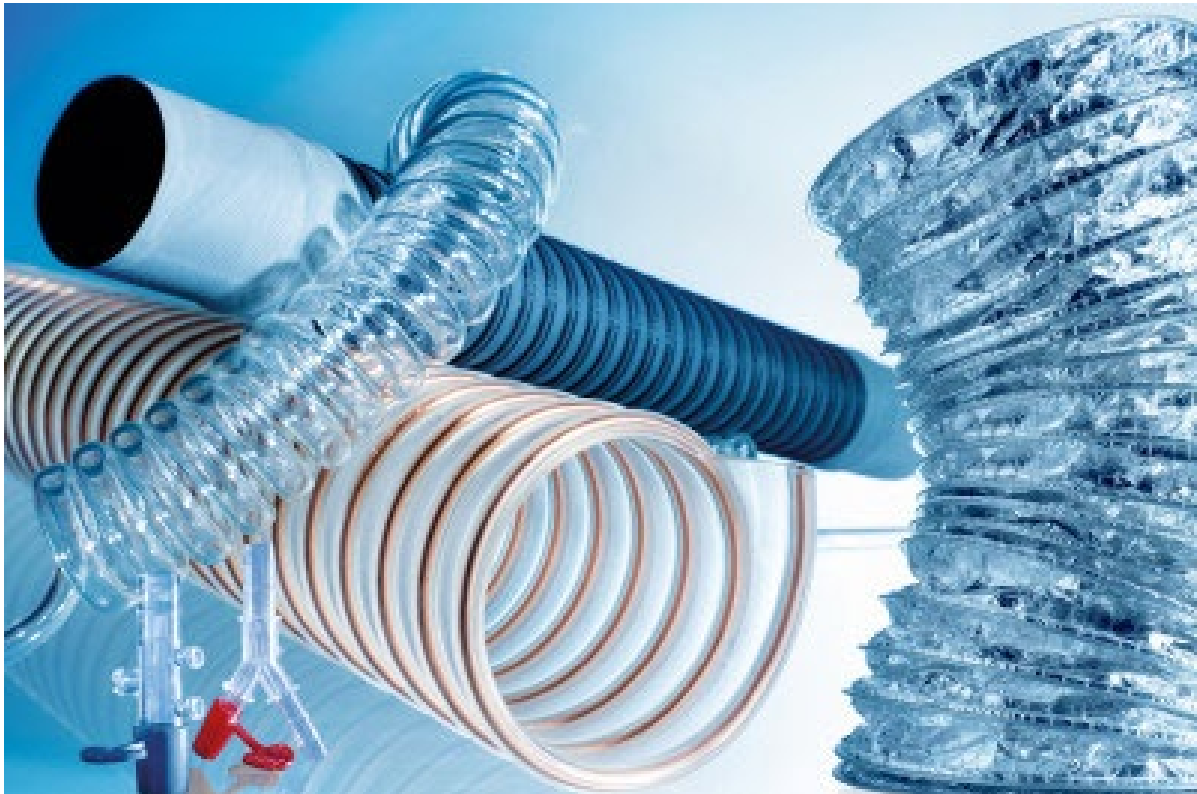


Consolidated non-financial statement 2021 of the Masterflex Group for the Group and Masterflex SE



The business model

Masterflex SE, Gelsenkirchen, is the parent company of the Masterflex Group (herein referred to as Masterflex Group). The business activities of Masterflex SE and the Group focus on the development, manufacture and marketing of sophisticated connecting 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 of hoses and connection systems as part of engineering services.

The Masterflex Group has production sites in 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 MASTERFLEX GROUP umbrella brand. 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 adapted to customer-specific requirements - combined with German engineering used in

worldwide production, with high reliability and safety, and with pronounced customer proximity in terms of advice and service. In summary, "Connecting Values" means: We connect values with added value for our customers.

MASTERFLEX

- Thermoplastic hoses
- Clip Hoses
- Connecting systems
- AMPIUS® Solutions




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 or, in some cases, allow unique system solutions to be created.

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

MATZEN & TIMM

- Special hoses
- Suction hoses
- Elastomer hoses
- Folded bellows



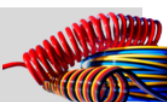
The Matzen & Timm brand company is a renowned and international manufacturer of special hoses, bellows and molded parts made of high-quality synthetic rubber materials, such as silicone. The products are largely manufactured by hand in industrial processes and are used wherever precision and special 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 system of airplanes, such as at Airbus, under the hood 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 site to the production of prototypes and series production. Almost all products are customer-specific special designs.

Matzen & Timm has been one of the most important suppliers to the aerospace, special vehicle and mechanical engineering industries for more than 50 years, not least because of its adept handling of a wide range of qualification requirements and its high level of development expertise. 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 in terms of safety and function.

NOVOPLAST
SCHLAUCHTECHNIK

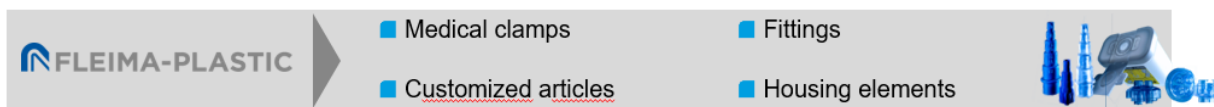
- Pneumatic tubing
- Compressed air coil tubings
- Moulded tubing
- Medical tubing



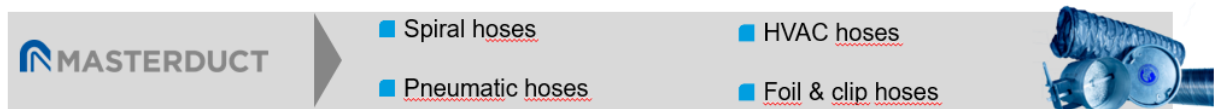
The brand company Novoplast Schlauchtechnik GmbH in Halberstadt specializes in the extrusion of hoses and profiles in the diameter range 0.5 to 50 mm for industrial and medical technology applications. Sometimes these products are also further processed, for example by heat-setting or by other special assembly and forming processes. With heat-setting, molded 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 tubing with low-noise or vibration-free plastic connections.

Tube and profile extrusion is carried out on state-of-the-art equipment. The wide range of materials is regularly supplemented by other special 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 molded 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.



Founded in 1974, the brand company FLEIMA-PLASTIC GmbH from Wald-Michelbach/Odenwald has been part of the Masterflex Group since 2004. The company produces high-quality injection molded parts and assembled components made of plastics, primarily 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.



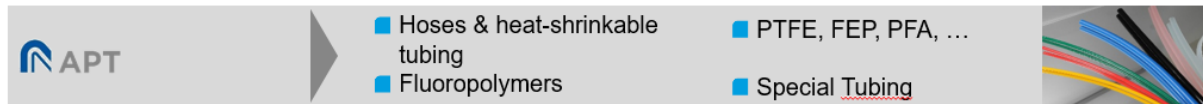
In North and South America, the Masterflex Group is represented by Masterduct Holding, Inc. a wholly owned subsidiary of Masterflex SE. Masterduct Holding includes three operating subsidiaries: Masterduct Inc. as well as Flexmaster U.S.A. Inc. both located in Houston, Texas, and Masterduct Brasil Comércio de Dutos LTDA in Sao Paulo, Brazil.

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

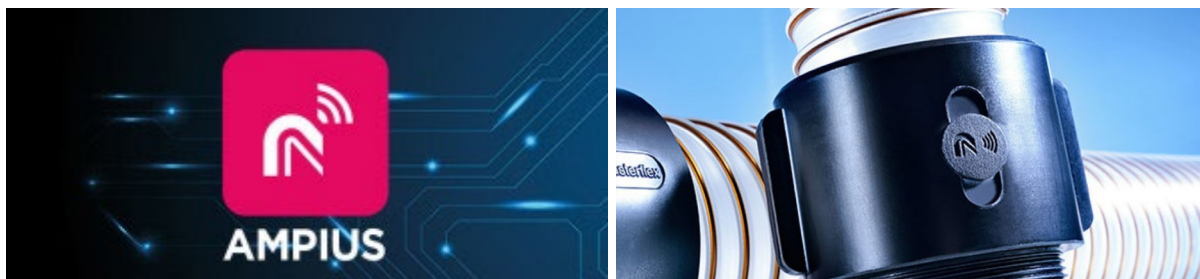
Flexmaster U.S.A. is established as a hose specialist for heating, ventilation and air conditioning (HVAC for short) in the air conditioning and ventilation sector and is a leader in applications in public construction, such as hospitals, schools, sports facilities and universities. Flexmaster U.S.A. is a preferred supplier in the healthcare sector because its products contain

no adhesives or solvents. In addition, sound-insulating tubing is used for soundproofing instead of metal connectors because it is less expensive, more flexible and more sound-absorbent.

Masterduct distributes the portfolio of Masterflex and Novoplast Schlauchtechnik brands in the U.S. market under its brand. Its customers range from the woodworking, mechanical engineering and plastics industries to the aerospace and service industries and the U.S. 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 from 200 to +260 degrees Celsius. They are also resistant to a wide range of 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 specialized 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.



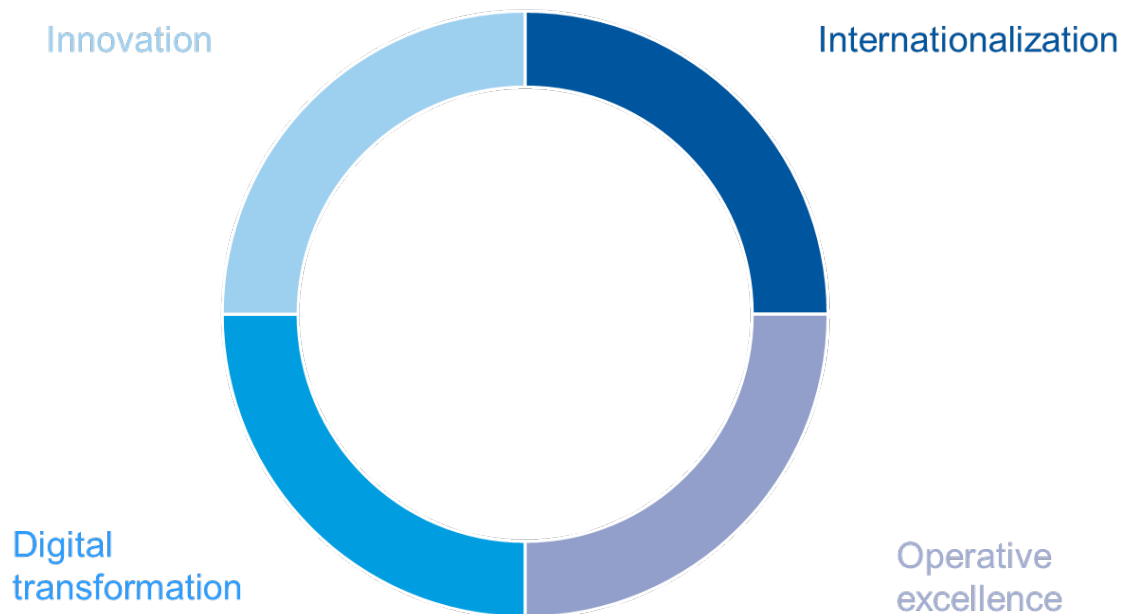
We are the first hose manufacturer ever to launch a complete operator system consisting of hose, sensor technology, engineering and data processing: Under the name AMPIUS®, we offer hose systems with integrated life cycle tracking functions as well as a matching app.

The digitization possibilities of hoses and connections will initially play a significant role in particular in the operational monitoring of industrial production processes. The scope and use of digital data collection and utilization for hoses will be adapted to individual customer requirements. With these new, so-called "smart products", the Masterflex Group is taking on a pioneering role in the development of digitized connection solutions. The first pilot projects were already implemented in 2018.

Our growth strategy

The Masterflex Group is pursuing a long-term and value-driven growth strategy based on the pillars of internationalization, innovation, operational excellence, and digital transformation. With this orientation, we take into account the versatility of our business, which is characterized

by a very broad diversification in terms of customers, their industries and the fields of application of our connecting products.



Strategie

1. Strategic analysis and anchor

Our sustainability strategy pursues the goal of stable sustainable growth 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 an integral part of our corporate strategy and thus a central element of our decision-making at all levels.

Responsible corporate governance must be anchored at the highest level. Relevant fields of action are assessed in regular strategy meetings held at least once a year. Sustainability has thus become a topic that the Executive Board, the Supervisory Board as well as the entire management and all employees of the Masterflex Group deal with on a regular basis. Sustainability is thus firmly anchored in the workflows and operational processes. Control and implementation are carried out in the responsible specialist departments. To this end, projects and activities are discussed and considered from a sustainability perspective at regular management meetings.

2. Materiality and measures

Our core business is the development, manufacture and marketing of sophisticated connecting and hose systems made of high-performance plastics and fabrics. In this context, special mention should be made of the sustainable use of resources, which is always part of the corporate philosophy. We therefore strive to increase efficiency in terms of resources and the environment in both production and development through a continuous improvement process.

In 2016, we invested a good seven million euros in an expansion building in Gelsenkirchen. The two-story 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 this, new heat recovery plants reduce our primary energy requirements and meet ecological requirements. 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 pleasant and at the same time good. Ideally, this allows energy savings of up to 95 percent to be achieved.

We also use modern LED lighting technology. In addition to their lighting quality, their advantages include energy efficiency, long service life and environmental friendliness. LED lamps are also free of toxic substances 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 optimize the use of plastics, metals and energy. This reduces the burden on the environment and cuts costs.

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 far as possible. In the case of waste that is nevertheless generated, a distinction is made between reuse, recycling and other forms of recovery, such as energy recovery. Scrap generated during startup 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.

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, lowering costs through optimized operating processes, protecting the environment, making working environments safer, generating pleasant indoor air quality and providing the best possible medical care. By using the finite element method, hoses can be simulated on the computer in their area of application in a resource-saving manner, which eliminates the need for time-consuming production of samples.

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 digitalization 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 of significant growth. This is because digitalization and the resulting networking of all stages of the value chain throughout industry will also massively change the market for high-tech hoses. Our customers expect innovative products from us that make their contribution to the digitalization and optimization of production processes.

Committed, qualified and satisfied employees are another very important factor for the successful development of innovative products and the holistic implementation of our sustainable corporate strategy. The potential of our employees is a key source of the company's success. By continuously expanding and improving our personnel recruitment and development activities, we aim to maintain employee commitment and also secure talent on the labor 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 as well as universities, offer 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 helps ensure that our employees are proud to work for us. It provides guidance for our actions and our dealings with each other, which are characterized by honesty, tolerance and mutual respect. Particularly in the context of the Corona pandemic, it is clear that our social and societal commitment is not derived strategically but from our attitude and value culture. At the beginning of the pandemic, we convened a crisis team at Masterflex SE to closely monitor the development of the Corona pandemic and clarify important measures, especially for the health protection of employees and for society. These include clearly defined distance and hygiene rules, creation of the possibility for mobile working or the free distribution of mouth-nose protection and surgical masks. We derived these Corona-related measures from our attitude and value culture even before the enactment of corresponding Corona occupational health and safety regulations.

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

In summary, social and societal responsibility, particularly in the area of personnel, as well as the resource-conserving use of materials, processes and methods, are the main focus areas of corporate social responsibility for us.

3. Objectives

Our sustainability strategy pursues the goal of stable sustainable growth 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 an integral part of our corporate strategy and thus a central element of our decision-making at all levels.

In the future, we will continue to integrate sustainability aspects into our decision-making processes in order to drive sustainable entrepreneurial 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 optimize the use of plastics, metals and energy. The aim 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. Where waste is nevertheless generated, a distinction is made between reuse, recycling and other forms of recovery, such as energy recovery. Scrap generated during startup 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 through production to shipping, as well as in the 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 the operational processes and internal procedures. Control and implementation are carried out in the responsible specialist departments.

6. 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, organizational directives 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. A globally recognized standard that defines minimum requirements for an effective quality management system in companies. Quality management stands for the continuous improvement of processes, products as well as services.
- **Environmental Management System DIN EN ISO 14001:2015**
With the certification according to DIN EN ISO 14001 we also officially and organizationally commit ourselves to promote environmental protection, to reduce negative environmental impacts and to implement, maintain and continuously improve 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 to the European Standard EN 9100, which provides the framework of a quality management system for organizations in the aerospace and defense industry based on the general quality management standard DIN EN ISO 9001. EN 9100 certification is technically equivalent to AS 9100 as well as JISQ 9100, and is equivalent 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 requirement relates to product safety in the manufacture and marketing 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“-operation**
The ecological project for integrated environmental technology reduces the consumption of resources in the company and relieves the environment.
- **„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

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

- fluctuation rate
- sick rate
- training quota
- severely disabled compensation levy
- return rate after parental leave
- personnel development measures per employee
- participation in 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 organizational structure of the Masterflex Group as well as country-specific characteristics, it is not possible to provide comprehensive information on all required performance indicators.

8. Incentive systems

Target agreements and remuneration in the Masterflex Group are based on the requirements of the job, the employee's individual performance 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 compensation system for the Executive Board was drawn up in fiscal year 2021 in accordance with the requirements of Section 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 will be integrated into the remuneration system for senior executives/managers from the 2022 financial year.

The presentation of the remuneration system as well as the remuneration granted and owed in the 2021 financial year can be found in the remuneration report prepared in accordance with the requirements of Section 162 AktG.

9. 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 is the customer survey we conducted in 2020, which once again gave us valuable insight into how our customers perceive us. The aim of our regular customer surveys is to establish in which areas customer requirements are already being met and in which areas there is potential for improvement. Meeting customer requirements is an essential component of our sustainable business success.

10. Innovation and products 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 optimized operating processes, protecting the environment, making working environments safer, generating pleasant indoor air quality, and supporting 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 business. Therefore, with the active digitalization 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 of significant growth. This is because digitalization and the resulting networking of all stages of the value chain throughout industry will also massively change the market for high-tech hoses. Our customers expect innovative products from us that make their contribution to the digitalization and optimization of production processes.

The Masterflex Group was recognized 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 according to Top 100 means that we have an unusually professional innovation management, even by international standards. We were able to maintain this professional innovation management, so that we have repeatedly made it into the ranking of German world market leaders in 2019 as well as 2020.

With our 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 2021 and 2022, 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 approval 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

11. 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 optimize the use of plastics, metals and energy. This cuts costs and reduces 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. When waste is nevertheless generated, a distinction is made between reuse, recycling and other forms of recovery, such as energy recovery. Scrap generated during startup 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. We therefore strive to increase efficiency in terms of resources and the environment in both production and development through a continuous improvement process.

In 2016, we invested a good seven million euros in an extension building in Gelsenkirchen. The two-story 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 this, new heat recovery plants reduce our primary energy requirements and meet ecological requirements. 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 pleasant and at the same time good. Ideally, this allows energy savings of up to 95 percent to be achieved.

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

In 2019 and 2020, we participated in the ETA Plus energy efficiency network initiative at our 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 joint exchange of experience between network participants facilitates and accelerates implementation, lowers energy consumption, helps reduce energy costs - and creates competitive advantages.

To improve its own carbon footprint, the Gelsenkirchen site invested in the expansion of solar energy by installing a solar roof. The feasibility of converting to solar energy is being examined for other sites.

12. Ressource 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, and wastewater and waste volumes.

In our transport packaging, we always ensure 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.

13. Climate relevant emissions

As the 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 help to reduce energy consumption and protect the environment worldwide. In this way, we make a significant contribution to climate protection. We also aim to use energy as efficiently as possible in our own processes and contribute to global climate protection through the associated reduction in CO₂ emissions. No evaluations are yet available that provide information on greenhouse gas emissions in accordance with the Greenhouse Gas Protocol or standards based on it.

Reporting on EU taxonomy

The high-tech plastics processed by Masterflex offer considerable substitution potential for conventional materials, in particular steel and rubber. In this context, the Masterflex Group's materials 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 evaluated as supporting activities ("enabling activities") to promote climate protection and accompany climate change. The use of sustainable and recyclable raw materials by the end customers of the Masterflex Group contributes significantly to the optimization of their CO₂ balance.

The share of sales with EU taxonomy-compliant products amounted to around 5% of total sales as of December 31, 2021. Examples include hoses for renewable energies (wind turbines), hoses for AdBlue lines and hoses for cooling e-charging stations. It is the company's declared goal to further expand this share of sales. In addition, development partnerships are in place to develop solutions in the field 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 30% itself in measures to protect the climate and prevent 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.

EU taxonomy data at a glance:

	Total	Taxonomy Share	in %
Sales (in T€) ¹⁾	79,068	3,551	4.5%
Capex (in T€) ²⁾	3,466	964	27.8%
Opex (in T€) ³⁾	74,057	164	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 = Personnel expenses + material expenses + depreciation + other operating expenses

Society

14. Employee rights

The Executive Board summarized the unconditional commitment to compliance with national and international norms and standards as well as our ecological and social responsibility in the "Code of Conduct of the Masterflex Group" back in January 2014. This builds 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. In doing so, they also participate financially in savings and improvements for the company.

15. Equal opportunities

The potential of our employees is a key source of the company's success. By continuously expanding our personnel recruitment and development activities, we aim to maintain employee commitment and also secure talent 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 secondary schools and universities, offer internships, and regularly participate in the annual "Girls' Day" campaign day.

A low turnover 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 helps ensure that our employees are proud to work for us. It provides guidance for our actions and our dealings with each other, which are characterized by honesty, tolerance and mutual respect.

By offering a wide range of personal benefits for our employees, we underline the social responsibility that the Masterflex Group lives by:

- **Carrer and home**
We attach importance to our employees being able to combine 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**
As part of our company health management program, we work together with the company "medicos Auf Schalke" at our headquarters in Gelsenkirchen, for example. In line with the Betsi prevention program ("Securing employability in a participation-oriented way"), we enable our employees to participate in this health-promoting program. In addition, we offer recurring workshops and information events on various health topics at various locations to help our employees maintain their health free of charge and during working hours, for example through back school, nutritional counseling, 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 company benefits

We offer our employees, among other things, a company pension plan (bAV) with the market leader for pension products, bright and modern workplaces, company-owned parking spaces, travel allowances for the use of public transport, common rooms, joint activities, employee parties, trainee days, company runs, a Christmas party as well as fresh fruit, water and coffee.

- „Social Day“

Since 2018, Masterflex SE apprentices have regularly spent a day doing community service 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 a dialog 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 labor market.

The cooperation between our Norderstedt site and Elbe-Werkstätten in Hamburg is the most important of these. 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 assigning people with disabilities appreciative tasks in which they can optimally use and develop their strengths and potential and receive recognition for their performance. In this way, we internalize 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 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 was able to 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 labor 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 German language and grammar. Product-specific expertise was imparted by another trainer. 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 behavioral 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 began in 2012. The aim of the cooperation is primarily to support the Tafel in its snack initiative as well as its 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 on 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 start in their careers later on. However, the first priority is to satisfy 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-kilometer "B2Run" company run on Schalke.

16. 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 health management measures, a high level of personal responsibility and scope for shaping the workplace, as well as systematic qualification and training opportunities, we pursue the goal of maintaining the health and performance of our employees and actively promoting lifelong learning.

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

By targeting potential skilled and junior staff at careers fairs and via electronic media, we also aim to secure talent on the labor market for future challenges. We are involved in cooperation 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 participate in the annual "Girls' Day" campaign day.

17. Human rights

Respect for human rights enjoys a high priority in the Masterflex Group. In our Code of Conduct, we clearly speak out against any kind of forced and child labor as well as slavery and human trafficking. We do not only address this claim to ourselves, but also expect such behavior from our contractual partners.

18. 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 labor 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 and regional as well as national level. We do not exert political influence through donations or other actions.

20. Conduct in compliance with 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 criminal penalties and fines, their internal implementation regulations and ethically correct, value-oriented economic actions are therefore of decisive 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 as well as internal group guidelines, which together form the binding framework for the entrepreneurial activities of the Masterflex Group worldwide. Therefore, it is indispensable 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 follows a preventive compliance approach, sensitizes and educates employees about potential 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 provides, on the one hand, 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 this Code of Conduct, we clarify the standards we set for the behavior 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 behavior. 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 activities, we are also committed to combating all forms of unfair competition, corruption and deception.

Managers have a special responsibility in the prevention of legal violations. To this end, all managers of the Masterflex Group commit themselves by means of a written declaration and undertake to inform their employees about the content and significance of the Code of Conduct and to sensitize them to legal risks. Managers 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 fundamentals of compliance. In addition to these basic training courses, target group-specific training measures are carried out on specific compliance topics.

We regard the further development and Group-wide establishment of an effective compliance management system as 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 conduct worldwide.

Suspected cases of violations can be reported to an external lawyer via the ombudsman system that has been set up. The ombudsman system can be accessed by all employees and external third parties - also anonymously. It is possible to report tips 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 submitting tips.

DNK – Statement of compliance

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REMARK

Only the German version of this report is legally binding