

# Matthews

INTERNATIONAL®

## SUSTAINABILITY REPORT

### Fiscal Year 2020

Guided by a strong sense of purpose, Matthews International Corporation (“Matthews” and/or the “Company”) is committed to assessing and addressing concerns associated with climate change and the current rate of resource depletion in the world. By driving equipment efficiency, reducing greenhouse gas emissions and improving efficiency throughout our operations and our supply chain, the Company endeavors to make a meaningful contribution in addressing these profound global environmental challenges. The Company recognizes that this commitment must be embedded in our standard business practices everywhere we operate in order to achieve the necessary scale of response.

**We are committed to:**

## **Taking Care of Our Planet**

We are committed to actions that restore and preserve the environment.

## **Waste Reduction**

We are committed to reducing waste and pollutants while conserving resources and recycling materials at every stage of the product life-cycle.

## **Water Conservation & Quality**

We believe that access to water is a human right. We are committed to responsibly using water while taking actions that preserve water quality and conservation across our operations, in our supply chain and in the communities in which we operate.

## **Greenhouse Gas Emissions & Climate Change**

We believe climate change is real and are committed to the public disclosure of our greenhouse gas (GHG) emissions and taking actions to reduce them.

## **Energy Management**

We are committed to energy conservation and energy efficiency improvements throughout our global facilities and operations.

## **Environmental Management System**

We are committed to a systematic management approach to minimizing and eliminating our environmental impacts around the world. We will consistently and continually assess the impact of our operations and our products on the environment and the communities in which we live and operate in with a goal of continuous improvement.

## **Improving Technologies**

We are committed to vigorously pursuing the development and implementation of technologies for minimizing pollutant emissions from our products and our operations.

## **Environmental Stewardship**

We are committed to participating actively in educating the public regarding environmental conservation and biodiversity.

## **Responsible Sourcing**

We are committed to responsible sourcing and working with our suppliers to develop sustainable solutions.

## **Obeying Environmental Regulations & Policies**

We are committed to working with all government entities for the development of technically sound and financially responsible environmental laws, and to complying with applicable government laws and regulations.

## ENVIRONMENTAL MANAGEMENT SYSTEM

All manufacturing facilities that Matthews International owns and operates, and our non-manufacturing sites around the world, are guided by its Environmental Management System (EMS). Matthews International's EMS combines elements of ISO 14001 and management system elements that are unique to our operations.

Matthews EMS specifications are designed to drive a continuous performance improvement cycle in line with legal requirements, site-specific objectives and targets, and corporate and regional policies and strategies.

Overall, each of our global manufacturing operations has integrated their EMS within the Matthews Management System (MMS) and continuous improvement process, resulting in an EMS with attributes specified in ISO 14001. This integration ensures we achieve our environmental commitments as a normal part of our business activities.

MMS incorporates the tracking of the Company's energy and water usage, solid waste and GHG at the site, segment and enterprise level. MMS then uses this data to target areas for improvement and use of our Sustainable Improvement Process Events ("SIP Events") that are modeled after our Operational Excellence Events. MMS uses SIP Events as part of the Company's conservation effort to reduce the amount of energy and water consumed, as well as reduce the amount of solid waste and GHG that are expelled into the environment.

*An example of a SIP Events project at the Company:*

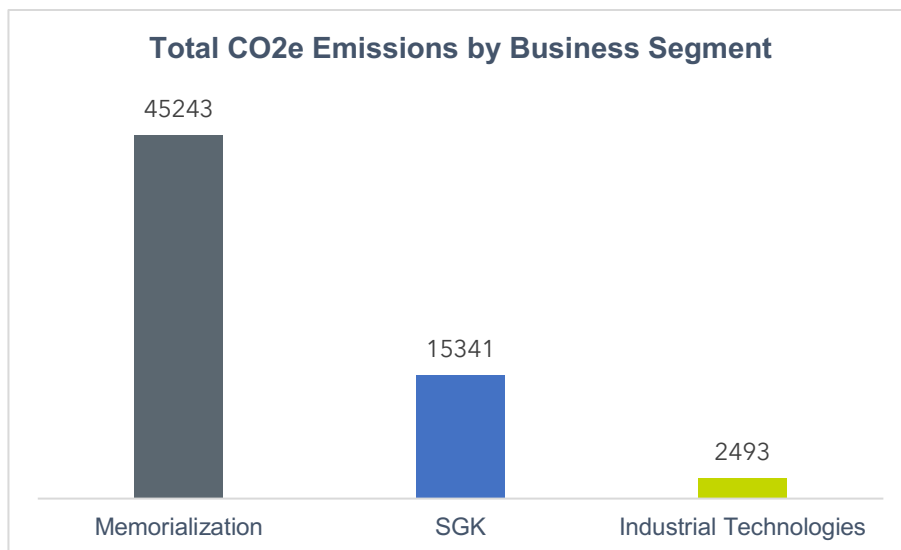
The conversion of existing facility lighting to low energy consumption LED that reduced consumption by 365,000 KWH per year and the electrical spend by more than \$25,000 per year.

## SUSTAINABILITY METRICS

Matthews is committed to reducing energy and water usage, solid waste and GHG emissions by 10% by 2030.

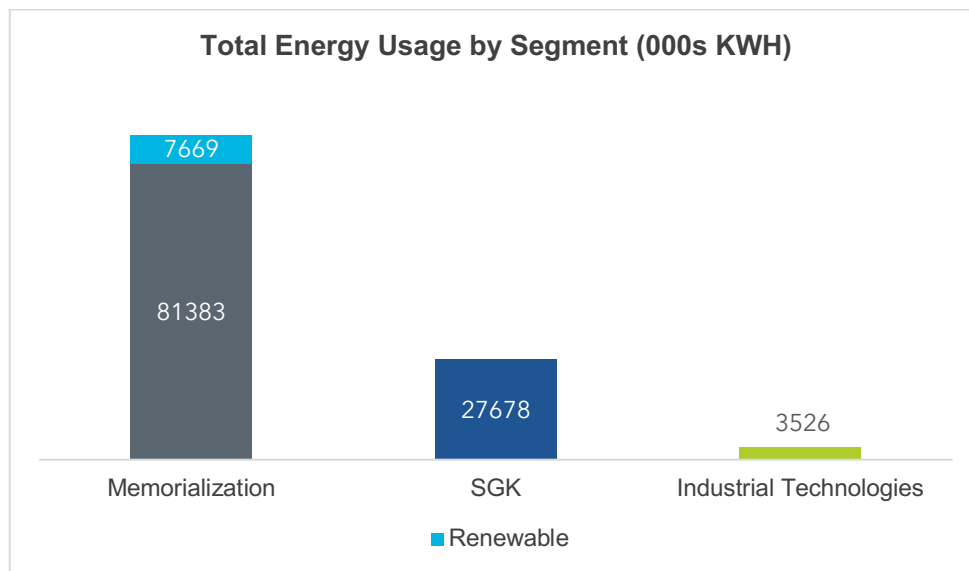
### GHG

Matthews is committed to increasing the energy efficiency in our operations and investing capital to upgrade to more energy efficient products. Matthews International's climate change strategy is to continue to use the Company's MMS improvement model and upgrade technologies to reduce Matthews' energy usage and GHG emissions.



We are targeting a 10% reduction in both energy usage and GHG emissions for the Company overall and in each of the three segments (Memorialization, SGK Brand Solutions and Industrial Technologies) in the next ten (10) years.

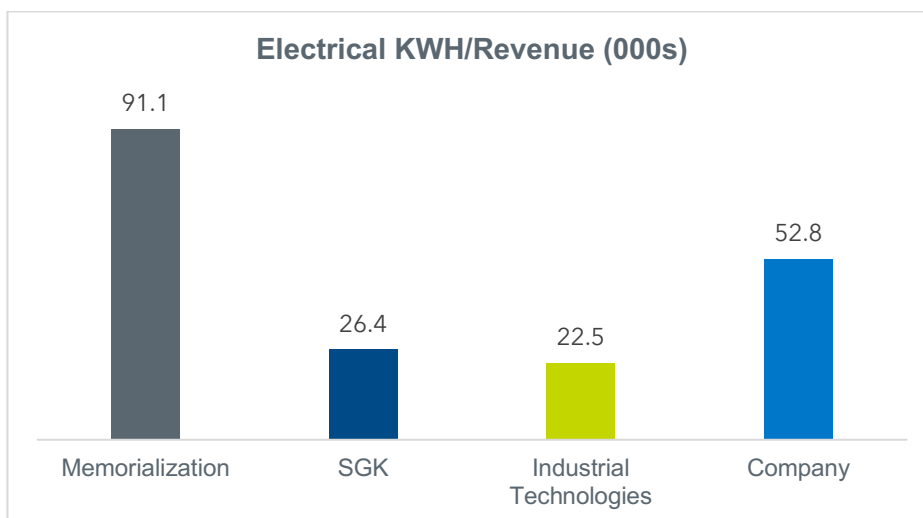
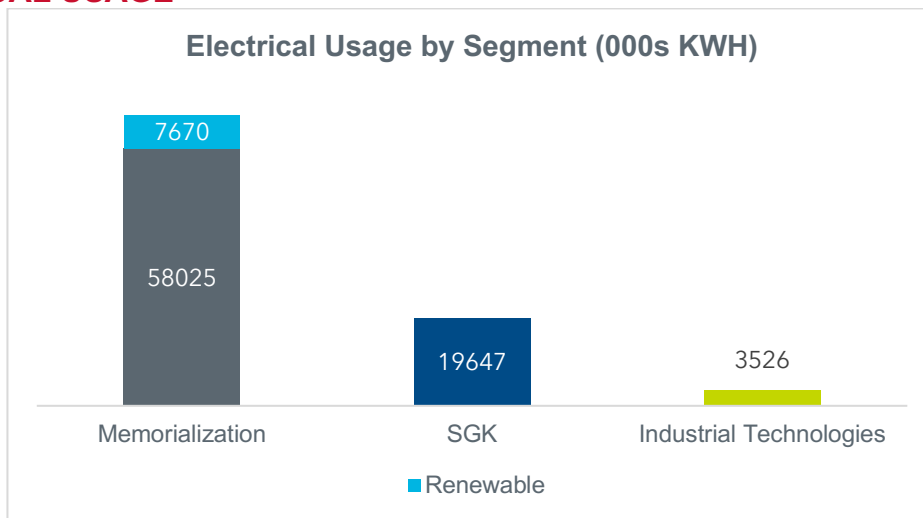
## TOTAL ENERGY



Matthews consumed a total of 120,256,000 KWH of energy in FY2019.

- 7,669,000 KWH of energy was from renewable resources representing 6.4% of overall energy use.
- 112,587,000 KWH of energy was from non-renewable sources representing 93.6% of overall energy use.

## ELECTRICAL USAGE



Matthews uses 81,199,000 KWH from electrical power.

- 7,670,000 KWH are derived from renewable resources and represents 9.4% of the total electricity used.
- 73,529,000 KWH of electricity is from the grid and represents 90.6% of the total electricity used.

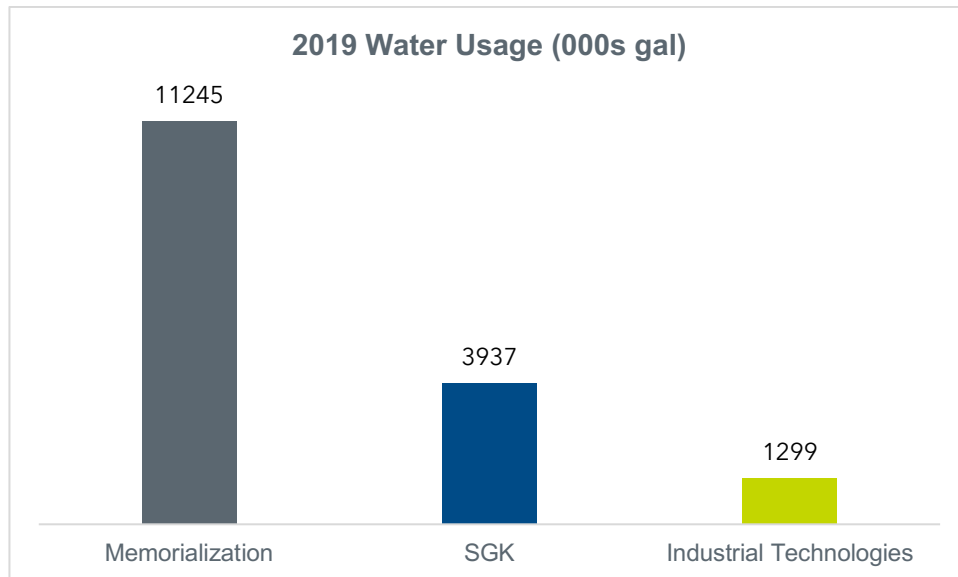
Matthews' goal is to reduce electrical usage by 10% by 2030, which would result in a reduction of 8,120,000 KWH per year. The Environmental, Social and Governance (ESG) Steering Committee reviews opportunities for all improvements on a quarterly basis to ensure that this goal will be met.

## WATER

Water scarcity affects every continent and around 2.8 billion people around the world at least one month out of every year. More than 1.2 billion people lack access to clean drinking water. Water scarcity involves water stress, water shortage or deficits and water crisis.

Water scarcity and shortages can be caused by climate change, such as altered weather patterns including droughts or floods, increased pollution and increased human demand and overuse of water.

Matthews is a responsible steward of the Earth's resources and strives to use the water we need for manufacturing in the most efficient means possible. MMS also seeks to reduce water usage through SIP Events and in capital projects by purchasing equipment that uses water more efficiently.



## HAZARDOUS WASTE

Matthews seeks to reduce the solid waste it produces and recycle the waste that can be recycled. MMS is focused on making operations more efficient to ensure the minimal amount of waste is produced in our manufacturing processes.

Matthews waste recycling program is co-managed by the Company's purchasing group, global ESG steering committee and the site operations teams. These teams are aligned on reducing the waste from both operations and packaging by 10% by 2030, which will reduce to total amount of solid waste produced by 103,000 pounds.

Matthews International has made significant improvement in reducing hazardous waste and waste to landfill while increasing waste that is recycled.

