



OUR

RESPONSIBILITY

FOR A

BETTER FUTURE

**Sustainability report 2022**

**MAXIM**  
G R O U P

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With this sustainability report, MAXIM Group (hereinafter: MAXIM) provides a transparent and comprehensive insight into its sustainability strategy and sustainability performance. Where possible, the report covers the entire Group and refers to the year 2022. In addition, we have also included information from the months of January to April 2023 to provide the most recent information. MAXIM will publish its next report in 2025 for the fiscal year 2024. Although MAXIM is not subject to the reporting obligation resulting from the CSR Directive Implementation Act (CSR-RUG), we publish this report on a voluntary basis in order to underscore the importance of sustainability in our actions. Accordingly, we have based the content of our report on the statutory requirements. By doing so, we seek to document the development and implementation of our sustainability strategy accordingly.

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**Dear readers,**

This year we are proud to publish our first sustainability report. For us, it is a further consistent step in the sustainable transformation of our company. Although MAXIM is not subject to the legal requirements for publishing such a report, we have decided to publish it voluntarily because it is important for us to inform our stakeholders transparently and comprehensively about our contribution to a sustainable development. It also provides us with a systematic review of our sustainability activities, and helps us to identify and exploit potential for improvement.

Wanting to become better is an integral part of our conviction – not only with regard to our products but also with regard to what we do for people and our environment. We do not see any contradiction between economic success and assuming social and environmental responsibility – on the contrary. In our industry, the quality of products and their fit for people and nature is an important competitive factor. And trust is a valuable asset.

In addition, we are confronted with developments that make it impossible to separate economic from ecological responsibility. Climate change is progressing steadily and already is, to a certain extent, irreversible. At the same time, natural resources are becoming scarce and thus more expensive, paired with the increasing fragility of supply chains.

As a global company that relies on the use of natural resources, these challenges affect us directly. For us, meeting them means contributing to our own economic future and to a future worth living for all. That is why we see sustainability not as an additional activity, but as an integral element of our strategy and our day-to-day actions.

We have steadily driven forward its implementation in our organization and in the strategic direction of our company. Despite the difficult business conditions of recent years, we have made substantial progress: We have further developed our sustainability management and created the position of a sustainability manager. We have established a strategic process, identified key fields of action from our perspective and that of our stakeholders, and initiated important measures. We are particularly proud of the systematic integration of our employees in our sustainability activities – not only in the form of our cross-functional sustainability team but also in the form of an ideas management open to all. But we would not be MAXIM if we rested on our successes.

After all, we are driven by the desire to always offer products meeting the highest quality, environmental, and safety standards. At the same time, we are aware that there is always more that can be done in terms of sustainability and that there is no finish line. The challenges facing us as a society and as a company will continue to increase.

We at MAXIM, as a family-owned company committed to a long time horizon, will make our contribution to sustainable development so that future generations can also lead a life worth living.

Based on this conviction, we wish you an interesting read and look forward to an inspiring dialogue with you.

**Dr. Rolf Giesen**  
Managing Partner

**Margarete Krupa**  
Managing Director



Future is the  
answer



responsibility  
our attitude.

# SUSTAIN- ABILITY AT A GLANCE

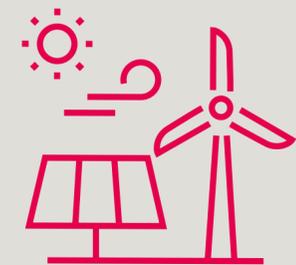
**460 million**

manufactured products per year



Already  
**100%**

green electricity  
in two locations



5,553 t of CO<sub>2</sub> emissions  
in scopes 1, 2 and 3 in 2022

Savings of  
380,000,000 l of water  
through extensive  
measures

Over 1,000 kWp  
of photovoltaic  
energy generated



Establishment of a R & D unit for  
natural cosmetics in 2019



NATRUE-certified  
brand cosnature®

ISO 9001 certified since 2008  
Obtained ISO 50001 certification  
for the first time in 2016

More than

**1,700**

employees in  
six locations

53 % women in  
management positions



# ABOUT MAXIM

**MAXIM Group is one of the pioneers and leading international manufacturers in the private label sector for body care and cosmetic products. In addition, our company's own brands are firmly established in the market and create excitement among our customers.**

**In both areas, our success is based on the trust that business customers and users place in us. We justify this trust every day through uncompromising product quality, innovative new developments, and comprehensive service. Through the vertical integration of our value chain, the individual process steps from customized product development to packaging and delivery are in our hands.**

**As a family-owned company, we see the consistent implementation of social and environmental sustainability in our value creation as an important part of our social responsibility. We fulfill this responsibility comprehensively vis-à-vis our stakeholders both inside and outside our company.**



MAXIM  
G R O U P

MAXIM  
MARKENPRODUKTE

ELYSÉE  
COSMETIQUES

PHARMA  
ALDENHOVEN

BERLIN COSMETICS

cosmolux  
INTERNATIONAL S.A.

International  
CAN

MAXIM  
Suramérica S.A.S.

### MAXIM - yesterday and today

The history of our company goes back to 1980 when Dr. Rolf Giesen founded our first private-label company. In 1990, he established MV Markenvertrieb GmbH & Co. KG for cosmetic products, which was later renamed **MAXIM Markenprodukte**. Guided by the vision of establishing a retail brand with the highest quality standards while offering fair prices in the discount sector - and supported by the conviction that quality can be increased without increasing costs through systematic vertical integration - MAXIM has experienced steady expansion ever since. To this day, we have consistently pursued our goal of making high-quality products accessible to as many people as possible while appreciating their diversity and uniqueness.

**Elysée Cosmétiques** was founded in France back in 1995. As one of the largest and most modern aerosol manufacturers in Europe, the company is now an integral part of the MAXIM Group and a prime example of the vertical integration of our value chain. Through the state-of-the-art production and filling of aerosol products, we were able to expand our portfolio to include styling and shaving products, as well as shower foams and deodorants.

Just two years later, our group underwent another significant expansion. **Pharma Aldenhoven** added over-the-counter medicines, an extensive range of products of various dietary supplements, medical products, and medical cosmetics to MAXIM Group's broad portfolio. This has enabled us to expand not only our product range but also our expertise. The production of pharmaceuticals is subject to strict regulatory requirements, which is why comprehensive and precise quality control is necessary and benefits us in all areas of our business.

The rapid growth of MAXIM Group continued after the turn of the millennium, as **Cosmolux International** in Echternach, Luxembourg, became part of it as early as 2001. Through this new group member, we were able to further increase our performance in the cosmetics sector - especially for high-volume and low-viscosity articles in our broad portfolio. Horizontal expansion, too, has always been a pillar for the growth of our group.

Since 2013, we have also been producing aluminum cans with **International Can** at our site in Echternach, where they can also be labeled directly. Thus, the entire value chain from production to filling is completely in our hands. This not only creates significant cost advantages but also reduces the environmental impact as we have been able to substantially shorten transport routes in the manufacturing process.

The fact that the site is ideally located in the border triangle of Germany, Luxembourg, and France allows us to quickly reach all important customers in Germany and Europe.

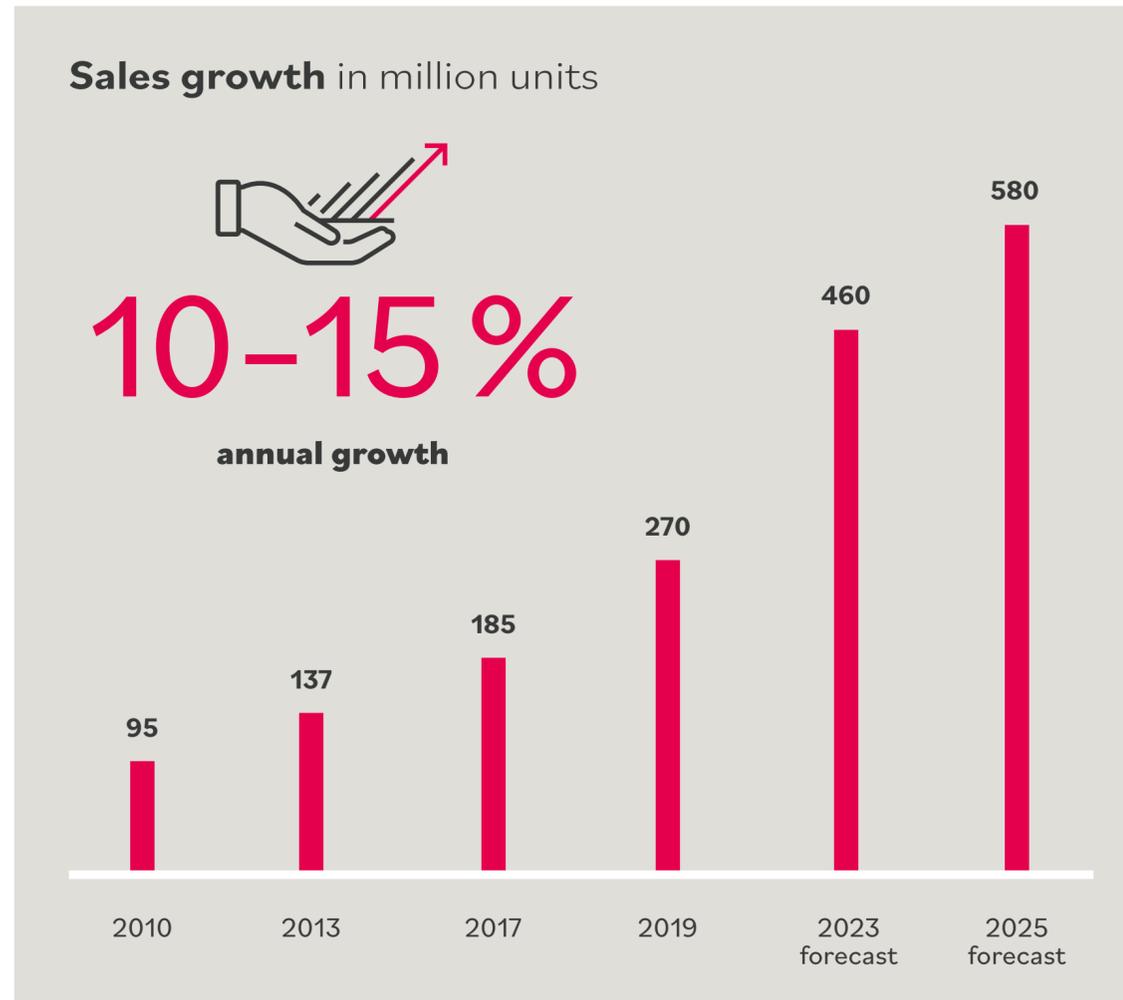


**“In line with the steady growth of our company, we have also continuously expanded our sustainability activities.”**

**Margarete Krupa**  
Managing Director

In 2020, we took a very big step by founding MAXIM Suramerica in Bogotá, Colombia, in order to be able to serve the North, Central, and South American markets through our first company outside of Europe. In addition to setting up a logistics network in Colombia and Panama, a factory built in Bogotá in 2007 was acquired, and a second factory in Barranquilla, Colombia, was completed at the end of 2020. The factory, which is equipped with its own R & D laboratory, comprises almost our entire product portfolio presented in the next section.

Overall, MAXIM is today a diversified and vertically integrated group that is continuously growing thanks to careful strategic planning. An initial idea has now grown into 1,700 employees, 460 million products per year, and six sites. We see this strong development as a growth driver for us in the personal care sector both now and in the future.



**An initial idea has now grown into 1,700 employees, 460 million products per year, and six sites.**



### A diversified and sustainable portfolio

Despite the continuous expansion of our portfolio, we have always remained true to our core business – the development and production of high-quality care and cosmetic products. We believe that we can only be the best in our industry if we focus our competencies and resources. This focus also allows us to make the best possible use of synergies and economies of scale in order to keep our promise of quality and price without any restrictions.

Our portfolio can be divided into eight areas, which we will briefly present in the following:

**Overall, we at MAXIM strive not only for continuous development but also for a balanced portfolio that provides us with stability. The distribution of our sales across the individual segments impressively reflects this balance.**



**Facial care:** We develop unique formulas and research innovative and new raw materials. In addition to the perfect combination and effectiveness of these raw materials, social trends and sustainability are always in harmony with our formulas. Facial care has its own requirements, which we take into account just as much as the individual wishes of our customers.



**Hair care and styling:** We develop products tailored to each hair type. Our formulas with selected ingredients offer the optimal solution for beautiful and healthy hair. A passion for continuous research and development drives us to always stay at the cutting edge of technology and bring innovative products to the market.



**Personal care:** We manufacture high-quality products from all areas of personal care, always with the needs of our target groups in mind. Building on decades of experience, we have established ourselves as experts in the market globally. We work with selected raw materials, develop exclusive formulas, and conduct efficacy studies for our wide range of personal care products.



**Decorative cosmetics:** Due to its fast pace and diversity, decorative cosmetics is one of the most challenging segments in the market. This does not prevent us from continuously developing our own highly sophisticated formulas. Innovative products for tomorrow's market are created in our laboratories every day. We do not only react to new trends with flexibility but also attach great importance to the sustainable development of formulas for the benefit of our customers and our environment.



**OTC products:** Specializing in over-the-counter (OTC) medicines, we produce an extensive range of various dietary supplements, medical products, and medical cosmetics for our customers at our site in Aldenhoven. The highest quality and hygiene standards are the absolute priority for us in order to bring flawless and upscale products to the market.



**Oral care:** MAXIM is considered an expert in the field of dental hygiene. Our strict quality control allows us to offer toothpastes and gels as well as mouthwashes of the highest quality.



**Fragrances:** Due to our special process of perfume oil processing, we are able to offer our customers a special fragrance experience. Through the exclusive production with subsequent maturation, the fragrance unfolds into an exceptional experience. This particular process, which is only offered by a few manufacturers, ensures a special purity and the irresistible aroma of our products.



**Sun care:** Efficient protection of the skin against solar radiation is very important not only to prevent premature aging but above all for health reasons. Our latest product category addresses precisely this issue and provides reliable skin protection. We apply the most recent standards in the field of UV filters and efficacy tests. At the same time, we take care of our environment and only manufacture coral-friendly products.

### Spotlight on natural cosmetics

Natural cosmetics have long since gone from a niche product to the mainstream, and now compete with conventional care. We at MAXIM demonstrated great foresight and were one of the first suppliers in the field. As early as 2010, the first of our products achieved NATRUE certification, an internationally recognized standard for natural cosmetic products. Only two years later, we achieved NATRUE certification for our own brand cosnature®. Further certifications such as that of Ecocert Cosmos followed. Today, we manufacture around 13 million natural cosmetic products annually, which are developed and produced according to the strict criteria of NATRUE or Ecocert Cosmos.

This achievement would not have been possible without the establishment of our own R & D division for natural cosmetics in 2019. When doing so, we built up a team of experts who not only understand the market but also develop innovative products. For us, R & D is an important driver of our contribution to sustainable development. We see our responsibility particularly in our core business, and that is where we seek to make a decisive difference.

Our understanding of good corporate governance and how we live up to it every day in our core business and beyond is described in the next chapter.



**Natural cosmetics are now an integral part of our portfolio. With our own cosnature® brand, we are firmly established in this market.**



# CORPORATE GOVERNANCE

**Responsibility is the foundation of our actions. As a family-owned company with a tradition spanning more than 40 years, we think in long terms. As a leading manufacturer of products that people use for their daily oral and body care, responsibility for the quality and safety of our products is a paradigm for us. But responsibility means more to us than that. We are aware that our financial success does not only depend on high-quality innovative products and a strong customer focus but also on fairness towards all our stakeholders and on protecting the climate and the environment.**

## Our values

A strong focus on values has been the basis of our success since our company was founded in 1980. Particularly in dynamic and uncertain times characterized by major changes, our values provide a guiding compass for us.

Responsibility and integrity form the foundation of our value system. They provide the moral guidelines for all our actions. They are the foundation of our trusting cooperation with our stakeholders. We act in partnership and strive for long-term collaboration with our customers, our employees, our suppliers, and our financial partners. We are aware of the importance of contributing our share to a long-term partnership.

A high level of quality, flexibility in meeting customer requirements, and the pursuit of creating innovative products are values on which our partners can fully rely.

As an integral part of our corporate culture, our values also shape our understanding of sustainability, which we consistently derive from them.

## Our understanding of sustainability

For us, sustainability means acting with foresight and responsibility. As a family owned company, it is in our DNA to do business in a way that leaves behind a world worth living in for our grandchildren. We work hard every day to pass on a company to the next generations that is fit for the future and that creates economic added value in our region in the form of secure and modern jobs.

**Innovation, partnership,  
and responsibility are  
an integral to our DNA.**



**Values on performance:**  
quality, flexibility,  
and innovation



**Values on cooperation:**  
trust and long-term  
partnership



**Moral values:**  
responsibility  
and integrity

At the same time, we see it as our responsibility to leave our children and our children's children a functioning natural environment so that they can shape their own viable future.

At MAXIM, we are convinced that acting holistically is the best prerequisite for sustainability. This includes the satisfaction of our customers, which is why product responsibility is one of our fields of action. However, for us, product responsibility is not limited to matching customers' demands and providing high quality and innovation but also entails a design that is environmentally friendly and conserves precious natural resources.

Nevertheless, MAXIM assumes ecological responsibility not only for its products but also along the value chain. We are continuously working to optimize our logistics and manufacturing processes, and to design and manage our buildings in a sustainable manner from various points of view. For us, this includes full compliance with legal requirements.

For us, an effective compliance is not just a matter of environmental and climate protection but also applies to all other areas. Legal and legitimate actions are a matter of course for MAXIM. This also includes the protection of our IT systems and the secure handling of data. Ensuring its confidentiality is an important concern for us.

Responsible behavior towards our customers, our employees, and all other stakeholder groups is of central concern to us. Because we always want to be a fair, reliable, and transparent partner.

This understanding of sustainability is a guiding principle for us and has also played a major role in shaping the structure of this report. Its focus is on responsibility for our stakeholders, our products, our ecosystem, and our structures and processes.

In a complex and dynamic world, it is not always easy or possible to reconcile these four areas of responsibility without restrictions. Conflicting goals arise in some decisions, and these must be carefully considered. When doing so, our moral compass always shows us the importance of linking business objectives with environmentally and socially responsible behavior.

#### Communication with our stakeholders

As a family business operating globally, we maintain an open and honest exchange with our stakeholders. For us, stakeholders are all external and internal persons, whether as individuals or as a group, who have an interest in our company.

By engaging in an open dialogue with them, we can learn more about their concerns and better respond to their expectations. This in turn gives us the opportunity to continuously improve. We are aware that we can only achieve our goals if our customers are satisfied with our products and we enjoy the trust of our suppliers and financial partners.

We are aware that we can only achieve our goals if our customers are satisfied with our products, we enjoy the trust of our suppliers and financial partners, our employees feel comfortable in our company, and we are appreciated at our sites in Germany and abroad.

Although we have known many of our stakeholders for decades and maintain a personal connection with them, we conducted a stakeholder analysis as part of the development of our sustainability strategy, which we describe in more detail in our strategy chapter. It enables us to identify our stakeholders in a structured manner and to conduct a systematic dialogue with them. We use various communication channels and forms of dialogue to inform our stakeholders and enter into a conversation with them.

One may think that we are very traditional when it comes to communication, but we prefer a face-to-face meeting whenever it is possible and reasonable from a cost and environmental point of view. It is important to us – and an expression of our appreciation – to get to know our business

**“At MAXIM, we consistently pursue a holistic understanding of sustainability.”**

**Martina Neuber**  
Sustainability Manager





partners personally and to be directly available to answer their questions and respond to their wishes. Of course, we also make use of all the possibilities of modern communication enabling us to answer questions promptly, process orders individually, or take account of desired changes at short notice. In addition, our sales team holds regular discussions to ascertain customer satisfaction.

Regarding our employees, we also maintain a policy of direct communication and open doors. Always listening to their needs distinguishes us as a family-run company. Internal communication is therefore by no means of secondary importance to us, and we work continuously to improve it. That is why we introduced a “quarterly round table” in 2022 where divisional managers meet to create a more comprehensive coordination between individual departments. In addition, all employees have the opportunity to participate in various working groups on the further development of our strategy, process optimization, employee development, and other relevant topics.

Like many other companies, we greatly expanded our virtual capacities during the coronavirus pandemic and are using various platforms for internal and external communication and collaboration. Virtual channels also foster a more personal exchange with our subsidiaries while conserving financial and natural resources.

However, we also use electronic communication channels in other ways. In 2022, we launched “The Green Box” as part of our ideas management.

That is an electronic mailbox, which our employees can use to make suggestions on sustainability. We then collect and discuss the submissions in our sustainability team, which we introduce in the next chapter. The suggestions that we take up and implement are then rewarded – also in order to show appreciation to the people who submitted the ideas.

Our “Green Box” is just one small example of our understanding of sustainability at MAXIM. We are convinced that sustainability is most successful when it allows for participation and involves our employees. After all, no one knows our company better than they do. We want to use their motivation and creativity to identify opportunities and make a valuable contribution to a sustainable development.

# SUSTAINABILITY MANAGEMENT

**For us, sustainability is teamwork. In line with our holistic approach, we involve all levels and units of our company in sustainability management. In addition to our sustainability team, we encourage all employees to make suggestions on how we can act in an even more sustainable manner – regardless of whether this involves processes, new offers for our workforce, or the initiation of social projects. We are convinced that sustainability thrives on participation and that everyone can contribute. In this way, we want to fill our sustainability management with even more life in our daily business.**



## Sustainable exchange

**Martina Neuber**  
Sustainability Manager



### **Our sustainability organization**

Sustainability is a strategic task for us that we can only manage successfully through efficient structures and processes. That is why we have created clear responsibilities and areas of accountability.

The first level of responsibility lies with our management. It is actively involved in shaping our sustainability strategy and supports its implementation in the company. In this way, we not only ensure coherence with our corporate strategy but also send a clear signal to our organization to underline the importance of sustainability for MAXIM. In addition, our management provides the necessary financial and human resources to ensure effective planning and implementation of our strategy and the corresponding measures.

Our sustainability manager, who reports directly to the management, takes the lead in strategy development. Thanks to constant coordination and direct interaction, she is able to regularly inform the management, report on progress but also on obstacles, and set new impulses in the process. In addition, she is the central contact point for internal and external stakeholders on sustainability issues. She also coordinates certifications and audits, and is responsible for the preparation of our sustainability report.

Moreover, she steers the work of our sustainability team, which we established in 2022. It plays an important role in both strategy development and implementation. The team consists of colleagues

from all relevant areas of the company, including R & D, purchasing, production, sales, quality management, human resources management, IT security and data protection, communications, and facility management. Through this composition, we ensure a comprehensive and cross-functional approach and avoid isolated activities and measures.

With regard to organizational development, our sustainability manager and the team members act as multipliers in their respective areas in order to sensitize all employees to sustainable action and dispel doubts. We are well aware that the topic of sustainability is not generally met without reservation, and that doubts and ambiguities may exist. We therefore see it as an important task of our sustainability organization to be available for questions, create awareness, and dispel possible doubts with sound arguments. Through extensive training, we also want to convince all employees that we can generate added value for ourselves and for society by acting sustainably.

### **Our management approach**

We believe it is fundamental to systematically integrate sustainability into our business model as well as our structures and processes. To strengthen this integration, we use management systems to continuously improve our economic, environmental, and social performance.

Our approach is characterized by a comprehensive understanding of quality. For MAXIM, quality not only implies providing our customers with high-quality and safe products but also the continuous optimization of our structures and processes. This holistic understanding encompasses all aspects that have an influence on our business model and our business processes.

We also apply this comprehensive approach to our management systems, which we do not view as isolated from one another. Instead, we rather seek to interlink them wherever possible. An example is our ISO 9001 certification, which we first obtained in 2008. This globally recognized standard provides the basis for implementing a comprehensive quality management system in our company. By doing so, we do not only assure the continuous improvement of our products and related services but also of all our processes. Therefore, we see close links to other areas, such as energy and environmental management.

Already since 2016, our efficient energy management has been certified according to ISO 50001, which expresses our approach of generating environmental and economic benefits at the same time. Particularly in times when rapid climate change and the critical energy situation are omnipresent, it is necessary to systematically record energy use in our company with regard to sources and consumption. Together with the evaluation of the energy efficiency of our plants and processes, it forms the basis for the planning and implementation of meaningful measures.

For 2024, we are aiming for an ISO 14001 certification (environmental management) in order to manage our environmental impact in a concise manner and further reduce our ecological footprint. We also see great synergies with quality and energy management, which is why we will further integrate our management systems.

In addition to these certifications, we have been voluntarily audited and certified in various areas for many years. This serves as evidence for external partners, and as a critical review and assessment of our ESG performance. As one of the pioneers in the field of natural cosmetics, we received NATRUE certification for one of our products as early as 2010 and for our entire private label cosnature® in 2012. NATRUE is an international non-profit association founded in 2007 whose goal is to protect and promote natural and organic cosmetics worldwide. Further certifications followed in 2018 by the Roundtable on Sustainable Palm Oil and in 2021 by Ecocert.

In 2022, we also underwent an EcoVadis rating for the entire MAXIM Group for the first time. EcoVadis rates companies in the areas of “environment,” “labor and human rights,” “ethics,” and “sustainable procurement.” MAXIM was awarded a bronze medal at the first attempt, placing it among the top 50 % of the companies evaluated. However, this is no reason for us to rest on our laurels, because we want to continue to improve.

With regard to business structure, our management approach is also characterized by our efforts to achieve continuous improvement not only along the value chain but also in the enabling functions,

such as human resources management and IT. Here, too, we see great potential for becoming even more sustainable. We have found that a focus on sustainability can strengthen our employer branding because more and more people – particularly younger people – want to work for a socially and ecologically responsible employer. We also see noteworthy opportunities in the area of IT; not only in terms of the energy efficiency of our hardware but also with regard to the question of how we can use IT-based systems to make our processes even more efficient and thus more environmentally friendly.





The implementation of management systems enables us to continuously improve our processes.



**Effective risk management**

Effective risk management is an integral part of our sustainability management, supported by our management systems, since they require systematic identification of potential risks as part of the so-called “PDCA” cycle (Plan - Do - Check - Act). We also use risk analysis in the development of our sustainability strategy, which we describe in the next chapter. To secure our corporate success in the long term and achieve our social and environmental goals, we need to know the financial and non-financial risks we face.

These risks are extremely diverse in nature. As an international company, we are subject to political

and economic risks that can lead to instability in our supply chain and the supply of materials. At the same time, they entail the risks of price increases and restrictions regarding access to our sales markets. Risks to supply chain stability can also be of an ecological nature as the increasing number of extreme weather phenomena, such as storms or heavy precipitation, is leading to more and more logistical problems.

Risks to supply security do not only arise from logistics issues but also from the increasing scarcity of natural resources, on which we as a manufacturing company directly or indirectly depend. This problem not only entails possible price

increases but in the worst case leads to the fact that certain products can no longer be manufactured or production processes become obsolete.

A risk for us, which is primarily grounded in social developments, is demographic change. MAXIM is competing for qualified workers, but due to our location in a small town, we are often at a disadvantage when it comes to the attractiveness of the location compared to competitors from large cities. When looking beyond potential employees to the existing workforce, a lack of sustainability has become a risk for the loyalty and motivation of employees.

The expectations of customers in this regard have also increased, especially in the business-to-business sector, in which MAXIM primarily operates. Meeting certain ESG criteria is increasingly used as a criterion in the supplier selection and evaluation process. Accordingly, inadequate performance or documentation carries the risk of losing contracts. In addition, stakeholders from the financial sector, in particular providers of capital, and political actors also expect a more profound handling and implementation of the topic. Deviating behavior could result in losing access to capital or even legal sanctions and penalties.

For this reason, we at MAXIM systematically identify external risks and assess them in terms of their probability of occurrence and the extent of potential damage. This analysis permits taking appropriate measures to minimize or completely avoid risks. In order to be able to draw on the broadest possible expertise and have assessments

from different perspectives, we involve our managers in risk identification and assessment in a structured way. By doing so, we also seek to strengthen the risk awareness of our people in charge and thus increase their ability to identify and address risks at an early stage.

As part of our risk and sustainability management, however, we do not only look inward but also outward and are in constant exchange with our stakeholder groups.





# OUR SUSTAINABILITY STRATEGY

**In 2022, we began developing our first sustainability strategy. It is the guiding document for the conception and alignment of all our sustainability-related activities. Based on the principles of materiality, it defines the fields of action that are decisive for us and specifies the respective goals we want to achieve. It is crucial for us that the sustainability strategy and the corporate strategy are a perfect fit as we see sustainability as an integral part of our actions and business activities.**

**We understand the underlying process of our strategy development, which we describe below, as a cycle with the aim of steady improvement. We view sustainability as an incremental learning process with the declared aim of continuously becoming better - in particular because we have entered a territory that is new to us.**

## **Strategic analysis**

The first step of our strategy process consisted of a comprehensive inventory of existing sustainability activities at MAXIM and the associated responsibilities, structures, and processes. In order to obtain a differentiated assessment doing justice to our understanding of sustainability as a cross-sectional function, we involved managers and employees from all areas.

The four overarching fields of “market,” “workplace,” “environment,” and “corporate citizenship” provided the basis for a structured internal analysis. This enabled us to determine strengths and weaknesses in the individual fields more specifically. In the process, it became clear that MAXIM already has a significant portfolio of sustainability activities, but that we have never consciously considered or even labeled these as sustainable activities.

In the next step, we conducted an external analysis based on the widely applied PESTEL model to identify the political, economic, social, technical, environmental, and legal challenges we face now and in the future. Which developments are driving the issue of sustainability and what changes do they bring about? How are they changing the business environment? And what do they mean for

our industry? With regard to the industry, we also looked at the sustainability activities of our market peers in order to be able to classify where we stand in an industry comparison.

We then combined the results of the internal and external analysis in a workshop to determine material issues from our perspective. We identified ten material issues overall pertaining to an economic, environmental, or social dimension. These issues formed the basis for the further development of our materiality matrix.

**The basis for the development of our sustainability strategy was a comprehensive analysis.**

### Materiality analysis and stakeholder dialogue

In the first step of preparing the materiality matrix, we analyzed how important the ten topics previously identified are from MAXIM's perspective. In the context of this business relevance, we considered the impact of the individual topics on our business model, economic success now and in the future, and on individual business units and functions.

An important goal of this step was to systematically identify the opportunities and risks that the individual topics entail for MAXIM. For this reason, this analysis is also part of our risk management. The risks we identified are explained in the description of the respective material issues in the next chapter. The importance of the individual issues from our corporate perspective is reflected by their position on the horizontal axis in our matrix.

We have extended this "outside-in" perspective to include an "inside-out" analysis, which is now also frequently referred to as the "impact dimension." In a workshop and in topic-specific working groups, we examined the positive and negative economic, ecological, and social impacts of our business model and our actions. This enables us to determine where we can further strengthen positive contributions to a sustainable development and reduce negative ones.

In order to have a widely recognized framework for this analysis, we have drawn on the Sustainable Development Goals (SDGs) of the United Nations and considered which of the 17 goals we can contribute to in our key areas of action. The range and scope of the impact we can make through our

material issues are represented in the materiality matrix by different circle sizes. In the future, we want to establish assessment methods to better understand where we can make valuable contributions to a sustainable development along our value chain.

Following the outside-in and inside-out analyses, we engaged various stakeholders in a dialogue to help us further prioritize the key issues. For this purpose, we sent out an online survey with open and closed questions to the three groups that we had identified as salient in a stakeholder mapping in advance. A total of 148 employees, 78 suppliers, and four of our largest business customers responded. We exceeded the target response rate of 20 % for all groups, including customers, though the number appears small. However, MAXIM does not sell to end consumers, but predominantly to large corporate customers in the drugstore, discount, and food retail sectors. The assessments of the importance of the individual topics from the perspective of the stakeholders surveyed can be found on the vertical axis of our matrix.

The many suggestions and critical points mentioned in the open part of the questionnaire also proved to be very helpful as they provide us with important suggestions for improvement. After all, the interests and expectations of our stakeholders are crucial for our social license to operate and our business success. We therefore regard the stakeholder dialogue not only as a cornerstone of a fair and transparent relationship with our stakeholders but also as valuable input for us to identify weaknesses and potential for improvement. In the next few years, we therefore intend to expand

our stakeholder dialogue to include qualitative elements like interviews and workshops in addition to surveys.

### Our key topics

We identified ten material sustainability issues for us overall and, as explained, positioned them in the matrix based on our analyses and assessments, and those of our stakeholders. Topics of very low or low importance are not shown in the matrix due to their lack of materiality.

The material issues form the focal points of our sustainability strategy and enable us to work on them in a targeted and consistent manner over the next few years. We are well aware that both the internal and external framework conditions on which our analyses were based can change significantly at any time – particularly in the volatile and uncertain world of the 21<sup>st</sup> century. This is why we will regularly review and, if necessary, revise the matrix.

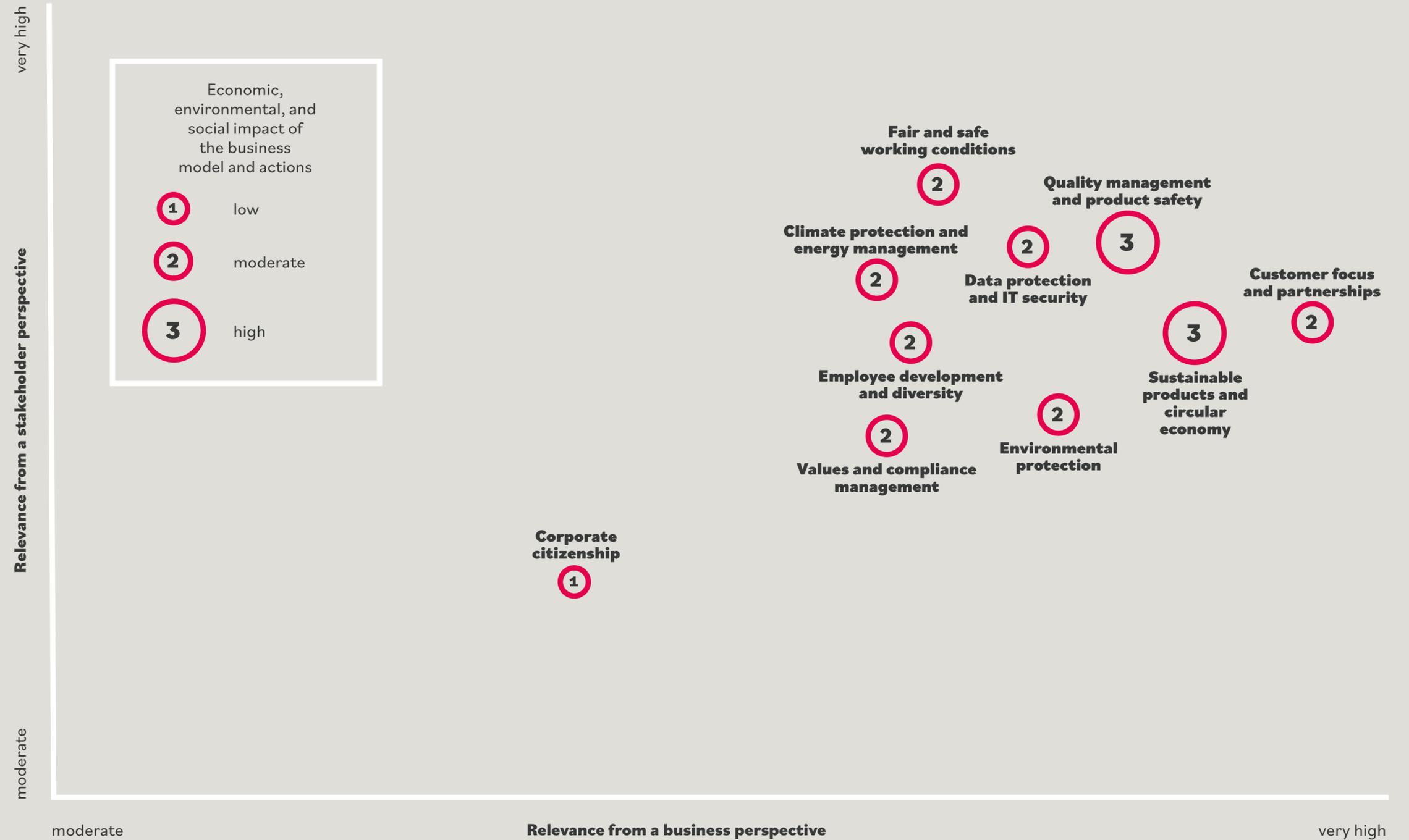
**MAXIM's sustainability strategy comprises ten material issues pertaining to an economic, environmental, or social dimension.**



After identifying the key issues for MAXIM, the next step in our strategy process consisted of developing strategic and operational goals, and corresponding measures for their implementation. To ensure effectiveness, for each material issue, we appointed an employee from a respective department with the necessary expertise and experience on the topic in question. In collaboration with other employees having the needed know-how, we defined targets and measures. Those were finally agreed upon with the respective department heads in order to ensure coordination and legitimacy.

The qualitative and quantitative targets we defined for each material issue as well as the measures we already take or intend to take are presented in the following chapters.

**Matrix:**





RESPONSIBILITY  
FOR OUR  
STAKEHOLDERS

# CUSTOMER FOCUS AND PARTNERSHIPS

**At MAXIM, a partnership-based, long-term approach forms the foundation of our business relationships. It is our aim to fully meet our customers' expectations of our products and services. We see offering high-quality and safe products at a fair price as an important part of our responsibility, but not the only one, as we also seek to ensure their ecological and social compatibility.**

**At MAXIM, we are aware that we can only live up to our performance promise if we work with strong partners. These include, in particular, our suppliers, who make a significant contribution to the quality of our products, but also cooperation partners, such as industry associations and scientific institutions, with whom we collaborate on product improvements and innovations.**

**A partnership-based,  
long-term approach  
forms the foundation  
of our business  
relationships.**



### Focus on the customer

The passionate commitment to our products is grounded in the satisfaction of our customers. We are guided by two central principles. On the one hand, we stand for developing viable solutions so that we can meet our customers' expectations. Our innovative strength enables us to take into account specific needs, for example the desire for individualization and new requirements – resulting from changing legal frameworks – in the design of our products as well as in their packaging and shipping.

On the other hand, based on vertical integration, we pursue the approach of providing everything from a single source and in direct cooperation with our customers. This allows us to make processes quick and simple. At MAXIM, we do not only see ourselves as a pure manufacturer of care and cosmetic products. We also see ourselves as a service provider with an edge in the market due to professional order processing and comprehensive customer care. For our customers, we offer tailor-made solutions consisting of products and services that meet their needs across all steps of the value chain.

However, only those businesses that listen and, if necessary, ask questions can fulfill customer expectations in the best possible way. Because of this conviction, we always meet our customers at eye level and with an open ear. In doing so, we act as a fair and reliable partner. From our point of view, this is the basic prerequisite for a trusting and constructive cooperation. The dialogue with our customers does not only help us to identify needs. It is also an important source of ideas and sugges-

tions for improvement. Our customers help us to continuously improve our products and to constantly increase their quality and effectiveness. Environmentally friendly manufacturing processes, the use of sustainable materials, and the development of recycling concepts are also important for MAXIM, which is why we make an important contribution to SDG 12.

### Our range of services

Based on our holistic, vertical approach, our range of services starts with a powerful innovation management. It is our foundation for developing new products, but also for continuously improving our environmental performance with regard to formulas and packaging. We are guided by SDG 9 in this regard as we are convinced that we can make a significant contribution to sustainable development through innovation. Further elements in our vertical approach are efficient manufacturing and outbound logistics as well as comprehensive services in the area of fulfillment.

Overall, we offer our customers a modular range of services from which they can select the modules that are relevant to them. If desired, MAXIM already carries out the product development in individual coordination with the respective customer. Using special hardware and software such as a 3D printer, we can also visualize product ideas and create individual designs. This gives our customers an exact impression of the appearance of their product at an early stage.

We offer considerable value in terms of accuracy of fit and speed as we are able to develop and manufacture almost all cosmetic products our-

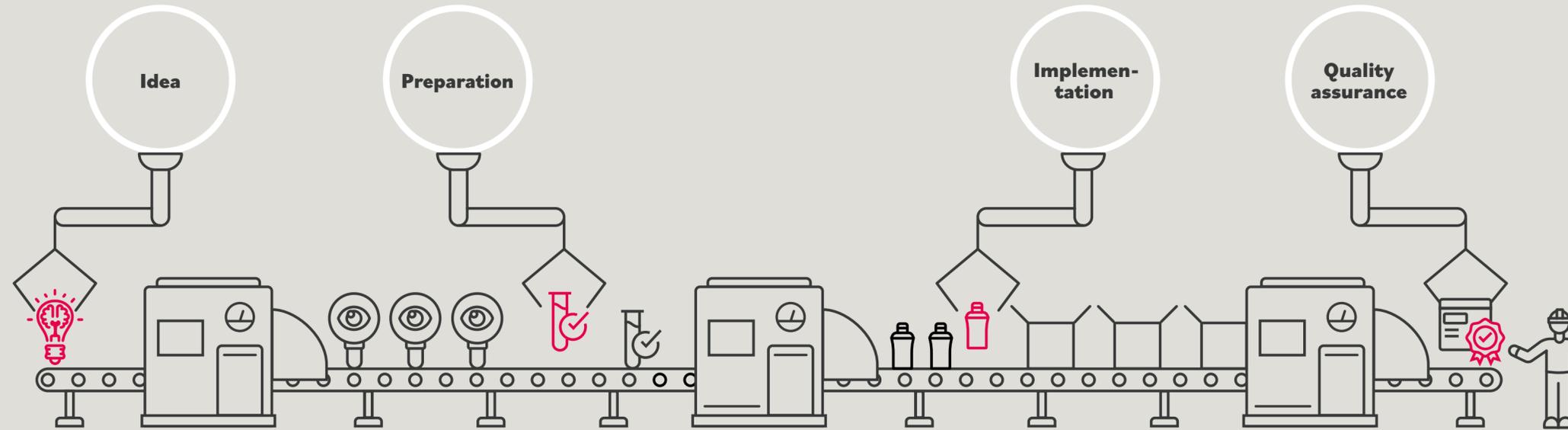
selves in our modern laboratories and production facilities. Since most of this is done at our site in Pulheim, there are numerous advantages for our customers, but also for the environment:

- short delivery times
- high flexibility
- high quality through the use of state-of-the-art equipment
- short transport distances
- reduced CO<sub>2</sub> footprint

Within the scope of logistics, we offer our customers comprehensive services, especially with regard to storage, transport, and returns management.



## Our product development process



**We consciously integrate sustainability aspects into our value chain.**

### Innovation management

Based on precise market and trend analyses, we (proactively) offer our customers innovative and individualized product concepts for every need.

↓  
Customer inquiries are dealt with and feedback is obtained.

### Research & development/design

Sophisticated research on unique formulas and development of classic products in four specialized and fully equipped laboratory locations.

↓  
Preparation and coordination of formula and packaging samples and quotation.  
↓  
Coordinating delivery date with customers, setting sales plan, coordination of printing data with customers/agency, suppliers.

### Manufacturing/filling

State-of-the-art manufacturing techniques with strict quality management according to DIN ISO 9001 ensure a comprehensive range of high-level products.

↓  
Delivery of packaging and raw materials, bulk production, filling and (carton) packaging, palletizing, goods issue (collection by forwarding agent or delivery to central warehouse).

### Quality assurance

Frequent controls of every manufacturing step ensure that all legal, regulatory, and normative requirements are met from start to finish.

### Strong partners

At MAXIM we are aware that we can only keep the promise of quality to our customers if we work with strong partners along our value chain. First and foremost, these include our suppliers, with whom we maintain long-term relationships and a close connection. For us, they are far more than manufacturers or distributors from whom we procure raw materials and supplies. For us, they are collaborators on product and packaging innovations to continuously improve the quality of our products. To ensure seamless communication, we have implemented an effective complaints management system that allows us to point out defects to suppliers quickly and precisely on the basis of customer and consumer complaints. A detailed description of the system and the results obtained can be found in the chapter on quality management.

We also seek to join forces with other companies in our sector in order to find solutions for problems that affect us all. One example is our membership in the “Forum Rezyklat” – an alliance of over 60 retailers, product and packaging manufacturers, dual systems, waste disposal and recycling companies, and representatives of science and politics. We support the collective objective of developing practical and consumer-oriented solutions for recyclable packaging and increasing the use of recycled materials in packaging. Isolated action is not helpful in this context because viable approaches, especially if they are cycle-oriented, must involve all players along the value chain in line with SDG 17.

However, we also strongly cooperate with scientific institutions in line with our open approach to collaboration. Together with a retail partner, we are running the “Pro Climate” project with the Technical University of Berlin. The aim of this project is to develop a life cycle assessment for various products in order to compare their environmental impact. The cooperation with a retailer makes it possible to map a very large part of the value chain spanning from production to disposal from an ecological perspective. In addition, the model developed for this purpose goes beyond emissions and includes eutrophication, soil acidification, summer smog, and ozone depletion as well.

Based on this data, we can identify important levers and develop products that are as environmentally friendly as possible with regard to the above categories. Beyond the continuous improvement of our own product development, the project generates important insights that other players can also use in terms of sustainable product design.

We describe our comprehensive activities with regard to sustainable products and the circular economy in the corresponding chapter.



**We are aware that we can best contribute to a sustainable development in cooperation with our partners.**



# EMPLOYEE DEVELOPMENT AND DIVERSITY

**Our employees are the foundation of our innovative strength and competitiveness. Supporting them and offering them development opportunities promotes their and our success. Only with well-trained, committed, and motivated employees from a variety of backgrounds can we master the many challenges of the 21<sup>st</sup> century and secure the future viability of our company. The recruitment of talent is an important element in this regard, which is why we offer attractive perspectives and career paths.**

## **Our management approach**

For us as a family-owned company, a trusting and respectful relationship with our employees is an integral part of our corporate culture. We live the idea of a company family. The direct exchange fostered by our open door policy is the driving force behind our agility and innovative strength. For us, openness also includes controversial debate because we are convinced that constructive conflict is an important driver of improvement. In the competition for the best ideas and solutions, we at MAXIM rely on diversity. We are aware that a diverse workforce, embedded in a corporate culture based on partnership, is an important success factor. Promoting diversity is therefore an important component of our management approach.

A modern human resources development is crucial to MAXIM's competitiveness. Due to the fast-paced change in our industry – driven by automation, digitalization, and the desire for sustainable products – the continuous training and development of our employees is essential. Across all business functions, we want to enable them to know and understand new developments and to be able to address them successfully.

A diverse working environment as well as personal and professional development perspectives also enhance MAXIM's attractiveness as an employer. We, too, are feeling the effects of the growing shortage of skilled workers and the resulting competition for qualified employees, which presents a challenge to us because of our steady expansion. We meet this challenge by offering an attractive, future-oriented working environment.

**At MAXIM, we promote  
the development and  
careers of our employees.**



In order to meet the associated demands on us as an employer, we pursue an integrative approach. Our HR department works closely with management and executives to identify and implement necessary measures and drive change. We also coordinate important aspects of communication carefully so we can inform and involve our employees in the best possible way. Convincing and motivating them to become actively involved in greater sustainability, both at work and in their private lives, is a vital element in this context.

### Promoting diversity

At MAXIM, we strive for diversity within the company. For us, this implies not only shaping a diverse workforce and an open corporate culture but also considering and promoting the different skills, knowledge, perspectives, experiences, and characteristics of our employees. We seek to support their personal development and bring their individual strengths to bear to promote creativity, innovation, and our business success. In particular, we want to strengthen gender and cultural awareness. Already today, 374 of MAXIM's employees, and thus more than half, are women (see table). This also applies to women in management positions, where their share is currently 53 % (SDG 5).

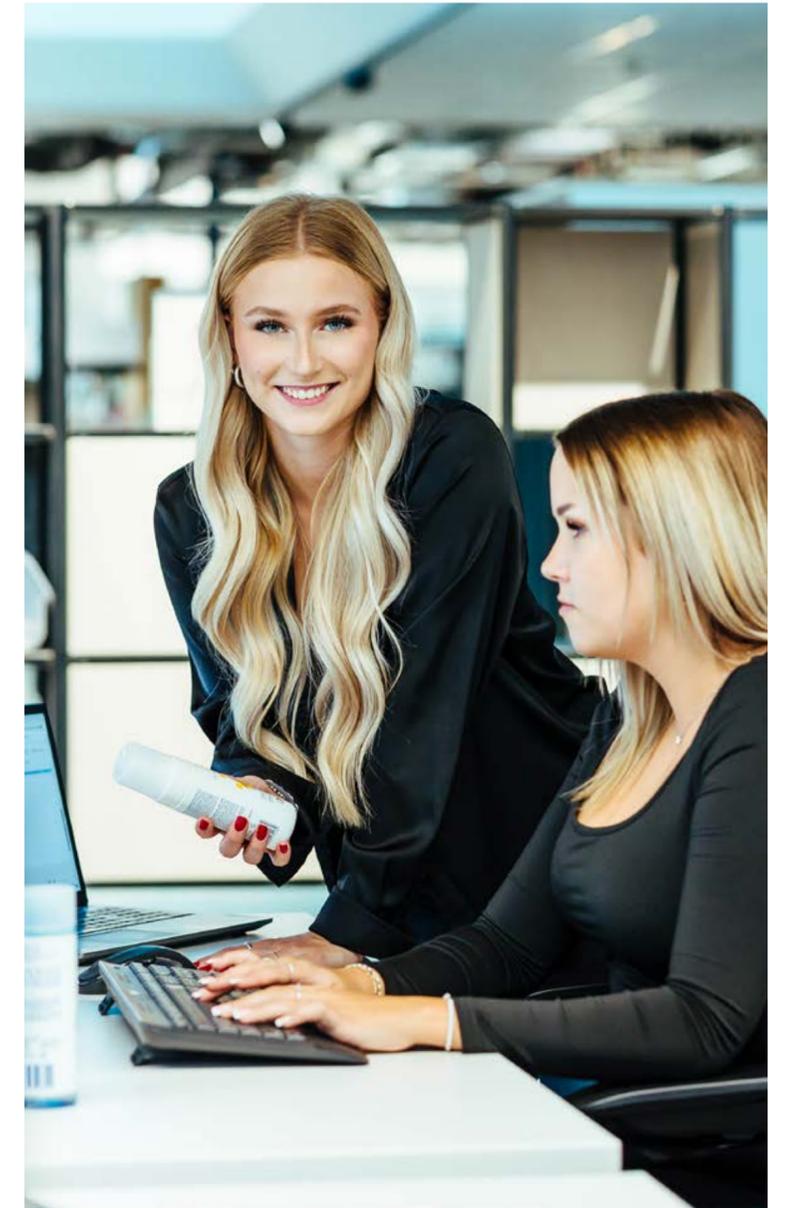
We are determined to keep the proportion of women employees and managers in the company at a constantly high level in order to enable equal participation of women and men in management positions and to ensure equal opportunities throughout our company.

In order to strengthen the balance between family and career, we offer our employees flexible working hours, part-time models, and mobile working opportunities. Nevertheless, we still see potential for improvement and want to create an even more diverse range of flextime and hybrid working models in the coming years. We also want to offer options of childcare in the immediate vicinity of our company.

At our site in Pulheim, more than 30 nationalities work together and we deliberately integrate people from different ethnic backgrounds. After all, a diverse workforce is an important competitive factor for us as a global company. We offer language courses to new employees with little knowledge of German to ease and accelerate their integration.

**By promoting diversity, we support the development of our employees and that of our company.**

	2020	2021	2022
<b>Total employees at our location in Pulheim (including traineeships)</b>	672	668	686
men	287	290	312
women	385	378	374
full-time	562	568	585
part-time	109	99	100
Number of trainees	13	15	24





### Personnel development

In order to promote innovation and the satisfaction of our employees, continuous human resource development plays an important role for MAXIM. We are constantly working to develop our colleagues and to accompany them on their professional and personal journeys (SDG 4). We see this as a holistic process that extends from their entry

into our company through all key milestones and developments to the end of our employment relationship.

As far as joining MAXIM is concerned, we introduced a welcome folder a few years ago that facilitates the onboarding process by making all information about our group, the key contact persons for specific topics, and internal company guidelines easily available. We have also set up a mentoring system in which experienced employees provide new colleagues with advice and support. As a small token of our appreciation, we also hand out our own branded hand soap to welcome the new colleagues on behalf of the entire Group.

The onboarding process is followed by a tried-and-true training and development process that includes individual development measures based on the annual meetings of our employees with their managers. In addition to the measures agreed upon as a result of this exchange, we also seek to offer needs-based training beyond the scope of the agreements at short notice when needed.

Starting the MAXIM Academy was a milestone for us. Its establishment in 2021 enabled us to significantly expand our training programs once again. The program initially focused on managers and sales departments in the first year, but has been successively expanded since. The response from participants, managers, and trainers has been consistently positive. In the meantime, more than 600 participants have taken part in the Academy's programs.

Regardless of the topics covered and the participants, we believe that a systematic evaluation is part of successful HR development. The programs and their providers are assessed by our employees as part of a quality check. In turn, our HR department carries out effectiveness reviews and, if necessary, provides follow-up training based on these reviews.

In addition to continuing education, training plays a central role in MAXIM's human resources development. We want to offer young people a solid basis for their future careers and strengthen our future viability through qualified talent. Therefore, in 2022, 24 trainees will have finished their three-year traineeship in the following areas:

- **Commercial: industrial management, office management, and information systems integration specialist**
- **Industrial sector: chemical production specialist, machine operator, and industrial mechanic.**

In general, we offer all trainees who perform well a hiring opportunity after the completion of their training. This approach has proved successful for us over many years. Our first trainee – after we resumed trainee development in 2004 – is still a permanent part of our company today. Our trainees also have interesting career paths open to them in our company.

The great importance of training for our company is underlined by the creation of a training manager function in our human resources department.

Our aim is to steadily increase the number of trainees in the coming years and to add further traineeships – also by further strengthening our recruiting activities.

### Recruiting

To further develop our recruiting activities, we have created new capacities and hired a recruiting specialist. By systematically building up our workforce, we want to strengthen our growth strategy. A related objective is to shorten recruitment times, particularly in the industrial sector, and to have fewer vacancies in order to reduce the workload of our employees.

One of the measures for which the new position is directly responsible is the planning and implementation of trade fair appearances. At job and education fairs, we want to present ourselves to younger people in particular. To this end, we have also expanded our social media presence and set up accounts for MAXIM on LinkedIn and Instagram, which we regularly use. This also applies to our presence on Stepstone used for our recruiting activities.

# FAIR AND SAFE WORKING CONDITIONS

**For us at MAXIM, it is not only essential to offer our employees excellent opportunities for training and development, but also to guarantee fair and safe working conditions. This implies ensuring an appreciative and non-discriminatory working environment for our employees, the protection of their physical and mental health, as well as the promotion of their personal well-being.**

## **Our management approach**

We create safe and fair working conditions on the basis of clearly regulated specifications and guidelines as well as corresponding processes and responsibilities. By doing so, we strive for the firmly grounded and institutionalized protection of our employees. Instead of reacting spontaneously when necessary, we act with foresight, trying to avoid any threat or danger to our employees, whether of a physical or psychological nature.

As it is the case for our material topic “Employee development and diversity,” we also have binding guidelines on “Fair and safe working conditions.” This applies both to the area of “equality and inclusion” and to the area of “employee health and safety.” These guidelines do not only serve to set premises

but also to sensitize our employees to the relevant issues and to highlight desirable behavior.

By systematically analyzing and recording relevant facts, for example the number and nature of occupational accidents, we seek to determine our performance. On the one hand, this enables us to judge the effectiveness of our measures. On the other hand, it allows us to identify and assess weak points and thus to initiate effective improvement measures.

**Fair and safe working conditions are an essential element of the responsibility towards our employees.**



### Non-discrimination and equal opportunities

One of our top priorities as a family-owned company is to ensure that all our employees can work in a fair, protected, and respectful environment. We demand and promote equal opportunities and prohibit any conduct that contravenes these principles. We sanction non-compliant behavior based on our Code of Conduct, which we describe in more detail in the chapter on “Values and compliance management” in our report.

We at MAXIM do not tolerate any discrimination against employees, business partners, customers, or other stakeholders. We oppose any form of unjustified unequal treatment or discrimination of individuals or groups. We do not treat any person unfairly or in a prejudiced manner, in particular not on the basis of a certain identity or characteristic, such as ethnic origin, skin color, age, gender identity, aptitude, sexual orientation, religion, or other traits (SDG 10).

Similarly, we reject any form of harassment. Verbal or physical behavior that belittles a person or expresses hostility or aversion towards them, for example through derogatory statements or jokes, is not acceptable to us in any form. This includes any unilateral and undesirable behavior with a sexual connotation that violates the dignity of the persons concerned. Sexual harassment as well as unwanted sexual advances have no place in our company. We actively encourage our employees to take a stand against discrimination and harassment and to approach their superiors in confidence within the framework of our “Open Door Policy.”

### Occupational safety and health

For MAXIM, ensuring a safe workplace is part of an employer’s fundamental responsibility towards its employees. It is therefore essential for us to maintain and promote the physical and mental performance of our employees in their interest and in ours (SDG 3). For doing so, we take a preventive approach. We want to identify risks and hazards as early as possible and take precautionary measures.

The starting point for safety in the workplace is the sensitization of employees and a needs-based training to prevent accidents and safety risks. We offer appropriate safety briefings for all employees and special training for those who work with relevant technical equipment or hazardous substances.

We also offer our employees occupational health checkups. To further strengthen our preventive approach, we carry out comprehensive risk assessments and regularly check the safety and reliability of equipment.

To establish clear responsibilities and competencies, we have appointed an occupational safety and health officer as well as people responsible for first aid and fire protection whom we train regularly and keep up to date with the latest requirements. They are responsible for promoting this topic in our organization and serve as contact persons and qualified “first responders” in the event of accidents or other incidents.

We also work with an external safety expert to get an objective view of things and obtain further expertise. There is a regular exchange between this expert and our divisional heads and safety officers. One example is the quarterly meeting of our Safety and Health Committee. This committee is responsible for our internal audits on employee health and safety and the associated risk assessment. Systematic reporting on accident severity and frequency rates enables in-depth analysis and monitoring of progress.

**Systematic audits help us identify and eliminate potential occupational safety and health hazards.**



### Health management

In addition to safety in the workplace, we offer our employees numerous opportunities to promote their health and enhance the quality of their work environment.

We make it possible for our employees to lease e-bikes in order to not only promote health but also environmental awareness and protection.

Moreover, we encourage our employees to exercise together and coordinate numerous opportunities for doing so. Some of our colleagues passionate for sports took part in the annual B2Run charity run as well as in the local cycling event. In 2022, we cycled a total of 1,230 km, saving 189.4 kg of CO<sub>2</sub>. We hope to be able to increase this number even further in subsequent years.

Our “health days” are particularly popular. Among other things, they provide our employees with the opportunity to have the strength of their upper body muscles measured and receive helpful tips for a healthy back. Reflexes can also be checked. In 2023, we have already started the next health day program, including ergonomics checks, a metabolic analysis, walking distance competitions, and breaks to exercise with a fitness band and Fitlight. We also make sure that we provide ergonomically friendly workplaces for our employees, both in the administrative area as well as in production. This includes suitable office furniture and production equipment.

It is also important for us to deploy employees according to their profile and skills, particularly with regard to their age, in order to avoid overstraining and thus musculoskeletal disorders. Demographic change therefore also represents a risk for MAXIM. For this reason, we have started to measure the average age of our employees, which is currently 43. This enables us to assess whether there will be shifts in the composition of our age structure to which we can then respond effectively if necessary.



**“Comprehensive health management promotes the well-being of our employees and strengthens their performance.”**

**Margarete Krupa**  
Managing Director



# CORPORATE CITIZENSHIP

**As a family-owned company with a long tradition, we are firmly rooted in our location. That is why we live social responsibility in our home region of Cologne-Pulheim. This regional focus is one of the focal points of our commitment, through which we seek to make a contribution to an environment worth living in. Another focus of our engagement is on issues that are close to our core business: body and oral hygiene.**

## The pillars of our corporate citizenship

We believe that companies are an important part of society and that they have the opportunity to make a valuable social contribution based on their economic capabilities. They do this to a large extent by creating jobs and paying taxes as well as social security contributions. But they can also do good beyond these aspects through their voluntary commitment.

At MAXIM, it is our approach not to disperse our resources without a focus, but rather to pursue a structured approach. That is why our corporate citizenship is based on two pillars. First, we have a clear regional focus and primarily support good causes in the locations where we operate.

We are in close contact with numerous people and organizations at our location and are familiar with their needs. We are a reliable partner for local communities and associations.

Second, we are involved in issues that are closely related to our core business, because we want to generate comprehensive support and also contribute our expertise, where possible.

Regardless of the issue, we pursue the approach of working in cooperation with others, as sustainable development is best achieved by joining forces (SDG 17). For this reason, we also strive to involve our employees in driving social and environmental issues forward.

**As a family-owned company, we support a wide array of initiatives at our sites.**



### Our commitment to the region

As a family-owned company, we have close ties to our region and its people. To alleviate inequalities, we support those who are less privileged in particular (SDG 10). That is why we support the “Kölner Tafel” – a food bank - with donations in cash and in kind. In difficult times, such as those caused by the coronavirus pandemic and the war against Ukraine, it has become an indispensable institution and supports people in need not only with food but also with solidarity and appreciation. Values that are also of great importance to us at MAXIM.

In addition, we deliberately purchase goods from the “Blindenmanufaktur R. Kaniss,” a handicraft business, which distinguishes itself from other businesses by the fact that the employees are blind or severely visually impaired. The company thus creates jobs for people who would have limited opportunities on the open labor market otherwise (SDG 10). Their employment does not only generate some independence for them. It also contributes significantly to increasing their self-esteem.

We are also active supporters of the “100Pro-Lesen” initiative and have taken on a newspaper sponsorship for a high school in the Cologne district of Pesch to promote education (SDG 4). The aim of the network is to strengthen the capability of students from all type of schools to form their own opinion by giving them access to newspapers.

To our hometown Cologne we are also linked through our membership of the Zentral-Dombau-Verein, a charitable organization that is

committed to preserving the city’s landmark – the cathedral. Moreover, we are a sponsor of one of the city’s most traditional football clubs, SC Fortuna Köln. Our KALODERMA brand is a sponsoring partner for the 1st men’s team, which currently plays in the 4th division.

But, of course, we also want to be active directly on our doorstep in Pulheim. That is why we are a member of the “Freundeskreis Abtei Brauweiler” (Friends of Brauweiler Abbey). It is dedicated to the promotion of arts and culture in the Pulheim district of the same name as well as the protection and preservation of historical monuments. To pursue this aim, it also offers an extensive program of exhibitions and events at the abbey, which we support with sponsorships for the “Classic Nights” concert series.

### Commitment to health and the environment

Promoting issues that affect our core business is an important matter for us. As a manufacturer of oral care products, we support the “Verein für Zahnhygiene” (Association for Dental Hygiene), which has been providing information material for kindergartens, schools, health authorities, and working groups since 1970, aimed specifically at very young target groups. The focus is on play and learning products, which have long been an integral part of the educational activities in many institutions. In addition, the association is involved in many events to provide information about dental health and the importance of timely prophylaxis during childhood and adolescence (SDGs 3 and 4).



As pointed out, we also try to involve our employees, bridging the gap between core business and volunteering. In 2022, we organized our “Green-Week” for the first time – a project initiated by our trainees, of which we are particularly proud. Its aim is to show that each individual can make a positive contribution and to draw attention to the increasingly visible consequences of climate change (SDG 13) and the extinction of species. But our trainees also want to raise awareness regarding health in the workplace and beyond.

**Day 1 – Save the bees:** Here we planted over 40 lavender and other bee- and insect-friendly perennials. We also sowed wildflower seeds resistant to cold weather, set up insect hotels and put up bird-houses. With this project, we wanted to make our small contribution to counteract insect extinction and provide insects with a safe place.

**Day 2 – Garbage collection:** Equipped with bags and tongs, our trainees were able to collect over six large bags of garbage in the Brauweiler industrial park in just one hour. The collected trash was then properly separated and disposed of.

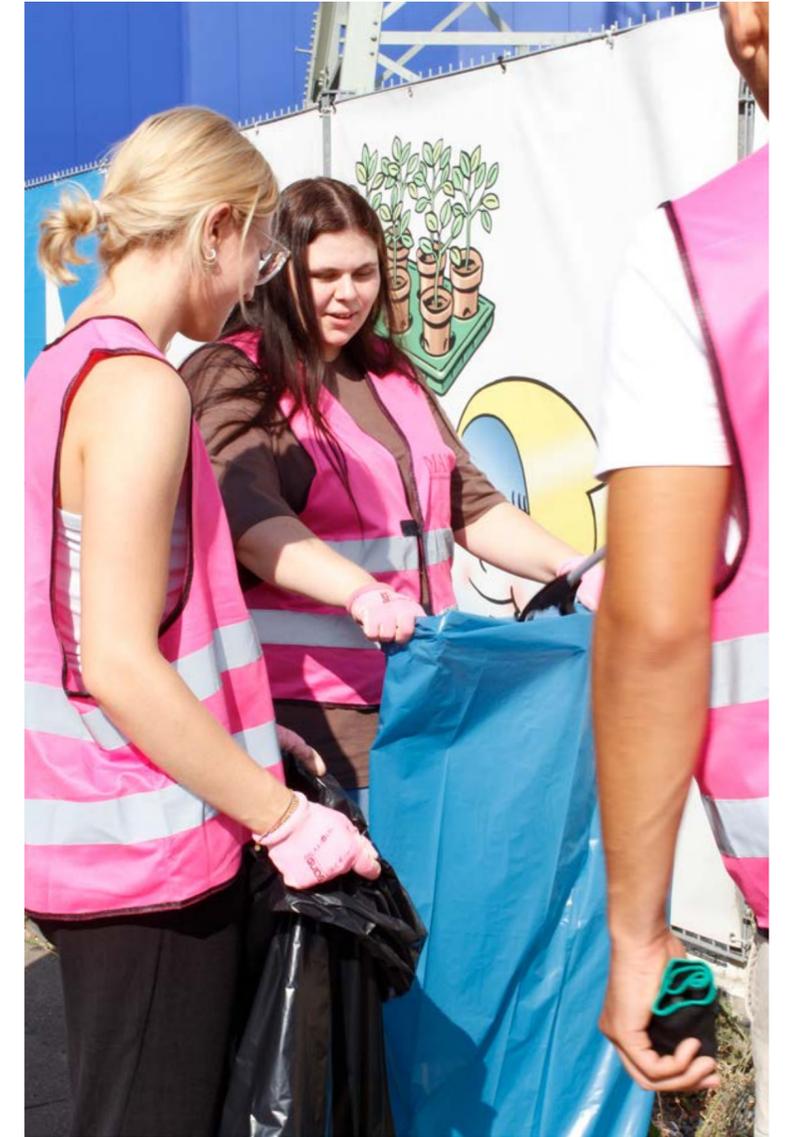
**Day 3 – Car-free day:** Despite temperatures of around 34 degrees Celsius on this day, we were able to convince more than 30 employees to commute without their cars. However, not only cycling but also the use of public transportation and creating car pools was rewarded with a fresh smoothie from our canteen.

**Day 4 – Health:** This day was dedicated to physical health by drawing attention to the extensive time spend sitting in the office. It was explained how to stay in shape and prevent back pain. In addition, a health insurance company visited us with a booth. Our employees were able to measure their hand strength, which is often used as an early stage indicator to detect shoulder and neck problems.

**Day 5 – B2Run:** On the last day, we took part in the B2Run company event in Cologne with a team of 30 employees running for a good cause. Each participant generated donations for the DKMS (German Bone Marrow Donor File) and its fight against blood cancer.



**The “Green Week”  
organized by our  
trainees was a  
great success.**





# RESPONSIBILITY FOR OUR PRODUCTS

# SUSTAINABLE PRODUCTS AND CIRCULAR ECONOMY

**MAXIM stands for products that are not only of high quality but also environmentally friendly. That is why we are continuously working to improve the environmental performance of our products, from product development to packaging. To be as effective as possible in this regard, we cooperate with our customers and suppliers, but also with retailers, industry associations, and scientific organizations. This consideration of the entire value chain plays a special role in the design of successful closed-loop concepts.**

**There are two important reasons for us for engaging in this topic. First, natural resources are vital to us as a manufacturing company. We want to ensure their availability in the long term - also through circular concepts for materials. Second, as a family-owned company, we consider it our responsibility to our children and grandchildren to leave them a world with sufficient natural resources and without mountains of waste.**

**Already when it comes to the design of our products, we see great potential to contribute to sustainable development.**



**Our management approach**

At MAXIM, one of our core principles is to take a holistic view. That is why we consider the impact of our products on the environment as early as the development stage. As a research-driven company that is subject to tight regulation, acting based on facts is fundamental for us. This approach ensures that we meet regulatory requirements, but also generate ideas and approaches for further optimizing our products by systematically identifying the greatest potential for reducing negative environmental impacts.

For us, acting holistically also implies using proven instruments for quality, energy, and environmental management in the production process following product development or commissioning. By doing so, we ensure the consistently high quality of our products as well as a continuous reduction of our environmental footprint. The following chapters describe our approach in detail.

Further downstream in the value chain, the selection of the best packaging option is of primary importance to us. Also in this stage, we are constantly working on improvements by trying to reduce material use and to apply recyclable packaging made from alternative materials.

We are aware that this linear approach of “Take – Make – Waste” can bring about considerable improvements, but does not enable closed material cycles. That is why we have embarked on circular economy models, because we want to contribute to decoupling economic growth from the consumption of finite raw materials in order to pre-

serve them in the long term. It is part of our approach to link this transition to a full circular economy with a sustainable product design, as it can only be successful if implemented gradually in the long run.

**Research strength as a basis**

MAXIM has been distinguished for many years by extensive research activities in the segments of facial care, oral and dental care, hair care, body care, men’s cosmetics, decorative cosmetics, women’s and men’s fragrances, deodorants, and the rapidly growing segment of natural cosmetics. This allows us to already take environmental considerations into account when developing new products such as terminating the use of synthetic polymers, as we describe in the next section (SDG 9).

In 2020, we once more expanded the capacity of our laboratories and were able to relocate parts of the previous laboratory one year later. The increased laboratory space enabled us to further improve internal processes.

**Number of formulas developed at MAXIM since 2018**

Year	New formulas	Implemented formulas	Implemented formulas %
2018	1,565	291	18.6
2019	1,542	320	20.8
2020	2,250	566	25.2
2021	2,012	512	25.9





**Already since 2013, MAXIM has refrained from using synthetic polymers in solid form in the development of new products to contribute to the protection of water.**

### Environmental sustainability of our products

As part of our strategy on sustainable product design, the development stage is a focal point due to our research strength (SDG 12). It permits us to compose formulas under the consideration of environmental aspects within the framework of legal requirements and customer wishes. The reduction of synthetic polymers is a prime example in this regard.

The European Chemicals Agency ECHA defines microplastics as synthetic polymers in particle form that are smaller than 5 millimeters in size. These microplastic particles are used in cosmetic products, for body or face cleansing, if the product is to have a special exfoliating effect. In wash-off products, such as shower gels or shampoos, they have sometimes been used as so-called “opacifiers” that provide the products with a creamy texture.

Cosmetics Europe (CE), the European umbrella organization of the cosmetics industry, had recommended to its members at an early stage to replace solid plastic particles for cleansing and exfoliating effects in wash-off products by alternative substances by 2020. As so-called “microplastics,” these synthetic polymers enter soil and water through the use of the aforementioned products, where they accumulate because they are hardly degradable. This way, they potentially enter the food chain of animals and humans. Already since 2013, MAXIM has refrained from using synthetic polymers in solid form in the development of new products. Dissolved synthetic polymers differ from these solid microplastic particles. The former are used in cosmetics and care products as thickeners and binders. They provide water resis-

tance and styling effects, but at the same time are hardly or even fully non-biodegradable. Since 2017, we have eliminated dissolved synthetic polymers (SDG 14) as far as our customers and product performance allow. MAXIM has optimized the entire portfolio of formulas and avoided the corresponding substances (SDG 15).

The issue is similar for so-called “rinse-off products.” These are products, such as shower gel or soap, that are rinsed or washed off and can enter wastewater and sewage treatment plants in large quantities. Biodegradable skin cleansing products facilitate wastewater treatment and ensure that harmless substances enter our water systems.

Biodegradability describes whether and to what extent substances can be broken down into their basic components by microorganisms, such as bacteria or fungi. At MAXIM, we are gradually testing the rinse-off product range with regard to the biodegradability of the ingredients used.

### Use and traceability of raw materials

Along the value chain, following research and development, the raw materials used also play an important role in sustainable product design. One of these raw materials is palm oil, which is used as an alternative to petroleum for the production of the polymers just mentioned and also other cosmetic products, mostly in the form of palm kernel oil derivatives.

To ensure that palm oil is sourced sustainably, MAXIM first underwent certification by the Roundtable on Sustainable Palm Oil (RSPO) in October 2018. Due to the strong connection of our

group’s individual sites, our management decided to have all of its sites multisite-certified. Three years later, the new site in Colombia was also added. In 2022, the entire certification was renewed.

The RSPO follows five key principles to promote the cultivation of sustainable palm oil:

- **No clearing of ecologically valuable forest areas for the cultivation of oil palms**
- **Compliance with legal regulations, such as land use and property rights**
- **Prevention of child labor**
- **Integration and promotion of small farmers**
- **Audits of plantations by independent and authorized inspectors**

In 2022, 97 % of the palm oil and palm kernel oil derivatives we use were already RSPO-certified. We aim to reach 100 % by 2025 by requiring the remaining suppliers to obtain certification and meet the associated requirements.

### Sustainably certified products

The market for natural cosmetics in Germany has grown steadily in recent years. According to Statista, the market volume was 860 million euros in 2011, but had already reached 1.5 billion euros by 2021. This reflects the increasing environmental awareness of consumers. We at MAXIM see corresponding economic and environmental opportunities, confirming our conviction that financial success and ecological sustainability are not mutually exclusive, but can even reinforce each other. We ourselves were able to increase our sales of natural cosmetic products from 6 million to 13 million units between 2020 and 2021.

A key success factor was the establishment of our own R & D department for natural cosmetics in 2019. Moreover, the certification of our natural cosmetic products is also of great importance to us. On the one hand, it enables us to have our products audited by an independent body to ensure that they meet recognized environmental standards. On the other hand, our customers are assured that they are buying products that meet the highest standards of environmental sustainability.

Our first product received NATRUE certification as early as 2010, which is why we see ourselves among the pioneers in this segment. Certified products must meet a long list of requirements regarding raw materials used and the product itself. They range from regulatory requirements to ingredients and formulas. Just two years later, we went one step further and obtained NATRUE certification for our entire cosnature® brand.

In 2022, we also successfully received Cosmos certification from Ecocert for MAXIM brand products as well as our subsidiary Cosmolux International. Certification according to this internationally recognized standard is also possible for organic or natural cosmetic products. COSMOS goes even further than NATRUE, because in addition to the product itself, the packaging and cleaning agents used must also comply with the specifications of the standard.

### Sustainable packaging

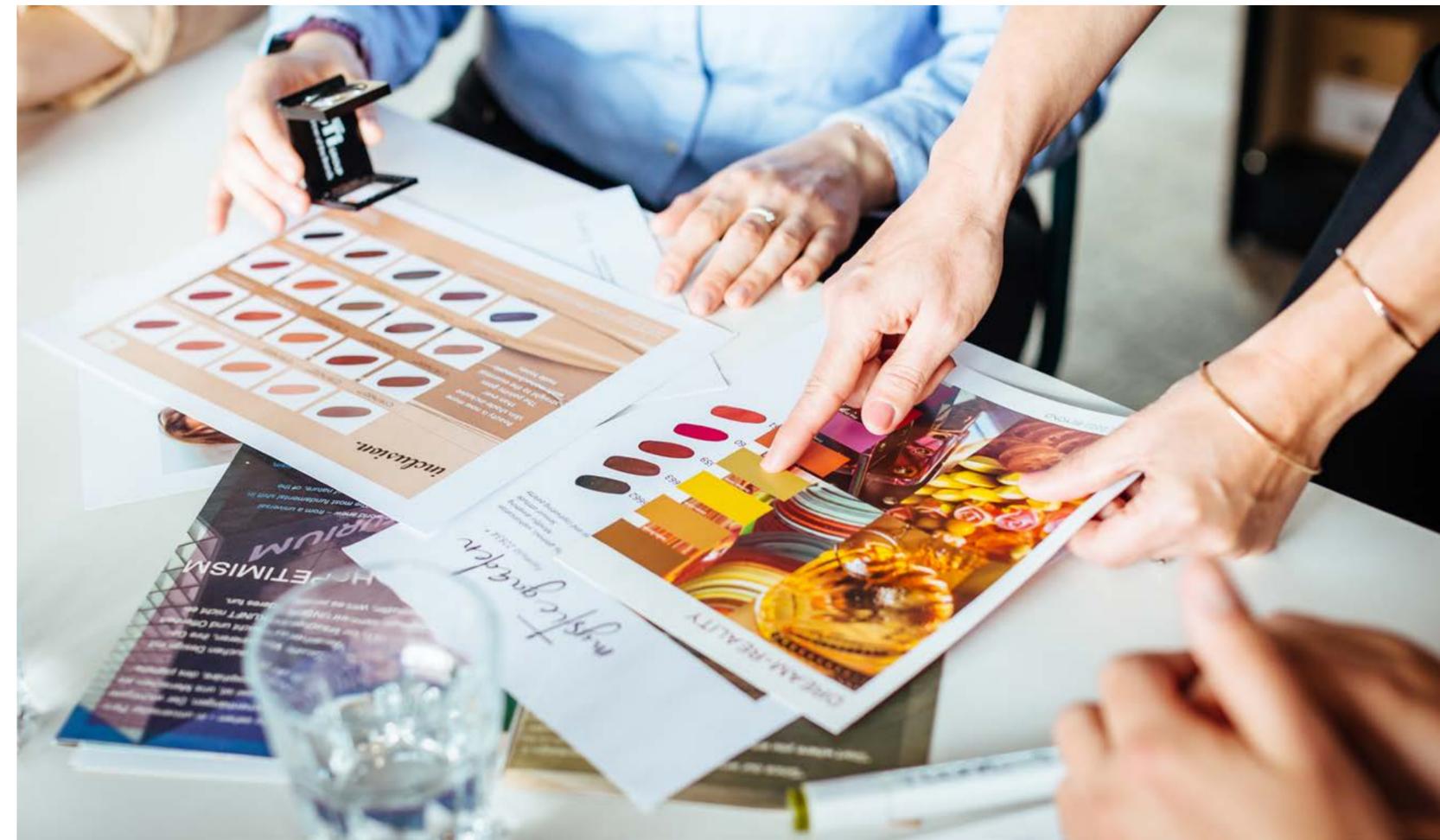
As the COSMOS certification shows, we at MAXIM also work on the sustainable design of the packaging we use, in line with our aim to act holistically (SDG 12). In doing so, we are pursuing several approaches.

First, we strive to reduce the weight of plastic packaging, especially in the case of bottles and tubes. At the same time we seek to increase the proportion of recycled plastic in order to conserve raw materials and reduce the amount of waste and energy used during the production process. We are also working to continuously increase the recyclability of our packaging. One example is the reduced use of PETG, which, unlike PET, is difficult to recycle and is used, among other things, for the production of bottles.

In 2022, we still used 29,708 kg of PETG, but are already aiming to reduce this number by 2023. By 2024, we want to completely eliminate PETG as a packaging material. Close cooperation with our customers is essential for us to achieve our ambitious goals. As a full-service provider, we actively approach them to find sustainable solutions.

Cooperation with our customers is also important because the transition from linear to circular economic systems can only succeed if all players along the value chain are involved, including consumers and suppliers.

**In 2019, we established our own R & D department for natural cosmetics. Today, we already sell 13 million units annually in this segment.**



### Circular economy

At MAXIM, we have defined the long-term goal of developing products that move in closed material cycles, using only renewable energies. However, we have only just started. We are currently making great progress in minimizing our negative impact on the environment by reducing or completely eliminating packaging materials. We are also using more and more materials from sustainable sources for products and packaging without compromising their quality and safety.

These solutions contribute to the conservation of resources, but do not yet constitute full-fledged closed-loop concepts in which substances are retained in cycles throughout the entire product life span. This is only possible through a cooperative approach along the value chain and through uniform procedures in the industry and beyond, since isolated individual actions do not enable connected cycles. The necessary research effort can also not be achieved by one actor alone.

MAXIM is an active member of the “Forum Rezyklat.” It provides a collaborative platform for companies and institutions from the retail, brand, and packaging industries as well as waste management companies and political representatives to develop joint strategies and measures for the separation of recyclable materials by type. The aim is to increase recycling rates and the proportion of recycled materials in packaging with the overriding goal to make packaging recyclable already at the production stage (“design for recycling”) so that it can remain in the cycle as a resource after use.

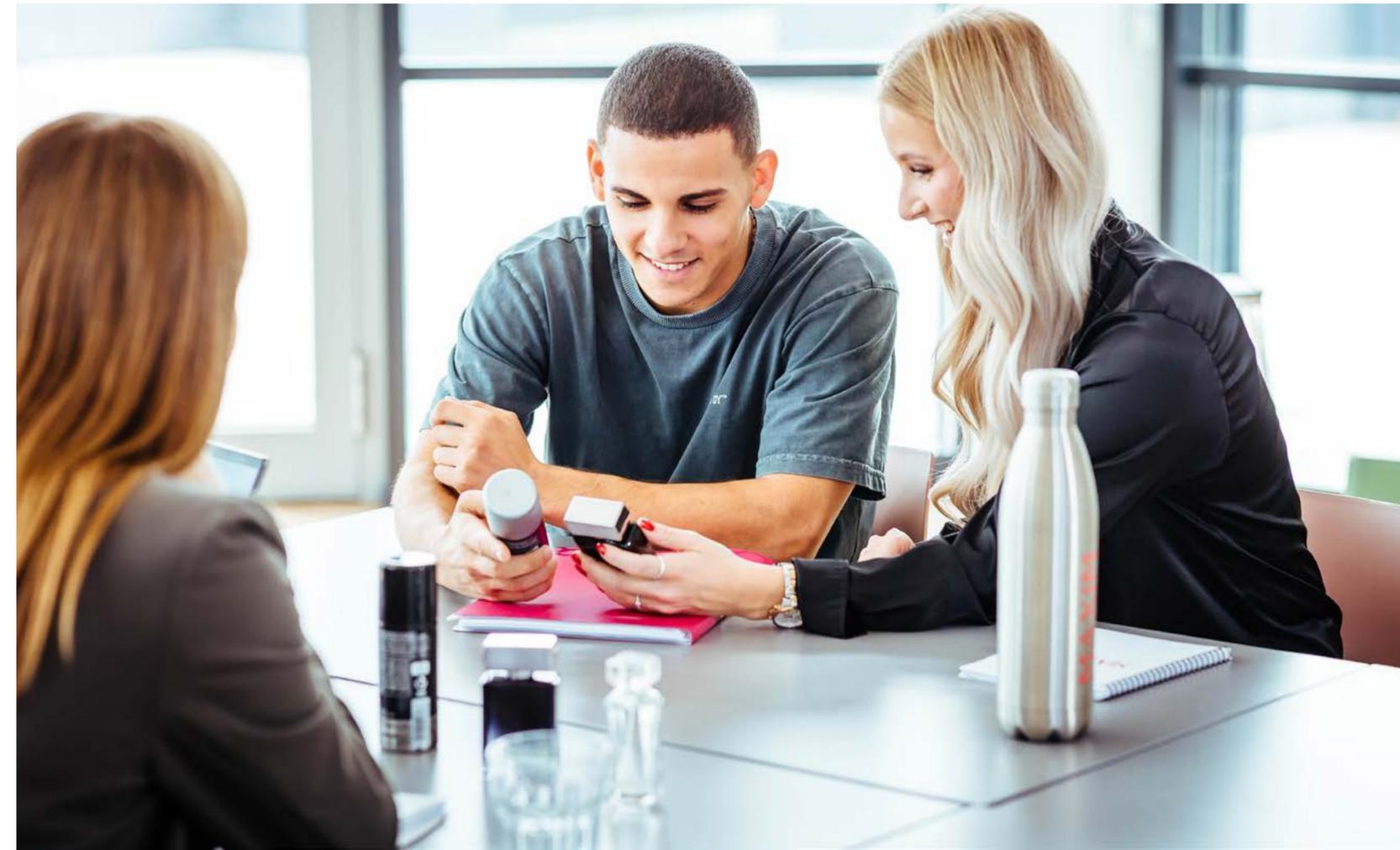
We are aware that the road to recycling-based systems is still a long one, particularly in an industry where packaging is indispensable. For us, this is both an incentive and a mandate to further intensify our efforts to create a circular economy in cooperation with our partners (SDG 17).



**GEMEINSAM RECYCELN.  
GEMEINSAM WERTE SCHAFFEN.**  
forum-rezyklat.de

**At MAXIM, we are convinced that closed-loop systems can only succeed in cooperation with suppliers and customers. That is why we work with partners along our value chain when we design packaging.**

**Martina Neuber**  
Sustainability Manager



# QUALITY MANAGEMENT AND PRODUCT SAFETY

**For MAXIM, providing safe products of high quality is inseparably linked with sustainability. As a manufacturer of personal care and cosmetic products, the efficacy and tolerability of our products are our top priorities. However, we do not only strive for quality regarding our products but also our processes, production, and services. Seamless and error-free processes ensure material and time efficiency, conserving valuable resources. Quality therefore not only contributes to securing our economic success but also enables us to continuously improve our environmental performance and to ensure safe workflows.**

## **Our management approach**

Our mission is to provide our customers with innovative products and solutions for personal care and cosmetics. And to do so with products and solutions that are safe, of high quality and contribute to good health (SDG 3).

That is why quality management is of great importance for MAXIM from an internal and external perspective. Based on well-established process models, it first helps us to identify the needs and expectations of our stakeholders. Building on this foundation, we can define and implement appropriate targets and measures, and finally monitor target achievement so that we can react appropriately in the event of deviations.

By doing so, we can continuously optimize our structures and processes, as well as the recording and documentation of important information. This provides us with a better basis for successful decision-making.

Our structured approach creates certainty for our customers that MAXIM delivers safe and innovative products and is always a reliable partner. Our quality management systems support us in meeting their demands as well as regulatory requirements – creating trust and high satisfaction among our customers.

**Exceptional quality is  
an essential element of  
sustainability for us.**





Our overriding aim is to adopt a holistic perspective also within the framework of quality management. We are working on increasingly linking the various management systems in our company in order to exploit synergies and avoid redundancies. In particular, standards of the “ISO family” offer considerable potential in this regard due to similar requirements and processes.

### The development of our integrated management system

In 2017, our quality management was certified according to ISO 9001 for the first time. This most widespread standard in quality management defines minimum requirements that need to be implemented in order to meet customer requirements and specifications with regard to product and service quality. The audit carried out in December 2021 showed that we meet these requirements without restriction.

While ISO 9001 applies to all sectors, the IFS HPC certification relates to companies in the household and personal care segment. This standard aims at the systematic reduction of risks in the manufacture, processing and packaging of household and personal care products, which is why it is highly relevant to MAXIM. The goal is to provide a higher degree of product safety and quality for end users. We were successfully certified according to IFS HPC for the first time in 2017 and were able to confirm this certification in November 2020 with an excellent result of 96.15% in the so-called “Higher Level.”

The audit for the IFS HPC certification was carried out in conjunction with an audit for the Global Standard Consumer Products of the British Retail Consortium that is particularly widespread in the UK. It also includes a set of principles for quality and product risk management for household and personal care products, including a management commitment to quality and safety, process control, and continuous improvement.

We have been certified to ISO 50001, the world’s leading standard for energy management, since 2016. In 2022, we successfully passed the reaudit. For 2024, we are also planning to obtain certification for the first time in accordance with ISO 14001 (environmental management). Although we discuss both standards in more detail in the following chapters, we deliberately include them here as well. On the one hand, our efforts reflect our goal of integrating our management systems in order to make the best possible use of collected data and exploit resulting opportunities. On the other hand, it reflects our holistic understanding of quality, as we also consider the careful use of energy and the protection of our natural environment to be part of high-quality processes and structures (SDG 12).

To this aim, we also underwent an Ecovadis rating for the first time for our entire group in 2022. This rating assesses the quality of a company’s sustainability management regarding its policies, measures, and results achieved. The rating covers 21 criteria from four subject areas: environment, working conditions and human rights, fair business practices, and sustainable procurement. This comprehensive understanding of quality is in line with our approach. We already received bronze status in our first rating, but aim to improve further and reach gold level by 2025.

### Empowerment and training of our employees

Quality and product safety can only be guaranteed if employees are informed and trained accordingly. This is why we are striving to continuously expand our range of training courses on constantly increasing regulatory requirements. Our goal is to hold respective quarterly training courses from as early as 2024.

Our QM manual, which is easily accessible to our employees through Microsoft SharePoint, also makes a vital contribution in this regard. The electronic format allows us to easily update it on an ongoing basis. Moreover, it gives our individual departments the opportunity to provide the documents relevant for others so that they can be accessed by everyone without having to conduct a search.

### Preventive and corrective actions

For us at MAXIM, it is important to prevent errors before they occur. The training of our employees is an important component here. If they identify potential deficits or actual deficiencies, they are required to take appropriate action.

To ensure clear coordination and communication, we work with an action plan that is also based on a SharePoint list for easy access. The action plan is enhanced independently by all employees concerned. Our quality management team is automatically notified by email of any change in the status of a measure and can check the conformity of the new entries. The accurate recording of measures and their status enables us to precisely determine our performance.

By doing so, we have succeeded in increasing the rate of measures suggested that were actually implemented. Of all measures recorded in 2022, 92 % were successfully realized. In addition, the measures identified as necessary in the certification audits mentioned above were all completed.

#### Evaluation plan of measures

Status	2018	2019	2020	2021	2022
on hold	7	0	0	1	0
completed	251 (70 %)	142 (77 %)	170 (79 %)	241 (83 %)	272 (92 %)
in progress	73	22	20	18	7
under audit	0	0	1	4	5
open	12	16	22	25	11
discarded	16	3	2	0	0
<b>Total</b>	<b>359</b>	<b>183</b>	<b>215</b>	<b>289</b>	<b>295</b>

Status: 02.01.2023



### Complaint management

Another integral part of our quality management is a comprehensive complaints management system. Especially in the area of fast-moving consumer goods, the quality and conformity of the manufactured products are the decisive success factor in addition to innovation and pricing. MAXIM ensures its process performance and product conformity through extensive monitoring measures and the continuous evaluation of all complaints.

We pursue a holistic approach that extends across our value chain by not only systematically managing complaints from our customers but also from our suppliers. Although we maintain a close partnership with our suppliers, the possibility of complaints can never be completely ruled out. In the case of complaints, it is essential to react quickly so as not to jeopardize the production process or to be able to meet delivery deadlines. A clearly structured, efficient complaints process helps to initiate the appropriate remedies in due time to avoid additional costs and delays due to ongoing deficits. However, we do not call it quits after having carried out remedial measures, but follow up

by an in-depth root cause analysis and the definition of suitable corrective measures to avoid similar defects in the future.

To ensure consistency, we also use a SharePoint list to record complaints, which is also illustrated in the QM manual for explanatory purposes and is carried out as a structured workflow. In the future, however, we want to map complaints and the underlying processes even more efficiently in an enterprise resource planning system.

As far as our performance is concerned, the number of complaints has decreased significantly despite the tense situation on the world market characterized by a shortage of raw materials and delivery delays. This result confirms our efforts to maintain a close partnership with suppliers and good communication.

Equally important for us are complaints from customers and consumers, the latter reaching us indirectly via retailers. In order to take a systematic approach, we have broken down customer complaints according to various criteria, with the

number of justified complaints being the relevant key figure. Here, we also make comparisons with previous years to determine whether we are making progress. However, it must be taken into account here that our rapid growth in recent years has also led to a sharp increase in the number of units manufactured or sold. In addition, we have continuously expanded our product range. These aspects must be considered when defining future targets. Despite the increased production and greater vertical range of our portfolio, our goal is to further reduce the number of customer complaints, which reflects our promise of quality.

**At MAXIM, we see complaints as a way to systematically identify and effectively address shortcomings.**

#### Evaluation of complaints against suppliers

Performance indicator	2018	2019	2020	2021	2022	Quote 2022 in %
Complaints on raw materials	11	19	28	30	14	0.27
Complaints on packaging	223	220	198	176	186	0.76

#### Evaluation of customer complaints

Performance indicator	2018	2019	2020	2021	2022	Quote 2022 (in ppm*)	2023 Planned
Consumer/customer complaints	1,388	1,216	1,071	1,213	1,177	2,58	<1,100
of which justified	86	52	99	121	150	0,25	<100
of which unjustified	59	78	101	73	60	0,05	
of which lacking proof of justification	40	24	63	38	14	0,04	
of which indication	1,203	1,062	808	980	953		

\* The abbreviation "ppm" stands for "parts per million" and refers to the millionth part of something. In the context of quality management, the term refers to the number of deficient units per one million units manufactured.

**Internal nonconformities**

At MAXIM, we do not only analyze our upstream and downstream value chain but also our own production activities, which we subject to strict controls. We document internal deviations carefully and in a differentiated manner. For this reason, there are separate databases for managing deficient products in the warehousing, production, and filling departments. All internal deviations identified are documented here in chronological order. The responsible departments enter immediate measures. Further follow-up and preventive measures are decided and implemented if required. If the reasons for a deviation lie with a supplier (e.g. defective packaging materials), a respective complaint is initiated through our databases. This is a prime example of how we interlink processes and systems.

In the case of hygiene monitoring, potential findings are sent to the departments concerned via email. In addition, an entry is made in the action plan for further tracking causes and respective relief measures. The so-called microbiological findings are particularly important in this context, as they can indicate potential shortcomings with regard to hygiene. Here, we were able to achieve a significant reduction compared to 2021. For 2023, we are striving for a further reduction and want to achieve a value in the single-digit range.

Performance Indicator	2019	2020	2021	2022	2023 Planned
Microbiological findings	11	18	26	11	<10

Status: 02.01.2023

**“Microbiological findings are an important part of our laboratory management, as they can indicate potential shortcomings with regard to hygiene. That’s why we strive for a continuous reduction while maintaining strict monitoring.”**

**Torsten Delzepich**  
Quality assurance manager



# RESPONSIBILITY FOR OUR ECOSYSTEM



# ENVIRONMENTAL PROTECTION

**For MAXIM, the protection of the environment is of fundamental importance. In the awareness that it is both the basis of life and the foundation of our economy, we are continuously working to reduce our ecological footprint. Innovative product solutions are not the only avenue we take in this regard. We have also initiated numerous measures to improve our production processes and buildings and are constantly expanding them. The use of water and other resources as well as the management of waste play a central role here. But we have also taken initial steps to preserve biodiversity.**

## Our management approach

For us, effective environmental management is an important factor in the sustainability of our business model. We are convinced that economic and ecological aspects are not in conflict, but in harmony. Through effective and efficient measures, we protect our environment and precious resources. At the same time, we reduce our costs and strengthen our future viability.

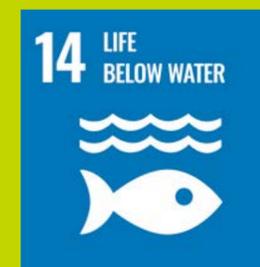
In order to develop a powerful environmental management system, we developed an environmental guideline in the fall of 2022 that defines responsibilities, targets and key performance indicators. Through its implementation, we aim to continuously improve our structures and processes and to contribute to an ecological transformation. This is only possible when clear targets and metrics have

been defined. They allow us to document our performance and, if necessary, make changes and adjustments on the basis of the results.

The key responsibility for environmental management at MAXIM lies with our sustainability manager. She is the contact person, coordinator, and initiator in the area of environmental protection. All analyses and results fall within her responsibility, which ensures a holistic evaluation. She also works closely with our cross-functional sustainability team.

To do justice to the wide range and complexity of ecological issues, we have set up various competence teams made up of topic specialists.

**At MAXIM, economic  
and ecological goals go  
hand in hand.**



This includes an energy team, an emissions team, a recycles team, and a facility management team. Together with the relevant business units, they develop and define targets and necessary measures and monitor progress.

In order to further expand the processes and structures on which our environmental management is based, we are aiming for ISO 14001 certification in 2024; an internationally recognized standard for environmental management systems that includes all aspects enabling the continuous improvement of environmental performance.

As with all our key issues, we strive to adopt a holistic perspective and consider the entire value chain. We therefore actively demand environmental protection measures from our suppliers, as stipulated by our Code of Conduct, which we describe in the chapter on “values and compliance management.”

### Waste management

As a manufacturing company, production-related waste is at the core of our waste management. In line with our concepts for sustainable product development, we plan to steadily increase the proportion of recycled materials used.

In our upstream value chain, we are working on a greater reduction and more extensive separation of waste. Particularly when it comes to manufacturing, too many waste items are still generated (e.g. bulk, semi-finished goods, finished goods, and packaging), which we want to separate even more extensively so that they can be recycled efficiently.

However, we also aim to further improve waste management in our offices. As a starting point, we want to carry out several campaigns to raise awareness among our employees. In our view, awareness and mindfulness are the prerequisites for successful implementation. We want to reduce the use of paper and printed products. This is why we have started to go paperless in our administrative processes using DocuWare software and will successively expand this approach.

### Water management

Water is a fundamental component of many of our products. Careful handling of this valuable raw material is an important element of our water management. Its foundation is the development of a comprehensive database that helps us to better understand daily, monthly, and annual usage patterns. In conjunction with detailed water balance sheets, we can implement effective measures and make production decisions that contribute to water savings.

But we also want to take measures beyond the reduction of water consumption. Through special treatment plants, we want to recover water and make it usable again. Where this is not possible, our aim is to recycle process wastewater through closed loop systems for cooling purposes in order to reduce wastewater and the consumption of fresh water. In the remaining wastewater, we want to reduce the amount of pollutants through filter and reverse osmosis systems.



**Environmental protection at MAXIM builds on powerful control instruments enabling to documenting and evaluating consumption precisely.**

### Facility management

We see sustainable facility management as an important part of our environmental protection. In order to act as holistically as possible in this area, our concept includes the resource-saving management of existing buildings. Also, when renovating current facilities and designing new ones, we adhere to sustainability principles.

Regarding our existing buildings, our focus is currently on enhancing our energy management system. Our aim is to link all the metering systems at our sites to our headquarters in Pulheim. By doing so, we can implement a cross-site monitoring system allowing us to control our energy consumption in its entirety. In addition, we can identify potential savings systematically and achieve our energy and CO<sub>2</sub> reduction targets in a more efficient manner.

In the future, we will include ecological aspects in the planning stage for new buildings or renovation of existing ones. Considering production processes plays an important role when it comes to manufacturing buildings. By taking a holistic, standardized approach, we can avoid unnecessary use of materials during construction and optimize the operation of buildings, material transports, as well as the use of materials and machinery. Resource-saving technologies that enable reusing raw materials and energy will be applied for our equipment and, where possible, retrofitted in existing buildings.

### Protecting biodiversity

Biodiversity is in constant decline worldwide, mainly due to environmental degradation, habitat loss, climate change, and invasive species. Its accelerating decline does not only threaten the diversity of species and habitats but also the livelihood of humans. Protecting biodiversity is critical to ensuring the long-term health of our planet and the well-being of future generations.

At MAXIM, we want to make our contribution to the preservation of biodiversity. For many years, we have been continuously increasing the proportion of natural raw materials in our products, which have a lower impact on the natural environment, especially during their use and after-use phases. However, their use must be considered carefully, as the production of the required raw materials leads potentially to competition with agricultural land used for food production. Moreover, they are often cultivated in monocultures, which poses a threat to biological diversity.

We strive to minimize the type and quantity of raw materials we use that are obtained from endangered species in accordance with the Washington Convention on International Trade in Endangered Species (CITES). Through appropriate sustainability credentials and the development of suitable raw material alternatives, we seek to avoid or minimize negative biodiversity impacts wherever possible and to ensure the sustainable use of relevant species.

In line with this approach to preserving biodiversity beyond our sites, we are also certified by the Roundtable on Sustainable Palm Oil. One of its fundamental principles is that no ecologically valuable forest areas are cleared for the cultivation of oil palms. This way, biodiversity in one of the world's most valuable but also most fragile ecosystems is protected: the tropical rainforest.



# CLIMATE PROTECTION AND ENERGY MANAGEMENT

**Climate change represents one of the greatest challenges of the 21<sup>st</sup> century for humanity and the environment. Its consequences will also be far-reaching in economic terms. Increasing extreme weather events affect logistics and endanger buildings and production processes. Conditions for agriculture worsen, leading to threats to the supply of goods that are later incorporated into products. The demand for cooling energy will continue to rise. These are just a few examples of why we at MAXIM want to make our contribution to climate protection through measures at various levels and in particular through a comprehensive energy management.**

## **Our management approach**

Our climate protection strategy is based on two pillars. First, we pursue a systematic reduction of consumption – both in our company and in our value chain – in order to reduce emissions and protect the climate (SDG 13). Secondly, we strive to switch to alternative energy sources wherever possible (SDG 7).

As a research-oriented company, we work with data also in this context to measure, analyze, and improve our performance. Accordingly, we consider energy aspects when making investment and operational decisions.

We also encourage our employees to actively look for ways to save energy and make suggestions for improvement.

We can rely on many years of experience as well as established structures and processes as MAXIM has been certified according to ISO 50001 since 2016. This internationally recognized standard sets out requirements for companies to introduce, implement, and improve energy management. As a result, the energy balance can be continuously improved, CO<sub>2</sub> emissions can be reduced, and costs can be lowered through the more efficient use of energy. This again reflects our conviction that economic and ecological aspects are not in conflict but in harmony.

**Climate protection is  
one of the most important  
sustainability issues  
for us.**



Since we seek to integrate our management systems, our energy management is linked to our environmental management. Accordingly, the central coordinating function lies with the energy management team, which also includes our sustainability manager. In addition to the members of this team, we involve employees from the relevant departments who contribute the needed experience and expertise. By doing so, we not only ensure the input of knowledge but also the implementation of the projects in the individual departments of our business.

### Training our employees

One of the foundations of effective action for MAXIM is the comprehensive training of its employees. We try to foster awareness for climate- and energy-related issues. To ensure the highest possible level of attention and involvement, we integrate environmental and climate protection aspects into other mandatory training courses such as training on good manufacturing practice (GMP).

In addition to these introductions, we train the relevant employees in the topics that are of particular relevance to them at the earliest possible stage. An example is the training for colleagues who work with compressed air that we offer during the onboarding process. Since compressed air is an energy-intensive technology, which we will discuss in more detail in this chapter, its efficient use also means that energy is used carefully, avoiding unnecessary emissions (SDG 13). For training purposes, we also want to use software solutions in the future.

### A solid database

At MAXIM, we make decisions based on solid data whenever possible. For this reason, we have calculated our corporate carbon footprint (CCF) for our sites in Pulheim (MAXIM Markenprodukte and Cosmolux Germany), Aldenhoven (Pharma Aldenhoven), and Luxembourg (Cosmolux International and International Can), together with Climate Partner, a service provider, in 2022. The calculations were based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

In total, our CCF was 5,552.94 t CO<sub>2</sub>, which is roughly equivalent to the annual energy consumption of 639 Europeans. As the overview shows, the composition of our GHG emissions varies considerably across our sites. This is partly due to the fact that we have already been able to completely switch to green electricity at our plants in Luxembourg. In Pulheim and Aldenhoven, we have made great progress in this respect already and were able to increase the share of green electricity in the overall energy mix to 45 %. We intend to achieve further increases in cooperation with our electricity supplier in the near future.

Regarding scope 3, considerable emissions are caused by the commute of our employees. Since our plants are located in industrial parks on the outskirts of the city, public transportation services are limited. This is why we have started to provide alternative mobility solutions such as e-bikes. In addition, we are increasingly equipping our sites with e-charging stations.

There are also significant differences between the individual sites concerning scope 1 emissions. This is largely due to the differing levels of heat generation, which in turn results from differing production processes. Refrigerant leakage and vehicle fleet emissions are less significant in the individual and overall analysis, but we see considerable potential for improvement here, nevertheless, as we explain below.

The results of the analysis imply that we need an intelligent mix of centralized and decentralized measures enabling us to take a holistic approach across sites while at the same time considering their specific conditions and processes. That is why we want to develop general guidelines, for example on e-mobility, but also drive forward site-specific measures, particularly when it comes to energy and heat supply.



GHG emissions	Total		Pulheim (MAXIM Markenprodukte and Cosmolux Deutschland)		Aldenhoven (Pharma)		Luxembourg (Cosmolux International)		Luxembourg (International Can)	
	t CO <sub>2</sub>	%	t CO <sub>2</sub>	%	t CO <sub>2</sub>	%	t CO <sub>2</sub>	%	t CO <sub>2</sub>	%
<b>Scope 1</b>	<b>1,890.74</b>	<b>34</b>	<b>620.43</b>	<b>22.8</b>	<b>261.15</b>	<b>30.6</b>	<b>999.59</b>	<b>59.6</b>	<b>9.58</b>	<b>3.2</b>
Direct emissions from company facilities	1,748.23	31.5	521.76	19.1	251	29.4	975.02	58.1	0.45	0.2
Heat (self-generated)	1,577.25	28.4	454.98	16.7	147.24	17.3	975.02	58.1	n.a.	n.a.
Refrigerant leakage	170.98	3.1	66.78	2.5	103.75	12.2	n.a.	n.a.	0.45	0.2
Direct emissions from vehicle fleet	142.51	2.6	98.67	3.6	10.15	1.2	24.56	1.5	9.13	3.1
<b>Scope 2</b>	<b>709.51</b>	<b>12.8</b>	<b>529.51</b>	<b>19.4</b>	<b>180</b>	<b>21.1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Purchased electricity for own use*	709.51	12.8	529.51	19.4	180	21.1	0	0	0	0
Electricity (stationary)	709.51	12.8	529.51	19.4	180	21.1	0	0	0	0
Electricity (vehicle fleet)	0	0	0	0	0	0	0	0	0	0
<b>Scope 3</b>	<b>2,952.70</b>	<b>53.2</b>	<b>1,574.90</b>	<b>57.8</b>	<b>411.18</b>	<b>48.2</b>	<b>677.7</b>	<b>40.4</b>	<b>288.91</b>	<b>96.8</b>
Employee commuting	1,823.89	32.8	1,062.69	39	285.45	33.5	374.07	22.3	101.69	34.1
Fuel- and energy-related emissions	1,069.28	19.3	452.69	16.6	125.73	14.8	303.64	18.1	187.22	62.7
Upstream electricity	714.49	12.9	314.65	11.5	94.82	11.1	166.88	9.9	182.09	61
Upstream heat	269.96	4.9	77.87	2.9	25.2	3	122.93	7.3	n.a.	n.a.
Upstream vehicle fleet	84.83	1.5	60.16	2.2	5.71	0.7	13.82	0.8	5.13	1.7
Business travel	59.52	1.1	59.52	2.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Air travel	56.58	1	56.58	2.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Train travel	2.94	0.1	2.94	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total</b>	<b>5,552.94</b>	<b>100</b>	<b>2,724.84</b>	<b>100</b>	<b>852.32</b>	<b>100</b>	<b>1,677.29</b>	<b>100</b>	<b>298.49</b>	<b>100</b>

\* Calculated according to the market-based method.

### Reduction of energy consumption

In our operations, we are also seeking to reduce energy consumption and our emissions. Our overall target is to reduce the energy used per tonnage produced by 5 % by 2025 at our sites in Pulheim (MAXIM Markenprodukte and Cosmolux Germany), Aldenhoven (Pharma Aldenhoven), and Echternach, Luxembourg (Cosmolux International). In order to adapt this target to our company International Can, also in Echternach, we have developed the respective KPI “consumption in kWh per aerosol can produced.” To achieve our target, we are taking a variety of measures at different levels.

Compressed air is used extensively in our operations, which is why we implemented innovative measures in 2022 to reduce its consumption. Following up on a suggestion by one of our employees in the filling technology department, we achieved significant savings on the production lines by changing the cap feed from compressed air to belt drive. The reduction amounts to almost 380,000,000 liters, which in turn led to a significant reduction in energy consumption. We have also undertaken numerous activities to identify and eliminate leaks. These include systemic controls with infrared cameras and the renewal of compressed air lines on machines.

As mentioned above, we also consider ecological aspects when we make investments to replace or buy additional equipment. In recent years, we have renewed our compressors at our Pulheim site. The first new compressor was purchased in 2020, saving 33,000 kWh p.a. compared to the old system. In 2021, we made an even more exten-

sive substitution, through which energy savings of 130,000 kWh p.a. will be achieved. New compressors were also installed at our subsidiary Pharma Aldenhoven in 2022.

In addition, we are focusing on reducing electricity load peaks and the associated energy consumption. In 2022, we introduced the shutdown of a refrigeration plant in Pulheim when temperatures exceed 25 degrees, as consumption then increases disproportionately. We compensate for the lack of cooling capacity by using a sprinkler system. This reduces consumption to a maximum of 350 kW, whereas previously it amounted to over 650 kW. This measure was accompanied by the installation of UV protection films in our factory halls.

Due to our large facilities, particularly at the Pulheim site, the conversion to LED, which we have almost completed, is an essential component of our energy management. We have been able to save a remarkable 79,000 kWh p.a. by converting to LEDs in our logistics department, the lighting in Hall 10, and the outdoor lighting. At Pharma Aldenhoven, we also made extensive conversions to LED based on an analysis of workplace-related illuminance levels. Here, we were already able to reach our target of 30 % by 2023 in the fourth quarter of 2022.

The roofs of our halls offer great potential for photovoltaics. The plant at our Pulheim site will be commissioned by Westnetz in the fourth quarter of 2023 and will generate 780 kWp. This will enable us to cap electricity peaks, especially in summer when the need for cooling is high. At our

site in Luxembourg, we already have a plant with an output of 685 kWp, which we will expand by a further 118 kWp as part of a new construction project.

We also use the energy generated to expand e-mobility. In Pulheim, we have installed the first two charging stations and have also started to convert our vehicle fleet. We will strengthen e-mobility at our other locations as well.

In line with our holistic approach, we are not only working systematically to reduce electricity consumption but also gas consumption. For this reason, we have continuously reduced the pressure in our steam boiler in Pulheim – from 8.5 bar in 2020 to 3.5 bar in 2022. In addition, we have succeeded in making the pipeline structure more efficient when constructing our new hall while shutting down steam lines that are no longer needed. In the course of the redesign, we also readjusted the entire plant, which resulted in savings of a further 1,500 kWh p.a.



# RESPONSIBILITY FOR OUR STRUCTURE AND PROCESSES



# VALUES AND COMPLIANCE MANAGEMENT

**For MAXIM, values-based behavior and seamless compliance with applicable law are a foundation of our entrepreneurial activity at all locations. Our corporate culture is based on trust, honesty, and fairness towards all our stakeholders. We expect our employees to always act in line with our value system and our internal policies. But we also strive to promote and enforce values-based and legal behavior along our value chain. We also make our Code of Conduct binding for our suppliers in order to promote compliance and accountability.**

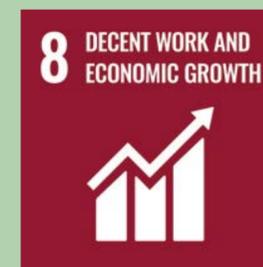
## **Our approach to values-based and compliant behavior**

For MAXIM, values-based and compliant decisions and actions are imperative. In our understanding, compliance with ethical principles goes hand in hand with adherence to quality, social, and environmental standards. Acting with integrity is the basis for considering ESG (environment, social, governance) issues in daily operations. This is why we also strive to link our values and compliance management with our quality and environmental management to account for the existing overlaps. Their effectiveness forms the basis for the trust that our customers and business partners place in us, making them an essential element of our economic success.

We regard our values and compliance management as an important pillar of our risk management. Addressing our values and standards helps us to reduce economic, legal, and reputational risks, and thus makes an important contribution to the stability of our company.

To ensure coherent implementation, we have developed instruments that meet our high standards for a viable values and compliance management. Our Code of Conduct, which we adopted in September 2022, plays a key role as it is binding for both our employees and our business partners.

Values-based behavior is an integral element of our corporate culture.



For us, strong values and compliance management also means demonstrating our stance and communicating the importance of our corporate values both internally and externally. With regard to our employees, our corporate culture of direct exchange and open doors does not only enable efficient decision-making but also the communication of our corporate values in daily dialogue. For our external stakeholders, we make our Code of Conduct available on our home page and rely on a common understanding of values based on transparency.

### Our values

As part of the development of our Code of Conduct, we also discussed and defined our corporate values in a participatory process. They make clear what we stand for as a company and strengthen motivation and identification. For our employees, they serve as a guideline, and for our managers, as a basis for decision-making.

In developing them, we have deliberately paid attention to make sure our values reflect the key dimensions of our corporate culture:

- **Quality, flexibility, and innovation are the performance values that are characteristic for MAXIM. They describe the foundation of the performance promise we make to our customers. We always want to meet their needs with high-quality and innovative products as well as flexible solutions.**

- **Closely linked are trust and long-term partnership, which represent our cooperation values. They represent the partnerships that we maintain at eye level with our internal and external stakeholders. Whether customers, employees, or suppliers - we want to collaborate with all of them in a trusting and long-lasting manner.**
- **This cooperation in turn is based on our moral values of integrity and responsibility. We always act in accordance with our values and assume responsibility for people and the environment in order to contribute to sustainable development.**

Our values are our compass and incorporate a long-term perspective. Nevertheless, we are aware that due to the dynamic changes in our business environment, it is necessary to evaluate their viability regularly. We involve our employees in this process because we are convinced that living values originate from within ourselves.

We raise awareness of our values among our employees in discussions and training sessions and make new colleagues familiar with them as soon as they join the company. Since values are rather general and abstract by nature, we have translated them into specific principles and norms of behavior for our employees and suppliers in our Code of Conduct to make them applicable in various situations.

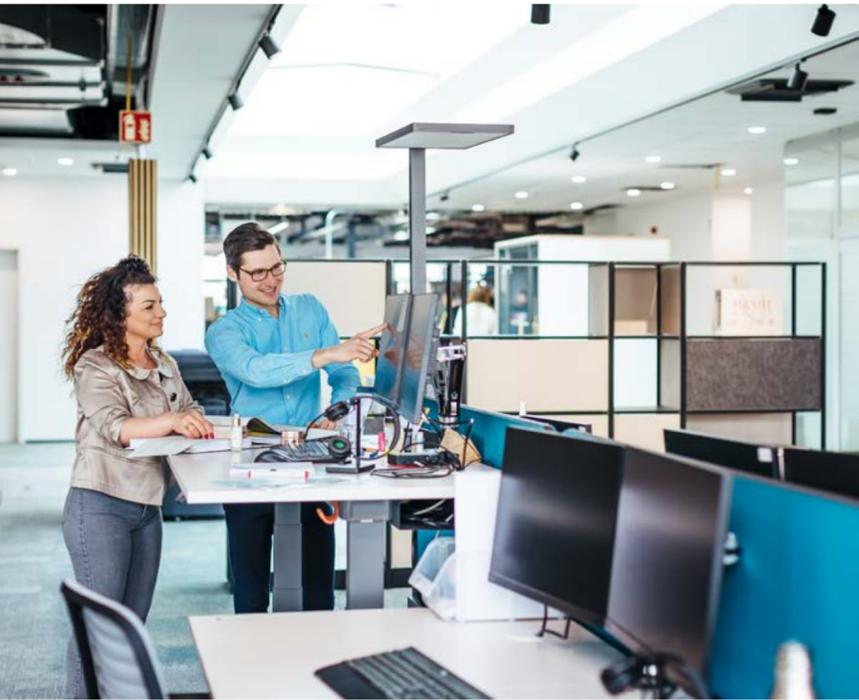
### Implementing a whistleblower system

In 2023, we will introduce a whistleblower system for our employees at MAXIM. Due to the current legal uncertainty, we are waiting for the finalization of the specific legal requirements to be able to establish our system accordingly. We do not regard the opportunity for employees to report potential violations in our company as a breach of trust, but rather as a contribution to maintaining the integrity of our company and averting potential damage to it. To protect whistleblowers, we will ensure their anonymity as part of our system.

We are also committed to maintaining integrity along our supply chain. In line with the German Supply Chain Due Diligence Act, we will also provide employees of direct or indirect suppliers or residents around local sites with a secure and anonymous way to report possible violations. The focus here will be on human rights due diligence.

**At MAXIM, we follow clearly defined core values that are fundamental to our decisions and actions.**





### **Diversity and freedom from discrimination**

Diversity and equal opportunities are not only fundamental to MAXIM's value system but also of strategic importance. For us, diversity means considering and promoting the different skills, knowledge, experience, and characteristics of our employees. We support their personal development and strengthen creativity and innovation by doing so – for their and our success.

The evolvement of individual strengths and ideas is only possible in an environment in which equal treatment and equal opportunities are guaranteed. We therefore do not tolerate any form of discrimination or harassment of employees, customers, business partners, or other stakeholders.



We never treat anyone unfairly or with prejudice, particularly not on the basis of a specific identity or characteristic, such as faith, ethnic and national origin, as well as gender (SDG 5).

We at MAXIM take the position that a violation of our principles can not only result from an action but also from neglect. This is why we expect all our employees to report actual or potential violations to their respective supervisors. We will modify this process as part of the establishment of our whistleblower system and introduce the possibility of reporting violations directly to the compliance officer. We also regard attempts to conceal or marginalize violations as a violation of our Code of Conduct.

### **Fair competition**

One of our premises is to conduct business in a way that meets ethical standards at all times. For us, acting with integrity wherever we do business is axiomatic.

Fraudulent practices and corruption are just as taboo for us as bribery and extortion or anti-competitive agreements with third parties. We also strictly reject theft, espionage, and other illegal methods of obtaining information.

We require our employees to report any employment outside of our company to the Human Resources department in order to avoid conflicts of interest. Private and business interests must be kept separate so that our employees do not come into conflict when making decisions, but always decide in the best interests of our company. At MAXIM, we make business decisions exclusively based on objective criteria without allowing ourselves to be influenced by personal interests or relationships.

The acceptance of monetary benefits, gifts, or invitations is also prohibited. Gifts are only acceptable if they do not exceed a socially adequate value and do not influence employees in their business decisions. This condition is usually met in the case of gifts of low value. Nevertheless, in case of doubt, their acceptance should be discussed with superiors or the gift should simply be rejected.



### Compliance management in the supply chain

For MAXIM, social and environmental responsibility does not end at the factory gates. We also want to contribute to sustainable development in our supply chain as it is part of our value creation. To this end, we work with our suppliers to ensure compliance with quality and ESG standards. For us, this is one of the foundations of a business relationship built on partnership.

The high-quality standards we set for ourselves, we also set for our suppliers. Performance and delivery capabilities that result from flexibility and reliable processes are important criteria for us. At the same time, however, we also expect our suppliers to implement recognized environmental, social, and governance standards. We do so because it is our goal to support the continuous development of our suppliers.

Our long-term approach based on partnership leads to a win-win situation because it creates planning security for our suppliers and for us, which is of great importance in times of fragile supply chains. In addition, the long-term perspective of our cooperation increases our suppliers' willingness to invest in better social and environmental conditions. It reassures them that the respective investments are investments in the continuation of our business relationship and in increasing their attractiveness to potential new customers who expect their suppliers to meet ESG criteria.

To ensure consistency, we emphasize ESG issues in the Code of Conduct that are also of key importance to us. With regard to the ecological dimension, saving raw materials and energy is of crucial importance, because it contributes to climate protection.

In the social sphere, we expect the full recognition of internationally applicable human rights in order to ensure decent working conditions (SDG 8). This includes a complete ban on child and forced labor. We also consider other forms of compulsory labor as well as any practices of physical and psychological coercion or sanctioning to be unacceptable. Furthermore, we expect that equal treatment and equal opportunities are ensured and an active stand against any form of discrimination is taken. The possibility of co-determination and freedom of expression for employees must be guaranteed by our suppliers. This also applies to fair pay and ensuring occupational health and safety.

As far as good governance is concerned, fair business practices are non-negotiable for us. We commit our suppliers to fighting corruption and bribery as well as money laundering, complying with antitrust law, and protecting intellectual property. The protection of personal and business data must also be ensured.

Across all ESG dimensions, full compliance with all applicable legal and regulatory requirements is a matter of course for us. Finally, we expect our suppliers to make reasonable efforts to communicate the principles of our Code of Conduct to their suppliers and to ensure their compliance.

**For MAXIM, a comprehensive approach to compliance also entails committing suppliers to principles of moral and legal behavior.**

# DATA PROTECTION AND IT SECURITY

**For MAXIM, responsibility also has a digital dimension. The ongoing digitalization in all areas of the company, which has been further accelerated by the coronavirus pandemic in particular, implies that a systematic and comprehensive IT security is becoming increasingly important. Because a reliable protection of important data will not be possible without such security.**

## **Our management approach**

As a company whose business success is based on trust, we want to ensure trust in the digital world as well. It is our goal to protect the personal and business data of our company's stakeholders, i.e. customers, employees, suppliers, and other business partners.

Beyond reasons of data protection, a functioning IT environment is also of great importance to MAXIM in other respects. It is vital for seamless business operations, such as production processes or ordering procedures. In times when cyber threats have become one of the greatest and most urgent challenges for companies, the operations and performance of our company depends on it.

Due to the dynamic technical framework and the rapidly changing nature of threats themselves, we are constantly adapting our systems and processes through innovative technologies (SDG 9). This is another reason why we take an integrative view of IT security and the interplay between its technical, organizational, and process dimensions. We strive to use new technologies and embed them in our security architecture in the best possible way.

**At MAXIM, we strive to ensure the highest possible level of data protection and IT security.**



### Our foundation

We assume corporate digital responsibility by establishing an appropriate and legally compliant level of data protection in accordance with the EU Data Protection Regulation. For that purpose, we undertake reviews and make enhancements regularly. We have appointed a data protection officer who also serves as contact person for our stakeholders. In addition, handling data in a legally compliant and sensitive manner is firmly anchored in our Code of Conduct for employees.

We train them frequently to ensure that the requirements are applied accordingly in all relevant areas of our company. As part of an awareness campaign, we will conduct mandatory annual training starting in 2023. In addition to a phishing simulation, this will also include a “pentest” to identify security gaps and make specific recommendations for action, particularly for users who do not pass the test.

### A wide range of measures

MAXIM employs a wide range of measures to ensure the security of our IT. Following a cyberattack in the spring of 2023 that led to data losses, we again intensified our efforts to strengthen data protection and IT security.

In addition to a mail gateway, local Bitlocker encryption on all end devices and a zero-trust environment with multifactor authentication, we established a broad spectrum of measures. We are currently setting up a Security Center Operations Team in cooperation with an external service provider. Our infrastructure in turn is largely decen-

tralized in Azure. This structure ensures that our operating systems are always up to date and the antivirus systems used are sufficiently dimensioned on the basis of extended security (M365 E5). In the event of a security incident, service providers have appropriate monitoring systems that detect even minor anomalies in the two-factor authentication. Our file servers have snapshots as well as an integrated separate virus check. The individual MAXIM locations are additionally secured locally with Fortinet firewalls.

We are currently in the process of setting up a new ITIL-compliant ticket system. The goal is to introduce a powerful change and release management system so that all inquiries, incidents, service requests, and problems can be centrally recorded, evaluated, processed, and documented. This also creates authorization controls in the area of mailboxes and file servers. The folder structure is based on the owner principle, making it mandatory for the owner of the folder to request authorizations for persons individually (read-only, read-write) from the IT managers via a ticket system. Authorization is then granted after review by the IT department. We have set up an identical process for the mailboxes of the individual users.

For critical email traffic, encryption via S/MIME is used to prevent unauthorized viewing of emails by third parties. Thanks to the decentralized hosting solution in the cloud, our employees can also work remotely and safely in their home offices without any major technical effort via a conventional Internet connection. In addition, making telephone calls through iOS apps is being consid-

ered as the office phone can be simulated by using the respective company cell phone. To provide security, the MDM solution Intune will also be used for our service devices.

An enterprise access model is already in operation. It ensures that all administrators are only granted role-based permissions and that a potential virus intrusion cannot spread to the entire system.



# LOOKING AHEAD

**The recent past has shown us the developments that will make sustainable development even more important at both the societal and the corporate levels. Climate change continues to accelerate, bringing with it extreme weather phenomena, such as heat waves, heavy rain, and hurricanes even here in Germany. Supply chains are increasingly at risk and conditions for agriculture are deteriorating. Demographic change continues to advance, further exacerbating the situation on the labor market, especially the shortage of skilled workers. Attempted cyberattacks and data theft have become everyday challenges for entrepreneurial activity. These developments are accompanied by a constant expansion and tightening of regulatory requirements.**

What are the implications for MAXIM? We will continue to intensify our sustainability activities, but we do not want to just wait and see and react. It is in our nature to actively search for solutions and improvements and to make use of our experience and innovative strength. Moreover, as a company with a long tradition, we understand what endurance means. It is essential to work towards a sustainable development, despite the urgency of many problems we are confronted with.

We will relentlessly pursue this path and continue to expand our sustainability management - with clear priorities and goals in mind. We want to make our employees even more aware of the importance of this issue and involve them more closely in our activities. To this end, we will make our sustainability team a permanent element in our organization. It also plays a decisive role in other respects. We

are aware that we need to expand the use of KPIs, and the associated measurement and reporting of data. This enables us to define targets on all key ESG topics, review our progress, and initiate improvements by building on reliable information. Even though the topic of sustainability requires heart and passion, at MAXIM, we take our decisions based on data as far as possible.

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**We intensify our  
sustainability efforts  
and act proactively.**

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In this context, we also strive to establish a performance management system that entails all of our subsidiaries. In many cases, we still lack uniform data across our group that would allow site-specific evaluations on the one hand, and a consolidated group-wide reporting on the other. This also requires an improvement of the underlying structures and processes and an intensification of cooperation across our individual units. In addition, such cooperation would strengthen the opportunity to transfer ideas and approaches within our group and create synergies.

We also want to intensify and deepen the exchange with our stakeholders in order to get new ideas and suggestions, but also feedback on our sustainability activities. We are convinced that our open and dialogue-oriented corporate culture will continue to be the foundation for a partnership-based and constructive exchange with our internal and external stakeholders in the future.

With regard to material issues, we perceive circular economy concepts as a topic of growing importance. We will increase our efforts to develop recyclable products and packaging. Protecting natural resources and our climate in conjunction with an efficient energy management will remain key issues for us. We are determined to increase the use of renewable energies and to use existing space for photovoltaics, insofar as the statics permit.

We intend to further expand our personnel development measures, being guided by the concept of “lifelong learning.” Considering how fast ecological,

technical, and regulatory conditions as well as customer requirements change, we believe that continuous development is essential for personal and corporate success. Providing extensive opportunities for development also increases our employer attractiveness, which we intend to strengthen by continuously expanding our recruiting activities.

We will maintain our economic, environmental, and social responsibility towards the stakeholders at our sites in Germany and abroad – our employees, customers, business partners, suppliers, and communities. Based on our inner conviction as a family-owned company, we will continue to meet this responsibility by acting carefully and with a long-term perspective to contribute to sustainable development.

**In the coming years, we will further expand our sustainability management.**

**Dr. Rolf Giesen**  
Managing Partner



# IMPRINT

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## **Additional information**

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