

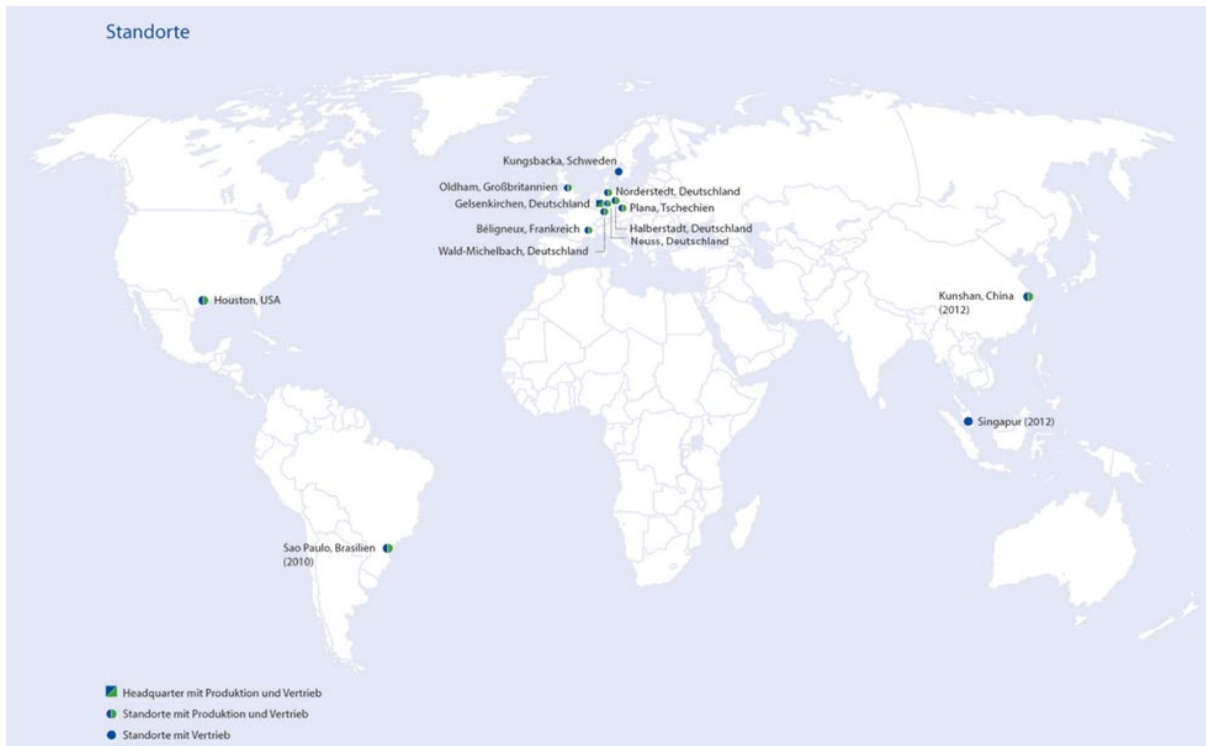
Consolidated non-financial statement 2019 of the Masterflex Group for the Group and Masterflex SE



The business model

Masterflex SE, Gelsenkirchen, is the parent company of the Masterflex Group (referred to here as Masterflex Group). The business activities of Masterflex SE and the Group focus on the development, production and marketing of high-tech hoses and connector systems for a wide range of applications in industry and manufacturing. This business has been the continuously profitable pillar of the Masterflex Group since it was founded over 30 years ago. In the future, consulting and order-related development of hoses and connection systems for third parties will also be marketed as a separate service.

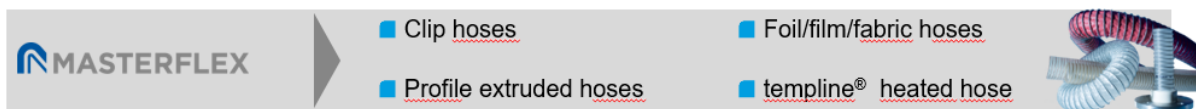
The internationally active Masterflex Group has 14 operating subsidiaries and six corporate brands. Its main production sites are Gelsenkirchen, Halberstadt, Neuss, Norderstedt, Houston (USA) and Kunshan (PR China). In addition, the Masterflex Group has branches at various locations in Europe, America and Asia, some with small production lines and sales partnerships.



The brands

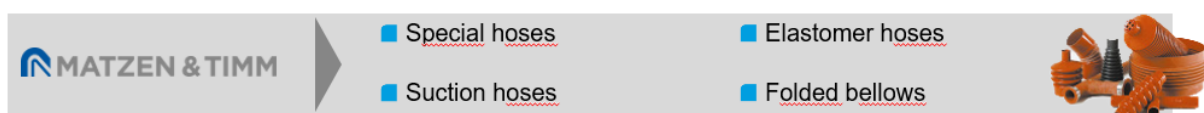
At the same time, the six corporate brands of the Masterflex Group represent the most important operating companies with their own production capacities and, with their respective product portfolios, form part of the uniform market presence under the MASTERFLEX GROUP umbrella brand. In addition to these brand companies, there are eight other operating subsidiaries in Europe, the USA and Asia that sell products under these brands and, in some cases, manufacture them locally.

The slogan **Connecting Values** expresses our core competence: Holistic connecting solutions that are adapted to customer-specific requirements - combined with German engineering that is used in worldwide production, high reliability and safety as well as close customer contact in consulting and service. In summary, **Connecting Values** means that we combine values with added value for our customers.



The spiral hose business is the core competence of the Masterflex brand, with production concentrated in Gelsenkirchen. In addition to extruded spiral hoses, clip-on hoses and film hoses are developed, produced and sold. Connecting elements such as sleeves, flanges, threaded connections, clamps and other accessories round off the range of solutions for flexible connecting tasks and in some cases create unique system solutions.

The extensive range offers products that meet individual requirements and demanding tasks. Regardless of whether very abrasive solids, aggressive chemicals, gaseous media up to plus 1,100 °C or, for example, foodstuffs have to be transported: The hoses made of high-tech plastics and fabrics are always an application- and customer-oriented, flexible solution.

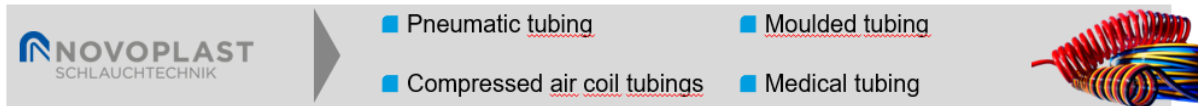


The brand company Matzen & Timm is a renowned and international manufacturer of special hoses, bellows and moulded parts made of high-quality synthetic rubber materials such as silicone. The products are manufactured to a large extent by industrial hand and are used wherever precision and special load-bearing capacity are required. These include in particular the aviation industry, the automotive sector and rail transport. Production takes place in Norderstedt near Hamburg and in Plana (Czech Republic).

The special hoses can be found in the air conditioning systems of the Airbus A 380 and Airbus A 350, under the hood of a racing car in the DTM or in modern train systems. As a manufacturer with its own development department, the value-added chain encompasses all stages from design, simulation (FEM) and qualification at the customer's site to the production of prototypes and series production. Almost all products are custom-made.

Matzen & Timm has been an important supplier to the aerospace, special vehicle and mechanical engineering industries for more than 50 years, not least because of its experienced handling of a wide range of qualification requirements and its high level of development

competence. Innovative products such as the weight-reduced and/or electrically conductive hose or the protective hose for the fuel line in aircraft meet the highest safety and functional requirements.



The brand company Novoplast Schlauchtechnik GmbH in Halberstadt specialises in the extrusion of hoses and profiles with diameters ranging from 0.5 to 50 mm for industrial and medical applications. These products are also sometimes further processed, for example by thermofixing or other special assembly and forming processes. Thermofixing can be used to produce moulded hoses with complex geometries and bending radii according to customer requirements and with high precision in 2D or 3D variants. It is precisely these capabilities that open up previously little-known fields of application, such as the substitution of metal pipes with low-noise or vibration-free plastic connections.

Hose and profile extrusion is carried out on state-of-the-art equipment. Further special materials are regularly added to the wide range of materials. ISO Class 6, 7 and 8 clean rooms have been set up for production in medical technology.

Novoplast Schlauchtechnik cooperates closely with its sister company FLEIMA-PLASTIC GmbH, manufacturer of medical precision injection moulded parts. This makes it possible to offer customers complete medical solutions from a single source, consisting of tubing and medical components such as Luerlock connectors, drip chambers or roller clamps.



The brand company FLEIMA-PLASTIC GmbH from Wald-Michelbach/Odenwald, founded in 1974, has been part of the Masterflex Group since 2004. The company produces high-quality injection-moulded parts and assembled assemblies made of plastics, primarily for the medical technology, cosmetics and food technology sectors. In the modern plant, injection moulding components - also in multi-component technology - are manufactured, assembled or refined in clean rooms of ISO Class 7 and 8, among other places. The company also has extensive experience in the construction of precision injection moulding tools in its own mould making department and in the production of prototypes in all common rapid prototyping processes.



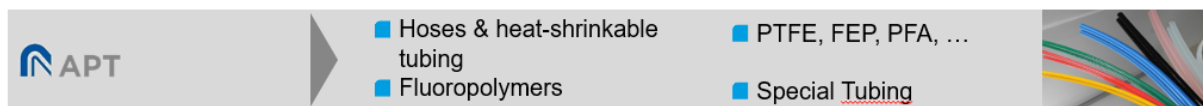
In North and South America, the Masterflex Group is represented by Masterduct Holding, Inc. a wholly-owned subsidiary of Masterflex SE. Masterduct Holding comprises three operating

subsidiaries: Masterduct Inc. and Flexmaster U.S.A. Inc., both based in Houston, Texas, and Masterduct Brasil Comércio de Dutos LTDA. in Sao Paulo, Brazil.

The Masterduct and Flexmaster U.S.A. companies operating in North and South America also function as brand companies with a corresponding product portfolio.

Flexmaster U.S.A. has established itself as a hose specialist for heating, ventilation and air conditioning systems (HVAC for short) in the air conditioning and ventilation sector and is a leader in applications in public buildings such as hospitals, schools, sports facilities and universities. Flexmaster U.S.A. is a preferred supplier in the healthcare sector because its products do not contain any adhesives or solvents. In addition, sound-insulating hoses are used for sound insulation instead of metal connections because they are more cost-effective, more flexible and more sound absorbing.

Masterduct sells the Masterflex and Novoplast Schlauchtechnik brand portfolio on the American market under its own brand. Its customers range from the wood, engineering and plastics industries to the aerospace and service industries and the US government.



APT Advanced Polymer Tubing GmbH from Neuss specializes in smooth and heat-shrinkable tubing made of fully or partially fluorinated plastics. APT tubing can be used permanently at temperatures of 200 to +260 degrees Celsius. In addition, they are resistant to many chemicals used in industrial processes. APT products owe these capabilities to the processed raw materials FEP (fluorinated ethylene-propylene), PFA (perfluoroalkoxy) and PTFE (polytetrafluoroethylene). These fluoroplastics require very specific processing know-how and high-quality machinery designed for them. The Masterflex Group has had this specialist knowledge since the acquisition of APT in 2017. On the sales side, companies from the medical technology sector will also be increasingly targeted in future.

AMPIUS

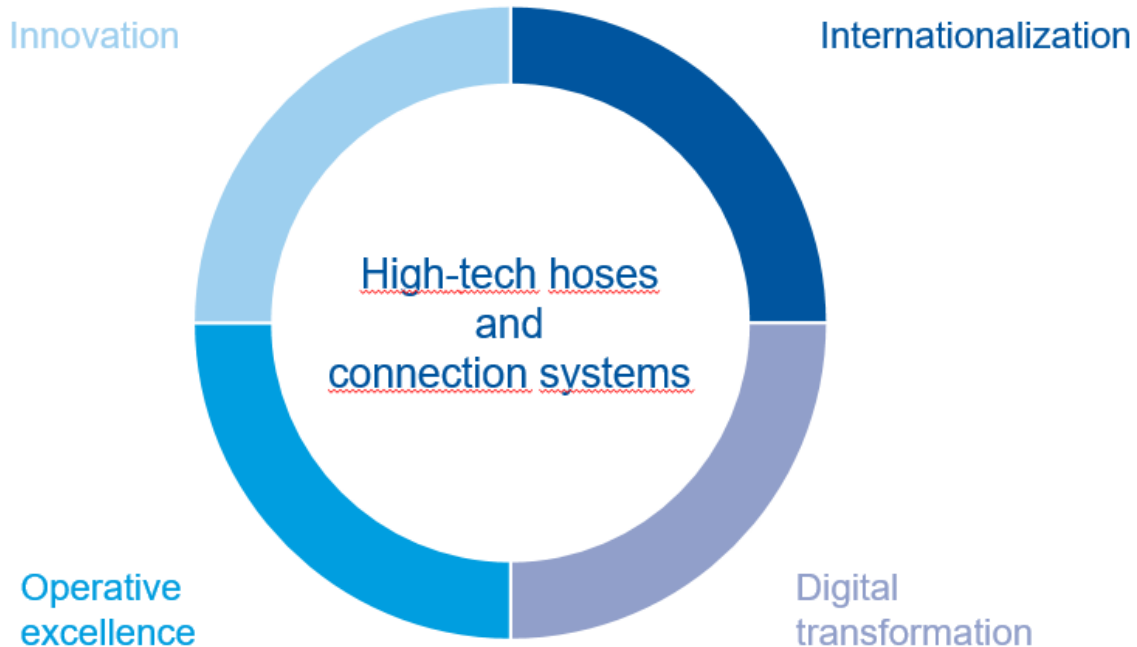
All networkable, intelligent hoses and connection solutions of the Masterflex Group are marketed under the brand name AMPIUS.

The digitization options for hoses and connectors will initially play an important role, particularly in the monitoring of industrial production processes. The scope and use of digital data acquisition and use for hoses will be adapted to individual customer requirements. With these new "smart products", the Masterflex Group is playing a pioneering role in the development of digitized connection solutions.

Our growth strategy

The Masterflex Group pursues a long-term, sustainable growth strategy based on the pillars of internationalisation, innovation, operational excellence and digital transformation. This orientation reflects the versatility of our business, which is characterised by very broad

diversification among customers, their industries and the areas in which our connectivity products are used.



Strategie

1. Strategic analysis and anchor

Our sustainability strategy pursues the goal of stable, sustainable growth in order to secure the long-term success of the company. We are convinced that long-term corporate success can only be achieved where economic, social and ecological aspects are harmonized. Accordingly, sustainability is a prerequisite of our corporate strategy and thus a central element of our decisions at all levels.

Responsible corporate management must be anchored at the highest level. Relevant fields of action are evaluated at regular strategy meetings held at least once a year. Sustainability has thus become an issue that is regularly addressed by the Board of Management, the Supervisory Board and the management of Masterflex Group. It is just as important to be firmly anchored in processes and operations. Management and implementation are carried out by the responsible specialist departments. To this end, projects and activities are discussed at regular management circle meetings and viewed from the perspective of sustainability.

2. Materiality and measures

Our core business is the development, production and marketing of high-tech hoses and connection systems. In particular, we must mention the sustainable use of resources, which is

always an integral part of our corporate philosophy. For this reason, we strive to increase efficiency in terms of resources and the environment both in production and in development through a continuous improvement process.

In 2016, we invested a good seven million euros in an extension in Gelsenkirchen. The two-storey new building expanded our production capacity for spiral hoses by up to 2,400 sqm and our storage capacity by around 3,700 sqm. Investments were made in ultra-modern production facilities with reduced energy consumption. In addition, we are reducing our primary energy requirements and meeting ecological requirements with new heat recovery systems. In the heat recovery plants, the hall air heated by production processes is conducted via heat exchangers. The charged heat exchangers then heat up the fresh outside air to such an extent that the air climate in the production halls is pleasantly tempered and at the same time good. In the ideal case, energy savings of up to 95 percent can be achieved.

We also rely on modern LED lighting technology. Its advantages include not only the quality of the light but also its energy efficiency, long service life and environmental friendliness. LED lamps are also free of toxins and significantly reduce CO2 emissions.

In the production of our high-tech hoses and connector systems, we mainly process polymers that do not contain any toxic components. We consistently minimize the use of plastics, metals and energy. This reduces costs and relieves the burden on the environment.

In the production process of our profile extruded PUR hoses waste is generated. By optimising our production facilities and manufacturing processes, we continuously reduce the amount of waste as much as possible. In the case of waste that nevertheless arises, a distinction is made between reuse, recycling and other, for example, energy recovery. Scrap that occurs during start-up and shutdown of production is recycled as far as possible: Wires and polyurethane are separated and resold.

Disposal is only permitted if recycling is technically impossible or economically unreasonable.

As a world market leader and technology driver for technical hoses and connecting systems, research and development is an important component of the Masterflex Group's sustainable development. Through the development of innovative products and processes, we are able to offer hoses and individual connection solutions for the most demanding requirements. Many of our products contribute worldwide to reducing the consumption of energy and resources, reducing costs through optimized operating procedures, protecting the environment, making working environments safer, generating pleasant indoor air quality and providing the best possible medical care. The use of the finite element method makes it possible to simulate the application of hoses on the computer in a resource-saving manner, thus eliminating the need for costly and time-consuming production of samples.

For the Masterflex Group and our stakeholders, the digital transformation opens up great opportunities for a better quality of life, forward-looking business models and more efficient management. We will therefore continue to expand our technological leadership and meet new challenges by actively digitizing our solutions under the name AMPIUS. For some time now, we have also been driving forward the necessary structural and process changes to prepare the Masterflex Group for a scenario of significant growth. This is because digitization and the resulting possible networking of all stages of the value chain throughout industry will also have a massive impact on the market for high-tech hoses. Our customers expect us to provide

innovative products that make their contribution to the digitization and optimization of production processes.

Committed, qualified and satisfied employees are another very important factor for the successful development of innovative products and for the holistic implementation of our sustainable corporate strategy. The potential of our employees is an essential source of our company's success. By continuously expanding and improving our personnel recruitment and development activities, we want to maintain our employee commitment and also secure the talents on the labor market for future challenges. To this end, we specifically address potential specialists and junior staff at career fairs and via electronic media, engage in cooperation with universities, offer internships, inform interested young people about their career opportunities in the Masterflex Group at an early stage and regularly take part in the annual "Girls' Day" campaign.

A low fluctuation rate in many of our units and positive return rates after parental leave indicate that our employees are highly satisfied. As a value-oriented company, our corporate culture contributes to making our employees proud to work for us. It provides orientation for our actions and our interaction with each other, which is characterized by openness, tolerance and mutual respect.

In summary, social responsibility, especially in the area of human resources, as well as the resource-conserving use of materials, processes and methods, are the main topics of corporate social responsibility for us.

3. Objectives

Our sustainability strategy pursues the goal of stable, sustainable growth in order to ensure the long-term success of the company. We are convinced that long-term corporate success can only be achieved where economic, social and ecological aspects are brought into harmony. Accordingly, sustainability is of central importance for our corporate strategy and thus a central element of our decisions at all levels.

In the future, we will continue to integrate sustainability aspects into our decision-making processes in order to promote sustainable corporate action from strategy to implementation.

4. Depth of the value chain

Our core business is the development, production and marketing of high-tech hoses and connection systems. A large part of the value chain lies in the processing of polymers that do not contain toxic components. We consistently minimize the use of plastics, metals and energy. Our goal is to achieve the highest possible degree of utilization from the raw materials used by minimizing waste. By optimizing our production facilities and manufacturing processes, we continuously reduce the amount of waste as much as possible. In the case of waste that nevertheless accumulates, a distinction is made between reuse, recycling and other, e.g. energy recovery. Waste produced during start-up and production is recycled as far as possible: wires and polyurethane are separated from each other and resold. Disposal is only permitted if recovery is technically impossible or economically unreasonable.

Corporate social responsibility therefore plays a role in purchasing, production and shipping as well as in sales and development processes.

Process management

5. Responsibility

The central responsibility for sustainable action in the Masterflex Group lies with the Executive Board. Sustainability is also firmly anchored in operational and internal processes. Management and implementation are carried out by the responsible specialist departments.

6. Rules and processes

Projects and activities are discussed in regular management circle meetings and also considered from the point of view of sustainability. This is done in accordance with applicable internal guidelines, organisational instructions and various site-specific certifications in the areas of quality (DIN EN ISO 9001, DIN EN ISO 13485 and DIN EN ISO 9100), environment (DIN EN ISO 14001) and energy (DIN EN ISO 50001:2011, DIN EN 16247-1). The following key certifications are carried out at Masterflex Group locations:

- **Quality management system DIN EN ISO 9001:2008**
Since May 2016, our procedures, processes and services have been certified by the DIN EN ISO 9001 audit.
- **Quality management system DIN EN ISO 9001:2015**
Our procedures, processes and services are certified by auditing according to DIN EN ISO 9001. In 2016 and 2017 respectively, our processes and documentation at three locations were adapted to the new DIN EN ISO 9001:2015 standard and successfully recertified in 2019.
- **Environmental management system DIN EN ISO 14001:2015**
With the certification according to DIN EN ISO 14001 we officially and organisationally commit ourselves to record all environmentally relevant activities, to follow our environmental policy and to strive for continuous improvement in all our environmental services.
- **Energy management system DIN EN ISO 50001:2011**
Through this standard, an energy policy has been developed as a strategic guideline for tapping unused energy efficiency potential and for reducing energy costs, greenhouse gases and other energy consumption. With this certification, we are making our contribution to ensuring that Germany can achieve the goal of reducing its primary energy consumption by 20% by 2020 and by 50% by 2050 compared to 2008.
- **Aerospace quality management system EN 9100:2016**
Our procedures, processes and services are certified by the audit according to the European Standard EN 9100, which provides the framework of a quality management system for organisations in the aerospace and defence industry based on the general quality management standard DIN EN ISO 9001. Certification to EN 9100 is technically

equivalent to AS 9100 and JISQ 9100 and corresponds to QSF-C of the German Aerospace Industries Association. (BDLI)

- **Energy efficiency audit according to DIN EN 16247-1**
The aim is to improve energy efficiency and reduce energy consumption by means of a comprehensive, systematic review of energy consumption.
- **Medical devices - Quality management system DIN EN ISO 13485:2016**
The processes introduced and their effectiveness in meeting the requirements for our products are certified according to DIN EN ISO 13485. The core claim relates to product safety in the manufacture and marketing of medical products.
- **QSF-C supplier**
We were qualified as a system manufacturer by Airbus Germany. System manufacturers are responsible for the development and production of technically complex systems and also bear responsibility under aviation law. The standard QSF (quality assurance requirements) used was developed by the member companies of the BDLI (German Aerospace Industries Association).
- All aeronautical products comply with special requirements of **JAR/FAR 25.853(a) and ABD 0031**.
- **"Ökoprofit" operation**
Through the ecological project for integrated environmental technology, the consumption of resources in the company is reduced and the environment is relieved.
- **"Family-friendly" company**
As early as 2012, we received an award for our long-standing practice of family-friendly working time models and emergency regulations (keywords: illness, missed classes).

7. Control

To make our activities in the relevant fields of sustainability measurable, we regularly collect and analyze data. In the area of human resources policy, for example, we record:

- fluctuation rate
- sick rate
- training quota
- compensatory levy for severely disabled persons
- Return rate after parental leave
- Personnel development measures per employee
- Participation in training activities
- Status and development of the average age

At locations with certifications in the areas of quality (DIN EN ISO 9001, DIN EN ISO 13485 and DIN EN ISO 9100), environment (DIN EN ISO 14001) and energy (DIN 50001:2011 and DIN EN 16247-1), sustainability-relevant data can be read directly. However, due to the organisational structure of the Masterflex Group and country-specific features, it is not possible to provide comprehensive information on all the required performance indicators.

8. Incentive systems

In the Masterflex Group, target agreements and remuneration are based on the requirements of the position, the individual performance of the employee and corporate success. Management target agreements are defined in regular employee appraisals. The performance-related, variable components of Management Board remuneration are also linked to the sustained value added of the Company (see also the Remuneration Report in the Annual Report).

9. Participation of stakeholder groups

For Masterflex SE and for the subsidiaries of the Masterflex Group, direct contact with customers, suppliers, employees, society and the general public is of great importance. However, there is no written stakeholder analysis. The involvement of our stakeholders has so far been dealt with on an ad hoc basis. The focus here was essentially on employees, customers and suppliers.

10. Innovation and product management

As the global market leader and technology driver for technical hoses and connecting systems, the Research and Development unit is an important component of the Masterflex Group's sustainable development. By developing innovative products and processes, we are able to offer hoses and individual connection solutions for the most demanding requirements. Many of our products contribute worldwide to reducing the consumption of energy and resources, lowering costs through optimized operating processes, protecting the environment, making working environments safer, generating pleasant indoor air quality and supporting the best possible medical care.

For the Masterflex Group and our stakeholders, the digital transformation opens up great opportunities for a better quality of life, forward-looking business models and more efficient management. We will therefore continue to expand our technological leadership and meet new challenges by actively digitizing our solutions under the name AMPIUS. For some time now, we have also been driving forward the necessary structural and process changes to prepare the Masterflex Group for a scenario of significant growth. This is because digitization and the resulting possible networking of all stages of the value chain throughout industry will also have a massive impact on the market for high-tech hoses. Our customers expect us to provide innovative products that make their contribution to the digitization and optimization of production processes.

In 2016, the Masterflex Group was named one of the most innovative companies in the German SME segment by the Top 100 for the first time. Our innovation management was rated "A" overall, which means that according to the Top 100, we have an unusually professional innovation management system, even by international standards. We were able to maintain this innovation management, so that in 2019 we once again made it into the ranking of the German world market leaders.

In addition, the Masterflex Group was awarded the "Innovative through Research" seal of approval last year by the Stifterverband für die Deutsche Wissenschaft e.V., one of the largest

private business development agencies in Germany. Companies that take part in the biennial survey on research and development in the German economy receive this seal of approval.

Environment

11. Use of natural resources

In the production of our high-tech hoses and connector systems, we mainly process polymers that do not contain toxic components. We consistently minimize the use of plastics, metals and energy. This lowers costs and relieves the burden on the environment.

Waste is generated in the production process of our profile-extruded PUR hoses. By optimizing our production facilities and manufacturing processes, we continuously reduce the amount of waste as much as possible. In the case of waste that nevertheless accumulates, a distinction is made between reuse, recycling and other, e.g. energy recovery. Waste produced during start-up and production is recycled as far as possible: wires and polyurethane are separated from each other and resold.

Disposal is only permitted if recovery is technically impossible or economically unreasonable.

The sustainable use of resources is an integral part of our corporate philosophy. For this reason, we check both in production and in development to increase efficiency in terms of resources and the environment through a continuous improvement process.

In 2016, we invested a good EUR 7 million in an extension in Gelsenkirchen. The two-storey new building expanded our production capacity for spiral hoses by up to 2,400 sqm and our storage capacity by around 3,700 sqm. Investments were made in ultra-modern production facilities with reduced energy consumption. In addition, we are reducing our primary energy requirements and meeting ecological requirements with new heat recovery systems. In the heat recovery plants, the hall air heated by production processes is conducted via heat exchangers. The charged heat exchangers then heat up the fresh outside air to such an extent that the air climate in the production halls is pleasantly tempered and at the same time good. In the ideal case, energy savings of up to 95 percent can be achieved.

We also rely on modern LED lighting technology. Its advantages include not only the quality of the light but also its energy efficiency, long service life and environmental friendliness. LED lamps are free of toxic substances and significantly reduce CO₂ emissions.

12. Resssource management

The Masterflex Group attaches great importance to the consideration of ecological concerns. Our goal is to act as environmentally consciously as possible and to always live up to our ecological responsibility. This applies in particular to the raw materials we process, but also to our energy and water consumption, emissions, waste water and waste volumes.

In our transport packaging, we ensure that resource consumption is reduced, among other things, by using so-called deposit boxes. Our packaging regulations take into account not only quality but also environmental requirements.

We source our raw materials almost exclusively from EU countries, which reduces our dependence on energy-intensive imports.

13. Climate relevant emissions

As a world market leader and technology driver for technical hoses and connection systems, we develop innovative products for the most demanding requirements. Many of our products contribute worldwide to reducing energy consumption and protecting the environment. In this way, we make a significant contribution to climate protection. We also want to use energy as efficiently as possible in our own processes and contribute to global climate protection by reducing CO2 emissions. We do not yet have any evaluations that provide information on greenhouse gas emissions in accordance with the Greenhouse Gas Protocol or standards based on it.

Society

14. Employee rights

As early as January 2014, the Group Board of Management summarised its unreserved commitment to compliance with national and international norms and standards as well as our ecological and social responsibility in the "Masterflex Group Code of Conduct". This is based on the principles of the United Nations Global Compact and forms the binding standard for all persons acting on behalf of the Masterflex Group.

The ten principles of the UN Global Compact:

Human rights

1. companies should support and respect the protection of international human rights.
2. companies should ensure that they are not complicit in human rights abuses.

Labour

3. undertakings should respect freedom of association and the effective recognition of the right to collective bargaining.
4. companies should advocate the elimination of all forms of forced labour.
5. enterprises should advocate the elimination of child labour.
6. enterprises should advocate the elimination of discrimination in respect of employment and occupation.

Environment

7. companies should follow the precautionary principle when dealing with environmental problems.
8. companies should take initiatives to promote greater environmental awareness.
9. businesses should accelerate the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. businesses should work against all forms of corruption, including extortion and bribery.

The Masterflex Group has been operating a company suggestion scheme for many years. Here, employees can submit their ideas and suggestions for improvement. Among other things, they participate financially in savings and improvements for the Company.

15. Equal opportunities

The potential of our employees is an essential source of corporate success. Through the continuous expansion of personnel recruitment and development, we intend to maintain employee commitment and also secure the talents on the labor market for the challenges of the future. To this end, we specifically address potential specialists and junior staff at career fairs and via electronic media. Engage in cooperation with universities, offer internships and regularly take part in the annual "Girls' Day".

A low fluctuation rate and positive return rates after parental leave indicate that our employees are highly satisfied. As a value-oriented company, our corporate culture contributes to the fact that our employees are proud to work for us. It provides orientation for our actions and our interaction with each other, which is characterized by openness, tolerance and mutual respect.

The Masterflex Group's commitment to social responsibility is underscored by offering our employees a wide range of personal benefits:

- **Carrer and home**
It is important to us that our employees are able to combine work and family or special life situations with each other using flexible and modern working time models that adapt to the different life phases of our employees. These include flexible working hours, part-time models and home office opportunities.
- **Health management**
In the context of company health management, for example, we work together with the company "medicos Auf Schalke" at our headquarters in Gelsenkirchen. In accordance with the Betsi prevention programme ("Ensuring employability through participation"), we enable our employees to participate in this health-promoting programme. We also offer recurrent flu vaccinations free of charge at various locations.
- **Occupational safety**
We have high safety standards that are regularly reviewed to ensure the prevention of hazards and the elimination of risks to the safety of our employees.
- **Other company benefits**
Among other things, we offer our employees a company pension scheme (bAV) from the market leader for pension products, bright and modern workplaces, company parking spaces, travel allowances for the use of public transport, common rooms, joint ventures, employee parties, trainee days, company runs, a Christmas party and fresh fruit, water and coffee.

- „Social Day“

In September 2019, eleven Masterflex SE trainees took part in the "Social Day" organised by the North Westphalia Chamber of Industry and Commerce as part of the "In|du|strie - Gemeinsam" acceptance campaign. Future Life" acceptance campaign. The Masterflex SE trainees engaged in a dialogue with the local people and demonstrated once again that Masterflex SE also makes valuable contributions to the community as part of its social responsibility.

The Masterflex Group is aware of its social responsibility and therefore strives to play an active and cooperative role in the community. For a long time, we have been supporting social institutions close to our locations that focus on supporting children and young people and also including people with disabilities in the labour market.

The cooperation between our site in Norderstedt and the Elbe workshops in Hamburg is of the greatest importance here. Since 2011, Elbe employees have been employed at the Norderstedt site and perform light tasks there. With this inclusion agreement, we have set ourselves the goal of assigning people with disabilities appreciative tasks in which they can optimally use and expand their strengths and potential and receive recognition for the work they have done. In this way, we internalize the topic of inclusion together and successfully implement it in everyday cooperation as a matter of course.

In 2017/2018 a further project was carried out at the Norderstedt site, with which we have enabled refugees to enter the labour market. Ten interested refugees completed a 14-day internship in production, and eight of them were subsequently given an employment contract. A German teacher taught German language and grammar to refugees from Syria, Eritrea, Afghanistan, Macedonia, Albania and Iran. A further trainer taught product-specific specialist knowledge. For four months, the trainers came to the company twice a week for three hours each during working hours. There were also coaches for visits to authorities or behavioural training, so that integration was achieved through language and daily work. In this ambitious project we were supported by an external partner.

Another expression of our social responsibility is the cooperation with the Gelsenkirchen Children's Board, which began in 2012 as part of the Gelsenkirchen Board. The aim of the cooperation is above all to support the Tafel in its initiative Pausenbrot as well as its other activities for disadvantaged children and their families, such as the clothing store.

Supporting the Kindertafel in the long term is very important to us. Because when children from socially disadvantaged families - for whatever reason - have to go to school on an empty stomach, there is no basis for sensible learning. As a result, the future chances of these children to receive a good education and a good start to their careers are reduced from the outset. However, this is primarily about satisfying a basic need: food.

Through the participation of our employees in local company runs, such as the "B2Run" in Gelsenkirchen, social projects are supported proportionally from the entry fees paid. In addition, the Masterflex Group donates a fixed amount for each runner to the Gelsenkirchen Children's Table. And this has been the case since the first edition of the six-kilometre-long "B2Run" company run at Schalke.

16. Qualification

In the Masterflex Group, employees are offered a perspective in every phase of their lives and careers so that their individual needs can be reconciled with the requirements of the company. This includes flexible and modern working time models that adapt to the different life phases of our employees, such as flexible flexitime arrangements, part-time models or home office opportunities. Maintaining and promoting the health of our employees is just as important to us.

With extensive measures in health management, a high degree of personal responsibility and room for maneuver at the workplace as well as systematic qualification and further training, we pursue the goal of maintaining the health and performance of our employees and actively promoting lifelong learning.

We provide working conditions that guarantee the highest level of occupational safety. In addition, we are intensively involved in the training of young people and generally take on all trainees for at least twelve months after they have successfully completed their training.

By specifically addressing potential specialists and junior staff at career fairs and via electronic media, we also aim to secure the talent on the labor market for future challenges. We are involved in cooperation with universities, offer internships, inform interested young people about their career opportunities in the Masterflex Group at an early stage and regularly take part in the annual "Girls' Day" campaign.

17. Human rights

The Masterflex Group attaches great importance to respect for human rights. In our Code of Conduct, we clearly oppose all forms of forced and child labor as well as slavery and human trafficking. We not only address this claim to ourselves, but also expect such conduct from our contractual partners.

18. Community

The Masterflex Group is aware of its social responsibility and therefore strives to play an active and cooperative role in the community. For example, we have long supported social institutions close to our locations that have set their focus on supporting children, young people and also the inclusion of people with disabilities in the labour market (see also Chapters 15 and 16).

19. Political influence

In our exchange with business, politics and science, we always maintain our political independence. This applies at local, regional and national level. We do not exert political influence through donations or other actions.

20. Conduct in compliance with laws and policies

Masterflex Group's business is based on integrity, appreciation and compliance with the law. Compliance with all laws subject to criminal penalties and fines, their internal implementation

regulations and ethically correct, value-oriented business conduct are therefore of crucial importance to us.

As an internationally oriented group of companies, the Masterflex Group is subject to a large number of country-specific and international laws, ordinances, regulations and internal Group guidelines, which together form the binding framework for the Masterflex Group's business activities worldwide. It is therefore essential for executive bodies, managers and all employees to know and comply with the legal obligations relevant to their activities.

Masterflex Group has established a compliance management system that pursues a preventive compliance approach, informs employees about possible legal risks and supports them in complying with local and international legal requirements.

The Masterflex Group Code of Conduct forms the basis of the compliance management system and provides an overview of the legal areas relevant to the Masterflex Group on the one hand and sets (minimum) standards for ethical and legally compliant conduct on the other. It is available for download in German and English at any time. With these principles of conduct, we make clear the demands we make on the conduct of our employees, Management Board members and business partners and at the same time make known the key principles of our business conduct. We regard these principles of conduct as a minimum standard for cooperation and interaction with customers, suppliers, competitors, shareholders and authorities.

By implementing this Code in our day-to-day business, we are at the same time committing ourselves to fighting all forms of unfair competition, corruption and deception.

Executives have a special responsibility to avoid violations of the law. All Masterflex Group managers commit themselves to this by means of a written declaration and undertake to inform their employees about the content and significance of the Code of Conduct and to sensitise them to legal risks. Executives must regularly review compliance with the Code of Conduct on their own initiative and seek discussions with their employees to this end.

Managers and employees are systematically trained in the basics of compliance. In addition to these basic training courses, target group-specific training measures on specific compliance topics are conducted.

We view the further development and Group-wide establishment of an effective compliance management system as a key contribution not only to risk avoidance in the Group, but also as an expression of Masterflex SE's self-image and its commitment to fair, responsible and lawful conduct worldwide.

The whistleblower system we have set up enables us to report suspected violations to an external lawyer. The ombudsman system is accessible to all employees and external third parties - even anonymously. It is possible to report information by telephone or via an electronic mailbox that is not administered by the company. It goes without saying that whistleblowers do not have to fear any sanctions from the company due to the submission of information.

DNK – Statement of compliance

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REMARK

Only the German version of this report is legally binding