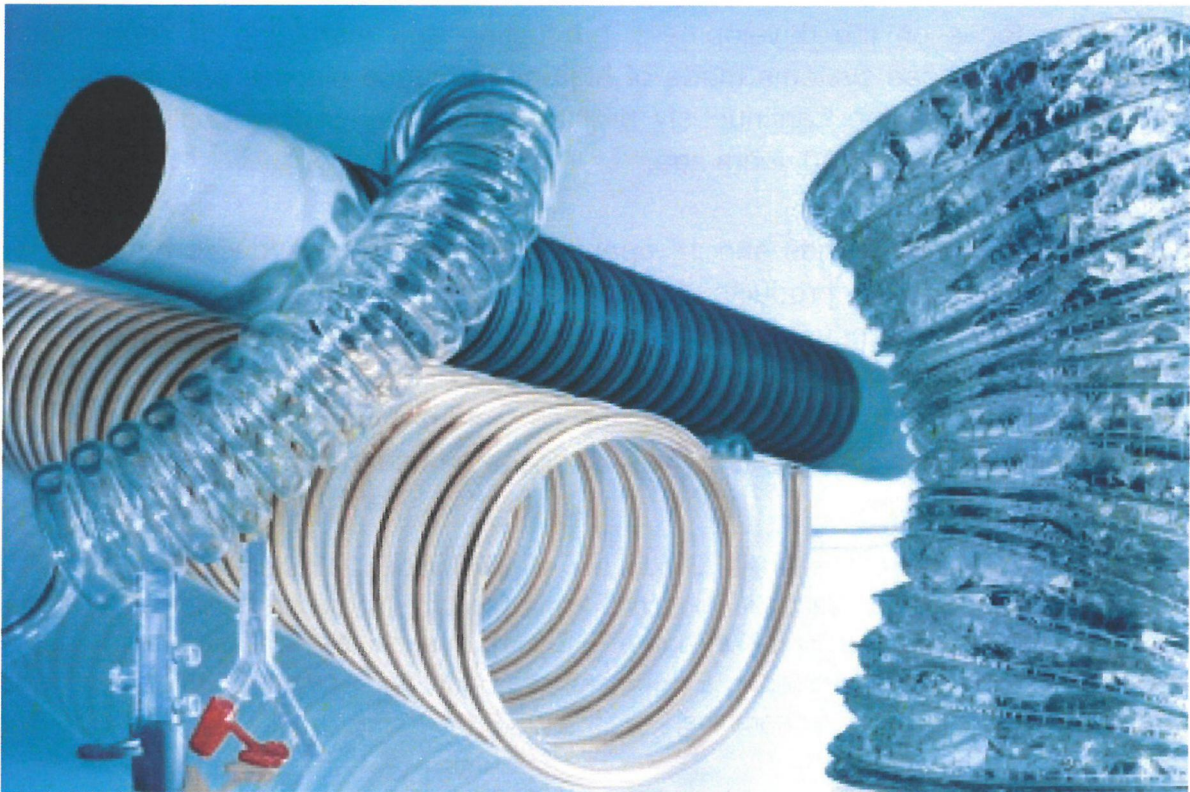


Consolidated non-financial statement 2022 of the Masterflex Group for the Group and Masterflex SE



About this report

This non-financial statement covers Masterflex SE as the parent company of the Masterflex Group and its subsidiaries. This report presents the mandatory non-financial information in accordance with the CSR Directive Implementation Act and is based on the DNK criteria.

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 sophisticated connection and hose systems made of high-performance plastics and fabrics. This business has been the continuously profitable mainstay of the Masterflex Group since its foundation over 30 years ago.

Six strong corporate brands and 14 operating subsidiaries worldwide make up the Masterflex Group. Our products and solutions secure demanding and essential functions in high-tech industries such as aerospace, medical technology, mechanical and plant engineering, chemical industry, food and pharmaceutical technology and other important industries. In addition, the Masterflex Group also offers consulting and order-related development services for hoses and connection systems as part of its engineering services.

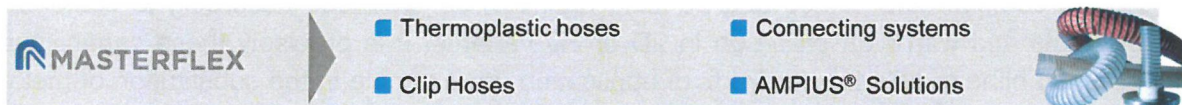
Production sites of the Masterflex Group are Gelsenkirchen (Masterflex), Neuss (APT), Halberstadt (Novoplast), Wald-Michelbach (Fleima-Plastic), Norderstedt (Matzen & Timm), Houston, USA (Masterduct) and Kunshan (PR China). In addition, the Masterflex Group has subsidiaries at various locations in Europe, America and Asia, some of which have small production lines and sales partnerships.



The brands

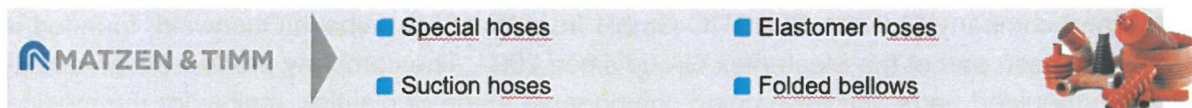
The six corporate brands of the Masterflex Group also represent the most important operating companies with their own production capacities and, with their respective product portfolios, are part of the unified market presence under the umbrella brand MASTERFLEX GROUP. In addition to these brand companies,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

Our slogan "Connecting Values" expresses our core competence: holistic connection solutions that are adapted to customer-specific requirements - combined with German engineering that is used in worldwide production, with a high level of reliability and safety as well as with pronounced customer proximity in terms of advice and service. In summary, "Connecting Values" means: We connect values with added value for our customers.



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

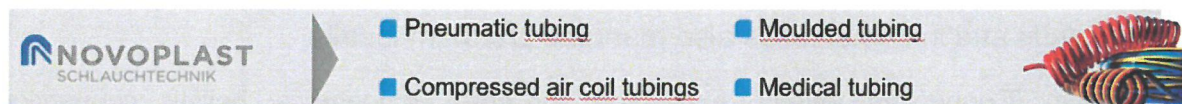
The extensive range offers products that fulfil individual requirements and demanding tasks. Regardless of whether very abrasive solids, aggressive chemicals, gaseous media up to +1,100 degrees Celsius or, for example, foodstuffs have to be transported: The hoses made from high-tech plastics and fabrics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



The brand company Matzen & Timm is a renowned and international manufacturer of special hoses, bellows and molded parts made of high-quality synthetic rubber materials such as silicone. The products are largely manufactured by hand on an industrial scale and are used wherever precision and particular resilience are required. These include in particular the aviation industry, the automotive sector and rail transport. Production takes place in Norderstedt near Hamburg.

The special hoses can be found, for example, in the air-conditioning systems of aircraft, such as at Airbus, under the bonnet of a racing car at the DTM or in modern train systems. As a manufacturer with its own development department, the value chain includes all sub-steps from design, simulation (FEM) and qualification at the customer's premises to the production of prototypes and series production.

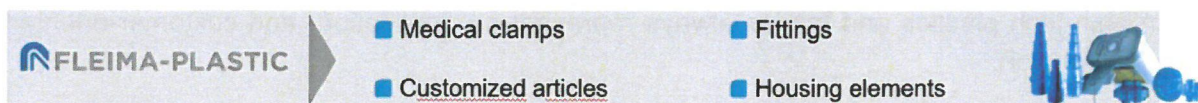
For more than 50 years, Matzen & Timm has been one of the most important suppliers for the aerospace industry, special vehicles and mechanical engineering, not least because of its experienced handling of a wide range of qualification requirements and its high level of development competence. Innovative products, such as the weight-reduced and/or electrically conductive hose or the protective hose for the fuel line in aircraft, meet the highest requirements for safety and function.



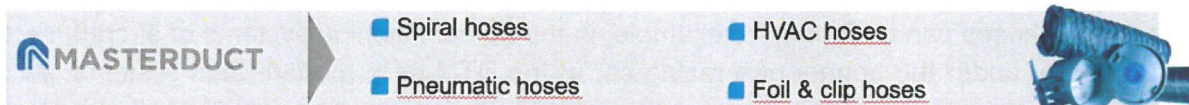
The brand company Novoplast Schlauchtechnik GmbH in Halberstadt specialises in the extrusion of hoses and profiles in the diameter range 0.1 to 50 mm for industrial and medical applications. Sometimes these products are also processed further, for example by heat-setting or by other special assembly and moulding processes. With heat-setting, moulded hoses with complex geometries and bending radii can be produced according to customer requirements and with high precision in 2D or 3D variants. It is precisely these capabilities that open up hitherto little-known fields of application, for example in the substitution of metal pipes with low-noise or vibration-free plastic connections.

Tube and profile extrusion is carried out on state-of-the-art equipment. Other special materials are regularly added to the wide range of materials. Clean rooms of ISO classes 6, 7 and 8 are set up for production in medical technology.

Novoplast Schlauchtechnik works closely with its sister company FLEIMA-PLASTIC GmbH, a manufacturer of medical technology 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 components made of plastics, mainly for the medical technology, cosmetics and food technology sectors. In the modern plant, injection moulded components - also in multi-component technology - are manufactured, assembled or finished, among other things in clean rooms of ISO classes 7 and 8. In addition, there is a great deal of experience in the construction of precision injection moulding tools in the company's own mould making department and in the creation of prototypes in all common rapid prototyping processes.



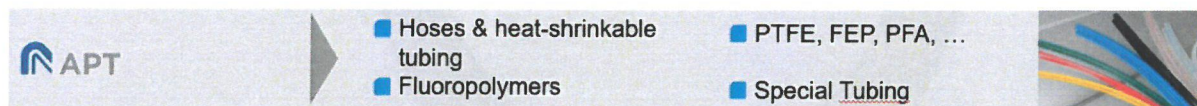
In North and South America, the Masterflex Group is represented by Masterduct Holding, Inc. a wholly owned subsidiary of Masterflex SE. Masterduct Holding includes three

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

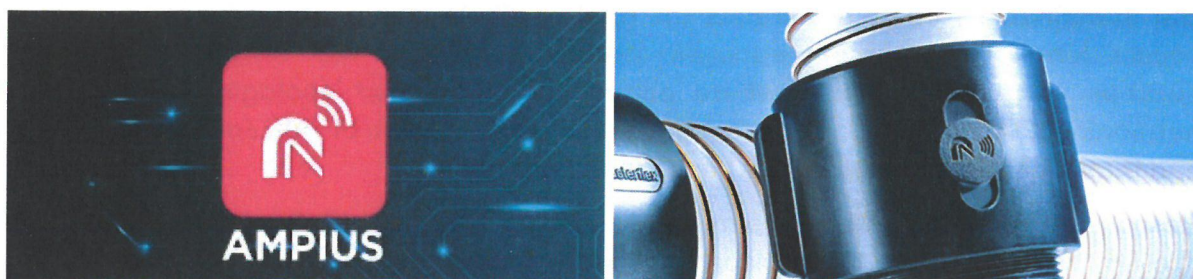
Masterduct and Flexmaster U.S.A., which operate in North and South America, also function as brand companies with a corresponding product portfolio.

Flexmaster U.S.A. is established as a hose specialist for heating, ventilation and air conditioning (HVAC for short) in the air conditioning and ventilation sector and is a leader in applications in public construction, such as in hospitals, schools, sports facilities and universities. Flexmaster U.S.A. is a preferred supplier in the healthcare sector because its products contain no adhesives or solvents. In addition, sound-insulating hoses are used for soundproofing instead of metal joints because they are cheaper, more flexible and more sound-absorbent.

Masterduct distributes the portfolio of the Masterflex and Novoplast Schlauchtechnik brands in the American market under its brand. The customer base ranges from the timber industry, mechanical engineering and the plastics industry to the aviation and service industry.



APT Advanced Polymer Tubing GmbH from Neuss specialises in smooth and shrinkable tubing made of fully or partially fluorinated plastics. APT hoses can be used permanently at temperatures from 200 to +260 degrees Celsius. They are also 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 specialised processing know-how as well as high-quality machinery designed for this purpose. 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 are also increasingly being addressed.

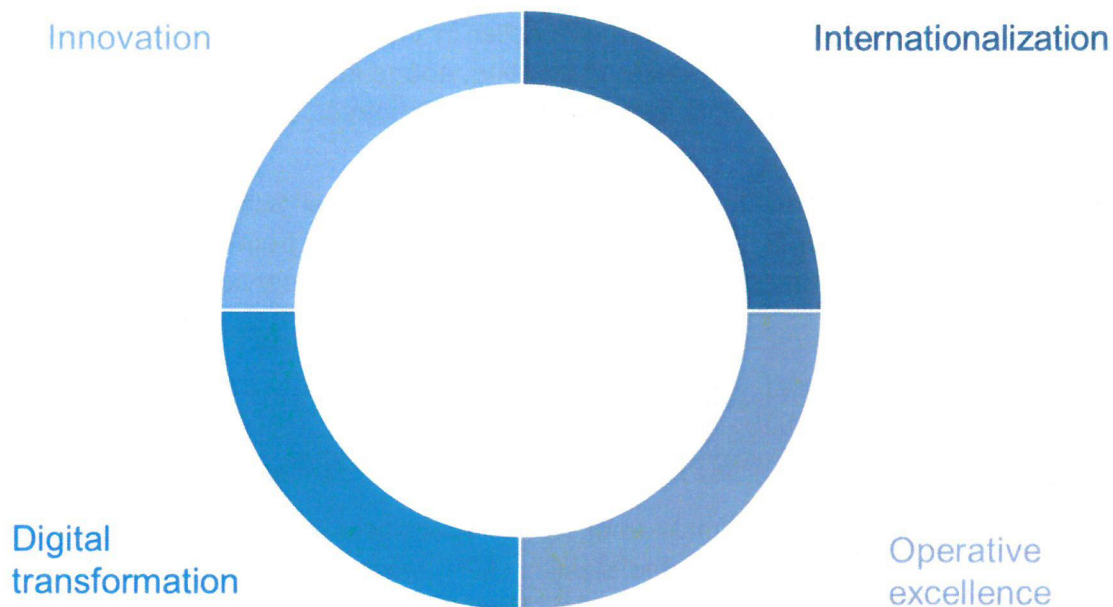


We are the first hose manufacturer ever to launch a complete operator system consisting of hose, sensor technology, engineering and data processing: under the name AMPIUS® we offer hose systems with integrated life cycle tracking functions as well as a matching app.

This also includes solutions for digital twins of our products, which can be managed or supplemented in their data stock with the help of AMPIUS® asset management, which was developed in 2022. Digital twins, i.e. virtual images of products, are the basis for Industry 4.0 and digital business models of the future at the Masterflex Group.

Our growth Strategy

The Masterflex Group is pursuing a long-term, value-driven growth strategy based on the pillars of internationalisation, innovation, operational excellence and digital transformation. With this orientation, we take into account the versatility of our business, which is characterised by a very broad diversification of customers, their industries and the fields of application of our connection products.



Strategy

Strategic analysis and anchoring

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

Responsible corporate governance must be anchored at the highest level. The evaluation of relevant fields of action takes place in regular strategy meetings that are held at least annually. Sustainability has thus become a topic that is lived by the Executive Board, Supervisory Board as well as the entire management and all employees of the Masterflex Group. Sustainability is firmly anchored in the workflows and operational processes. Control and implementation take place in the responsible specialist departments. To this end, projects and activities are discussed and considered from a sustainability perspective at regular management meetings.

Materiality and measures

Our core business is the development, production and marketing of sophisticated connection and hose systems made of high-performance plastics and fabrics. We are aware of our responsibility for the environment and society and have firmly anchored the sustainable use of resources in our corporate philosophy. Therefore, we strive to increase efficiency in terms of resources and the environment both in production and development through a continuous improvement process.

In order to continuously improve, we have introduced the Corporate Carbon Footprint (CCF) for the group of companies. Among other things, the data collected helps us to expand and harmonise our ecological and economic strategy. For the first time, we are able to measure CO₂ savings across the Group and develop appropriate measures. A corresponding reporting system is currently being set up.

Following the site expansion in 2016, which involved investing in new energy-efficient plant technology, the Gelsenkirchen site commissioned a new photovoltaic system at the end of 2021. Since 2022, the site has been able to cover around 25 % of its own electricity requirements during the day with over 1,000 photovoltaic modules. Based on the emission factor from 2019, around 138 tonnes of CO₂ can be saved.

In addition, we rely on modern LED lighting technology. In addition to their light quality, their advantages include their energy efficiency, their long service life and their environmental friendliness. LED lamps are also free of toxins and significantly reduce CO₂ emissions.

When manufacturing our sophisticated connection and hose systems from high-performance plastics and fabrics, we mainly use polymers that do not contain any toxic components. We consistently optimise the use of plastics, metals and energy. This relieves the environment and reduces costs.

Waste is produced in the production process of our profile-extruded PUR hoses. 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 accumulates, a distinction is made between reuse, recycling and other forms of utilisation, such as energy recovery. Scrap that accumulates during start-up and at the end of production is recycled as far as possible: wires and polyurethane are separated from each other and resold.

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

Due to our business model and products, innovation is a material issue for the entire Group. At Masterflex, the implementation of sustainability aspects in our manufacturing processes and in end products is made possible by implementing innovation processes along our value chain. Therefore, we focus on research and development and contribute to reducing energy and resource consumption through our products, protecting the environment and reducing costs through efficient processes. By using the finite element method, hoses can be

simulated on the computer in their area of application in a resource-saving way, which makes the time-consuming production of samples superfluous.

The digital transformation opens up great opportunities for the Masterflex Group and our stakeholders for a better quality of life, forward-looking business models and more efficient economic activity. Therefore, with the active digitalisation of our solutions under the name AMPIUS®, we will further expand our technology leadership and face new challenges. For some time now, we have also been driving forward the necessary structural and process-related changes in order to prepare the Masterflex Group for a scenario with significant growth. Digitalisation and the resulting networking of all stages of the value chain throughout the entire industry will also massively change the market for high-tech hoses. Our customers expect innovative products from us that contribute to the digitalisation and optimisation of production processes.

For the successful development of innovative products as well as for the holistic implementation of our sustainable corporate strategy, committed, qualified and satisfied employees are another very important factor. The potential of our employees is an essential source of the company's success. Through the continuous expansion and improvement of personnel recruitment and development, we want to continue to maintain employee commitment and also secure talent on the labour market for future challenges. To this end, we specifically address potential specialists and junior staff at career fairs and via electronic media, are involved in cooperations with secondary schools and universities, offer student research projects, dissertations and internships, inform interested young people about their career opportunities in the Masterflex Group at an early stage and regularly participate in the annual "Girls' Day" campaign day.

A low turnover rate in many of our units and positive return rates after parental leave indicate a high level of satisfaction among our employees. As a value-oriented company, our corporate culture contributes to our employees being proud to work for us. It provides orientation for our actions and our dealings with each other, which are characterised by honesty, tolerance and mutual respect. Particularly in the context of the Corona pandemic, it became clear that our social and societal commitment does not derive strategically, but from our attitude and value culture. We continue to take appropriate measures to protect our employees from contracting Corona. In addition to the firmly established option of mobile working, the possibility of vaccination is offered in order to protect oneself and one's fellow human beings in the best possible way.

Legal and regulatory frameworks set clearly defined standards for health and safety at work - in many cases we go well beyond their requirements.

In summary, social and societal responsibility, especially in the area of personnel, as well as the resource-saving use of materials, processes and methods, are the focal points of corporate social responsibility for us.

Objectives

Our sustainability strategy pursues the goal of stable sustainable growth in order to secure long-term corporate success. We are convinced that long-term corporate success can only succeed where economic, social and ecological aspects are harmonised. Accordingly, sustainability is an integral part of 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 drive sustainable corporate action from strategy to implementation.

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 optimise the use of plastics, metals and energy. The aim is to achieve the highest possible degree of utilisation from the raw materials used by minimising waste. 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 accumulates, a distinction is made between reuse, recycling and other forms of utilisation, such as energy recovery. Scrap that accumulates during start-up and at the end of production is recycled as far as possible: wires and polyurethane are separated from each other and resold. Disposal is only permitted if recycling is technically impossible or economically unreasonable.

Corporate Social Responsibility thus plays a significant role from purchasing to production to shipping as well as in the sales and development processes.

Process Management

Responsibility

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

Rules and processes

In regular management meetings, projects and activities are discussed and also considered from a sustainability perspective. This is done in accordance with applicable internal guidelines, organisational instructions and through 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 16247-1). The following essential certifications are carried out in the Masterflex Group:

- Quality management system, **DIN EN ISO 9001:2015**

Our procedures, processes and services are certified by auditing according to DIN EN ISO 9001. This is a globally recognised standard that defines the minimum requirements for an effective quality management system in

companies. Quality management stands for the continuous improvement of processes, products and services.

- **Environmental management system DIN EN ISO 14001:2015**

With the DIN EN ISO 14001 certification, we are also officially and organisationally committed to promoting environmental protection, reducing negative environmental impacts and implementing, maintaining and continuously improving environmental goals in line with economic, social and political requirements.

- **Aerospace Quality Management System EN 9100:2016**

Our procedures, processes and services are certified by auditing 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. The certification according to EN 9100 is technically equivalent to AS 9100 as well as JISQ 9100. It corresponds to QSF-C of the German Aerospace Industries Association (BDLI).

- **Energy efficiency audit according to DIN EN 16247-1**

The aim of this energy audit is to improve energy efficiency and reduce energy consumption through the comprehensive, systematic review of energy consumption.

- **Medical devices – Quality management system DIN EN ISO 13485:2016**

The processes implemented 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 placing on the market of medical devices.

- **QSF-C-Supplier**

Airbus Germany has qualified us as a system manufacturer. System manufacturers are responsible for the development and production of technically complex systems and also bear responsibility under aviation law. The QSF (Quality Assurance Requirements) standard used was developed by the member companies of the BDLI (German Aerospace Industries Association).

All aviation products comply with specific requirements of JAR/FAR 25.853(a) and ABD 0031.

- **„Ökoprofit“-Company**

The ecological project for integrated environmental technology reduces the consumption of resources in the company and relieves the burden on the environment.

- **„Family-Friendly“ Company**

Already in 2012, we have been awarded for the practice of family-friendly working time models and emergency arrangements (keyword illness, teaching absences), which have been common for years.

Control

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

- Staff turnover rate
- Sickness rate
- Training quota
- Severely disabled compensation levy
- Return rate after parental leave
- Personell development measures per employee
- Participation in further training measures
- Status and development of the average age

At sites 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 EN ISO 50001:2011 and DIN EN 16247-1), sustainability-relevant data can be derived directly. However, due to the organisational structure of the Masterflex Group as well as country-specific characteristics, it is not possible to provide comprehensive information on all required performance indicators.

Incentive systems

Target agreements and remuneration in the Masterflex Group are based on the requirements of the job, the individual performance of the employee and the company's success. Target agreements of the executives are determined in regular employee meetings and take into account both financial and non-financial targets. The remuneration system for the Executive Board is set up in accordance with the requirements of § 87a of the German Stock Corporation Act (AktG). The variable remuneration components of the Executive Board remuneration are aligned in such a way that they make a sustainable contribution to the long-term orientation of the Masterflex Group and accordingly also include targets in the area of compliance and sustainability. Likewise, comparable targets are integrated into the remuneration system for senior executives/managers.

The presentation of the remuneration system as well as the remuneration granted and owed in the financial year 2022 can be found in the remuneration report prepared in accordance with the requirements of Section 162 AktG.

Participation of stakeholder groups

For Masterflex SE as well as for the subsidiaries of the Masterflex Group, direct contact with customers, suppliers, employees, society and the public is of great importance. However, there is no written stakeholder analysis. The involvement of our stakeholders has been dealt with selectively to date. The focus was mainly on employees, customers and suppliers.

One example of this is our customer surveys, which give us a valuable insight into the perception of our customers. The aim of our regular customer surveys is to determine in which areas customer needs are already being met and in which areas there is potential for improvement. Meeting customer requirements is an essential component for our sustainable business success.

Innovation and product management

As the world market leader and technology driver for technical hoses and connection systems, the area of research and development is an important building block for the sustainable development of the Masterflex Group. 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 energy and resource consumption, cutting costs through optimised operating processes, protecting the environment, making working environments safer, generating pleasant indoor air quality and providing the best possible medical care.

The digital transformation opens up great opportunities for the Masterflex Group and our stakeholders for a better quality of life, forward-looking business models and more efficient economic activity. Therefore, with the active digitalisation of our solutions under the name AMPIUS®, we will further expand our technology leadership and face new challenges. For some time now, we have also been driving forward the necessary structural and process-related changes in order to prepare the Masterflex Group for a scenario with significant growth. Digitalisation and the resulting networking of all stages of the value chain throughout the entire industry will also massively change the market for high-tech hoses. Our customers expect innovative products from us that make their contribution to the digitalisation and optimisation of production processes.

The Masterflex Group was recognised for the first time in 2016 by Top 100 as one of the most innovative companies in the German SME sector. Our innovation management was rated "A" overall, which means that, according to Top 100, we have an unusually professional innovation management, even by international standards. We were able to maintain this professional innovation management, so that we have consistently made it into the ranking of German world market leaders from 2019 to 2021.

With the listing in the World Market Leader Index of the renowned University of St. Gallen and the Academy of German World Market Leaders (ADWM), we are also among the world market leader champions in 2023 and thus have been for many years without interruption. The designation "world market leader" stands across all industries for globally active and successful companies with leading technologies and outstanding quality of their products and services.

In addition, the Masterflex Group has already been awarded the "Innovative through Research" seal of quality in 2018 by the Stifterverband für die Deutsche Wissenschaft e.V. (Donors' Association for the Promotion of Sciences and Humanities in Germany), one of the largest private business sponsors in Germany. Companies that participate in the biennial full survey on research and development in the German economy receive this seal of approval.

Environment

Use of natural resources

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

Waste is produced in the production process of our profile-extruded PUR hoses. 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 accumulates, a distinction is made between reuse, recycling and other forms of utilisation, such as energy recovery. Scrap that accumulates during start-up and at the end of production is recycled as far as possible: wires and polyurethane are separated from each other and resold.

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

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

In 2016, we invested a good EUR 7 million in an extension building in Gelsenkirchen. The two-storey new building expanded our production capacity for spiral hoses by up to 2,400 m² and our storage capacity by around 3,700 m². At the same time, we invested in state-of-the-art production facilities with reduced energy consumption. On top of that, we are reducing the primary energy demand and meeting ecological requirements through new heat recovery plants. In the heat recovery systems, the hall air heated by production processes is passed through heat exchangers. The charged heat exchangers then heat the fresh outside air supplied to such an extent that the air climate in the production halls is pleasantly tempered and at the same time good. Ideally, up to 95 per cent energy savings can be achieved.

We also use modern LED lighting technology. In addition to their lighting quality, their advantages include their energy efficiency, their long service life and their environmental friendliness. LED lamps are free of toxic substances and significantly reduce CO₂ emissions. In combination with digital lighting and heating management, we make optimal use of external energy resources to reduce our CCF. Since 2019, we have been a participant in the ETA Plus energy efficiency network initiative at the Wald-Michelbach site, thereby also supporting Germany's climate and energy policy goals. Participation in the energy efficiency network enables us to plan and efficiently implement economic investments in energy efficiency on a solid data basis. The regular exchange of experience between network participants facilitates and accelerates implementation, lowers energy consumption, contributes to reducing energy costs - and creates competitive advantages.

Last year, the Gelsenkirchen site, in cooperation with the NRW Energy Agency, assessed energy improvement measures on buildings and facilities. The site continues to implement the jointly developed measures in new investments and conversion measures.

Resource management

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

In our transport packaging, we always make sure that the consumption of resources 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.

Climate relevant emissions

As the world market leader and technology driver for technical hoses and connection systems, we develop innovative products for the highest requirements. Many of our products help to reduce energy consumption and protect the environment worldwide. 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 through the associated reduction of CO₂ emissions. Accordingly, we introduced the CCF in 2022 to measure our CO₂ emissions and to derive appropriate measures for a reduction in the future.

Reporting on the EU-Taxonomy

The high-tech plastics processed by Masterflex offer considerable substitution potential for conventional materials, in particular for steel and rubber. In this context, the Masterflex Group's material expertise also extends to the use of recyclable plastics with the assurance of the same material properties. It is the declared aim of the innovation strategy to further expand the portfolio of materials used in the future.

In terms of the EU taxonomy, the economic activities of the Masterflex Group are to be assessed as supporting activities ("enabling activities") to promote climate protection and support climate change. The use of sustainable and recyclable raw materials by the end customers of the Masterflex Group contributes significantly to optimising their CO₂ balance.

The share of revenue with EU taxonomy-compliant products amounted to around 4 % of total revenue in the 2022 financial year. Examples include hoses for renewable energies (wind turbines), hoses for AdBlue lines and hoses for cooling electric charging stations. It is the company's declared goal to further expand this share of sales. In addition, development partnerships exist to develop solutions in the area of ecologically sustainable raw material groups. The aspects of the circular economy are already addressed in the development strategy.

In addition to the strategic orientation of the innovation strategy, the Masterflex Group invests around 15 % itself in measures for climate protection and the prevention of environmental pollution. This includes in particular the investment in solar roofs (exemplified at the Masterflex SE site) as well as investments in the processing and reusability of scrap materials and waste as well as the avoidance of rejects.

Information on the EU taxonomy at a glance:

	Total	Taxonomy-Share	in %
Sales (in T€) ¹⁾	100.274	3.595	3,6%
Capex (in T€) ²⁾	5.869	881	15,0%
Opex (in T€) ³⁾	90.103	214	0,2%

¹⁾ Sales = Group Sales according to P&L

²⁾ Capex = Investments in property, plant and equipment and intangible assets according to cash flow statement

³⁾ Opex = Perso

Society

Employee rights

The Executive Board summarised its unconditional commitment to compliance with national and international norms and standards as well as to our ecological and social responsibility in the "Code of Conduct of the Masterflex Group" back in January 2014. 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. Business should support and respect the protection of international human rights
2. Business should ensure that they are not complicit in human rights abuses.

Labour Standards

3. Business should uphold freedom of association and the effective recognition of the right to collective bargaining.
4. Business should advocate for the elimination of all forms of forced labour.
5. Business should advocate for child labour.
6. Business should advocate the elimination of discrimination in employment and gainful employment.

Environment

7. Business should follow the precautionary principle when dealing with environmental problems.
8. Business should follow the precautionary principles when dealing with environmental problems.
9. Business should accelerate the development and dissemination of environmentally friendly technologies.

Prevention of corruption

10. Business should work against all form of corruption, including extortion and bribery.

The Masterflex Group has been using a company suggestion scheme for many years. Here, employees can submit their ideas and suggestions for improvement. In doing so, they also participate financially in savings and improvements for the company.

Equal opportunities

The potential of our employees is an essential source of the company's success. Through the continuous expansion of personnel recruitment and development, we want to continue to maintain employee commitment and also secure talent on the labour market for future challenges. To this end, we specifically approach potential specialists and junior staff at career fairs and via electronic media, engage in cooperation with secondary schools and universities, offer internships and regularly participate in the annual "Girls' Day" campaign day.

A low fluctuation rate and positive return rates after parental leave indicate a high level of satisfaction among our employees. As a value-oriented company, our corporate culture contributes to our employees being proud to work for us. It provides orientation for our actions and our dealings with each other, which are characterised by honesty, tolerance and mutual respect.

Offering our employees a wide range of personal benefits underlines the social responsibility practised by the Masterflex Group:

- **Work and private life**
We attach importance to our employees being able to reconcile work and family or special life situations with flexible and modern working time models that adapt to the different life phases of our employees. These include flexible flexitime arrangements, part-time models, mobile working or home office options.
- **Health management**
Within the framework of company health management, we work together with the company "medicos Auf Schalke", for example, at the head office in Gelsenkirchen. In accordance with the prevention programme Betsi ("Securing employability in a participation-oriented manner"), we enable our employees to participate in this health-promoting programme. In addition, we offer recurring workshops and information events on various health topics at different locations to support our employees free of charge and during working hours in maintaining their health, for example through back school, nutritional counselling, lung function tests or flu vaccinations.
- **Occupational safety**
We have high safety standards that are regularly reviewed and adapted to the respective work situation to ensure the prevention of hazards and the elimination of risks to the safety of our employees.
- **Other operational benefits**
We offer our employees, among other things, a company pension scheme with the market leader for pension products, bright and modern workplaces, company parking spaces, travel allowances for the use of public transport, job bikes, common rooms, joint activities, events, trainee days, company runs, a Christmas party and fresh fruit, water and coffee.

- „Social Day“

Since 2018, Masterflex SE trainees have regularly spent a day doing charitable work at the "Social Day" of the North Westphalia Chamber of Industry and Commerce as part of the acceptance campaign "In|du|strie - Gemeinsam. Living the future". The Masterflex SE trainees engage in dialogue with local people and show 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 role in the community as a partner. For example, we have long supported social institutions close to our sites that focus on supporting children, young people and also on the inclusion of people with disabilities in the labour market.

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

Inclusion is also an important component at the Masterflex site in Halberstadt. 30 years ago, the foundation stone of the cooperation between Masterflex and the Diakonie Werkstätten was laid with the contracting out of gardening work. Today, the employees of the Diakonie Werkstätten are a reliable partner for simple assembly steps. This project gave both partners a high degree of security and stability, especially during the Corona-related times. The Masterflex company could rely on TOP quality even during fluctuating workloads during the Corona pandemic. The Diakonie Werkstätten were able to offer their employees economic and social security through the cooperation with Masterflex.

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

Another expression of our social responsibility is the cooperation with the Gelsenkirchener Kindertafel as part of the Gelsenkirchener Tafel, which started in 2012. The main aim of the cooperation is to support the "Pausenbrot" initiative as well as other activities for disadvantaged children and their families, such as the clothing store.

Supporting the commitment of the Kindertafel in the long term is very close to our hearts. Because if children from socially disadvantaged families - for whatever reason - have to go to school with an empty stomach, the basis for proper learning is missing. This reduces the future chances of these children to get a good education and a good career start later on. 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 proportionately from the entry fees paid. In addition, the Masterflex Group donates a fixed amount for each runner to the Gelsenkirchen Kindertafel. And this has been the case since the first edition in 2015 of the six-kilometre "B2Run" company run on Schalke.

Qualification

In the Masterflex Group, employees are offered a perspective at every stage of life and career so that 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 options. Maintaining and promoting the health of our employees is just as important to us.

With comprehensive measures in health management, a high degree of personal responsibility and creative freedom in the workplace as well as systematic qualification and further training offers, we pursue the goal of maintaining the health and performance of our employees and actively promoting lifelong learning.

We provide working conditions that ensure 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 skilled and junior staff at career fairs and via electronic media, we also aim to secure talent on the labour market for future challenges. We are involved in cooperations with secondary schools and 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 day.

Human rights

In January 2022, the Executive Board of the Masterflex Group adopted a policy statement on respect for human rights and safe working conditions in all our Group companies. It is in line with our self-image and is the declared goal to avoid violations of human rights. In doing so, our responsibility focuses on topics and fields of action in which we can exert our influence as a business enterprise. In this respect, our responsibility complements the duties of states and sovereign institutions to protect human rights.

Our actions are aligned with the following international standards:

- ILO Declaration on fundamental Principles on Rights at Work),
- OECD Guidelines for Multinational Enterprises),
- UN-Guiding Principles on Business and Human Rights),
- zehn Principles of the UN Global Compact.

The policy statement supplements and concretises our Code of Conduct with regard to our commitment to respect human rights and occupational safety.

Community

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

Political influence

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

Conduct in compliance with the laws and policies

The business of the Masterflex Group is based on integrity, appreciation and compliance with the law. Compliance with all applicable laws subject to penalties and fines, their internal implementation regulations and ethically correct, value-oriented economic actions are therefore of decisive importance for 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 business activities of the Masterflex Group worldwide. It is therefore essential for the executive bodies, managers and all employees to know and comply with the legal obligations relevant to their activities.

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

The Code of Conduct of the Masterflex Group is the basis of the compliance management system and on the one hand provides an overview of the legal topics relevant to the Masterflex Group and on the other hand sets (minimum) standards for ethical and lawful conduct. It is available for download in German and English at any time. With these principles of conduct, we clarify the standards we set for the conduct of our employees and board members as well as our business partners, and at the same time make known the essential principles of our business conduct. We understand 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 activities, we are also committed to combating all forms of unfair competition, corruption and deception.

Managers have a special responsibility in the avoidance of violations of the law. All managers of the Masterflex Group commit themselves to this in 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. Managers must regularly review compliance with the principles of conduct on their own initiative and seek discussions with their employees to this end.

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

We consider the further development and Group-wide establishment of an effective compliance management system to be an essential contribution not only to limiting risks in the Group, but also as an expression of the self-image of Masterflex SE and its commitment to fair, responsible and lawful action worldwide.

Suspected cases of violations can be reported to an external lawyer via the ombudsman system that has been set up. The ombudsman system is accessible to all employees as well as to external third parties - also anonymously. It is possible to report information by telephone or via an electronic mailbox not administered by the company. Of course, whistleblowers do not have to fear any disadvantages from the company as a result of making a report.

DNK – Statement of compliance

Area	DNK criterion	Page
Strategy	1. Strategic analysis and anchor	6
	2. Materiality and measures	7, 8
	3. Objectives	8
	4. Depth of the value chain	9
Process management	5. Responsibility	9
	6. Rules and processes	9,10
	7. Control	10, 11
	8. Incentive systems	11
	9. Participation of stakeholder groups	11
	10. Innovation and product management	12
Environment	11. Use of natural resources	13
	12. Resource management	13
	13. Climate-relevant emissions and information on the EU taxonomy	14, 15
Society	14. Employee rights	15, 16
	15. Equal opportunities	16,17, 18
	16. Qualification	18
	17. Human rights	18
	18. Community	19
	19. Political influence	19
	20. Conduct in compliance with laws and policies	19, 20

REMARK

Only the German version of this report is legally binding

