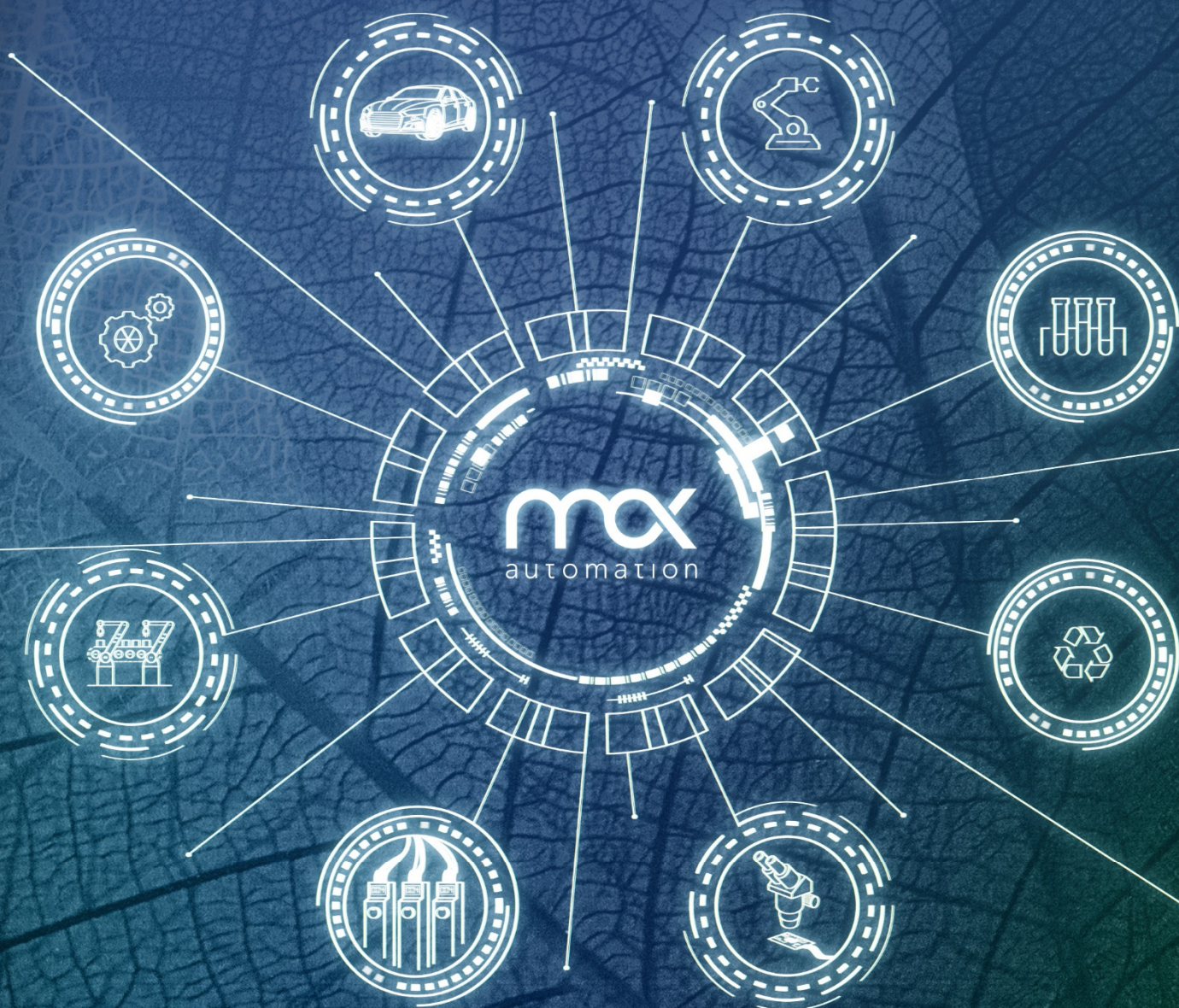




NON-FINANCIAL
GROUP DECLARATION

2022



ABOUT THIS REPORT

The MAX Group has been subject to the CSR Directive Implementation Act (CSR-RLUG) since financial year 2019. This results in the obligation to publish a non-financial declaration that is also published for the current reporting year as a separate sustainability report. This report is based on the requirements of the German Sustainability Code (GSC). To meet the requirements of the EU Taxonomy Regulation 2020/852, the MAX Group already reported on its taxonomy-eligible activities and the corresponding key figures (sales revenue, CapEx and OpEx) in the previous year. This report is the first to report on the taxonomy alignment of economic activities for the year 2022.

THE BUSINESS MODEL

The MAX Group consists of the lead company MAX Automation SE as the holding company as well as its portfolio companies and their subsidiaries. MAX Automation SE, a listed company based in Düsseldorf, is a medium-sized finance and investment company with an actively managed portfolio of operationally independent portfolio companies in attractive and high-growth niche markets.

The portfolio companies offer their customers technologically sophisticated process and automation solutions for the automotive, electrical, recycling, raw material recovery and packaging industries as well as medical technology, among other fields. Especially in the areas of recycling and raw material recovery, electromobility and in-vitro diagnostics, the companies operate in markets with high growth potential. As a full-range supplier of machines, systems and integrated automation solutions, the portfolio companies develop solutions in close cooperation with their customers, both in Germany and internationally. In addition, they offer complementary services such as consulting (including analyses, tests and feasibility studies), production support as well as service and maintenance. The MAX portfolio companies are active in different sales markets, industries and business areas, so that there is a high degree of diversification within the MAX portfolio.

The MAX portfolio companies operate independently through international networks of sales and service locations in Europe, North America and Asia. Development and production sites are mainly located in Germany and also in the US, Singapore and Italy. The MAX portfolio is individually optimised for stable cash flows and value growth depending on the individual development potential of the portfolio companies, thereby creating added value for MAX shareholders and stakeholders. On the one hand, the portfolio must include stable market leaders that reliably deliver attractive cash flows to generate funds to be able to pay dividends and generate growth in the portfolio. On the other hand, growth companies in the portfolio are to be further developed in order to generate additional cash flows in the event of a possible sale. The profitability of the portfolio companies should be continuously increased in order to be able to grow profitably as a Group. MAX Holding creates adequate framework conditions for this.

The portfolio companies of the MAX Group are allocated to eight operating segments:

The bdtronic Group segment (bdtronic GmbH and its subsidiaries), headquartered in Weikersheim (Baden-Württemberg), develops, manufactures, and markets process solutions in the form of 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 an innovation, technology and quality leader in the areas of dispensing, impregnation and hot riveting technology.

The Vecoplan Group segment (Vecoplan AG and its subsidiaries), headquartered in Bad Marienberg (Rhineland-Palatinate), develops, manufactures and installs machines and systems 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), is positioned 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 sale 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 company that specialises in the field of sensors and optoelectronics with technologically leading solutions in the photonics market. It develops, manufactures and markets technologies for the manufacture of optoelectronic modules and micro-optical components for customers from the medical technology and sensor industry as well as the aerospace industry.

The iNDAT segment (iNDAT Robotics GmbH), headquartered in Ginsheim-Gustavsburg (Hesse), was operationally wound up in a structured manner following the resolution of the Supervisory Board of 8 February 2022. iNDAT Robotics GmbH has been in liquidation proceedings since 1 January 2023.

The NSM + Jücker segment comprises the two companies NSM Magnettechnik GmbH, headquartered in Olfen (North Rhine-Westphalia), and Mess- und Regeltechnik Jücker 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 customers 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. In addition, the segment is a specialist 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-Württemberg), develops, and realises customised manufacturing solutions in testing, assembly, and cleaning technology for the automotive industry, especially for engines, transmissions and steering. The company positions itself as a system specialist with a focus on high-quality, resource-efficient solutions with high process reliability.

The Other segment includes the IWM companies (IWM Bodensee GmbH, IWM Automation GmbH i.L., IWM Automation Polska Sp. z.o.o.), which were in the process of being wound up (IWM Automation GmbH) and liquidated (IWM Automation Polska, Sp. z.o.o.) in financial year 2022. For IWM Automation GmbH i.L. in Porta-Westfalica, the operational closure took place on 30 September 2020. The liquidation of the company was opened on 1 January 2022. The liquidation process is still underway. IWM Automation Polska was deconsolidated and liquidated in April 2022. The operational closure of IWM Bodensee GmbH took place on 31 December 2019. IWM Bodensee GmbH was continued as a real estate company in the MAX Group.

SUSTAINABILITY AT MAX GROUP

Strategy

We consider sustainability to be an integral part of our company culture and our business. We work every day to identify the needs of our customers and together continuously improve our products and services with the goal of providing tailor-made offerings. Our portfolio companies develop technologies and solutions that are used in various industries and often enable customers to improve their eco-balance. Sustainability plays a key role in the development of our product range. By providing solutions for smart and e-mobility, with the development of innovative production technologies for medical technology as well as solutions for the continuous automation and digitalisation of manufacturing, the MAX Group can make a significant contribution to sustainability on the product side. For us, long-term economic success is inextricably linked to our ecological and social responsibility. Responsible Corporate Governance forms the basis for the long-term and sustainable success of the company.

So far, sustainability issues have been managed locally at the level of the individual portfolio companies. Central sustainability management at Group level has not yet been implemented. The Supervisory Board and the Managing Directors of the MAX Group decided in the reporting year to work on developing a structured sustainability strategy from financial year 2023 onwards, based on the identification of key ESG topics. ESG topics were discussed regularly in Board meetings in 2022. In the meeting of the Supervisory Board on 3 August 2022, a training session was also held for the Supervisory Board and the Managing Directors by a commissioned law firm on the topics of GCGC in 2022 and ESG.

Materiality

The basis for identifying the ESG topics that are of relevance to the MAX Group are the megatrends that are of great importance to the portfolio companies and can represent a risk or an opportunity for the individual portfolio companies: Climate change, demographic change, digital transformation and automation. In 2022, a process was initiated to review and revise the material ESG topics. The identification of material issues has been done under consideration of the business model of the MAX Group and is still strongly focused on the perspective of the holding company and the portfolio companies. In the future, the MAX Group will also actively involve its stakeholders to assess the ESG topics identified. The following ESG topics have been identified as important for the MAX Group:

ENVIRONMENT	<ul style="list-style-type: none"> •Energy consumption •Energy efficiency
SOCIAL	<ul style="list-style-type: none"> •Health and safety of employees •Satisfaction, continuing education and training of employees •Diversity and inclusion •Respect for human rights
GOVERNANCE	<ul style="list-style-type: none"> •Compliance & acting with integrity •Fighting corruption •Data privacy and data protection

I. Environment

Our customers expect and receive technological solutions from us that optimise their own manufacturing processes and, as far as possible, 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 even more energy efficiently.

II. Social

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

III. Governance

Sustainable corporate activity requires a holistic management principle that bundles the requirements of all stakeholders in the best possible way. We believe that good Corporate Governance comprises responsible, value-based management, and control and steering of the company geared to achieving long-term success. It is our mindset to manage internal and external risks in the best possible way.

Stakeholder participation

MAX Automation SE as a holding company and its subsidiaries regularly interact with various stakeholders as part of their business activities. The broad and heterogeneous stakeholder views give us the opportunity to reflect the aspects of our actions with a wide variety of stakeholders. However, no detailed stakeholder analysis is available yet. The involvement of our stakeholders has been carried out selectively so far. Among the different stakeholders, we have identified the following as material:

- Management
- Supervisory Board
- Shareholders / Investors
- Employees
- Portfolio companies
- Customers of the portfolio companies
- Suppliers to the portfolio companies
- Financing partners (banks)
- Authorities / Legislators

The following exchange takes place with the relevant parties:

- Management: Regular meetings and exchange of documents
- Supervisory Board: Regular meetings and workshops and exchange of documents
- Shareholders / Investors: The Annual General Meeting and other exchanges
- Employees: Periodical staff appraisals
- Portfolio companies: Continuous exchange in the form of regular meetings
- Customers of the portfolio companies: Constant dialogue between customers and the company
- Suppliers to the portfolio companies: Constant dialogue between suppliers and the company
- Financing partners (banks): Quarterly exchanges with the banks
- Authorities / Legislators: Monitoring of the development of legal regulations via the compliance team and situational written or verbal exchanges

GOALS

For the MAX Group, stable and sustainable profitable growth is the primary goal in order to ensure the long-term success of the company. Only through a comprehensive vision that links acting economically with environmental protection and social aspects we can ensure sustainable success for all stakeholders. As sustainability issues have not been managed at the Group level so far, but only on a local basis, the integration of a structured sustainability management system also for the targeted and consolidated collection of ESG data is one of our top priorities. For this reason, the decision was made in the reporting year to work on the development of a structured sustainability strategy from financial year 2023 onwards, based on the identification of key ESG issues. Improving the processes and quality of ESG data collection for the entire Group is also high on our list of priorities. With regard to environmental issues, we plan to measure our carbon footprint in financial year 2023, on the basis of which we will assess the impact of the portfolio companies' business activities and thus the relevance of the topic of "greenhouse gas emissions" for the MAX Group.

The MAX Group recognises the 17 UN Sustainable Development Goals (SDGs) as a guiding principle for the development and implementation of its sustainability strategy. These goals are 17 policy objectives that, at their core, are aimed at enabling global sustainable development by 2030. They cover the economic, social and ecological levels. Among the 17 goals, we have identified five whose achievement we want to support with our core business and which at the same time serve as orientation for our approaches and activities. The identification of these targets was also based on our material ESG topics:

Environment:



Ensure access to affordable, reliable, sustainable and modern energy for all.

Social:



Ensure a healthy life for people of all ages and promote their well-being.



Ensure inclusive, equal and quality education and promote lifelong learning opportunities for all.



Achieve gender equality and empower all women.

Governance:



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

PROCESS MANAGEMENT

Responsibility, Rules & Processes, Monitoring

The responsibility for implementing sustainability issues currently lies with the executive bodies of each portfolio company, as there is no central sustainability management at Group level yet. However, in the short-term, the goal was set to manage ESG issues in a unified and centralised manner by the management and the Supervisory Board of the holding company and to form a team responsible for the main ESG topics and the implementation of corresponding measures. The Supervisory Board discusses the main ESG topics and corresponding projects at regular meetings.

To implement our sustainability concept in our day-to-day work and our high quality standards, most portfolio companies have valid certificates in accordance with globally recognised quality norms and standards. For example, ELWEMA, Vecoplan and bdtronic are **ISO 14001:2015** certified. The international standard sets out requirements for an environmental management system that enables an organisation to improve its environmental performance, meet legal and other obligations and achieve environmental objectives. The management structures of our portfolio companies comply with the legal requirements and are partly certified according to **ISO 9001:2015**. Some companies also hold several industry-specific certifications, such as AIM Micro Systems, which is certified according to **ISO 13485** for the design and manufacture of medical devices.

MAX Holding is responsible for setting up the management teams and supports the companies financially as well as in governance and risk management. In addition, an internal audit department is set up at a higher level. The respective company strategy is defined by the management teams with the support of and in close coordination with the holding company. Opportunity and risk management is an integral part of our management processes. We also summarise the company's values in the Code of Conduct, which contains fundamental rules and principles that are binding for our entire Group. However, due to the organisational structure of the MAX Group as a decentralised Group and the lack of central sustainability management, it is not possible to provide comprehensive information on all key performance indicators.

ENVIRONMENTAL CONCERNS

As an investment company with a diversified portfolio of technologically complex machinery and system manufacturers, we always strive to offer solutions that have the lowest possible impact on people and the environment. After all, we develop innovative and individualised system and component solutions that are used in various growth industries.

Resource management

We strive to use resources efficiently and sparingly. Our portfolio companies are therefore working to make a significant contribution to our customers' eco-balance by taking into consideration that our products help to improve ecological efficiency and conserve resources as much as possible, through ease of use, limiting the number of defective goods through our quality management processes and efficient return processes, for example. In addition, we focus on the fundamental longevity of machines and end products. Our portfolio company Vecoplan develops components and plants for the environmentally compatible and efficient recycling and processing of residual materials. Vecoplan supports its customers from the international recycling, energy and raw materials industries on using primary and secondary raw materials sustainably. To this end, we rely on intensive research and development as well as in-house production. Vecoplan has also developed the HiTorc drive concept. Vecoplan's patented, energy-efficient and highly functional direct drive is used in shredding technology. The control integrated into the frequency inverter ensures that the optimal torque is applied to the rotor shaft at all times and in every operating state. This makes the HiTorc extremely energy-efficient. Since this purely electric solution eliminates components such as clutches, belt drives or flywheels, the maintenance effort is also reduced considerably. The transformation to e-mobility is supported by our portfolio company bdtronic by making the production processes for manufacturing electric and hybrid motors more efficient and cost-effective. 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.

Use of natural resources and climate-relevant emissions

Due to their business activities in the field of assembly, mechanical engineering and machinery construction, our portfolio companies use low-emission production processes and consume few natural resources. 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 consider environmental impacts to be reduced to the lowest possible level by complying with these regulations. Nevertheless, our companies are always striving to make their sites more energy-efficient and to record and, if necessary, reduce their ecological footprint, especially with regard to their greenhouse gas emissions. For this reason, a measurement of the CO₂ footprint of our portfolio companies is planned for financial year 2023.

Goals, measures, rules and processes

ELWEMA, Vecoplan and bdtronic are certified with their environmental management systems according to **ISO 14001** at their German sites. In doing so, they ensure that their environmental performance is improved and that legal obligations are met. The focus of our subsidiaries on environmental issues is to improve their energy efficiency and to reduce energy consumption. For example, Vecoplan has taken the following measures to meet its environmental targets for reducing energy consumption, solvent emissions from production processes and improving energy efficiency:

- Use of more electric forklifts
- Increasing self-sufficiency from the PV system
- Avoidance of unnecessary transports
- Less travel thanks to increasing digitalisation
- Use of powder-coated elements instead of environmentally harmful paints
- Paint pre-treatment with solvent-free and biodegradable cleaning agents
- Optimisation of cargoes for higher cargo density
- IT: Fewer physical servers and IT equipment with Eco Mode

Since 2019, Vecoplan has had a photovoltaic system on the roof of its German production hall. 2,630 photovoltaic modules were installed on a roof area of 7,000 square metres that can generate 600,000 to 800,000 kilowatt hours per year. This corresponds to the annual electricity demand of 200 to 270 households. 731,446.65 kilowatt hours were generated in 2022.

In the future, we want to expand our processes for collecting data on environmental indicators and standardise them across the Group. From financial year 2023 on, we will record the energy consumption and energy mix of the largest portfolio companies and monitor or improve them accordingly. We are also planning further measures to increase the energy efficiency of our production facilities. For example, the conversion to LED lighting in the production halls has either already been implemented or is planned.

Risks

Since our solutions stand for sophisticated technological concepts for production optimisation, the highest risks lie in the fact that this technological claim is diluted by market changes from the special to the mass market. In addition, the shortage of skilled workers and heavy regulation in individual sectors, such as medical or environmental technology, jeopardise the ability to innovate, which is the driving force behind the development of new, sustainable and resource-saving technologies and automated systems.

INFORMATION ON THE EU TAXONOMY REGULATION

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

- a. makes a substantial contribution to at least one of six environmental objectives defined in the EU Taxonomy Regulation ("Substantial contribution"),

- b. does not lead to significant harm to one or more of these environmental objectives (“Do no significant harm” – DNSH) and
- c. is carried out in compliance with minimum social standards (“Minimum Safeguards”).

For financial year 2021, the MAX Group already disclosed the share of Taxonomy-eligible and non-Taxonomy-eligible economic activities in its total turnover (Turnover) as well as its capital expenditure (CapEx) and operating expenditure (OpEx). An economic activity is considered eligible if it is covered by the Delegated Act (EU) 2021/2139. The assessment of the activities identified according to the assessment criteria (Annex I of the Delegated Act (EU) 2021/2139) for environmental sustainability within the meaning of the EU Taxonomy Regulation (required from reporting year 2022 on), also referred to as Taxonomy alignment (substantial contribution to at least one of the environmental objectives, no significant harm to the other environmental objectives and compliance with the minimum social protection), is based on the review of the Taxonomy eligibility of our economic activities already carried out for the reporting year 2021. With regard to implementation, a cross-departmental project team was set up at the MAX Group that carried out the review of Taxonomy alignment for each portfolio company in close coordination with the Group’s management.

The economic activities relevant for the MAX Group (Taxonomy-eligible activities) can be allocated to the following sectors of chapters 3, 5 and 7 according to Annex I and II of Delegated Regulation (EU) 2021/2139:

- 3.6 Manufacture of other low carbon technologies,
- 5.9 Material recovery from non-hazardous waste,
- 7.1 Construction of new buildings,
- 7.2 Renovation of existing buildings,
- 7.3 Installation, maintenance and repair of energy efficiency equipment and
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).

Total revenue, according to Annex 1, item 1.1.1. of Delegated Regulation (EU) 2021/2178, corresponds to the amount of EUR 409.2 million reported in our Consolidated Statement of Comprehensive Income for 2022. For the reporting year 2022, the share of Taxonomy-eligible revenue is 42.4% (previous year: 39.1%). This largely relates to revenue from the Vecoplan Group. Non-Taxonomy-eligible revenue has a share of 57.6%. A share of 0% Taxonomy-aligned turnover results from the analysis of the economic activities relevant to the MAX Group’s turnover in 2022. Our portfolio companies offer solutions that have the lowest possible impact on people and the environment. They develop innovative components and system solutions, which in turn are used in various growth industries to manufacture end products. The economic activities identified in the previous year as potentially environmentally sustainable, especially in the area of e-mobility and recycling, are not fully covered by the technical assessment criteria of the Taxonomy, but this does not fundamentally detract from the positive aspects of these activities. Therefore, it was not possible for the MAX Group to determine ecologically sustainable (Taxonomy-aligned) sales revenues for 2022.

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 Regulation (EU) 2021/2178. For the MAX Group, this includes in particular expenditure pursuant to IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets and IFRS 16 Leases. For the reporting year 2022, the share of Taxonomy-eligible capital expenditure amounts to 45.2% (previous year:

35.3%). Non-Taxonomy-eligible capital expenditure has a share of 54.8%. The analysis of the Taxonomy-aligned CapEx-relevant economic activities for the MAX Group for 2022 results in a share of 2.3% measured against total investment expenditure of approximately EUR 13.4 million. Investments were mainly made in the development of a new building project at Vecoplan.

Total operating expenses (OpEx) comprise all direct, non-capitalised costs related to research and development, building refurbishment, short-term leases, maintenance and repair as well as other direct expenses related to the daily maintenance of property, plant and equipment, in accordance with Annex 1 item 1.1.3.1. of Delegated Regulation (EU) 2021/2178. The share of Taxonomy-eligible operating expenses in financial year 2022 is 63.5% (previous year: 43.7%). The non-Taxonomy-eligible operating expenses have a share of 36.5%. Measured against total operating expenses of EUR 4.7 million, the share of Taxonomy-aligned operating expenses is 5.8%. This includes in particular renovation costs for existing buildings at NSM + Jücker.

2022

KPIs	EUR million	%
Sales revenue	409.2	100
thereof Taxonomy-eligible	173.6	42.4
thereof Taxonomy-aligned	0	0
CapEx	13.4	100
thereof Taxonomy-eligible	6.1	45.2
thereof Taxonomy-aligned	0.3	2.3
OpEx	4.7	100
thereof Taxonomy-eligible	3.0	63.5
thereof Taxonomy-aligned	0.3	5.8

In light of the lagging development of the EU Taxonomy Regulation (the publication of the Delegated Regulations concerning four out of six environmental targets is still pending), the planned development of a future sustainability strategy as well as the further optimisation of the ESG data collection, the MAX Group points out that the analyses and evaluations prepared may be revised in the future.

EMPLOYEE MATTERS

Our employees are the foundation of the MAX Group's success. We are committed to sustainability and responsible business management and are convinced that motivated and qualified employees are crucial for the implementation of our sustainability concept. They are the driving force behind the continuous improvement of our processes and for achieving our ESG goals. By investing in our workforce, we are building a resilient and sustainable business.

Employee health, safety and satisfaction

The MAX Group places great importance on the well-being of its employees. We are committed to a safe and healthy working environment. We observe all applicable health and safety requirements in the respective work environment and comply with the relevant internal and statutory regulations. We take suggestions for improvements to procedures, equipment and facilities seriously and consider them. Circumstances that give rise to fears of or could constitute a health or safety hazard are to be reported immediately to the respective supervisor in charge. We always strive to find an appropriate balance between the economic interests of the company and the private interests of the employees. Solutions for working from home or mobile working are established and used extensively, especially at the administrative level. To promote a corporate culture of health and well-being, the holding company and some of our portfolio companies (Vecoplan AG, NSM Magnettechnik GmbH, Mess- und Regeltechnik Jücker GmbH and MA micro automation GmbH) offer a job bike as an alternative to public transport. It is our aspiration that the physical and mental health and safety of all employees be ensured at all times and that fair and equitable remuneration be guaranteed. We do not pay wages and salaries below the applicable statutory minimum wage and ensure that employees are adequately remunerated.

Qualification and further training

We invest in staff training and development to ensure that our workforce has the necessary skills to remain successful in an ever-changing business environment. That is why we focus on attracting, developing and retaining excellent employees. We recognise the importance of diversity and inclusion in the workplace and create an environment where all employees feel appreciated and respected. We foster a culture of open communication and encourage our employees to share their ideas, perspectives and feedback. We are convinced that this approach leads to an engaged and motivated workforce that contributes to our long-term success.

Diversity and Inclusion

The individuality of the employees in the MAX Group contributes considerably 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 towards employees nor third parties. We follow the principle of equal treatment, which means that no employee may, for arbitrary reasons, be treated worse than other employees comparable to him. We reject any discrimination and harassment based on gender, race, skin colour, religion, age, ethnic origin, disability or sexual orientation. Employees and applicants are assessed in accordance with the principle of equal treatment. Only competence, personal suitability and work performance are decisive in personnel decisions. With Mrs. Karoline Kalb and Dr. Nadine Pallas, the actual share of women on the Supervisory Board is currently 33.3%. In addition to professional and personal eligibility of the candidates, MAX Automation SE also takes diversity aspects, including age and gender, into account when appointing Managing Directors. In view of the small number as well as the length of appointment of the current Managing Directors, it is not appropriate to set a percentage of women other than 0% for the Managing Directors. For the

management level below the Managing Directors, the Supervisory Board has set a share of women of at least 30%, which is achieved. There is no further management level below this. The share of women in the entire workforce of MAX Automation SE is 55.6%.

Goals, measures, rules and processes

In the future, we want to expand our range of training and education opportunities for employees and thus promote the further development of competent and committed employees and managers of the MAX Group. In the portfolio companies and the holding company, our employees already have access to further education and training opportunities to build up and expand their competences and skills. In addition, we want to supplement our dialogue with employees in such a way that key sustainability issues are also discussed in the regular staff appraisals. This will hopefully lead to a development and enrichment of our sustainability concept and an increase in employee retention.

We are committed to the core labour standards of the International Labour Organisation (ILO). All portfolio companies consider occupational safety and health protection to be management tasks and conduct regular training on occupational safety and health protection. As part of various TÜV and ISO certifications of our subsidiaries, measures have been defined to ensure the safety of employees in the workplace. These are reviewed regularly after implementation and adjusted where necessary. All operational facilities of MAX Group have high standards for the design of workplaces and processes are planned, set up, equipped, operated and monitored with the aim of preventing occupational diseases, eliminating hazards and preventing accidents. Our internal guidelines and standards of conduct are contained in our Code of Conduct. This sets the standards for joint entrepreneurial action. It is intended to serve as a guideline for critical and difficult decisions. Problems and grievances should and can always be addressed openly throughout the MAX Group without any disadvantage to the employee who discloses a critical issue. Employees have the opportunity to report incidents of discrimination anonymously via a whistleblowing system (see Whistleblowing Report on the MAX Automation SE website).

Risks

The recruitment of qualified employees and their long-term loyalty to the Group companies pose challenges against the backdrop of demographic developments. The highest risks include, in particular, a lack of qualifications and the associated process risks, fluctuation and a shortage of skilled workers in times of demographic change, as well as absences due to accidents or illness.

SOCIAL CONCERNS AND RESPECT FOR HUMAN RIGHTS

Society

At MAX Group, we work every day to make a positive contribution to the advancement of society by manufacturing innovative solutions for our customers, which in turn are used by them to promote a more sustainable society. We make our contribution to society by using our know-how to engage in dialogue with our stakeholders and work together on innovative solutions. To produce high-quality products, we need skilled workers who are committed, competent and qualified. For the MAX Group, creating and securing jobs and offering apprenticeships are therefore important parts of our social responsibility. For us, young people are an important driver for the innovation and development of our portfolio companies. Nearly all portfolio companies are training companies and offer many future-oriented vocational training programmes and/or dual studies. This actively counteracts the shortage of skilled workers. Accordingly, the human resources policy of the portfolio companies includes high training standards as well as the promotion of young talent.

Respect for human rights

Respect for human rights together with the prevention of child labour, modern slavery and human trafficking are integral parts of any business decision. We are also committed to the United Nations Universal Declaration of Human Rights (UDHR). In accordance with the standards of the International Labour Organisation (ILO), we do not allow forced or compulsory labour, let alone child labour. The expectations of our employees and the understanding of respecting human rights are anchored in our Code of Conduct. We always ensure a fair and healthy working environment. Harassment or discrimination and breaches of the law will not be tolerated. The Code of Conduct as well as other topic-related guidelines, such as our Compliance Policy, apply to all employees of our Group, regardless of their position within the company.

Goals, measures, rules and processes

We offer internships and dual study places and thus enable students from different disciplines to work together in the form of bachelor's and master's theses. By creating jobs and training opportunities for young people, we are committed to contributing to economic growth. Our business relationships are based on fairness and integrity. This is how we ensure that our business practices are ethical and transparent. Our goal is to continue to work closely with our stakeholders to have a positive impact on society, fulfil our social responsibility and strengthen our commitment to society. In addition, the implementation of comprehensive human rights due diligence throughout the company's supply chain is one of our key ESG topics. This process includes identifying and assessing potential risks and impacts on human rights, working with suppliers and partners to address any concerns, and monitoring progress over time. MAX Group recognises its responsibility to ensure that its business activities do not contribute to human rights abuses and is committed to taking action to avoid any identified risks. All stakeholders of the MAX Group – the Supervisory Board, Managing Directors, management and boards of the subsidiaries, employees at all levels – are obliged to comply with the requirements and principles set out in the Code of Conduct without exception.

Risks

We see potential risks above all in reputational damage due to non-compliance with human rights or social concerns. Our Code of Conduct, as an integral part of a comprehensive compliance structure, provides fundamental rules and standards of behaviour that every employee in our Group, regardless of hierarchical level, must adhere to. We therefore consider the risks for our Group to be limited if the requirements are met.

RESPONSIBLE GOVERNANCE

The MAX Group has clear policies and procedures in place to comply with laws and regulations and to fight corruption and bribery.

Conforming with laws and regulations

Compliance with nationally and internationally accepted standards for responsible corporate management and control (Corporate Governance) is an important criterion for investors' investment decisions. 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) as well as the majority of the provisions of the German Stock Corporation Act and the capital market regulations as well as the provisions of the Articles of Association issued for the SE. As a listed company, MAX Automation SE is subject to strict capital market regulations. Among other things, these prohibit insider trading by employees of the MAX Group. In case of knowledge of confidential processes which could have an impact on the stock exchange price of MAX Automation shares when they become known, the personal use and/or disclosure to third parties is prohibited and punishable by law. It is also prohibited to recommend the purchase or sale of securities to another person on the basis of insider information.

Fighting corruption and bribery

We do not tolerate any form of bribery or corruption, whether from public officials or in our dealings with business partners. The acceptance and awarding of gifts, invitations and donations must be in accordance with the internal guidelines that pertain to this area in terms of appropriateness, approvals, reporting channels and documentation. Group employees and authorized representatives must avoid any kind of corruption and even its appearance. All suspected cases of corruption can be reported to the compliance officers via an anonymised whistleblowing system. The MAX Group commits to also comply with relevant country-specific anti-bribery and anticorruption laws, guidelines and regulations. This is the responsibility of the local management. The MAX Group supports all necessary measures to prevent the financing of transactions related to or in support of criminal activities (such as international terrorism). We do not carry out cash transactions on a large scale.

Compliance and risk management

For us, compliance means more than just adhering to laws and internal regulations. It forms the basis of our decisions and activities. Compliance and risk management are important management and control components of the MAX Group and are backed by clear organisational responsibilities. The established early risk detection system supports both the operating business units and the management of MAX Automation SE in the analysis of risk classes and thereby provides a systemic basis for actively controlling risks. In doing so, we pursue the goal of combining opportunity and risk management. The principles for adherence to relevant legal requirements are supported by a separate compliance guideline and other compliance documents. The development of compliance documents is structured in a risk-based manner and is supported by an independent compliance organisation. The compliance documentation is designed to provide pragmatic guidelines and orientation for employees. Moreover, our employees have permanent contact persons available to them for compliance issues.

Data protection

MAX Group respects the interest in personal data protection and ensures compliance with data protection regulations and data security. Our portfolio companies bdtronic and ELWEMA plan to certify their processes according to TISAX (Trusted Information Security Assessment Exchange). MAX Automation SE also has a data privacy officer.

Goals, measures, rules and processes

Good and responsible Corporate Governance is an essential part of our management philosophy. It promotes the trust of investors, financial markets, business partners, employees and the public in our company. MAX Automation SE has a monistic management structure. This is characterised by the fact that the management of the SE is the responsibility of the governing body, the Supervisory Board. The Supervisory Board directs the company, defines the guidelines of its activities and supervises their implementation. The Managing Directors conduct the business of the company, represent the company in and out of court and are bound by the instructions of the Supervisory Board. The Managing Directors act like an active Supervisory Board in the MAX portfolio companies, even though, except for at Vecoplan AG, it is not a Supervisory Board in the legal sense. The operational management of these companies is the responsibility of the respective management teams. The Supervisory Board and the Managing Directors are committed to the shareholders' interests and the well-being of the company. Their internal organisation is governed in each case by Rules of Procedure, which supplement the regulations and the Articles of Association. The management structures of our Group comply with legal requirements and are partly certified according to **ISO 9001**.

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 are available on our website.

All our internal policies and company values are summarised in our Code of Conduct. The values and standards of conduct contained in our Code are binding for all employees, managers and Managing Directors worldwide. The Code of Conduct is an important, but not the only component of our comprehensive compliance structure to which the MAX Group is committed. It is also supplemented by international standards, company regulations, corporate guidelines of the MAX Group and companies controlled by it and obligations arising from the employment relationship. Key requirements are also summarised in a Group-wide compliance guideline. Questionable practices, cases of corruption and violations can be reported either through our electronic whistleblower reporting system or directly to the Compliance Officer. In 2022, two reports were submitted by e-mail: A report of a suspected case of corruption (bribery) at bdtronic and a report of a cyber-attack on Vecoplan.

First, all reported cases were carefully investigated. The portfolio companies concerned have taken all necessary steps and have looked into the allegations.

Risks

Corruption, criminal acts or violations of legal requirements are examples of sustained damage to reputation and can lead to substantial financial losses. We have Corporate Governance rules and a comprehensive compliance structure in place to ensure that all employees of our Group act in accordance with the rules. A lack of procedure for handling reported cases of misconduct and/or corruption can lead to damage to the company's image. A data protection breach can lead to a loss of stakeholder trust and the company's reputation. In addition, there could be financial consequences, such as fines by data protection authorities or claims for damages by data subjects.

INDEX TO THE GERMAN SUSTAINABILITY CODE

Strategy	Page	Notes
Strategic analysis and measures		
The company discloses whether it has a sustainability strategy. It explains what specific measures it takes to operate in accordance with the main recognised industry-specific, national and international standards.	Page 4	Sustainability is an integral part of the company culture and its business. For the Group, long-term economic success is inextricably linked to ecological and social responsibility. Sustainability issues have been managed decentrally so far at the level of the individual portfolio companies. No central sustainability management has been implemented yet. The Supervisory Board and the Managing Directors agreed in the reporting year to work on the development of a structured sustainability strategy starting in financial year 2023.
Materiality		
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 4/5	Energy consumption; energy efficiency; health, safety, satisfaction, training and qualification of employees; diversity; inclusion; human rights; compliance; acting with integrity; combating corruption; data privacy and data protection.
Goals		
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 7/8 + Environment: 9/10 + Employee matters: 14 + Social concerns: 15 + Gover- nance: 17/18	Top priority: Stable and sustainable growth as sustainability issues have not yet been processed at the Group level. Therefore, the integration of a structured sustainability management system is also a priority for the targeted and consolidated collection of ESG data.
Depth of the value chain		
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.	Page 4	The MAX Group develops technologies and solutions that are used in various industries and enable customers to improve their eco-balance. That is why sustainability plays a key role in its product offerings. By offering solutions for smart and e-mobility, developing innovative production technologies for medical technology as well as solutions for the continuous automation and digitalisation of manufacturing, the MAX Group can make a significant contribution to sustainability on the product side. ESG aspects are reviewed within the value chain on an ad hoc basis.

Process management	Report page	Notes
Responsibility		
Corporate governance responsibilities for sustainability are disclosed.	Page 8	Responsibility for the implementation of sustainability issues lies with the bodies of each portfolio company, as there is currently no central sustainability management at Group level. The Supervisory Board discusses the main ESG topics and the respective projects at regular meetings.
Rules and processes		
The company discloses how the sustainability strategy is implemented in the operational business by adhering to rules and processes.	Page 8	The management structures of the portfolio companies comply with the legal requirements and are partly certified according to ISO 9001:2015 . The holding company is responsible for setting up the management teams and supports the companies financially as well as in governance and risk management. In addition, an internal audit department is appointed on a superordinate level. Opportunity and risk management is an integral part of the management processes. The company values are summarised in the Code of Conduct.
Control		
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 2023.
Incentive systems		
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.	The Remuneration System is available on the MAX website: https://www.maxautomation.com/en/investor-relations/corporate-governance/ . ESG targets are currently not part of the variable remuneration schemes of the Supervisory Board and the Managing Directors.
Performance indicator GRI 102-35 / Remuneration Policy	n.a.	The Remuneration Report is available on the MAX website at: https://www.maxautomation.com/en/investor-relations/corporate-governance/ .

Stakeholder participation		
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 5/6	MAX Automation SE as the holding company and its subsidiaries interact regularly with various stakeholders in the course of their business activities. However, no detailed stakeholder analysis is available yet. The inclusion of our stakeholders has been carried out selectively so far.
Innovation and product management		
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 is stated whether and how their current and future impact in the value chain and in the product life cycle is assessed.	Pages 4/8	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 cyclical 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	Report page	Notes
Use of natural resources		
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 as well as emissions for the lifecycle of products and services.	Pages 9	Due to their business activities, the portfolio companies consume few natural resources. The majority of the production sites are located in Germany, the EU or the US and are therefore subject to strict environmental laws, norms and/or high standards. ELWEMA, Vecoplan and bdtronic are certified with environmental management systems according to ISO 14001 at their German sites.

Resource management		
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.	Page 9	The Group ensures that all products contribute to improving ecological efficiency and conserving resources, e.g. through their ease of use, by limiting the number of defective goods through its quality management processes and efficient return processes. Vecoplan develops components and systems for the environmentally compatible and efficient recycling and processing of residual materials. With HiTorc, Vecoplan has developed an energy-efficient drive concept used in shredding technology.
Climate-relevant emissions		
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.	Page 9	Our portfolio companies use low-emission production processes in their business activities in the fields of assembly, mechanical engineering and machinery construction. In addition, the majority of the production sites are located in Germany, the EU or the US and are therefore subject to strict environmental laws, norms and/or high standards. Measurement of the carbon footprint of the portfolio companies is planned for 2023.
EU Taxonomy		
Required information according to the EU Taxonomy Regulation	Pages 10/11/12	Taxonomy-eligible KPIs: Sales revenue: 42.4% CapEx: 45.2% OpEx: 63.5% Taxonomy-aligned KPIs: Sales revenue: 0% CapEx: 2.3% OpEx: 5.8%

Society	Report page	Notes
Employees' rights		
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 13/14	The Group is committed to the core labour standards of the International Labour Organisation (ILO). As part of the various TÜV and ISO certifications of the portfolio companies, measures have been defined to ensure the safety of employees in the workplace. The internal guidelines and standards of conduct are contained in the Code of Conduct.
Equal opportunities		
The company discloses how it implements processes nationally and internationally and what goals it has to promote equal opportunities and diversity, occupational health and safety, codetermination, integration of migrants and people with disabilities, fair pay as well as work-life balance and how it implements them.	Pages 13/14	We follow the principle of equal treatment, which means that no employee may, for arbitrary reasons, be treated worse than other employees comparable to him or her. The share of women on the Supervisory Board is currently 33.3%. The Supervisory Board has set a minimum share of 30% women for the management level below the Managing Directors and this has been achieved. There is no further management level below this. The share of women in the entire workforce of MAX Automation SE is 55.6%. All portfolio companies observe all applicable safety and health protection requirements in their respective working environments and comply with the relevant internal and statutory regulations. Wages and salaries above the applicable statutory minimum wage and solutions for working from home have already been implemented. We promote a culture of open communication and encourage our employees to share their ideas.
Qualification		
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.	Pages 13/14	Our employees in the portfolio companies and the holding company already have access to training and further education opportunities to develop and expand their competences and skills. Nearly all Group companies are training companies and offer opportunities for bachelor's and master's theses as well as dual studies in various fields and internships.

Human rights		
The company discloses what measures, strategies and objectives are taken for the company 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.	Pages 15/16	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. All MAX Group stakeholders at all levels, without exception, are required to comply with the standards and principles set out in the Code of Conduct. ESG Goal: Implement comprehensive human rights due diligence throughout the supply chain.
Community		
The company discloses how it contributes to the community in the regions it conducts significant business activities in.	Page 15	The MAX Group's goal is to contribute its know-how to the dialogue with stakeholders and to work together with customers on innovative solutions. In addition, the Group creates jobs as well as apprenticeships, internships and dual study places.
Political influence		
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 – Verband des deutschen Maschinen- und Anlagenbaus e.V. (German Engineering Federation) and its working groups. The interests of the industries are represented in a balanced manner via the association. Beyond this, the MAX Group has no other such activities of its own.
Conduct in compliance with laws and regulations		
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 16/17/18	The Group's management structures comply with the legal requirements and are partly ISO 9001 certified. The MAX Group has clear policies and procedures to comply with laws and regulations and to fight corruption and bribery. The Group also has a Code of Conduct. Important requirements are summarised in a Group-wide Compliance Guideline. Questionable practices, cases of corruption and violations can be reported either via an electronic whistleblower reporting system or directly to the Compliance Officer.