Award.



Vision and strategy

WHAT DO WE MEAN BY IMPACTS?

Our business activities are based around the impact that they generate.



Vision and strategy

OUR CONTRIBUTION TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

MAC is committed to supporting the United Nation's 17 Global Sustainable Development Goals (SDGs). Defined by the United Nations, these goals serve to maintain sustainable social, ecological and economic development. MAC supports all 17 SDGs. As part of our sustainability strategy, however, we are particularly focussed on Goals 3, 6, 7, 8, 9, 12, 13 and 17, to which we can make the biggest contribution at MAC.



Good health and well-being

- An attractive workplace surrounded by nature
- Active promotion of employee health (FIT FOR MAC)
- Use of sustainable materials such as organic cotton
- Ban on harmful chemicals
- Promotion of biodiversity and the ecosystem at our headquarters and in the region



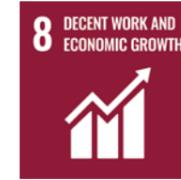
Clean water and sanitation

- Reduction of the amount of water used in production
- Chemical management
- 100% sustainable cotton
- Use of fibres that use less water to cultivate



Affordable and clean energy

- Operation of the photovoltaic system at the company headquarters in Wald/Roßbach
- 41 e-charging points on the company premises



Decent work and economic growth

- Securing jobs in Germany and with producers through the long-term continuation of the company and deep-rooted, trusting partnerships (>10 years of collaboration with 90% of suppliers)
- MAC Code of Conduct and regular supplier audits
- Establishing compliance guidelines (go-live in 2023)



Industry, innovation and infrastructure

- Progressive digitisation of processes (including avatars, digital showroom)
- Collaboration with suppliers on the social and environmental optimisation of processes
- Collaboration with universities and colleges



Responsible consumption and production

- Provision of high-quality, durable products
- Supporting consumers in maintaining and repairing products
- Use of sustainable and recycled materials
- Minimisation of packaging and the use of sustainable packaging for shipping
- Promoting a circular economy (including circular product principles)



Climate action

- Production in Germany, Europe and neighbouring countries
- Climate-neutral shipping for orders in our online shop (DHL GoGreen)
- E-bike leasing for employees
- Promotion of e-mobility



Partnerships for the goals

- Collaboration with producers and sales partners in order to achieve our sustainability goals
- Memberships in industry associations, multi-stakeholder initiatives and working committees



4. MATERIALITY ANALYSIS

Materiality analysis

SYSTEMATIC IDENTIFICATION OF OUR TOPICS

In order to identify the sustainability-related areas of action relevant to MAC, we conducted a materiality analysis.

Based on the extensive environment and company analysis (p. 44), we conducted surveys among the relevant stakeholders. In the second step, we evaluated the positive and negative impacts of our activities on the environment, society and on our business activities. To do this, we established a procedure that we follow every year.

Both the results of the stakeholder surveys and the results of the internal impact assessment were analysed and validated in a management workshop. This resulted in nine relevant areas of action for MAC (p. 52).

In comparison to our last survey in 2022, the topics of “climate protection”, “recyclability” and “biodiversity” received higher priority statuses.

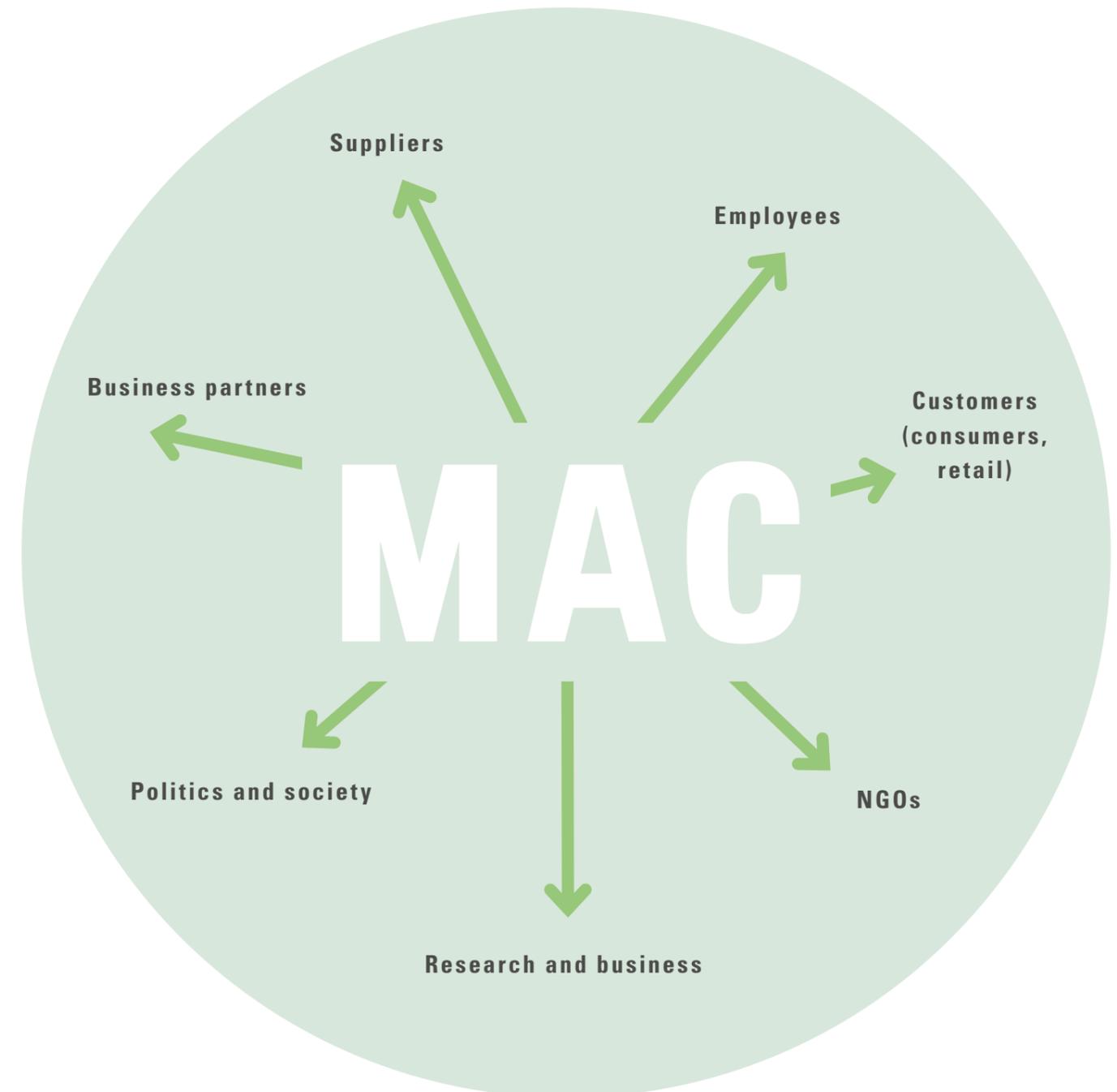


Materiality analysis

STAKEHOLDER INTEGRATION

Our stakeholders are closely integrated in the development and implementation of our sustainability strategy. We strive to achieve an ongoing partnership with them with regard to sustainability topics. To do this, we are developing a process that integrates stakeholders into the weighting of topics and includes regular feedback loops.

This helps us to identify our next steps on our journey towards more sustainability and implement measures to enhance sustainability in all of our actions. Our aim is to be a role model for corporate commitment to sustainability. MAC engages in regular exchange with political and scientific representatives on the topic of sustainability.



Materiality analysis

STAKEHOLDER INTEGRATION



The ongoing dialogue with our employees and retail partners is very important to us. We can only implement our strategy by working together.

Materiality analysis

STAKEHOLDER INTEGRATION: EXCERPTS FROM THE INTERVIEWS

PRODUCTION PARTNER | “Made in Germany” stitching line

“The partnership with MAC has lots of positive aspects and could be a model for the future. Locally sourced products ensure **lower emissions**. The **close partnership** generates trust among employees on both sides. Orders such as these create **jobs in the region**. We can counter the loss of this traditional craft in our own country and show that there is an option for the future that benefits both people and our environment.”

END CONSUMER | N. N.

“I choose products with great care. If I buy a pair of trousers, they not only need to fit well and look flattering, they also need to feel good. It’s an added bonus for me to know that the product was also manufactured in a way that is as **sustainable and low-impact as possible**. This also makes me feel good to know that I have a high-quality, **durable product** in my wardrobe.”

RETAILER | Modehaus Echter

“A successful product must make customers desire it. In addition to good design and a perfect fit, this now also includes **good sustainability credentials**. Target customers are interested in **sustainable materials** and are increasingly enquiring about a brand’s **compliance with social** standards.”

EMPLOYEE | Nina Basanti Lambertz, Head of Design Denim

“We know how important a functioning **circular economy** is, including in the fashion industry, and pursue it with great determination. It has to be our collective aim to return the raw materials used beyond the product lifecycle to the production process. We are currently working on initial concepts and approaches. Furthermore, the use of recyclable and sustainable materials also plays a decisive role, right from the design stage.”

SOCIETY | Lydia Staltner, founder of senior citizens’ support group LichtBlick

“**Social commitment** is an important part of sustainability. This has above all to do with the actions of every single one of us within a society. We have pledged to support an important group of people in our society – senior citizens. In a wealthy, industrialised country such as Germany, the importance of maintaining an intergenerational dialogue is often forgotten. Giving people who are often overlooked a brighter future. Only with the long-standing support of companies such as MAC has it been possible for us to build bridges. Companies should be aware of their **responsibility** and act as role models for domestic social justice.”

POLITICS | Bavarian Minister for the Environment Thorsten Glauber

“As politicians, our task is not only championing the necessary measures and laws to protect the environment but also to advocate for the participation of society and industry. It is our aim to ensure that Europe is climate-neutral by 2050. This will only be possible if we fully exploit our innovative prowess as an industrialised nation and adopt new, climate-neutral policies. It is therefore essential for each and every company to achieve **climate-neutral** status in order to attain this goal. MAC has got the ball rolling and is leading the way in the product development of more sustainable fashion in Germany.”

MAC

EMPLOYEE | Christine Degel, Manager CSR

“**Avoiding the use of chemicals where possible** is nothing new at MAC. Early on, we started questioning conventional washing and dyeing methods in order to take a new approach. Thanks to our market strength and high production volumes, we have also been able to persuade suppliers to develop **innovative techniques** for us in order to avoid the use of polluting chemicals and bleaching agents.”

SOCIETY | Photographer Nomi Baumgartl

“Through my photography, I am consciously committed to protecting nature and the environment. Today, I combine my career as a fashion photographer with the urgent necessity of raising awareness of the topic of sustainability. We need to support **biodiversity** and the diversity of nature. Through my photography for the German company MAC, I want to motivate people to change the way they think. We all need to start taking real action – and even small personal decisions and actions can make a difference. This primarily involves adopting a **responsible attitude to the use of resources and water** as the source of all life. Together, we need to fight climate change, rein in our consumption and establish innovative alternatives within our daily lives.”

Materiality analysis

OUR FOCUS: STAKEHOLDER ENGAGEMENT AND IMPACT

The materiality analysis evaluates the topics deemed relevant to MAC with regard to their impact (x-axis) and their importance to stakeholders (y-axis).

The materiality analysis is conducted in three stages:

1. Environment and company analysis:

The basis for determining the topics is an environment and company analysis that identifies various challenges in the industry taking into account the value cycle. It is important to ensure that all challenges from the value cycle are covered. Based on these challenges, it is possible to distinguish the sustainability topics of material importance for MAC.

2. Impact analysis (x-axis)

The x-axis is determined in two stages. This helps to identify the impact of the areas for action:

- Inside-out perspective: Evaluation of the impact of business activities on the environment and society within the defined areas for action.
- Outside-in perspective: Evaluation of the risks and opportunities of business activities for the company within the defined areas for action.

3. Stakeholder analysis (y-axis)

The y-axis is determined in a process that actively includes the various stakeholder groups in the selection and prioritisation of topics (from p. 36 onwards). We will initiate this process in our next materiality analysis.

PRODUCT

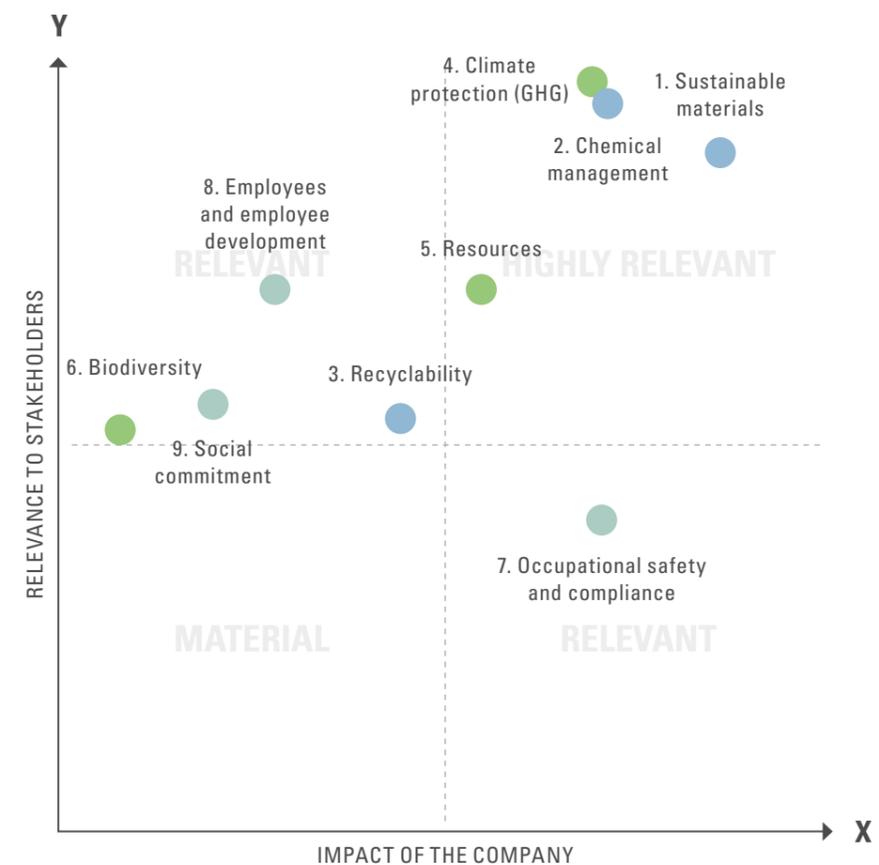
- Sustainable materials
- Chemical management (sustainable washes and dyes)
- Recyclability

ENVIRONMENT

- Climate protection (GHG)
- Resources (water/packaging)
- Biodiversity (bees/nature/buildings)

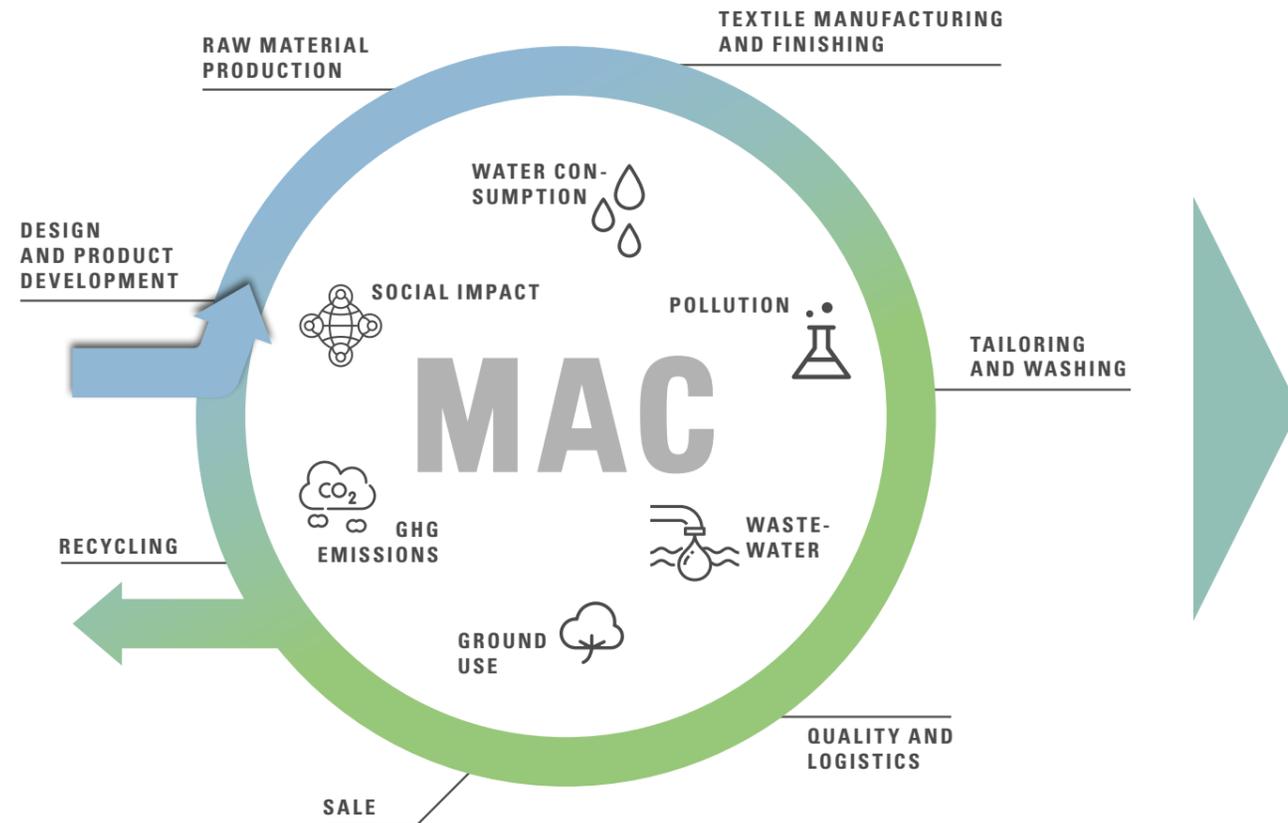
SOCIETY

- Occupational safety and compliance
- Employees and employee development
- Social commitment



Materiality analysis

DERIVATION OF RELEVANT TOPICS



Raw material production

- Water consumption
- Water pollution
- Soil erosion
- Fertilisers/pesticides
- Genetically modified seeds
- Fertility
- Biodiversity
- Fossil fuels
- Crude oil extraction
- Microplastic abrasion
- Fair (living) wages
- Occupational safety
- Health protection

Quality and logistics

- Greenhouse gas emissions
- Packaging
- Working conditions

Tailoring and washing

- Working hours
- Occupational safety
- Health protection
- Forced labour
- Discrimination
- Child labour
- Textile waste

Recycling

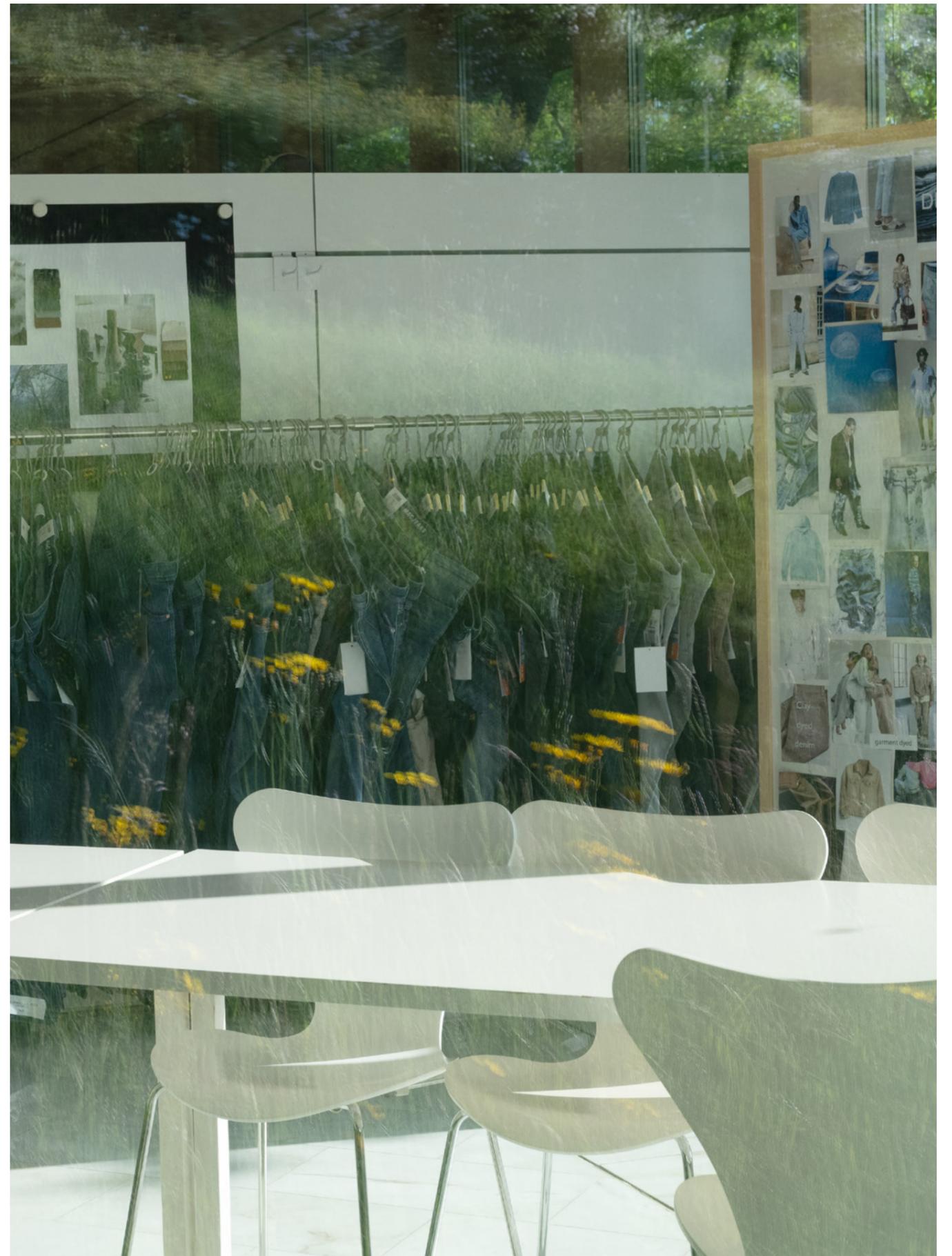
- Returns and recycling structures
- Loss of quality
- Downcycling
- Sorting by type
- Sorting by material
- Rebound effect

Textile manufacturing and finishing

- Water pollution
- Water consumption
- Energy consumption
- Carbon emissions
- Chemicals
- Occupational safety
- Health protection
- Fair (living) wages

Materiality analysis

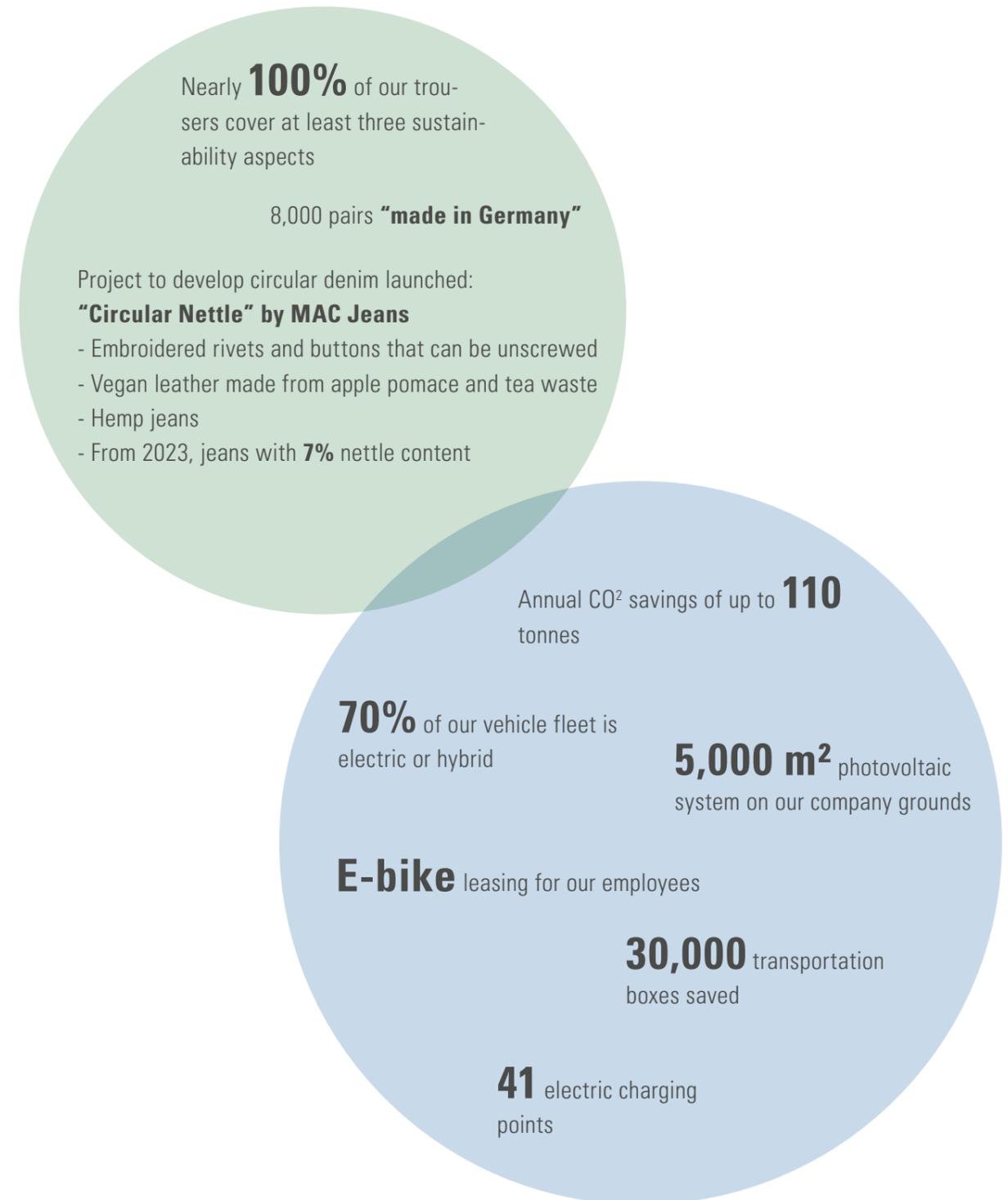
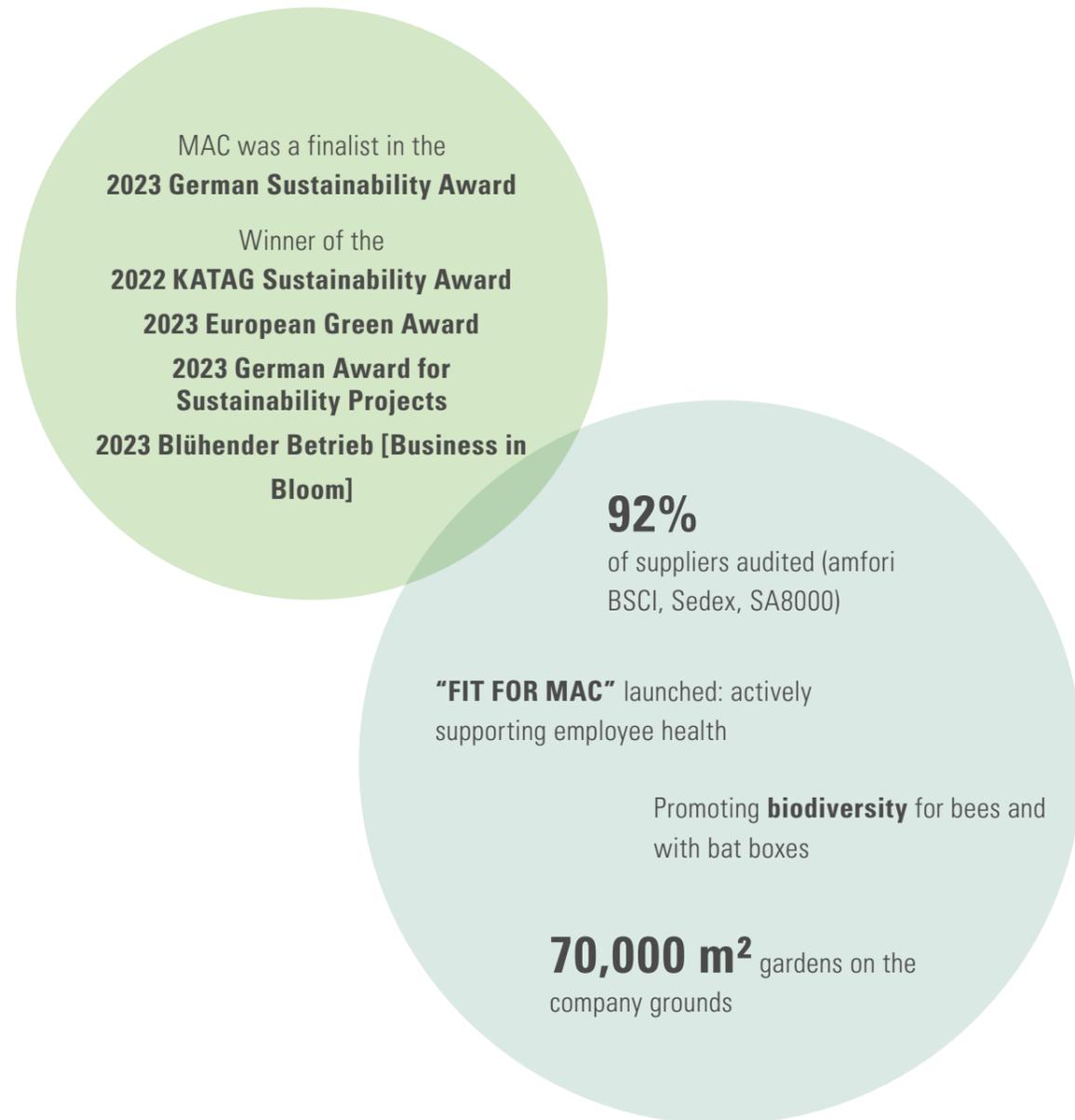
PRIORITISATION OF AREAS FOR ACTION





5. SUSTAINABILITY PROGRAMME AND AIMS

OUR HIGHLIGHTS FROM 2022/23



Sustainability programme and aims

FOCUS OF THE MAC SUSTAINABILITY STRATEGY

Our sustainability strategy covers the three areas for action of Product, Environment and Society. Using a materiality analysis, we identified the most important factors for MAC in each of these areas. The materiality analysis and programme of measures were updated as part of our annual strategy meeting. We introduced the additional goal of a circular economy in 2023.



PRODUCT

We do all we can to manufacture trousers even more sustainably.

Material topics for MAC:

- Sustainable materials
- Chemical management (sustainable washes and dyes)
- Recyclability



ENVIRONMENT

We actively reduce our consumption of energy, greenhouse gases (GHG) and resources.

Material topics for MAC:

- Climate protection (GHG)
- Resources
- Biodiversity



SOCIETY

We take a socially responsible approach – as an employer, contracting entity and company in the region.

Material topics for MAC:

- Occupational safety and compliance
- Employees and employee development
- Social commitment

5.1 PRODUCT



Product

WE DO ALL WE CAN TO MANUFACTURE TROUSERS EVEN MORE SUSTAINABLY

PRIORITISED ISSUE	OUR AIM	MEASURES	STATUS	NOTABLE SUCCESSES, 2022/23	SDG FOCUS	IMPACT
Sustainable materials and sustainable product development	Offering a desirable, high-quality product that has as many sustainable features as possible from the outer material to the lining to the embellishments	Development of the internal MAC standard that unites design and requirements with sustainability aspects		<ul style="list-style-type: none"> Nearly 100% of our products comprise at least three sustainability aspects 		
		Systematic implementation of the internal MAC standard in the collection planning process				
		Boosting the use of (innovative) sustainable materials				
Chemical management	Elimination of harmful chemicals and a reduction in the use of chemical substances	Development and implementation of a MAC RSL for the use of chemicals that goes beyond the REACH directive		<ul style="list-style-type: none"> 90% of our outer materials, linings and embellishments are certified in accordance with OEKO-TEX® STANDARD 100 EIM score measured for > 58% of denims ordered 		
		Monitoring the EIM scores for 100% of MAC products as the basis for deciding on optimisations				
		MAC trousers are treated using innovative dyeing, washing and finishing processes				
		Recyclability	Promoting a circular economy and development of durable, recyclable products			
Supporting MAC customers in order to extend the lifecycle of a pair of MAC trousers						
Establishing a returns system for worn MAC trousers				<ul style="list-style-type: none"> Returns and repair of worn MAC trousers 		

Status key



Product

WHAT DO WE REQUIRE OF A MORE SUSTAINABLE PRODUCT?

THE MAC SUSTAINABILITY STANDARD



Raw materials

MAC trousers use more sustainable raw materials, such as cotton from Better Cotton™ or hemp or bamboo fibres.
Read more from p. 62 onwards.



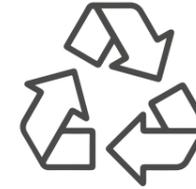
Chemicals

Suppliers must comply with the EU's REACH chemicals directive.
Furthermore, we are also implementing our own MAC RSL. Read more from p. 72 onwards.



Finishing

MAC trousers are refined with environmentally friendly dyeing, finishing or printing methods.
Read more from p. 74 onwards.



Recycling

MAC is boosting the use of recycled materials and pays attention to certifications such as the Global Recycling Standard.
Read more from p. 80 onwards.



Social and environmental standards

Suppliers are audited by amfori BSCI, SA8000 or Sedex, who evaluate compliance with environmental and social standards.
Read more from p. 114 onwards.

Product

SUSTAINABLE COLLECTION PLANNING

We have defined three stages in our product hierarchy for sustainability in order to plan sustainable collection content in future.

Nearly all of our products feature at least three sustainability aspects (see p. 62), which we define as the “Basic” level. But this isn’t enough for us.

As a result, we invest in “Advanced” projects, which go a step further in terms of the “impact drivers” in our sustainability strategy, such as the KITOTEX®* finishing process (see p. 78).

The “Iconic” level supports innovative methods that we develop and implement across the board. We always take a bolder approach here, such as with our “Circular Nettle” project (see p. 84).

THE MAC PRODUCT HIERARCHY



*KITOTEX® Candiani’s patented sizing technology

Product

SUSTAINABLE MATERIALS

It is MAC's aim to make its entire product range more sustainable, one item at a time. As a result, MAC has defined sustainability aspects that serve as a guideline for the product development team.

MAC categorises sustainability aspects as follows:

1. Material-related, such as the use of more sustainable cotton from Better Cotton™ or the use of regenerative fibres.
2. Product-related, such as the certification of a product with the GOTS label.
3. Producer-related, such as the producer's membership of amfori BSCI.

MAC strives to gradually increase the number of sustainability aspects in all MAC trousers.

For the 2023 collections, nearly all products already meet at least three sustainability criteria. Calculated by total fibre use, the proportion of sustainable fibres already comes to > 62%.

MAC SUSTAINABILITY ASPECTS



1. Material-related (outer material/embellishments), including

- OEKO-TEX® STANDARD 100
- OEKO-TEX® MADE IN GREEN
- OEKO-TEX® STeP
- GOTS-certified outer material
- Better Cotton™
- FSC
- Organic Cotton
- Regenerative fibres by Lenzing
- ECONYL®
- Sustainable fibres (nettle, bamboo, hemp, etc.)
- Recycled PES/CO/EA/PA
- Reused cotton
- Eco dye/eco print
- OCS
- RCS
- GRS



2. Product-related, including

- GOTS



3. Producer-related, including

- amfori BSCI
- GOTS
- SA8000
- Sedex

SUSTAINABLE MATERIALS

COTTON

Cotton is the most important raw material for MAC. However, the cultivation of conventional cotton requires huge amounts of water and causes high levels of water pollution and soil erosion through the excessive use of fertilisers and pesticides. Since 2020, MAC has used 100% sustainable cotton. This includes cotton from Better Cotton™, certified organic cotton and recycled cotton.

When using organic cotton, we look for certification such as the Organic Content Standard. MAC is working to increase the proportion of trousers made with organic cotton. The cultivation of organic cotton avoids the use of fertilisers and pesticides.

However, the availability of organic cotton on the global market continues to pose a challenge. In comparison to the previous year, the amount of organic cotton cultivated in 2020/21 increased by approx. 37%, accounting for 1.4%* of all cotton grown.



BETTER COTTON™ COTTON

Better Cotton™ supports and trains farmers in the cultivation of more sustainable cotton. BC farmers minimise the use of chemical fertilisers and pesticides and take care to ensure the efficient use of water. This way, they promote the health of the soil and preserve natural habitats. Farmers also commit to upholding fair working conditions.



ORGANIC COTTON

The cultivation of organic cotton completely renounces the use of chemical fertilisers and pesticides. The use of genetically modified seeds is also prohibited. This helps to preserve biological agricultural diversity and improves the fertility and biodiversity of the soil.



RECYCLED COTTON

A mechanical recycling process is used to shred textiles, fabric and fibre scraps, which are subsequently spun into new yarn. Most of these materials are procured from pre-consumer sources. MAC is now working on its first projects involving the use of “post-consumer” sources, i.e. the use of trousers that have already been worn. This recycling not only preserves resources, but also saves huge amounts of water compared to the cultivation of conventional cotton.

*Source: Organic Cotton Market Report (Textile Exchange, 10/22)

Product

SUSTAINABLE MATERIALS

REGENERATIVE FIBRES

Regenerative fibres, or cellulose fibres such as viscose, Lyocell or Modal, are fibres that come from plant-based cellulose. Cellulose fibres are obtained from wood, which means they come from a renewable raw material. Forests provide a crucial habitat for numerous animal species and help to protect the climate by converting carbon dioxide (CO₂) into oxygen. It is therefore imperative to ensure that the wood used to produce cellulose fibres comes from sustainably managed forests or plantations – in other words, forests managed in a way that protects nature and the species that live there. For cellulose fibres, we look for Forest Stewardship Council (FSC) certification or use TENCEL™ ECOVERO™* fibres, which guarantee sustainable forestry practices. Similarly, when selecting regenerative fibres, we ensure that no harmful chemicals were used in their production.



TENCEL™ ECOVERO™*

TENCEL™* is made from cellulose from sustainably managed forests. The certified organic-based fibres are converted into cellulose fibres in an environmentally friendly production process, which was distinguished with the European Business Award for the Environment by the European Commission. The fibres are biodegradable and compostable.

*TENCEL™ is a registered trademark of Lenzing AG

*TENCEL™ is a registered trademark of Lenzing AG

SUSTAINABLE MATERIALS

SYNTHETIC FIBRES

MAC focuses on the use of natural fibres. Synthetic fibres are, however, important in terms of the durability and comfort of our trousers. The production of synthetic fibres such as polyester and nylon requires the use of finite raw materials like crude oil and natural gas. At MAC, we are always on the lookout for innovations that enable more sustainable alternatives for fibre production and examine whether these could be used for our products. In 2021, we started to use ECONYL® nylon instead of conventional nylon. Since then, we have been replacing conventional nylon with ECONYL® fibres wherever possible.

In order to conserve finite sources, we have been using recycled polyester since 2019. Some 31% of products in the spring/summer 2021 collection contained recycled polyester, and this has already increased to 43% for the same period in 2022. We make sure that all recycled fibres we use are certified in accordance with the Global Recycling Standard (GRS) or the Recycled Claim Standard (RCS). Both regulate social and environmental practices and the use of chemical additives.



ECONYL®

ECONYL® is a regenerated nylon fibre made from waste such as fishing nets, fibre scraps and old carpets. ECONYL® regenerated nylon can be recycled infinitely without incurring any loss of quality. Compared to conventional nylon, 10,000 tonnes of ECONYL® raw material saves some 70,000 barrels of crude oil and 65,000 tonnes of CO₂.

ECONYL® regenerated nylon is not only an ideal way to save waste, but also an effective weapon in the fight against climate change. The carbon footprint of this type of nylon is up to 90% lower than a material that is derived from crude oil.



RECYCLED POLYESTER

Recycled polyester is obtained by melting down existing plastics and spinning them into new polyester fibre. Therefore, recycled polyester not only helps to avoid plastic waste, but also to conserve finite resources such as crude oil and natural gas. Compared to virgin polyester, significantly less energy is required for its production. Greenhouse gas emissions can also be reduced by up to 70% compared to virgin polyester.*

* Textile Exchange, Higg Material Sustainability Index (Sustainable Apparel Coalition).

SUSTAINABLE MATERIALS

INNOVATIVE FIBRES

In addition to more sustainable alternatives for conventional materials, MAC also focusses on the use of innovative materials. For example, we use leather made from waste from the apple juice industry and from mushrooms, as well as hemp and nettle fibres.



VEGAN APPLE LEATHER

Apple leather is made of waste produced during fruit juice and compote manufacturing. The apple skin, stems and fibres are collected, dried, pulverised and subsequently mixed with a biodegradable plastic substitute made from milk protein. This way, a new, high-quality material is obtained from a waste product. As well as protecting the ecosystem, this enables farmers to generate additional income from waste.

MAC developed a version of its all-important patch labels made from apple leather.



MUSHROOM LEATHER

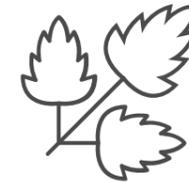
Mushroom leather is made from mushrooms' root system (mycelium), which normally grows underneath the soil. Compared with conventional leather, mushroom leather has a much lower carbon footprint because it does not require any animal husbandry, water use or greenhouse gas emissions.

MAC uses mushroom leather as a replacement for genuine leather for its labels and patches.



HEMP FIBRES

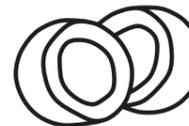
No chemical fertilisers or genetically modified seeds are used in the cultivation of hemp. Growing hemp promotes soil health by restoring nutrients which, in turn, helps to prevent soil erosion. Compared to conventional cotton, hemp fibres require less water to produce. Hemp fibres are also compostable. MAC uses hemp fibres in its outer materials in order to reduce the amount of cotton used.



NETTLE FIBRES

Nettle plants are a tough, highly resistant and fast-growing raw material. They generally do not require any pesticides or other chemicals and use much less water than cotton. The natural fibres are biodegradable, tear-resistant and durable.

MAC uses nettles in a similar way to cotton in its outer materials.



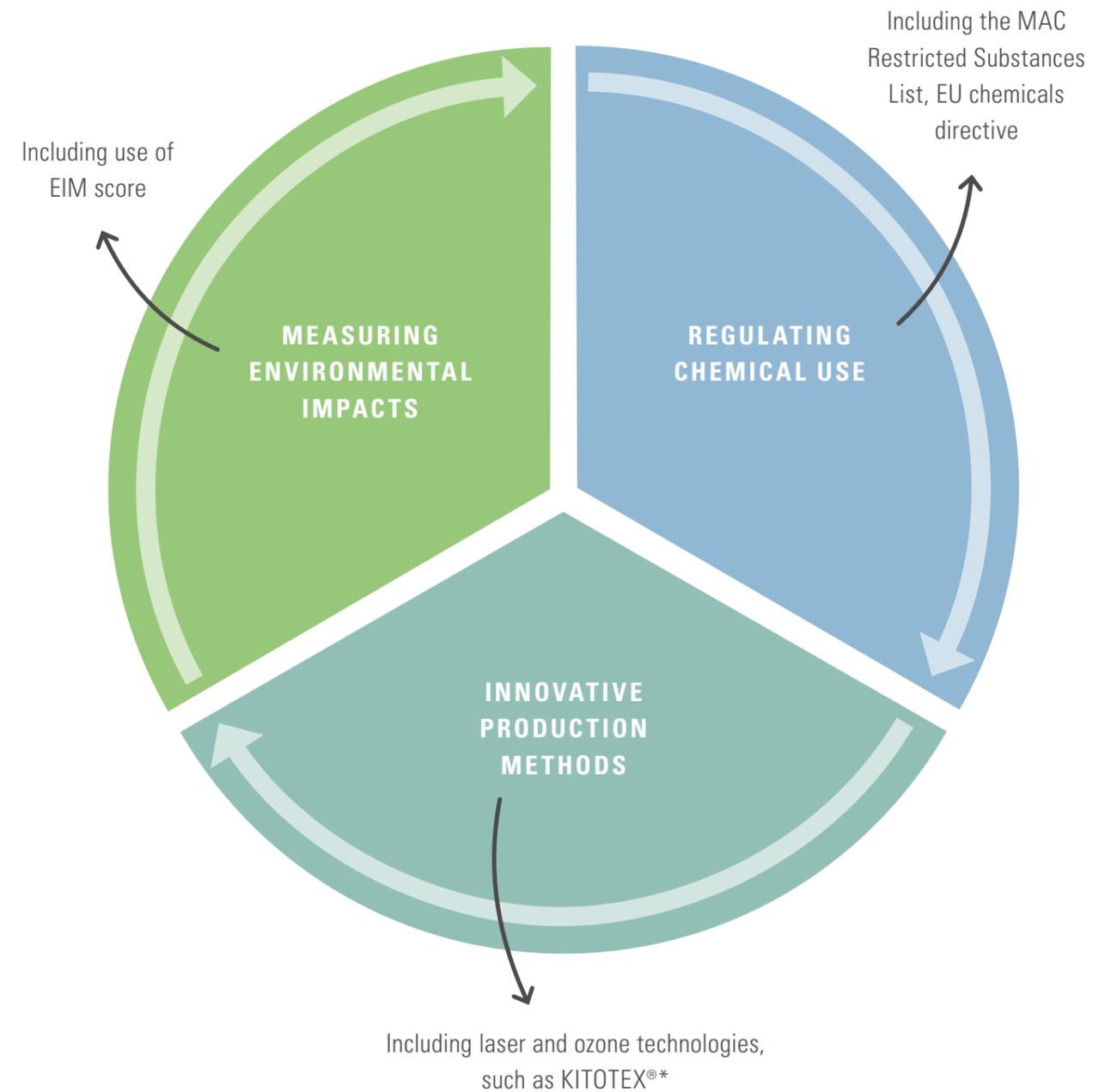
COCONUT FIBRES

Coconut fibres are taken from the outer layer of unripe coconuts. The fibres are made up of lignin and cellulose, which make them very flexible and strong. The fibres, which measure between 15 cm and 30 cm long, are hollow. This makes the fibres good insulators and gives them antistatic properties. MAC uses buttons made from coconut fibres and has started initial tests to experiment with using fibres in outer materials.

Product

CHEMICAL MANAGEMENT

It is our mission to ensure that every MAC product is safe to use and complies with strict legal requirements in terms of the amounts of pollutants they use and contain. Currently, we are unable to completely avoid the use of chemical substances in our denim production and particularly when it comes to finishing our jeans. What we can do, however, is avoid toxic chemicals that are harmful to humans and nature. MAC focusses on the continuous measurement of environmental impacts, the regulation of chemical use and uses innovative production methods that do not require any harmful chemicals.



*KITOTEX® Candiani's patented sizing technology

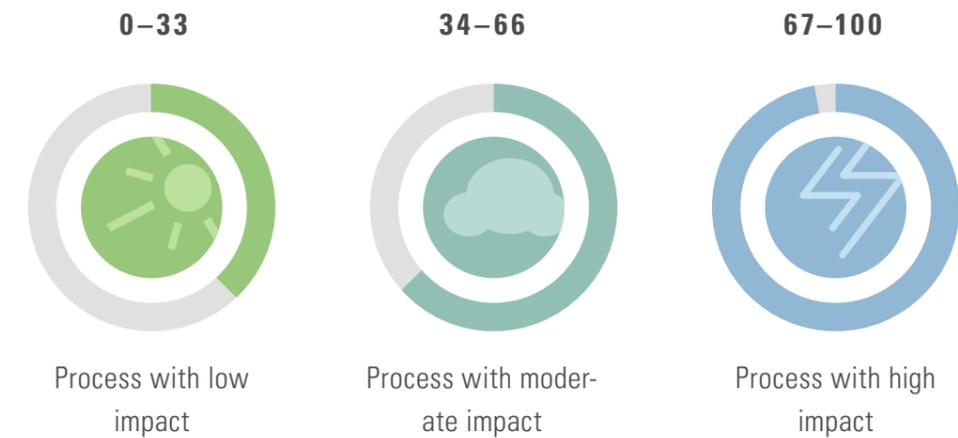
CHEMICAL MANAGEMENT

MEASURING ENVIRONMENTAL IMPACTS

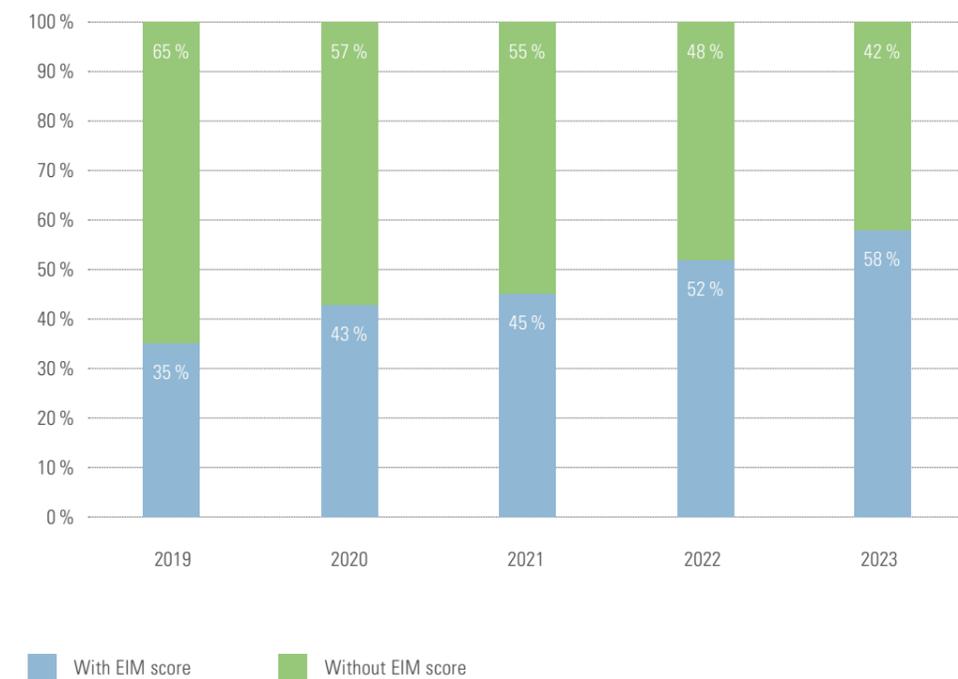
We can use software to determine how sustainably a product is made. The Environmental Impact Measurement (EIM) score is an inherent part of our internal sustainability standard and assesses the impact of textile finishing in the categories of chemical products used, water consumption, energy consumption and worker health. Threshold values are defined for each of these four categories, which classify the impacts using a traffic light system (green, amber and red). Together, they yield an accurate EIM score, which tells us how sustainable a particular denim wash is. If the EIM score falls below our guidelines, we can change production processes to improve sustainability.

We also raise awareness of the EIM score among producers who do not yet use it. In recent years, we have been able to consistently increase the proportion of trousers with an EIM score. Calculated by number of items, the proportion is already around 58% in 2023. 43% of our trousers with an EIM score were in the green category in 2022. A further 38% were in the amber category. MAC's aim is to achieve transparency regarding the EIM score of all of its trousers and for as many of its trousers as possible to achieve a "green" score. In order to do this, we are in close dialogue with our suppliers and take into account the results of the EIM score in the design and procurement process when developing new collections.

EIM score evaluation scale



Percentage of products with EIM score at MAC (2019-2023)



CHEMICAL MANAGEMENT

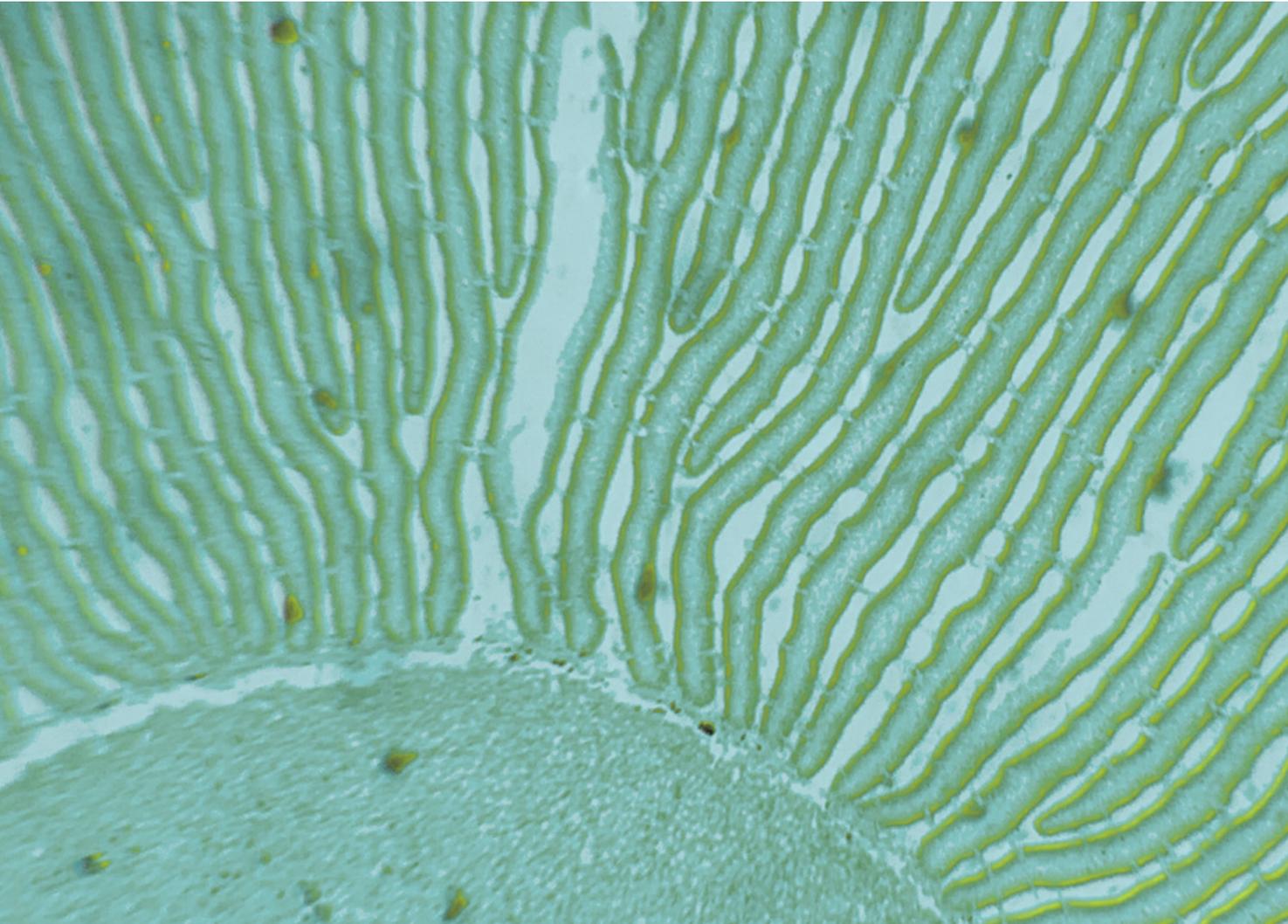
REGULATING CHEMICAL USE

At MAC, we have complied with legal reference values since the introduction of the EU REACH regulation on chemicals in 2007. These values are demonstrably and fully met for every single item used in all of our production orders. However, compliance with the REACH regulation is not enough for us. We have set ourselves the goal of extending our guidelines for the use of chemicals in production beyond the statutory requirements. MAC aims to reduce the use of chemicals as much as possible, completely eliminate harmful chemicals or replace them with less harmful ones.

In cooperation with the German Fashion textile association, MAC has started developing its own Restricted Substances List (RSL). The RSL defines substances that are restricted or banned in MAC trousers. The RSL will go beyond the statutory requirements of the REACH regulation. We are currently working with our producers to examine the extent to which the requirements of an RSL are already being met today and how the specifications can be implemented in the future. The aim is to ensure that all producers must comply with a MAC RSL. We want to achieve this aim by 2024.



CHEMICAL MANAGEMENT



INNOVATIVE PRODUCTION METHODS

As the third element of our chemical management programme, MAC is focussing on innovative production methods. In the conventional manufacture of jeans, chemicals are primarily used in the wet processes of denim production, i.e. for dyeing, washing and finishing the jeans. MAC jeans are made using innovative, more sustainable technologies. This enables us to avoid the use of chemicals that could pollute bodies of water and drinking water when unfiltered.

We use laser and ozone technologies, for example, when pretreating or finishing trousers. Thanks to ozone, the use of chemicals can be reduced by an estimated 85%; with laser technology, no chemicals are required at all. At the same time, the consumption of water and energy consumption is also reduced.

Some of our trousers are also treated with an eco dye process. This is a special technique with ecological dyes that considerably reduce the environmental impact.

KITOTEX®* is a new finishing process that uses Kitosan®, a bio-based polymer from shells or mushrooms, which is applied to the fibres. Kitosan® is used to coat the yarn following the dyeing process. This replaces the use of sizing agents such as polyvinyl alcohol (PVA), which leaves microplastic residues in the water. It also means that the temperatures used in dyeing and washing can be reduced by 40%.

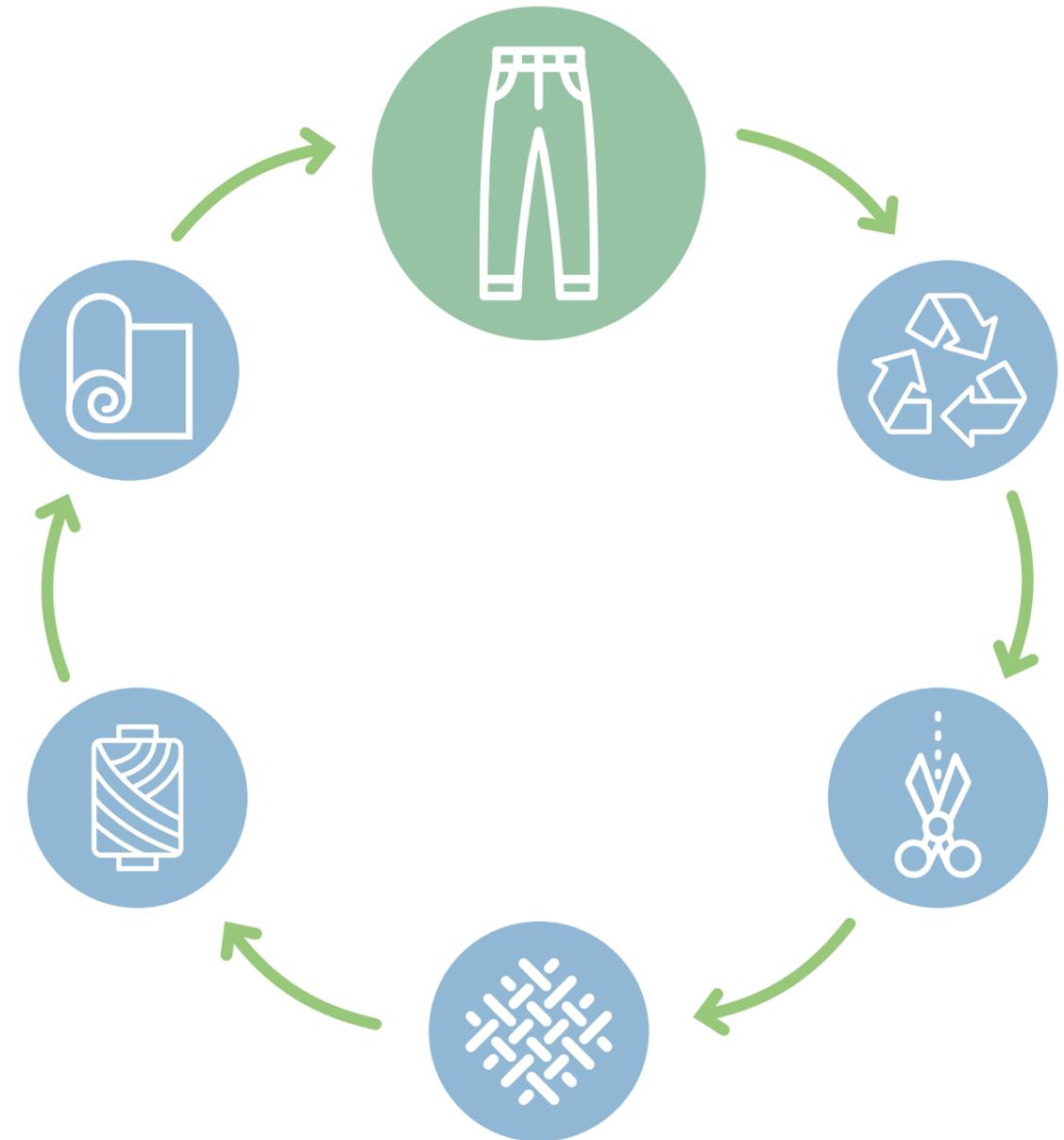
*KITOTEX® Candiani's patented sizing technology

RECYCLABILITY

CLOSING THE LOOP

Nowadays, clothing tends to be used in a linear process. In other words, after a consumer has bought a garment and ideally used it for as long as possible, they dispose of it in a clothes recycling bin, for example. However, this linear process causes high levels of resource consumption.

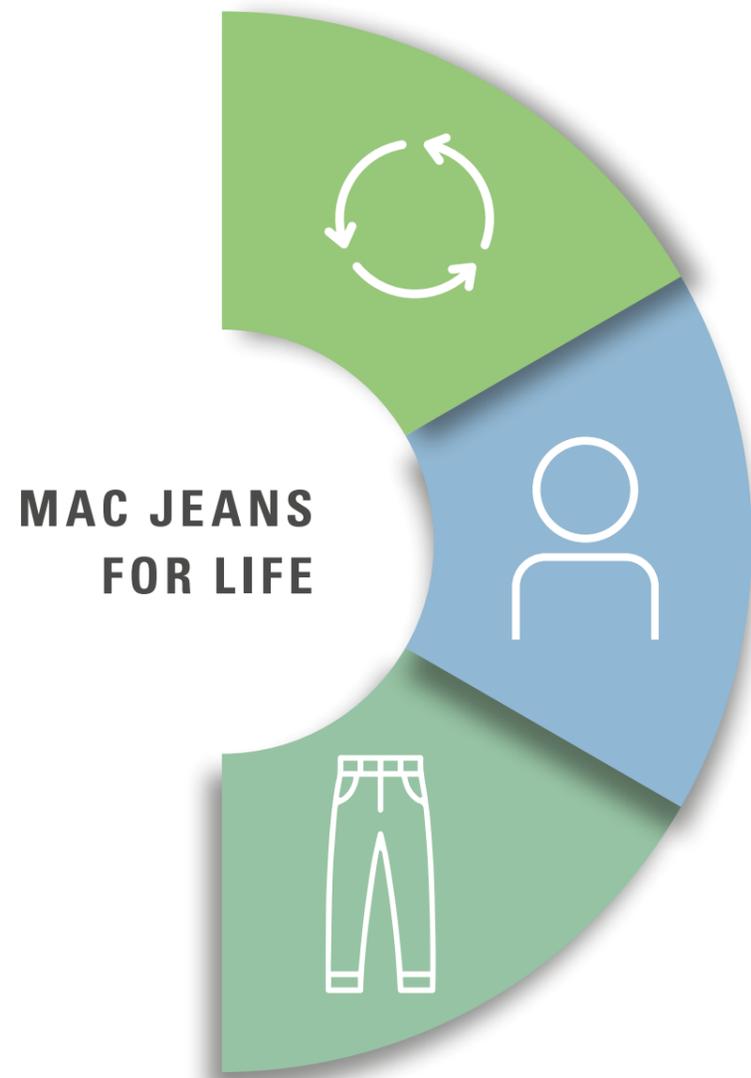
At MAC, we therefore ask ourselves how this intense consumption of resources can be counteracted. The solution lies in the concept of a circular economy. A circular economy means that the raw materials used in the production of a garment can be fully recycled at the end of its useful life and thus reused for as long as possible. The life of existing materials or products should also be maximised. This might be in the form of recycling, but repairing and reselling second-hand clothing also belong to the principles of a circular economy – after all, these methods can extend the useful life and thus the lifecycle of the garment.



Source: Ellen MacArthur Foundation. A New Textiles Economy, 2015

RECYCLABILITY

MAC launched the “MAC Jeans for Life” project at the end of 2021. This initiative bundles our activities for the promotion of a circular economy,



1. Circular product principles

Include the criteria for the development of recyclable products



2. Consumer engagement

Supporting consumers in caring for their MAC trousers with the aim of extending their lifecycle



3. Repairs and end-of-life

Initiatives to extend the lifecycle of MAC trousers and for recycling them

Product

RECYCLABILITY



1. CIRCULAR PRODUCT PRINCIPLES

We started developing the MAC circular product principles in 2022. These defined criteria determine how a pair of MAC trousers can be developed to be durable and recyclable in the product development phase. In specific terms, this specifies how the proportion of recycled materials, the recyclability and the durability of the trousers are to be taken into account.

One key innovation project for us, therefore, is our experiment with the first completely recyclable MAC jeans – the “Circular Nettle” by MAC Jeans. What does that mean exactly? In the development of the “Circular Nettle” by MAC Jeans, we pay particular attention to using as few different biodegradable materials as possible. As a result, these trousers do not contain any elastane fibres because these are very hard to separate for the recycling process using current technologies. We are experimenting with our suppliers on a very high proportion of nettle fibres and as much recycled cotton from post-consumer sources as possible. Nettle fibres are very robust, durable and biodegradable and require much less water to grow than cotton, for example. Buttons that can be unscrewed make it easier to separate the individual components of a pair of jeans in the recycling process. We will completely avoid the use of metal rivets. The label will be completely biodegradable and made from apple pomace.

MAC received the European Green Award for this innovative project.



RECYCLABILITY

2. CONSUMER ENGAGEMENT

MAC trousers should be worn by the consumer with pride for as long as possible.

To ensure that this is the case, we not only take care to select durable, high-quality materials and timeless designs in the product development stage but also support consumers in taking care of their MAC trousers. In our online shop, consumers receive comprehensive information with regard to caring for their MAC trousers. Consumers can also get direct advice at MAC outlets and from specialist retailers. We regularly train our staff and support them with videos that explain sustainability aspects and quality features.



RECYCLABILITY



3. REPAIRS AND END-OF-LIFE

MAC offers consumers a repair service upon request via the online shop. Repairs such as replacing buttons, rivets or stitching are carried out at our sample sewing facility at our headquarters in Wald/Roßbach.

Furthermore, MAC consistently pursues technological developments to further the possibilities of recycling. Full textile recycling, in which a new item of clothing is made entirely from a worn item, is currently only possible to a limited extent. Globally, less than 1% of textile waste is recycled into new clothing.* Recycling is a technically complex process and the quality of the recycled fibre is often inferior to the original fibre.

As a component of our strategy to develop sustainable collections (see pyramid on p. 61), we test innovations in the form of pilot projects and capsule collections. For instance, we developed compostable MAC trousers made of cashmere and denim. Cashmere wool is a natural and renewable raw material that is 100% biodegradable. MAC had already developed a pair of trousers made from worn, recycled jeans in the 2022 autumn/winter collection. In order to guarantee high fibre quality, the recycled fibres were spun with extra-long staple, pesticide-free cotton fibre.



“For our pilot project, we worked with our Italian supplier to develop a special ‘nearshore’ approach for recycling worn trousers into new fibres. All of the recycling process steps, including sorting, separating rivets and preparation, take place within a maximum radius of 50 km.”

Barbara Hirt – Head of Product Management Womenswear

* Source: McKinsey (2022)

5.2 ENVIRONMENT



Environment

WE ACTIVELY REDUCE OUR CONSUMPTION OF ENERGY, GHG AND RESOURCES

PRIORITISED ISSUE	OUR AIM	MEASURES	STATUS	NOTABLE SUCCESSES, 2022/23	SDG FOCUS	IMPACT
Protecting the climate	MAC makes a contribution towards achieving the Paris Agreement by reducing GHG emissions in its value chain	Creating transparency with regard to GHG emissions via a carbon footprint measurement for the value chain and derivation of measures	+	• Launch of climate footprint project	 	 
		Establishing climate-neutral status for the site Wald/Roßbach	👉👉	• PV system went into operation • CO ₂ savings of around 110 tonnes		
		Promoting more climate-friendly mobility	👉👉	• E-charging points at the company headquarters: • Number increased to 41 Switch-over to electric vehicle fleet (70% hybrid or electric cars)		
Protecting resources	We use resources with care	Reduction of water consumption at the site Wald/Roßbach and in the production facilities	∞		  	 
		Reduction of the use of paper and packaging materials where possible	👉👉👉	• 30,000 transportation boxes saved		
		Digitisation of processes	👉👉	• Conclusion of implementation of PLM, continuation of roadmap IT modernisation		
Biodiversity	We protect our ecosystem and promote biodiversity	Promotion of biodiversity and the ecosystem at our headquarters and in the region	∞	• 2023 Blühender Betrieb [Business in Bloom] award		 

Status key



Environment

PROTECTING THE CLIMATE

BOOSTING RENEWABLES AND SETTING CLIMATE TARGETS

The consequences of climate change on people and the environment are already clear to see today. In our country, global warming translates into heat waves, extreme droughts and heavy rainfall. At MAC, we believe it is our responsibility to make a contribution to the central aim of the Paris Agreement to reduce global warming to 1.5 degrees Celsius. As a company, our biggest influence is on the emissions we cause directly. Energy generation and consumption, mobility and transport are among the main causes of emissions in Germany.

In 2021, MAC worked together with the Institut für Energietechnik IfE GmbH at the Technical University of Applied Sciences Amberg/Weiden to create an operational energy concept for the company's headquarters in Wald/Roßbach. The project was funded by the Bavarian Ministry of Economic Affairs, Energy and Technology. One element of the energy concept is the installation of a photovoltaics system. This was installed on the roof in 2022 and then put into operation. Through the photovoltaic system, MAC is able to cover a very large proportion of its energy requirements using its own renewable sources. In terms of carbon emissions, this saves around 110 tonnes every year – a huge milestone on our journey towards climate neutrality at our headquarters in Wald/Roßbach!

Our goal for 2023 is to launch a regional climate protection project and we are starting to calculate our climate assessment (Scope 1 and 2).



PROTECTING THE CLIMATE



PROMOTING MORE CLIMATE-FRIENDLY MOBILITY

MAC has set itself the goal of promoting more climate-friendly forms of mobility for its employees.

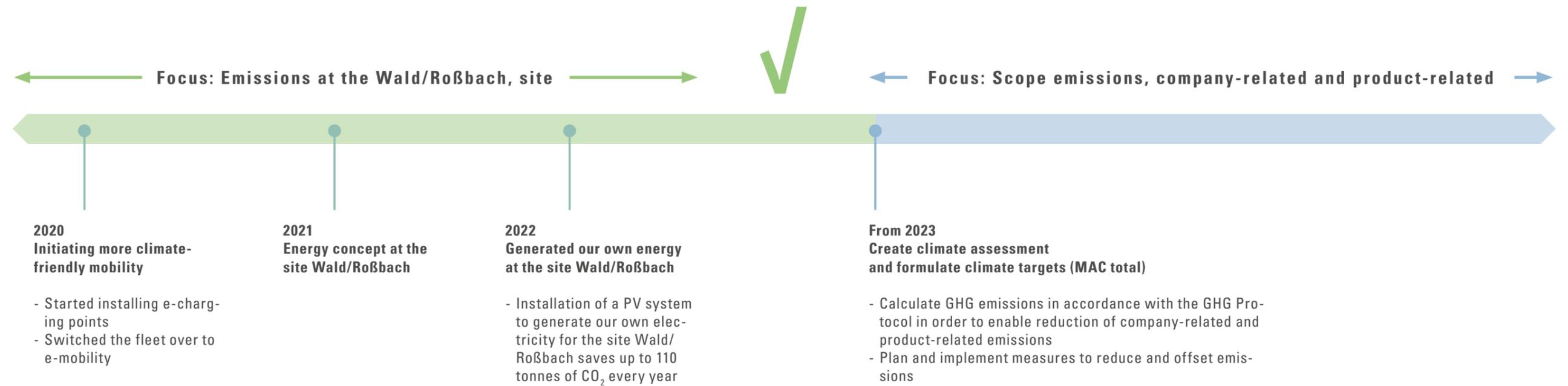
This will help us to reduce CO² emissions caused through our employees' commute to work. Back in 2020, we commenced the installation of e-charging points on our premises in Wald/Roßbach. This measure was continued in 2022. Now, we have 41 e-charging points that can be used by employees and visitors alike. We are also converting to e-mobility solutions for our company cars. 70% of the vehicles in our fleet are already hybrid or electric. The proportion of electric cars is continuing to increase and currently accounts for 26% of the entire fleet.

MAC offers incentives to encourage employees to cycle to work instead of taking the car. Since 2021, MAC has offered employees the opportunity to use the JobRad bicycle leasing programme. Staff can lease their desired bike or e-bike through MAC and benefit from a price discount of up to 40% compared to a conventional purchase. We also want to motivate our customers to use more environmentally friendly mobility options by giving away bikes, for example.

Since 2019, all online orders within Germany have been delivered using the DHL GoGreen service. This option ensures climate-neutral shipping by offsetting the transport-related CO₂ emissions through investments in internationally recognised climate protection projects. From 2022, orders going to the Netherlands will also be delivered with the climate-neutral DHL GoGreen service.

PROTECTING THE CLIMATE

MAC ROADMAP, CARBON FOOTPRINT AND CLIMATE NEUTRALITY:



PROTECTING RESOURCES

WATER AS A RESOURCE WORTH PROTECTING

A large part of the water consumed by the textile industry is caused by the cultivation of raw materials. MAC pays particular attention to the use of materials such as hemp, bamboo and nettle fibres, which use less water to grow. We source 100% of our cotton from sustainable sources. This enables us to make a key contribution to saving water. In the cultivation of Better Cotton™ cotton, for example, farmers use up to 15% less water.*

Our suppliers use innovative technologies like KITOTEX® ** and SaveTheWater® in their fabric production, thus drastically reducing their water consumption. Such processes also enable a reduction in chemical use and energy consumption.

When it comes to dyeing, some MAC trousers are treated with a terra dye that completely renounces the use of synthetic chemicals, opting instead for organic resins and natural enzymes. This natural dyeing process is skin-friendly and uses around 35% less water and approximately 35% less electricity. In addition, water recycling is achieved through wastewater treatment in the MAC production facilities. This enables a significant reduction in the amount of fresh water used.

In the future, we aim to reduce water consumption and wastewater pollution further by using even more sustainable materials and environmentally friendly production and dyeing processes. A key milestone in this will be the MAC Restricted Substances List (RSL), which we are developing in collaboration with the German Fashion textile association.



“We see that there is enormous potential in developing particularly low-impact materials, especially when it comes to reducing water consumption. We already use fabrics containing hemp or nettle fibres and are continually working on other alternatives to conventional cotton.”

Simon Khasani – Creative Director MAC Menswear

*BCI Farmer Results 2018/19

** KITOTEX® Candiani's patented sizing technology

PROTECTING RESOURCES

TOP PRIORITY: ELIMINATING PACKAGING WHEREVER POSSIBLE

The issue of packaging concerns our entire value chain and is a key focus of the MAC sustainability strategy. It is not only the consequences of microplastic pollution of the world's oceans that pose a threat to the environment. Deforestation for the production of paper and cardboard has a huge impact on the climate and environment, too. At MAC, we want to play a part in reducing the environmental impacts of packaging as much as possible. Our top priority is to minimise packaging to the greatest possible extent. However, ensuring that our products arrive with our retailers and customers in a well-protected and undamaged condition, is not yet entirely possible without packaging.

In 2020, we drastically reduced the use of poly bags for shipping to retailers. By completely eliminating individual packaging for our trousers and instead using large outer packaging, we can reduce the amount of plastic packaging used by 92%. Wherever possible, our trousers are packed in paper rather than plastic.

We can also minimise the amount of packaging we use by optimising processes or reducing the returns rate. In 2020, our logistics department was equipped with a new dispatch facility. This not only enables faster order processing, but also helps to reduce the error rate in the picking process and thus lowers the returns rate. Packaging is also reused. By introducing dropshipping, we were able to avoid the use of 30,000 transportation boxes in 2023. Furthermore, customers receive digital invoices, rather than printed ones.



PROTECTING RESOURCES



DIGITISATION OF PROCESSES

The digitisation of processes is one major way to help protect resources. As a result, we started comprehensively updating and expanding our IT architecture back in 2020.

The MAC roadmap also includes the updating of the enterprise resource planning (ERP) system. This enables the digital recording and automation of standard processes. It also saves paper and improves process efficiency, for instance. Logistics and transport processes can be made more efficient and ecological through the optimal exploitation of capacities. In 2021, we were already able to consolidate and optimise our supply of goods in order to minimise transport routes.

The product lifecycle management (PLM) system was also put into operation in 2021. A PLC system unites all product-related data and information gathered over its entire lifecycle in one single system that can be accessed from any location. This enables our design and product development teams to work with the same knowledge as our producers.

The year 2021 also saw the introduction of our digital order platform. This has been in use since 2022. A digital order platform makes it possible to reduce both the number of sample trousers shown to our sales partners when ordering a collection in the MAC showroom and the need for face-to-face appointments that also require our customers to travel. Since fewer sales samples need to be produced, this saves resources. Finally, CO₂ emissions are saved through the reduction in customer travel.

Our pilot projects are also testing the use of 3D avatars in product development or retail.

BIODIVERSITY

PROTECTION OF OUR ECOSYSTEM AT THE SITE WALD/ROSSBACH

Since its very foundation, MAC has always stood in harmony with nature. The extensive MAC company grounds (70,000 m²) in the rolling hills of the Upper Palatine Forest offer the ideal habitat for lots of different plants and animals. Trees and shrubs are perfect hiding places for various species of bird. The flower meadows around the company offices are a sea of colourful blooms in the summer months. We were named a 'Business in Bloom' by the Bavaria in Bloom initiative in 2023. In addition, the diverse flora offers a habitat to numerous small animals and insects such as butterflies, flies, honey bees and bumblebees. The large grounds are also home to several bee hives. A beekeeper looks after the hives, which are spread around the grounds. In 2019, we were able to collect our first honey from a total of 20 bee colonies. In the flowery surroundings and nearby forests and meadows, bees can find plenty of nectar and help to maintain our cultural heritage and agriculture as pollinators. The ecological natural trail that weaves through our premises explains interesting ecological facts.



BIODIVERSITY



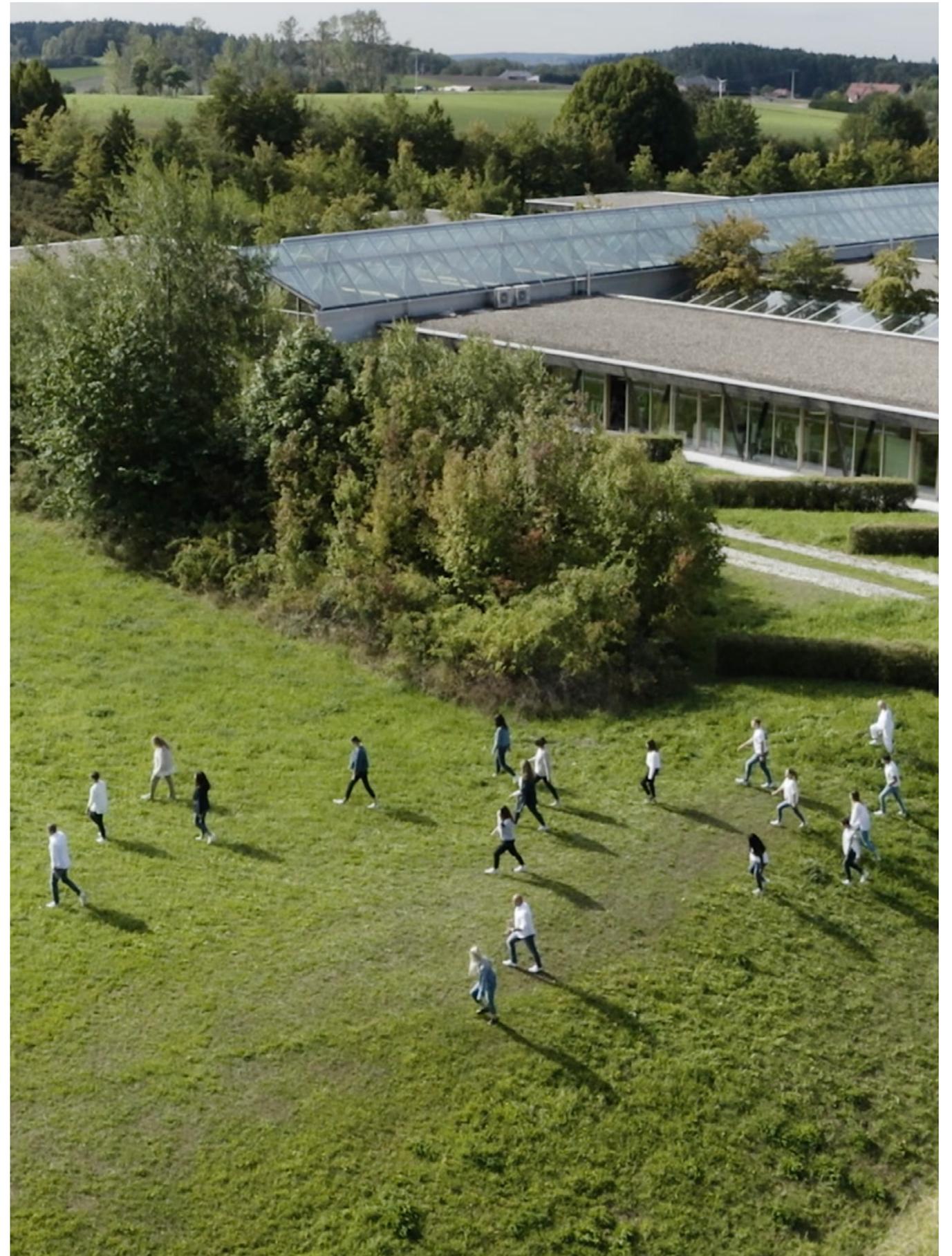
PROTECTION OF OUR ECOSYSTEM AT THE SITE WALD/ROSSBACH

It's not just our company grounds that show our love for nature. Over 20 years ago now, MAC staged a trade fair stand featuring cherry trees. These were then planted on the MAC company grounds. As part of the annual MAC cherry blossom festival, the whole MAC team can now enjoy the beautiful blooms.

Protecting bat species is also very important to us. As a result, we have installed bat boxes on the trees and under the eaves of our company buildings. These are used as hiding places and homes for the endangered mammals.

Renowned photographer Nomi Baumgartl has also been documenting these measures at MAC since 2021. Among many other things, Nomi Baumgartl is an international B.A.U.M. award winner and founder of the EAGLE WINGS project for the protection of the Alps. Her photography reflects her deep commitment to people, animals and nature. MAC also received the EAGLE WINGS Light Ambassador Award in 2022.

5.3 SOCIETY



Society

WE TAKE A SOCIALLY RESPONSIBLE APPROACH – AS AN EMPLOYER, CONTRACTING ENTITY AND COMPANY IN THE REGION

PRIORITISED ISSUE	OUR AIM	MEASURES	STATUS	NOTABLE SUCCESSES, 2022/23	SDG FOCUS	IMPACT
Occupational safety and compliance	Offering all employees along the entire value chain a safe workstation and a safe working environment (MAC and producers)	Implementation of the MAC Code of Conduct			  	
		Systematic supplier management based on audit results				
		Establishing risk and compliance management		<ul style="list-style-type: none"> Compliance guidelines project launched, go-live in Q4 2023 		
Employees and employee development	We are the most attractive employer in the region	MAC creates an attractive working environment		<ul style="list-style-type: none"> Launch of FIT FOR MAC, including weekly back exercises 	 	
		MAC employees can hone their skills through individual training programmes				
Social commitment	We practise responsible business and want to give some of our success back to society	MAC makes annual donations to social projects (monetary and in kind)		<ul style="list-style-type: none"> Support for LichtBlick Seniorenhilfe e. V., Sauti Kuu Foundation, donating trousers for Ukraine 		

Status key

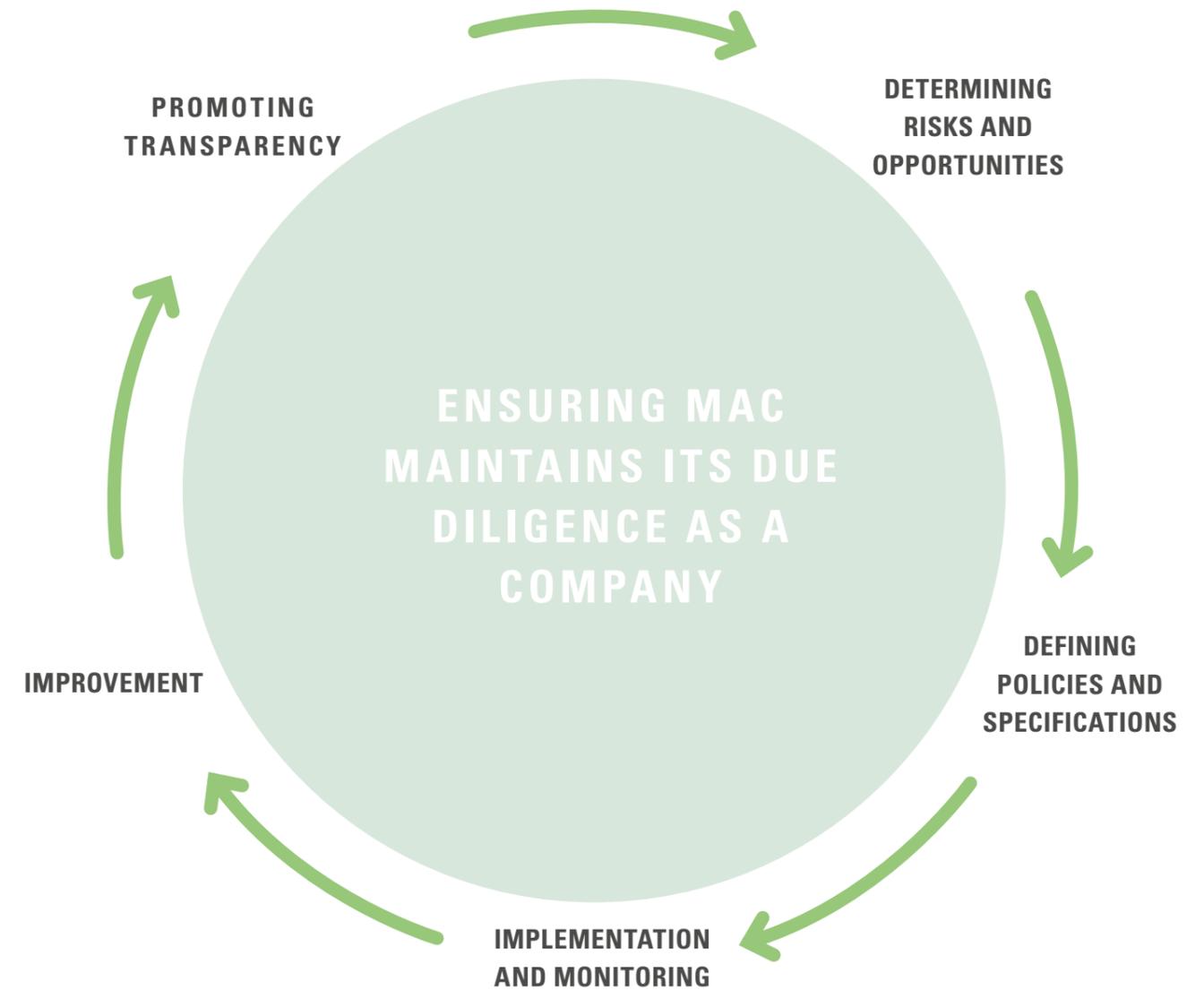


OCCUPATIONAL SAFETY AND COMPLIANCE

ESTABLISHING RISK AND COMPLIANCE MANAGEMENT

It is MAC's aim to meet the requirements of the German Supply Chain Act and to guarantee compliance with these requirements. To do this, MAC has initiated the following process:

- 1. Continually increasing transparency in the supply chain (internally and externally):**
 - Implementing measures to improve transparency in the supply chain.
 - Taking into account internal and external data in order to obtain a comprehensive view of the supply chain.
- 2. Conducting risk analyses to identify social impacts in the supply chain.**
 - Evaluating potential risks and impacts on social issues in the supply chain.
 - Identifying areas where improvements are required.
- 3. Defining policies and specifications (including Code of Conduct):**
 - Developing policies and specifications to set out our expectations of the supply chain.
 - Integrating a Code of Conduct that defines ethical standards and social responsibility.
 - Implementing the compliance policy project with go-live in the fourth quarter of 2023.
- 4. Implementation and monitoring:**
 - Consistent implementation of the policies and specifications in the supply chain.
 - Regular monitoring to ensure compliance.
 - Regular audits and supplier assessments.
 - Monitoring performance and compliance with specifications.
- 5. Improvement:**
 - Partnership with suppliers to improve any identified shortcomings.
 - Facilitating an effective complaints system in order to address concerns and complaints.



SAFE WORKING AND A SAFE WORKPLACE

SAFE WORKPLACES ALONG THE ENTIRE VALUE CHAIN

MAC's goal is to provide a safe workplace and working environment for all employees throughout the value chain. This has always been a priority for MAC. The implementation of the MAC Code of Conduct throughout the supply chain and within the company itself therefore represents a key milestone. The Code of Conduct serves as a binding basis for our business relationships and our suppliers and business partners are required to pledge their commitment to it.

MAC CODE OF CONDUCT (EXCERPT)



Prohibition of forced labour and disciplinary measures

Employment is voluntary; i.e., all forms of forced labour are prohibited. No employee may be mentally or physically punished as a 'disciplinary measure'.



Prohibition of child labour

All employees must be at least 16 years old. Where national regulations stipulate a higher age, these shall prevail.



Fair remuneration

Wages must at least correspond to the statutory regulations and/or standards of the local economy.



Special protection measures for young workers

Young people may not work at night. They are also protected against working conditions that endanger their health, safety, morals or development.



Prohibition of discrimination

Discrimination is not tolerated in any form! All employees and workers must be treated equally.



Freedom of association and collective bargaining

Employees and workers have the right to form or join a workers' association or trade union of their choice for the purpose of collective bargaining.



Safety in the workplace

Adequate measures must be taken to prevent occupational accidents and to protect the health of employees.



Working hours

Working hours must comply with the applicable national legislation. Every employee has the right to at least one day off after six consecutive working days.

SAFE WORKING AND A SAFE WORKPLACE

AUDITS

Enforcing and ensuring fair working conditions within complex supply chains is no easy feat for companies in the textile industry. We make sure that our suppliers and producers are audited by organisations like amfori BSCI or SA8000. Audits take place at least every two years. Regular visits to our production sites mean we can also gain a clear idea of the working conditions for ourselves.

AMFORI AUDIT SCOPE (EXAMPLE)

Monitoring result for DENIM AUTHORITY S.A. on site Site 1



Monitoring

Monitored Party : DENIM AUTHORITY S.A.
 amfori ID : 788-000094-000
 Site : Site 1
 Site amfori ID : 788-000094-001
 Address : Boulevard de l'Environnement
 : 7070, Ras Jebel
 : Bizerte
 : Tunisia

Monitoring Activity : amfori Social Audit - Manufacturing
 Monitoring Type : Full Monitoring
 Submission Date : 13/04/2022
 Expiration Date : 13/04/2024

This is an extract of the online monitoring result, generated on 15/04/2022, and is only valid as an acknowledgement of the result. To see all the details, review the full monitoring result, which is available [here](#) - The English version is the legally binding one.

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Overall rating

A

B

C

D

E

None

▲

Section rating

PA1: Social Management System	B
PA 2: Workers Involvement and Protection	A
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	A
PA 5: Fair Remuneration	A
PA 6: Decent Working Hours	A
PA 7: Occupational Health and Safety	A
PA 8: No Child Labour	A
PA 9: Special Protection for Young Workers	A

- 1 / 6

Society

EMPLOYEES AND EMPLOYEE DEVELOPMENT

MAC firmly believes that motivated employees are key to a company's success. Our aim is to create an attractive and appreciative working environment that nurtures the well-being and health of employees. At MAC, our work motto is 'It's better together!' – cohesion, listening to and learning from each other lie at the very heart of the MAC corporate culture.

VOCATIONAL TRAINING AND ADVANCED TRAINING

MAC believes in nurturing individual skills and offers a wide range of training and further development opportunities. This also includes dual courses of study and vocational qualifications. In the technical side of the business, for example, 18 apprentices are being trained in vocations such as stitcher, dressmaker, tailor and model maker. However, we are also a leading provider of vocational training in the region in the business professions, marketing and IT. Furthermore, there are also regular internal training courses available not only to employees but also to apprentices and students. We also regularly invite external employees from our retail partners to training sessions.

We actively invest in good-quality training in order to continually expand and improve the knowledge and skills of our employees and apprentices.



Society

EMPLOYEES AND EMPLOYEE DEVELOPMENT

The MAC three pillar model for our employees:



FLEXIBLE WORKING AT MAC

- Flexible working hours
- Mobile working
- Work from abroad
- 30 days' holiday/year



FIT FOR MAC

- JobRad bicycle leasing scheme
- Weekly back exercise class for all employees during working hours (FIT FOR MAC)
- Power snacks corner with drinks, nuts and fruit
- Two chefs meet our employees' culinary needs
- Company pension plan



ATTRACTIVE WORKING ENVIRONMENT

- Staff events such as the cherry blossom festival
- Cooking events every month
- Coffee bar (barista course)
- 41 electric charging points at our headquarters
- Extensive MAC grounds in a natural setting, awarded with various architecture prizes

Society

SOCIAL COMMITMENT

As a company, it is important to us to give back a little of our success. MAC therefore supports charitable institutions with monetary donations and donations in kind and is actively involved in social projects. This tradition already has a long history at MAC. With these contributions, we want to make a positive impact on society and help to promote social projects and help disadvantaged people.

MAC turns Black Friday into Bright Friday

Last year, we launched another fundraising campaign to help the LichtBlick Seniorenhilfe e. V. senior citizens' support group. For each pair of trousers purchased, we donated 5 euros to the charity. LichtBlick Seniorenhilfe helps senior citizens living in poverty by providing emergency financial assistance, shopping vouchers or meals on wheels, for instance.

Support for the Sauti Kuu Foundation

We have also been supporting the work of the Sauti Kuu Foundation headed by Dr Auma Obama since 2021. Sauti Kuu is committed to helping disadvantaged children and young people in Kenya and Germany. Through the provision of education and training, the Foundation seeks to encourage children and young people to discover and unlock their own resources and potential in order to achieve sustainable economic independence.

#Proud to help

Together with the Order of Malta Volunteers in Passau, MAC donated trousers for people in Ukraine.

Supporting universities

In addition to our social projects, we also support various research and education projects at universities.





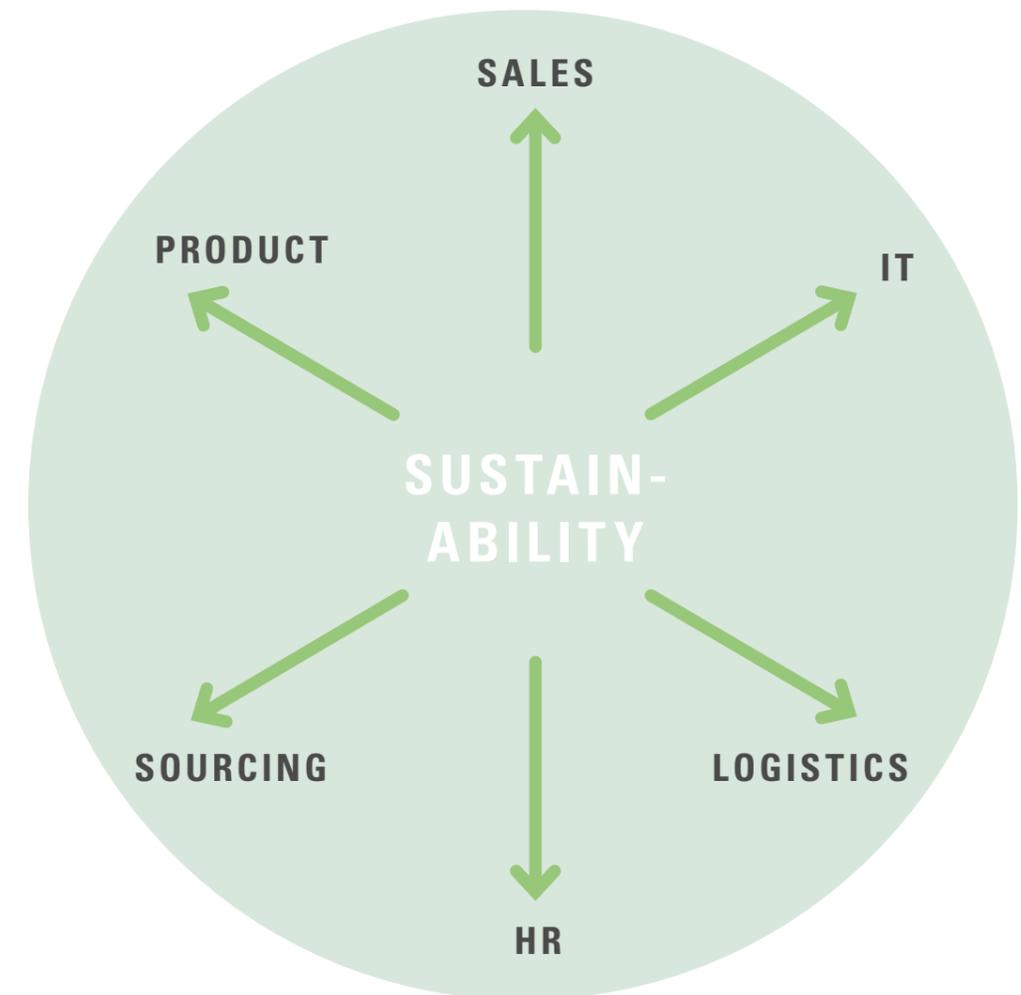
6. MANAGEMENT CORPORATE GOVERNANCE

Management

SUSTAINABILITY MANAGEMENT AT MAC

At MAC, sustainability is something that affects all areas of the business. The implementation of our sustainability strategy requires change both in the organisational structure and in the organisation of processes.

We make sure that the overall transformation process applies to the entire company. From the executive management to the employees, every single person plays a part in this interdisciplinary process. We are certain that sustainability requires a comprehensive approach. As a result, sustainability management is anchored throughout the entire company.

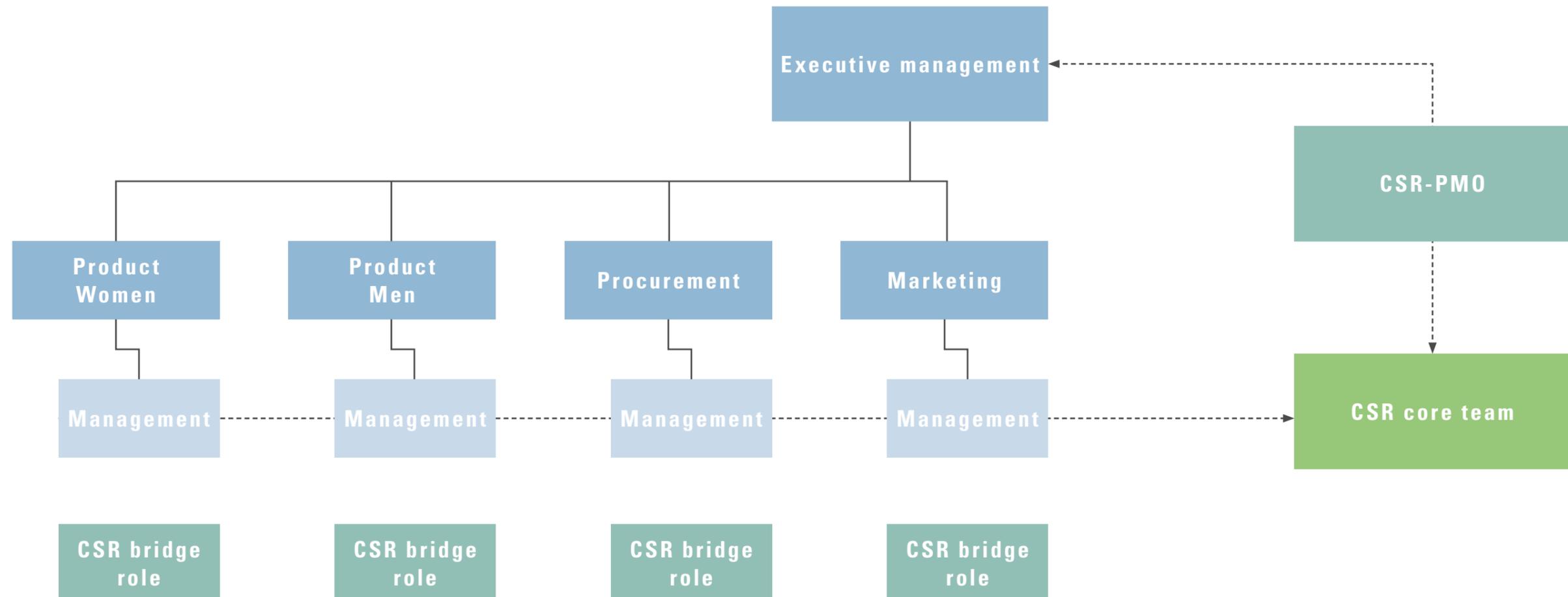


Management

ORGANISATIONAL INCORPORATION

From an organisational perspective, our Corporate Social Responsibility (CSR) team is integrated at the executive level with a project management office (PMO). This means that sustainability is not the isolated remit of a single department but is enshrined in the day-to-day processes at MAC.

The responsibility for sustainability extends to the specialist divisions, supported by what are known as bridge roles. These roles champion the topics of innovation and research in particular. With this structure, we ensure that sustainability is taken into account and driven forwards in all areas of the company.



Management

RESPONSIBILITIES AND ROLES



Role

Tasks

CSR core team

- Develop strategic targets and measures
- Manage sustainability in the specialist divisions

CSR-PMO (project management office)

- Project controlling of the sustainability measures
- Establishing sustainability policies (e.g. Code of Conduct)
- Sustainability communication
- Responsible for sustainability reporting and monitoring

CSR Manager, specialist divisions

- Project management and implementation of the sustainability measures by specialist division
- Data collection for sustainability reporting

Management

PROCESS ORGANISATION: THE PROCESSES BEHIND THE ORGANISATION

Every year, the strategic targets and measures are developed together with the management and the Corporate Social Responsibility (CSR) core team. The implementation and monitoring of the measures is taken care of by the project management office (PMO). There is an inter-departmental project controlling and management team that reports directly to the executive management.

The core team meets at least once a month in order to discuss measures and the progress of sustainability targets. Thanks to our flat hierarchies, we can make decisions and implement measures quickly. Employees are regularly kept up to date on sustainability issues through the company's internal newsletter. With this structured approach, we can guarantee continual monitoring of progress and are in a position to be able to effectively track the status of our sustainability targets.



Management

OUR RESPONSIBILITY IN THE SUPPLY CHAIN



Responsible business practices, fairness and the considerate treatment of people and nature are essential elements of our corporate culture. At MAC, we set great store by the respectful treatment of others – both within the company and with our business partners.

We strive for long-term partnerships as equals with all of the partners in our supply chain. Our purchasing strategy is based on trust and continuity. These values enable great transparency and peace of mind with regard to where our products are manufactured, and under what conditions. We only work with partners that share and implement our requirements in terms of working conditions and responsibility for the product.

We are committed to upholding human rights and safeguarding fair working conditions. We also expect this from our business partners throughout the entire value chain. Our values are safeguarded by the MAC Code of Conduct, which is the basis for our business relationships. We strictly require our suppliers to comply with our requirements. Our Code of Conduct is available to download from our website at: <https://corporate.mac-jeans.com/en>.

Management

WHERE OUR PRODUCTS ARE MANUFACTURED

Since our production takes place exclusively in Europe and neighbouring countries, our supply chain is more resilient to disruptions in globally networked supply chains. This makes MAC a reliable partner for specialist retail. The short transport routes also protect the environment. By way of comparison, the CO₂ emissions for MAC transport are far lower than air freight or sea freight from Asia. Through regular visits to our production facilities and many years of trusting collaboration, we are able to monitor compliance with social standards much more effectively and know how and under which conditions MAC trousers are made.





EDITORIAL NOTES

This report presents developments and events for the reporting period January to December 2022.

Throughout this report, gender-specific terms may have been used to refer to individuals for the purpose of easier readability. This should be construed to include all gender identities.

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Nature and company photos by Nomi Baumgartl





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