



As part of the CSR Directive Implementation Act (CSR-RLUG), MAX Automation SE has been reporting on the key sustainability aspects in a separate non-financial report since financial year 2019. This report is based on the requirements of the German Sustainability Code (GSC). In a separate chapter starting on page 12, we comply with our first reporting obligation to fulfil the requirements pursuant to Article 8 of the Taxonomy Regulation (EU) 2020/852.

The MAX Group is committed to the principles of sustainable action. In our understanding, strategy and sustainability aspects cannot be separated. Doing business sustainably means acting responsibly in the long term and creating added value economically, socially, and ecologically for all stakeholders of the MAX Group. The question of long-term growth sectors and the associated optimal technological solutions cannot be answered without integrating ecological and social aspects.

## THE BUSINESS MODEL

The listed company MAX Automation SE that has its headquarters in Düsseldorf is a medium-sized finance and investment company with portfolio companies in relevant niche markets of manufacturing automation and robotics. The MAX Group consists of the lead company MAX Automation SE as the holding company (MAX Holding) as well as its portfolio companies and their subsidiaries. With the strategy adopted in April 2021, we are in the midst of further development into a cash flow-oriented finance and investment holding company with an actively managed portfolio of autonomous, flexibly operating portfolio companies. The strategy is aimed at building a leading and diversified, long-term oriented portfolio of companies consisting of investments in growth niche markets in order to generate attractive cash flows as well as additional funds through disposals of portfolio companies, thereby generating a regular dividend and value increases for shareholders of MAX Automation SE.

Our portfolio companies offer their customers technologically sophisticated automation solutions for the automotive, electrical, recycling, raw materials recycling, and packaging industries as well as medical technology, among others. In particular, there is additional market potential particularly in the areas of recycling, electromobility and in-vitro diagnostics. As full-range suppliers for machines, plants and integrated automation solutions, our portfolio companies develop solutions in close coordination with their customers, both in Germany and internationally. Our companies operate through an international network of sales and service locations in Europe, North America, South America, and Asia. Development and production sites are mainly located in Germany and also in the US, Singapore, and Italy.

The portfolio companies of the MAX Group are allocated to eight operating segments, which corresponded to the amended segmentation according to IFRS at the end of financial year 2021.

The bdtronic Group segment (bdtronic GmbH and its subsidiaries), headquartered in Weikersheim (Baden-Württemberg), develops, produces, and sells machines and systems with integrated software solutions for high-precision manufacturing processes (1C and 2C dispensing technology, impregnation technology, hot riveting, and plasma pre-treatment) for the automotive, electronics and medical technology industries. It is an established partner for the mobility of the future and positions itself as a quality leader in dispensing technology and technology leader in impregnation technology.

The Vecoplan Group segment (Vecoplan AG and its subsidiaries), headquartered in Bad Marienberg (Rhineland-Palatinate), develops, produces, and installs machines and plants for the shredding, conveying, and processing of primary and secondary raw materials mainly for customers in the wood and recycling industry, the waste

disposal industry and the paper and plastics industry. The Group positions itself as a technological pioneer with strong market positions in Europe and the US.

The MA micro Group segment (MA micro automation GmbH and its subsidiaries), headquartered in St. Leon-Rot (Baden-Württemberg), positions itself as a technology leader for automation solutions in microassembly, particularly for the medical technology and optronic industries. The focus is on the development, manufacture and distribution of production, assembly and testing systems for medical and optical components such as lenses, lasers, and camera modules, as well as for medical products such as contact lenses, Tip&Cup, stents, or insulin pens.

The AIM Micro segment includes AIM Micro Systems GmbH, based in Triptis (Thuringia), a specialist in the field of sensors and optoelectronics with technologically leading solutions in the photonics market. It develops, produces, and distributes technologies for the manufacture of optoelectronic modules and micro-optical components for customers in the medical technology and sensor industry as well as the aerospace industry.

The iNDAT segment (iNDAT Robotics GmbH), headquartered in Ginsheim-Gustavsburg (Hesse), develops, manufactures, integrates, and maintains industrial robots as well as robot controllers for quality assurance, assembly, and assembly control as well as function testing and robot-based applications. It offers software applications as well as holistic plant systems for robotics and manufacturing automation, primarily for customers in the automotive industry. On 8 February 2022, a resolution was passed to wind up the company (see the Supplementary Report in the Notes to the 2021 Financial Report).

The NSM + Juecker segment comprises the two companies NSM Magnettechnik GmbH, headquartered in Olfen (North Rhine-Westphalia), and Mess- und Regeltechnik Juecker GmbH, headquartered in Dillingen (Saarland). The segment is a technological leader in system solutions in the field of highly automated high-speed handling systems for metal parts. This includes, on the one hand, automation solutions for pressing plants at customer sites in the automotive industry and, on the other hand, customised solutions for high-performance transport systems for cans, lids and closures in the manufacturing and filling industry. The segment is also a specialised supplier of measurement and control technology and the related software for complex automation processes and systems in drive and automation technology. This includes furnace construction, control, and protection technology, drive technology and control cabinet construction.

The Elwema segment (ELWEMA Automotive GmbH), headquartered in Ellwangen/Jagst (Baden-Wuerttemberg), develops, and implements customised manufacturing solutions in testing, assembly, and cleaning technology for the automotive industry, especially for the engine, transmission, and steering sectors. The company positions itself as a systems specialist with a focus on high-quality, resource-efficient solutions with high process reliability.

Our segment Other includes the former IWM companies (IWM Automation Bodensee GmbH, IWM Automation GmbH, IWM Automation Polska Sp. z.o.o.), which are largely in the process of being wound up and liquidated (please see our 2021 Financial Report).

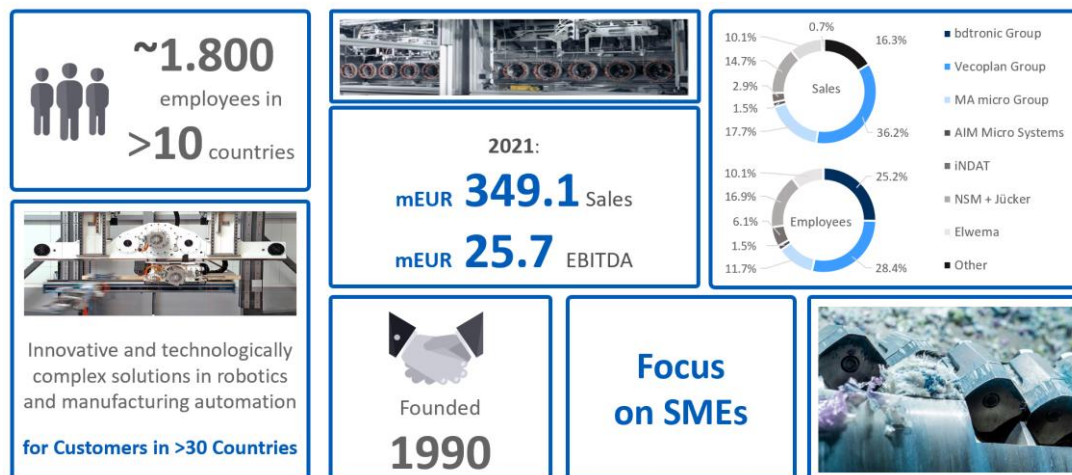


Fig. 1: MAX Group at a glance

Macro trends such as mobility, health, sustainability, and automation/robotics form the foundation for a long-term increase in demand for the solutions our portfolio companies offer. By providing solutions for the realisation of e-mobility and smart mobility, the development of innovative production technologies in medical technology, the promotion of environmentally friendly materials and resource-conserving circular economy, as well as solutions for the continuous automation and digitalisation of manufacturing, we can make a significant contribution to sustainability on the product side. As protecting our environment and climate is one of the greatest challenges of our time, we strive to reduce our ecological footprint by minimising greenhouse gas emissions and maximising resource efficiency.

## ESG APPROACH IN THE MAX GROUP

ESG measures have been implemented decentrally by our individual portfolio companies thus far and have not been coordinated centrally at the Group level. In order to bundle the ESG activities of the entire Group, we have started to develop a Group-wide and long-term ESG Strategy in 2021, which should enable central coordination and support of our portfolio companies in the design and implementation of their respective ESG activities. For example, we have identified initial successful ESG projects implemented at individual portfolio companies and plan to roll out such successfully implemented projects across the Group. As part of the main ESG Strategy, we will introduce Group-wide performance indicators that will enable us to efficiently measure and review the success of the various ESG initiatives implemented at the level of our individual portfolio companies.

We also take the stakeholder perspective into account for our ESG Strategy. Various stakeholders are increasingly addressing their questions on sustainability to us and our portfolio companies. Through the broad range of heterogeneous stakeholder views, we have the opportunity to share the aspects of our actions with the most diverse stakeholder groups.

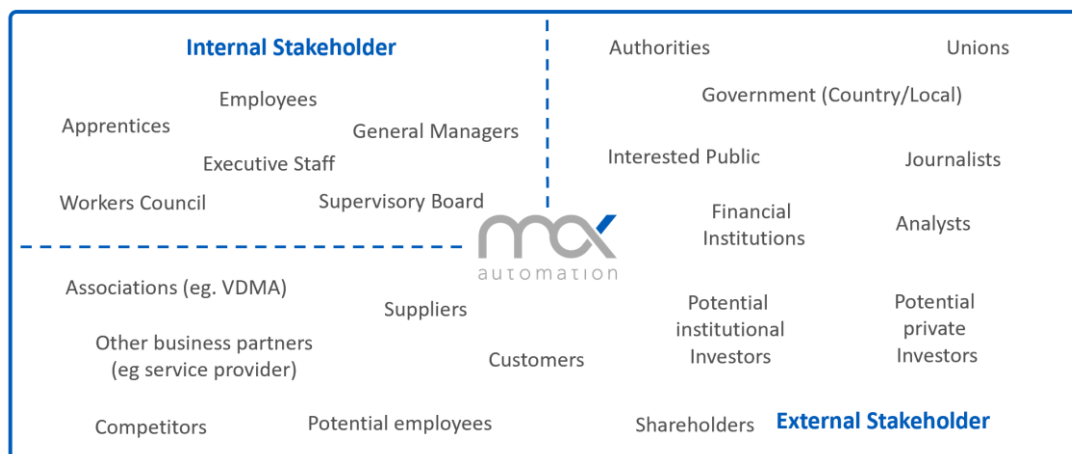


Fig. 2: MAX Group stakeholder overview

In discussions with our stakeholders – in particular shareholders and investors as well as clients of our portfolio companies – focal points have emerged with regard to the three sustainability-related areas of environmental, social and governance (“ESG”), which we are focusing on implementing as part of various initiatives:

#### I. Environmental

Our customers expect and receive technological solutions from us that optimise their own manufacturing processes and thus make a direct contribution to improving their personal eco-balance. Our portfolio companies have also launched individual measures at their sites (e.g., photovoltaic systems, LED lighting in the production halls, ISO 14001 certifications) to produce energy even more efficiently.

#### II. Social

Social responsibility has many facets and must be exercised both internally and externally. From an internal perspective, we can only ensure sustainable profitability together with our employees. Consequently, we are actively addressing the requirements that arise, among other things, from generational change and digitalisation. We translate this approach into active external communication.

#### III. Governance

Sustainable company action requires a holistic management principle that brings together the aspiration bases of all stakeholders in the best possible way. We see good corporate governance in responsible, value-based management and control of the company that is geared towards long-term success. It is our mindset for managing internal and external risks in the best possible way.

Transferred to the specified five topic areas of the CSR-RLUG, the aspects mentioned are concretised as follows:

##### Environmental issues:

- Reduction of CO<sub>2</sub> emissions
- Increasing resource efficiency

##### Employee matters:

- Recruitment and development of committed employees
- Health protection and occupational safety

**Social issues:**

- Added value for customers through innovative and high-quality products
- Strengthening the dialogue with stakeholder groups

**Respect for human rights**

- Avoidance of human rights violations
- Prohibition of child labour

**Combating corruption and anti-competitive behaviour**

- Code of Conduct
- Acting with integrity

In the following, the aspects mentioned and those contained in the ESG approach of the MAX Group are dealt with in more detail. The topic “Combating corruption and anti-competitive behaviour” is integrated into the chapter entitled “Governance.”

## Environmental issues

Climate change is one of the greatest challenges of the 21st century. To protect our environment and the climate, we always strive to align our own actions to minimise greenhouse gas emissions and maximise resource efficiency. Due to their business models in the field of assembly, mechanical engineering and plant construction, our portfolio companies have low-emission and low-imission production processes. In addition, the majority of our production sites are located in Germany, the European Union or the US and are therefore subject to strict environmental laws, norms and/or high standards. We reduce environmental impacts to the lowest possible level by complying with these regulations. In order to reduce our emissions and immissions even further, we are planning the additional use of noise and visual protection systems.

**Objectives and measures:**

- Reduction of CO<sub>2</sub> emissions
- Increasing resource efficiency

The solutions of our portfolio companies stand for sophisticated technological concepts for production optimisation. Risks lie, among other things, in the fact that this technological claim is diluted by market changes – from the specialist market to the mass market. In addition, the shortage of skilled workers and the heavy regulation in individual sectors such as medical or environmental technology pose a risk to the ability to innovate, which is the driving force behind the development of new sustainable and resource-saving technologies and automated systems.

In general, our portfolio companies strive to make a significant contribution to their customers’ eco-balance by ensuring that their products and solutions help to improve ecological efficiency and conserve resources, e.g., through ease of use, limiting the number of defective goods through our quality management processes and efficient return processes. They also focus on the overall longevity of machines and end products.

Our portfolio company bdtronic contributes to the promotion of e-mobility by making the production processes for manufacturing electric and hybrid motors more efficient and cost-effective. In this way, the eco-balance of customers is indirectly improved through more efficient manufacturing processes and CO<sub>2</sub> emissions can be

directly reduced through the increased use of e-mobility. Our portfolio company Vecoplan produces innovations that give its customers a technological edge. Through continuous technology development, it contributes to more efficient use of resources and promotes a circular economy by reducing the need for resources through recycling. Our portfolio company MA micro offers automation solutions that enable efficient production through fully and partially automated assembly systems. These are used for medical technology products, for example, that lead to an even better and more sustainable standard of living for an increasingly ageing society.

In addition to the contribution our portfolio companies make to their customers in terms of efficient production, they are also continuously striving to make their sites themselves more energy-efficient and conserve resources. For example, ELWEMA, Vecoplan and bdtronic have ISO 14001 certification for their environmental management systems at their German sites. This ensures that negative impacts of their energy consumption are constantly minimised. We also plan to have our other portfolio companies certified.

The Vecoplan Group has had a photovoltaic system on the roof of its German production hall since 2019. 2,630 photovoltaic panels were installed on a roof area of 7,000 square metres, which can generate an amount of electricity amounting to 600,000 to 800,000 kilowatt hours per year. This corresponds to the annual electricity demand of 200 to 270 households. Other portfolio companies of the MAX Group are also planning photovoltaic systems for their sites or want to cover a significant share of their electricity supply with green electricity in the future. In addition, the conversion to LED lighting in the production halls of our portfolio companies has either already been implemented or is planned.

The vehicle fleets of MAX Holding and its portfolio companies are gradually being equipped with hybrid and electric vehicles. This proportion is to be increased over the next few years and the development and expansion of the charging infrastructure at individual locations is to be driven forward.

## Employee matters

The success of the MAX Group is based not least on highly motivated employees who bring their expertise, ideas, and passion to their work. Every employee is an ambassador for our Group. Working for the MAX Group means being on the move in growth markets and developing sustainable solutions that set standards in mechanical and plant engineering. A fair working environment as well as performance-related and appropriate remuneration are important components of our human resources work. Our Group's Code of Conduct commits us to fair and respectful dealings with one another. This is characterised by the protection of each employee's privacy as well as appreciation, trust, mutual support, and loyalty. We regularly evaluate employee satisfaction at Group level and analyse employee turnover. Various measures have been taken to further bind employees to our Group (including equal pay for equal performance, insurance schemes and flexible working time models).

### Objectives and measures:

- Ensuring the health and safety of employees
- Ensuring a fair working environment
- Attractive range of training and development opportunities

The recruitment of qualified employees and their long-term loyalty to the Group companies pose challenges against the backdrop of demographic developments.

### **Education/training**

We see our employees in the portfolio companies and in the holding company as an essential resource for our business success. The challenges posed by the pandemic still require a leadership culture that continuously evolves. We therefore pursue the goal of creating attractive and comprehensive opportunities for professional and personal development, thus promoting the retention of qualified and committed employees and managers at the MAX Group. In the portfolio companies and the holding company, our employees have access to further education and training opportunities to develop and expand their expertise and skills.

The high speed of change in the MAX Group's markets also requires continuous improvement of processes and products. Qualification and further training are indispensable for us as a group of companies. We stand for individual qualification concepts in order to raise the best potentials of our employees and to proactively pick up on new market developments and changes in our portfolio companies.

The strategic growth targets of the MAX Group require not only a high level of commitment but also qualified specialists. All portfolio companies of the MAX Group are reliable employers that offer their current and potential employees first-class prospects. Good training as the basis for a successful start to professional life has always been a key element of human resources work. Therefore, we place an emphasis on attracting, developing, and retaining excellent employees. We see the training of young people as an important part of our social responsibility. Therefore, a sound apprenticeship as a basis for a successful start into professional life is a focus of our human resources work and is possible at nearly all of our portfolio companies. In addition, the MAX Group offers internships and dual study positions and enables students from various disciplines to work with us in the form of bachelor's and master's theses.

### **Occupational safety and health protection**

The health and occupational safety of MAX Group employees is a priority. The importance of good health and occupational safety for employees is also evident against the backdrop of the COVID-19 pandemic, which has been going on for over two years. In addition, new challenges are associated with technological progress and demographic change. We are committed to the core labour standards of the International Labour Organisation (ILO). All portfolio companies understand occupational safety and health protection as management tasks and conduct regular training on occupational safety and health protection. As part of various TÜV and ISO certifications of the portfolio companies, measures have been defined to ensure the safety of employees in the workplace. These are reviewed regularly after implementation and adjusted if necessary. All operating sites of the MAX Group have high standards for the design of workplaces and processes and are planned, set up, equipped, operated, and monitored with the aim of preventing work-related illnesses, eliminating hazards, and avoiding accidents.

For the machines and plants manufactured by the portfolio companies, a number of measures are taken when they are handed over to our customers to ensure that they use the products delivered safely. These include, in particular, training and familiarisation during commissioning as well as the handover of detailed documentation. And even after the handover, they are available with service and support offers.

### **Diversity and appreciation**

The individuality of the MAX Group's employees contributes significantly to the company culture as well as to a good working atmosphere. Our company culture is based on appreciation. Discrimination has no place within the MAX Group and is not tolerated in any form, neither with regard to employees nor with regard to third parties. Employees and external stakeholders have the opportunity to report incidents of discrimination anonymously via a [whistleblowing](#) system (see [Whistleblowing Report](#) on the MAX Automation SE website). No incidents were reported in financial year 2021.



In order to increase diversity on the Supervisory Board of MAX Automation SE, the Board developed and adopted a competence profile for new Board members in the last financial year. Among other requirements, this profile stipulates that the Supervisory Board must include at least one woman. With Mrs. Karoline Kalb and Dr. Nadine Pallas, the actual share of women on the Supervisory Board is already higher. In addition to professional and personal suitability, MAX Automation SE also takes diversity aspects, including age and gender, into account when appointing Managing Directors. In view of the small number and length of appointment of the current Managing directors, it is inappropriate to specify a share of women other than 0% for the Managing Directors. For the management level below the Managing Directors, the Supervisory Board has set a minimum share of women of 30%, which has been achieved. There is no further management level below this.

#### **COVID-19 pandemic**

The global COVID-19 pandemic presented many challenges to the MAX Group and its employees in 2020 as well as in the past financial year. The Group has taken a variety of measures to protect its employees and support the containment of the virus.

For example, in the first half of 2021, in particular, a few portfolio companies of the MAX Group still employed short-time work to avoid pandemic-related layoffs. Hygiene concepts were tightened at the sites and testing opportunities expanded. In addition, vaccination services were organised centrally. The changes made in production and administration in the previous year were continued. Solutions involving working from home and mobile working have been established and are being used extensively, especially in administration. Thanks to the many measures, there were no health-related absences in financial year 2021 and thus no restrictions on day-to-day business.

## **Social issues and respect for human rights**

Mankind can only overcome the major ecological and social challenges such as climate change or demographic change together. Our goal is to make a positive contribution to improving living conditions and further developing society through innovative products. We make our contribution by putting our expertise to use in the social dialogue and by working together with others to come up with solutions.

#### **Objectives and measures:**

- Create added value for customers through innovative and high-quality products
- Strengthening the dialogue with stakeholder groups
- Avoidance of human rights violations
- Prohibition of child labour

We see potential risks above all in possible reputational damage due to non-observance of human rights or social concerns. Our Code of Conduct, as an essential component of a comprehensive compliance structure, provides basic rules and standards of conduct to which every employee of our Group, regardless of hierarchical level, is expected to adhere. We consider the risks for our Group to be limited if the requirements are adhered to.

#### **Customer relations**

A long-term, trusting customer relationship is a key success factor for making a positive contribution to improving living conditions through innovative products. Our portfolio companies such as Vecoplan, bdtronic or MA micro use trade fairs such as LIGNA, CBIEME or PHARMINTTECH or virtual trade fairs and events to bring innovations to life and identify new needs of their customers.

The goal of our portfolio companies is to provide customers with high-quality products and solutions. To this end, products are improved, and processes stabilised in cooperation with our customers. To meet their quality requirements, our portfolio companies maintain partly comprehensive quality management systems. Most of our companies have valid certificates according to globally recognised quality norms and standards, such as ISO 9001:2015 and ISO 14001:2015.

#### **Stakeholder engagement**

It is important for us to remain in constant dialogue with the various stakeholder groups. This makes it possible to look at our development from different angles and to identify and pick up on new trends. The exchange of experiences as well as the early discussion of possible controversial topics also play a role. Our primary stakeholders are shareholders and investors as well as employees, customers, and suppliers of our portfolio companies. Our focus is always on holding a dialogue that is goal-oriented for all sides. In addition, we regularly exchange views with analysts, associations, trade unions, the media, local authorities, and residents in the vicinity of our MAX sites. Our portfolio companies also maintain regular contact with representatives from science and politicians.

#### **Respect for human rights and prohibition of child labour**

The expectations of our employees and the understanding of respecting human rights are anchored in our Code of Conduct. The Code of Conduct as well as other topic-related guidelines, such as our Compliance Guideline, apply to all employees of our Group regardless of their position with the company.

We are committed to the United Nations Universal Declaration of Human Rights (UDHR). In accordance with the standards of the International Labour Organization (ILO), we do not allow forced or compulsory labour, let alone child labour.

## **Governance**

Sustainable entrepreneurial action requires a holistic management approach that seeks to bundle the requirements of all stakeholders in the best possible way and to comply with all legal requirements. The management structures of our Group comply with the legal requirements and are partly certified according to ISO 9001. We summarise our values in the Code of Conduct, which contains fundamental rules and principles that are binding for our entire Group. We see good corporate governance as an integral part of the management philosophy for our entire Group.

#### **Objectives and measures:**

- Acting responsibly and based on values
- Conscientious handling of risks
- Creating and maintaining trust among investors, financial markets, business partners, employees, and the general public

Corruption, criminal acts, or violations of legal requirements are examples of sustained damage to reputation and can lead to major financial damage for our Group. We have corporate governance rules and a comprehensive compliance structure in place to ensure the compliant behaviour of all employees in our Group.

### **Corporate governance**

Compliance with nationally and internationally recognised standards for responsible corporate management and control (corporate governance) is an important criterion for the investment decisions of investors. MAX Automation SE is subject in particular to the provisions of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Regulation), the Act Implementing Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Implementation Act – SEAG), the majority of the provisions of German stock corporation law and the capital market regulations, as well as the provisions of the Articles of Association issued for the SE. MAX Automation SE has a monistic management structure, which is characterised by the fact that the management of the SE is the responsibility of a uniform management body, the Supervisory Board.

The Managing Directors manage the business with the goal of sustainable value creation in joint responsibility. The Supervisory Board and the Managing Directors are committed to the interests of the shareholders and the welfare of the company. Their internal organisation is governed in each case by rules of procedure, which supplement the regulations and the Articles of Association.

Our current declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code as well as our Declaration on Corporate Governance can be found on our [website](#).

### **Compliance and risk management**

In our Group, compliance means more than just adhering to laws and internal regulations. It forms the basis of our decisions and activities. Responsible behaviour is permanently anchored in the thinking and actions of the entire workforce through a MAX Group Code of Conduct. It can be viewed and downloaded from our [website](#). The values and standards of conduct set out in this Code are binding for all employees, managers, and Managing Directors of our Group worldwide. Key requirements are also summarised in a Group-wide compliance guideline. Questionable actions or violations can either be reported anonymously via the MAX Automation [whistleblowing report](#) or directly to the Compliance Officer.

Compliance and risk management are important management and control components of our Group and are backed by clear organisational responsibilities. Our established early risk detection system supports both our portfolio companies and the management of our Holding in analysing risk classes and thus provides a systemic basis for actively managing risks. We pursue the goal of combining opportunity and risk management.

The principles for compliance with relevant legal framework conditions are supported by our separate compliance guideline and other compliance documents. The development of compliance documents is risk-based and supported by an independent compliance organisation. The compliance documentation follows the objective of providing our employees with a pragmatic guideline and orientation aid. In addition, our employees have fixed contacts if they have any questions on compliance issues.

### **Fair competition**

All portfolio companies of the MAX Group are fully and unreservedly committed to fair competition. Competition is based on value for money and the high quality of the innovative products and services of the MAX portfolio companies. Compliance with all laws and regulations to prevent unfair competition is an integral part of our company policy.

We always strive for fairness in all business transactions. This includes compliance with the laws against restraints of competition. All antitrust regulations and restrictions are observed.

#### **Avoidance of corruption**

We categorically reject any form of corruption. The employees and authorised representatives of our Group must avoid any kind of corruption and even the appearance of it. All suspected cases of corruption must be reported by employees and authorised representatives to the Compliance Officers.

#### **Money laundering prevention**

We support all necessary measures to prevent the financing of transactions in connection with or in support of criminal acts (through international terrorism, for example). We do not conduct cash transactions on a large scale.

#### **Dealing with information and data protection**

In our Group, the highest importance is placed on transparent and truthful reporting and communication on the company's business transactions to shareholders, business partners, employees, authorities, and the public. Every employee of our Group is obliged to treat internal company information confidentially.

As a listed company, MAX Automation is subject to strict capital market regulations. Among other aspects, these prohibit insider trading by employees of the MAX Group. In the event of knowledge of confidential transactions that could have an impact on the stock market price of MAX Automation shares if they become known (so-called insider information), personal exploitation and/or disclosure to third parties is prohibited by law and punishable by law. It is also prohibited to recommend the purchase or sale of securities to other persons on the basis of insider information.

We respect the interest in personal data protection and ensure compliance with data protection regulations and data security. Our portfolio companies bdtronic and ELWEMA intend to certify their processes according to TISAX (Trusted Information Security Assessment Exchange).

## **INFORMATION REGARDING EU TAXONOMY REGULATION**

To steer financial flows towards environmentally sustainable economic activities, the European Union adopted the so-called Taxonomy Regulation (Regulation (EU)2020/852) on 18 June 2020. The regulation provides for a classification system according to which certain economic activities are defined as sustainable. According to Articles 3 and 9 of the EU Taxonomy Regulation, an economic activity is environmentally sustainable if it:

- a) makes a significant contribution to the achievement of at least one of the six defined environmental objectives pursuant to Article 9 of the Regulation,
- b) does not lead to a significant impairment of one or more of these environmental objectives,
- c) is carried out in compliance with a specified minimum level of protection, and
- d) meets specified technical evaluation criteria.

With the entry into force of the Delegated Act (EU) 2021/2178 on 29 December 2021, the final reporting requirements and reporting methodology for financial and non-financial entities to be applied from 1 January 2022 have been set. The first reporting year includes reporting requirements for the first two environmental objectives "climate protection" and "adaptation to climate change". The reporting requirements for the other



four environmental goals are to be published next year at the latest and come into force thereafter. In addition, from 2023 on, large non-financial companies will have to disclose the extent to which their economic activities are taxonomy-aligned, i.e., fulfil all requirements for environmental sustainability.

For financial year 2021, non-financial companies that are required to provide non-financial reporting in accordance with Sections 289b et seq. and 315b et seq. HGB – which also includes the MAX Group – must disclose the share of taxonomy-eligible and non-taxonomy-eligible economic activities in their total turnover as well as their capital expenditure (CapEx) and operating expenditure (OpEx) in accordance with Article 10 (2), supplemented by qualitative information on the determination of these values. An economic activity is taxonomy-eligible if it is covered by the Delegated Act (EU) 2021/2139 but does not yet meet all the technical assessment criteria set out in that act. Conversely, this does not mean that economic activities that are not covered by the Delegated Act are not sustainable.

In order to verify the taxonomy eligibility of our economic activities, we have analysed the activities of our portfolio companies to determine whether they can be assigned to NACE codes or sectors according to Annex I and II of the Commission Delegated Act (EU) 2021/2139. As the two annexes so far only cover activities that make a significant contribution to “climate protection” and “adaptation to climate change”, only a part of our economic activities is covered by the specified sectors. However, the lack of a classification option does not allow any conclusions to be drawn about the sustainability of individual economic activities of the MAX Group.

The economic activities that could be allocated to sectors were recorded as “Enabling Activities” in terms of revenue in accordance with Article 16 of the Taxonomy Regulation. The key figures for the MAX Group to be disclosed in accordance with the taxonomy were determined on the basis of the International Financial Reporting Standards (IFRS) to be applied to the Consolidated Financial Statements and include all fully consolidated Group companies of the MAX Group included in the Consolidated Financial Statements.

The total turnover as defined in Annex 1, paragraph 1.1.1. of Commission Delegated Act (EU) 2021/2178 corresponds to the amount of mEUR 349.1 recognised in our Consolidated Statement of Comprehensive Income for 2021. From the analysis of these turnover-relevant economic activities for 2021, we have determined a proportion of 39.1% as taxonomy-eligible turnover. This relates primarily to turnover from the Vecoplan Group and, to a lesser extent, turnover from the bdtronic Group, NSM + Juecker and Elwema. Non-taxonomy-eligible turnover account for 60.9% of the total.

The total capital expenditure (CapEx) is the sum of the items specified in accordance with the taxonomy pursuant to Annex 1 item 1.1.2.1 of Delegated Act (EU) 2021/2178. For the MAX Group, these are, in particular, expenditure pursuant to IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets and IFRS 16 Leases. The analysis of our economic activities in the area of investments showed that we invested in taxonomy-eligible economic activities with a share of 35.3% in 2021. Investments were mainly made in office furniture and equipment as well as buildings. A proportion of 64.7% relates to non-taxonomy-eligible capital expenditure.

Total operating expenses (OpEx) include all direct non-capitalised costs related to research & development, building refurbishment, short-term leases, maintenance & repair, and other direct expenses related to the day-to-day maintenance of property, plant, and equipment, in accordance with Annex 1, point 1.1.3.1. of Delegated Act (EU) 2021/2178. The proportion of taxonomy-eligible operating expenses in total operating expenses in financial year 2021 is 43.7%. This includes, in particular, research and development costs at the Vecoplan Group and Elwema as well as maintenance costs in the area of buildings, machinery and for operating and office equipment at the portfolio companies. Non-taxonomy-eligible operating expenses have a proportion of 56.3 %.

## INDEX TO THE GERMAN SUSTAINABILITY CODE

Strategy	Page	Notes
<b>Strategic analysis and measures</b> The company discloses whether it has a sustainability strategy. It explains what concrete measures it takes to operate in accordance with the main recognised industry-specific, national, and international standards.	pages 2/4	In 2021, the development of a Group-wide ESG strategy was started that is aimed at enabling central coordination and support for all portfolio companies in designing and implementing their respective ESG activities. Strategy and sustainability aspects are inseparable for the MAX Group. Doing business sustainably means acting responsibly in the long term and creating added value for all stakeholders in economic, social, and ecological terms.  This Non-Financial Statement is based on the requirements of the German Sustainability Code (GSC).
<b>Materiality</b> The company discloses what aspects of its own business activities have a material impact on aspects of sustainability and what material impact the aspects of sustainability have on its business activities. It analyses the positive and negative impacts and indicates how these findings are incorporated into its own processes.	pages 5/6	Identification of the material issues in relation to the five thematic areas of the CSR RUG: Environmental Concerns, Employee Concerns, Social Concerns, Respect for Human Rights, Combating Corruption and Anti-Competitive Behaviour.
<b>Goals</b> The company discloses what qualitative and/or quantitative as well as time-defined sustainability targets are set and operationalised and how their degree of achievement is monitored.	pages 6 ff.	See explanations on the objectives and measures of the five thematic fields of the CSR RUG. Example: Environment → Reducing CO <sub>2</sub> emissions and increasing resource efficiency.
<b>Depth of the value chain</b> The company reports on the importance of sustainability aspects for value creation and the depth of its value chain to which sustainability criteria are assessed.	n/a	CSR aspects are reviewed within the value chain on certain occasions.

Process management	Page	Notes
<b>Responsibility</b> Corporate governance responsibilities for sustainability are disclosed.	n/a	The company's management takes on the development and implementation of sustainability and the strategy process as a unified responsibility.
<b>Rules and processes</b> The company discloses how the sustainability strategy –is implemented in the operational business by adhering to rules and processes.	page 4	ESG measures have been implemented decentrally by the individual portfolio companies of the MAX Group up until now. The development of a Group-wide and long-term ESG strategy was started in 2021 that will enable central coordination and support for all portfolio companies in designing and conducting their respective ESG activities.
<b>Control</b> The company discloses how and what sustainability performance indicators are used in regular internal planning and control. It discloses how appropriate processes ensure reliability, comparability, and consistency of data for internal controlling and external communication.	n/a	Non-financial key figures as well as performance indicators on sustainability are to be defined as part of the development of the ESG strategy launched in 2021.
<b>Incentive systems</b> The company discloses how the target agreements and remuneration for managers and employees are also oriented towards the achievement of sustainability goals –and long-term value creation. It discloses to what extent the achievement of these goals –is –part of the evaluation of the top management level (executive board/management) by the controlling body (supervisory board/advisory board).	n/a	See the remuneration system available on the MAX website: <a href="https://www.maxautomation.com/en/investor-relations/corporate-governance/">https://www.maxautomation.com/en/investor-relations/corporate-governance/</a> .

Performance indicator GRI 102-35 / Remuneration Policy	n/a	See the Remuneration Report, which will be available on the MAX website at: <a href="https://www.maxautomation.com/en/investor-relations/corporate-governance/">https://www.maxautomation.com/en/investor-relations/corporate-governance/</a> .
<b>Stakeholder participation</b> The company discloses how socially, and economically relevant stakeholders are identified and integrated into the sustainability process. It discloses whether and how a continuous dialogue with them is maintained and its results are integrated into the sustainability process.	pages 5/10	A continuous exchange with various stakeholder groups is important to the MAX Group. Primary stakeholders include shareholders, investors, employees, customers, and suppliers. In addition, the MAX Group regularly exchanges information with analysts, associations, trade unions, the media, local authorities, and residents in the vicinity of the MAX sites. The portfolio companies also maintain regular contact with representatives from the worlds of science and politics.
Performance indicator GRI 102-44 / Key issues and concerns raised	pages 5/6	In discussions with stakeholders, focal points have emerged with regard to the three sustainability-related areas (ESG), which the MAX Group is focusing on implementing as part of various initiatives.
<b>Innovation and product management</b> The company discloses how it uses appropriate processes to ensure that innovations in products and services improve the sustainability of its own resource use and that of users. Likewise, for the main products and services, it shall state whether and how their current and future impact in the value chain and in the product life cycle is assessed.	pages 4/10	By providing solutions for the realisation of E-Mobility and Smart Mobility, the development of innovative production technologies in medical technology, the promotion of environmentally friendly materials and resource-saving circular economy, as well as solutions for the continuous automation and digitalisation of manufacturing, we can make a significant contribution to sustainability on the product side. The majority of the MAX Group companies have valid certificates in accordance with globally recognised quality norms and standards, such as ISO 9001:2015 and ISO 14001:2015.

Environment	Page	Notes
<b>Use of natural resources</b> The company discloses the extent to which natural resources are used for business activities. This includes materials as well as the input and output of water, soil, waste, energy, land, biodiversity, and emissions for the lifecycle of products and services.	n/a	The portfolio companies are primarily active in mechanical and plant engineering and cause comparatively little direct environmental impact within the manufacturing industry. Due to their business models in the field of assembly, mechanical engineering and plant construction, the portfolio companies use low-emission and low-imission production processes. Aspects such as water use, biodiversity, etc. are therefore only of secondary importance for the MAX Group due to the business model and production processes.
<b>Resource management</b> The company discloses what qualitative and quantitative targets it has –set for its resource efficiency, in particular the use of renewable energies, the increase in raw material productivity and the reduction in the use of ecosystem services–, which measures and strategies it is pursuing to this end, how these have been met or are to be met in the future and where it sees risks.	pages 6/7	Due to their business models in the field of assembly, mechanical engineering and plant construction, the portfolio companies use low-emission and low-imission production processes. For further improvement, the use of noise and visual protection systems is planned. The majority of the production sites are located in Germany, the EU or the US and are subject to strict environmental laws, norms, and high environmental standards. ELWEMA, Vecoplan and bdtronic are certified according to ISO 14001. It is planned for the other portfolio companies to also be certified. Vecoplan has also had a photovoltaic system on the roof of its production hall in Bad Marienberg since 2019. 2,630 photovoltaic panels that generate an amount of electricity amounting to 600,000 to 800,000 kwh/year were installed on a roof area of 7,000 square metres. Other portfolio companies of the MAX Group are also planning photovoltaic systems for their sites or want to

		cover a significant share of their electricity supply with green electricity. The switch to LED lighting in the production halls of the portfolio companies has either already been implemented or is planned. The Group's vehicle fleets are partly equipped with hybrid and electric vehicles. This share is to be increased in the coming years.
<b>Climate-relevant emissions</b>		
The company discloses greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states its self-imposed targets for reducing emissions.	n/a	The release of climate-relevant emissions plays a subordinate role in the MAX Group due to the business model and the production intensity of the companies. A start has been made on collecting CO2 emissions in the portfolio companies.
<b>EU Taxonomy</b>		
Required information according to the EU Taxonomy Regulation	pages 13/14	The economic activities that could be allocated to sectors were recorded as "Enabling Activities" in terms of revenue in accordance with Article 16 of the Taxonomy Regulation. The determination of the key figures for the MAX Group to be disclosed in accordance with the taxonomy was carried out on the basis of the IFRS to be applied to the Consolidated Financial Statements and includes all fully consolidated Group companies of the MAX Group included in the Consolidated Financial Statements. Proportion Turnover: Taxonomy-eligible 39.1 %, non-taxonomy-eligible 60.9 %. Proportion CapEx: Taxonomy-eligible 35.3 %, non-taxonomy-eligible 64.7 % Proportion OpEx: Taxonomy-eligible 43.7 %, non-taxonomy-eligible 56.3 %

<b>Society</b>	<b>Page</b>	<b>Notes</b>
<b>Employee's rights</b>		
The company reports on how it complies with nationally and internationally recognised standards on workers' rights and -promotes the participation of employees in the company and in the company's sustainability management, what goals it has set itself in this regard, what results have been achieved so far and where it sees risks.	pages 7/8/9	Employee concerns: The MAX Group is committed to the core labour standards of the International Labour Organisation (ILO). A fair working environment as well as performance-related and appropriate remuneration are important components of the human resources strategy. The MAX Group's Code of Conduct commits to fair and respectful dealings with each other.
<b>Equal opportunities</b>		
The company discloses how it implements processes nationally and internationally and what goals it has to promote equal opportunities and diversity, co-determination, occupational health and safety, integration of migrants and people with disabilities, fair pay, and work-life balance, and how it implements them.	pages 8/9	All portfolio companies understand occupational safety and health protection as management tasks and conduct regular training on occupational safety and health protection. As part of various TÜV and ISO certifications of the portfolio companies, -measures have been defined to ensure the safety of employees in the workplace. These are regularly reviewed after implementation. Employee health and safety, special measures to protect employees from the coronavirus, integrity principles, work ethics, diversity and appreciation, equal opportunities, incidents of discrimination can be reported through a reporting system.
<b>Qualification</b>		
The company discloses what goals it has set and what measures it has taken to promote employability, i.e., the ability to participate in the working and professional world of all employees, and to adapt it in view of demographic developments, and where it sees risks.	page 8	The MAX Group pursues the goal of creating attractive and comprehensive opportunities for professional and personal development and thus promoting the loyalty of skilled and committed employees and managers to the Group. Employees have access to a range of training and development opportunities. Nearly all Group companies are training companies and offer the opportunity for bachelor's and master's theses as well as dual studies in various disciplines and internships.



<b>Human rights</b>		
The company discloses the measures, strategies, and objectives it has taken and its supply chain to ensure that human rights are respected worldwide and that forced, and child labour and all forms of exploitation are prevented. The results of the measures and any risks are also addressed.	page 10	<p>The expectations of employees and the understanding of respecting human rights are anchored in the Code of Conduct. The Code of Conduct as well as other topic-related guidelines, such as our Compliance Policy, apply to all employees of the Group.</p> <p>The Group is committed to the United Nations Universal Declaration of Human Rights (UDHR). In accordance with the standards of the International Labour Organisation (ILO), the Group does not permit forced or compulsory labour or child labour.</p> <p>There were no known violations in financial year 2021.</p>
<b>Community</b>		
The company discloses how it contributes to the community in the regions it conducts significant business activities in.	page 10	The MAX Group's goal is to make a positive contribution to the improvement of living conditions and the continuous development of society through innovative products. A long-term, trusting customer relationship is a key success factor for this. In regions with business activities, the community is promoted in individual projects.
<b>Political influence</b>		
All significant submissions to legislative procedures-, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to parties and politicians are to be disclosed in a differentiated way by country.	n/a	Various subsidiaries of the MAX Group are members of the VDMA (German Engineering Federation) and its working groups. The interests of the industries are represented in a balanced manner via the association. Beyond this, there are no other activities of its own within the MAX Group.
<b>Conduct in compliance with laws and regulations</b>		
The company discloses what measures, standards, systems, and processes exist to prevent unlawful conduct and especially corruption, how they are reviewed, what the results are and where the risks lie. It describes how corruption and other violations of the law are prevented, detected, and sanctioned in the company.	pages 11 ff.	<p>The management structures of our Group comply with the legal requirements and are partly certified according to ISO 9001. The company values are summarised in the Code of Conduct.</p> <p>Uniform compliance management system with policy, compliance management officers and risk management, prevention of corruption, prevention of money laundering.</p> <p>No corruption violations were reported in financial year 2021, sanctions were consequently not necessary.</p>