

# Consolidated non-financial statement 2023 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 the Masterflex Group). The business activities of Masterflex SE and the Group focus on the development, manufacture 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 it was founded 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 sectors such as aerospace, medical technology, mechanical and plant engineering, the 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 engineering services.

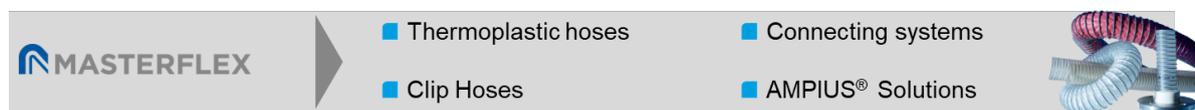
The Masterflex Group has production sites in Gelsenkirchen (Masterflex), Düsseldorf (APT), Halberstadt (Novoplast), Wald-Michelbach (Fleima-Plastic), Norderstedt (Matzen & Timm), Houston, USA (Masterduct) and Kunshan (PR China). In addition, the Masterflex Group has subsidiaries at various locations 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 standardised 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 the products of these brands and in some cases also manufacture them locally.

Our slogan "**Connecting Values**" expresses our core expertise: holistic connection solutions that are adapted to customer-specific requirements - combined with German engineering that is used in global production, a high level of reliability and safety and a pronounced customer focus in terms of advice and service. To summarise, "**Connecting Values**" means that we combine values with added value for our customers.



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

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

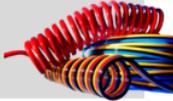


The Matzen & Timm brand company is a renowned international manufacturer of special hoses, bellows and moulded parts made from high-quality synthetic rubber materials such as silicone. The products are largely manufactured by hand on an industrial scale and are used wherever precision and special resilience 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 in aircraft air conditioning systems, for example 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 covers all stages from design, simulation (FEM) and qualification at the customer's premises to the manufacture of prototypes and series production. Almost all products are customised special designs.

Matzen & Timm has been one of the most important suppliers to the aviation, 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

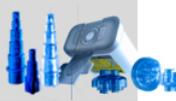
or the protective hose for the fuel line in aircraft, fulfil the highest requirements in terms of safety and function.

		 <a href="#">Pneumatic tubing</a>	 <a href="#">Moulded tubing</a>	
		 <a href="#">Compressed air coil tubings</a>	 <a href="#">Medical tubing</a>	

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

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

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

		 <a href="#">Medical clamps</a>	 <a href="#">Fittings</a>	
		 <a href="#">Customized articles</a>	 <a href="#">Housing elements</a>	

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 moulded parts and assembled plastic components, primarily for the medical technology, cosmetics and food technology sectors. Injection moulded components - including multi-component technology - are manufactured, assembled and finished in the modern plant, including in ISO class 7 and 8 clean rooms. The company also has extensive experience in the construction of precision injection moulding tools in its own mould making department and in the production of prototypes using all common rapid prototyping processes.

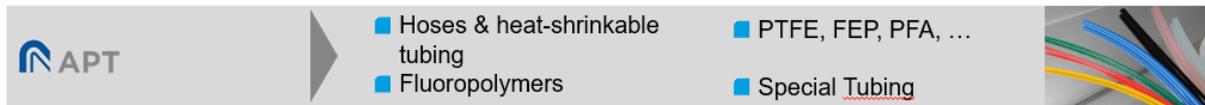
		 <a href="#">Spiral hoses</a>	 <a href="#">HVAC hoses</a>	
		 <a href="#">Pneumatic hoses</a>	 <a href="#">Foil &amp; clip hoses</a>	

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

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

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

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



APT Advanced Polymer Tubing GmbH specialises in smooth and heat-shrink tubing made from fully or partially fluorinated plastics (fluoropolymers). Tubing from APT can be used permanently at temperatures from -200 to +260 degrees Celsius. They are also resistant to many chemicals used in industrial manufacturing processes. APT products owe these special properties to the processed raw materials FEP (fluorinated ethylene propylene), PFA (perfluoroalkoxy) and PTFE (polytetrafluoroethylene). These fluoroplastics require very specialised processing expertise and high-quality machinery designed for this purpose. The Masterflex Group has had this specialised knowledge since the acquisition of APT in 2017. On the sales side, companies from the medical technology sector are also increasingly being addressed.



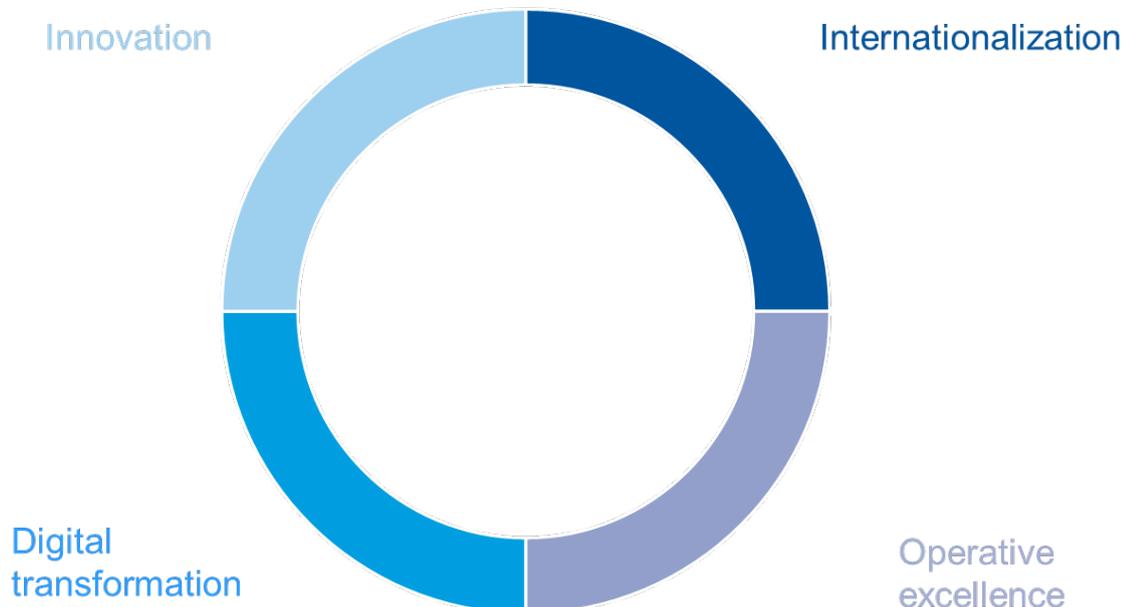
We were the very first hose manufacturer to launch a complete operator system consisting of hose, sensors, engineering and data processing: under the name AMPIUS®, we offer hose systems with integrated life cycle tracking functions and a matching app.

This also includes solutions for digital twins of our products, which can be managed or supplemented in their database 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 and valuable growth strategy based on the pillars of internationalisation, innovation, operational excellence and digital transformation. With this orientation, we are taking account of the diversity of our business, which is characterised by a

very broad diversification of customers, their industries and the areas of application of our connection products.



## Strategy

### Strategic analysis and anchoring

Our sustainability strategy pursues the goal of stable, sustainable growth in order to ensure the long-term success of the company. We are convinced that long-term corporate success can only be achieved where economic, social and ecological aspects are harmonised. Accordingly, sustainability is an integral part of our corporate strategy and therefore 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, which are held at least once a year. Sustainability has thus become a topic that is practised by the Executive Board, the Supervisory Board, the entire management and all employees of the Masterflex Group. Sustainability is firmly anchored in the workflows and operational processes. Management and implementation take place in the responsible specialist departments. To this end, projects and activities are discussed and analysed from a sustainability perspective at regular management meetings .

### Materiality and measures

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

In order to continuously improve, we have introduced the Corporate Carbon Footprint (CCF) for the Group. We use the CCF to record climate-impacting greenhouse gases and present them in a greenhouse gas balance sheet. Among other things, the greenhouse gas balance sheet helps us to expand and harmonise our ecological and economic strategy. Across the Group, we are able to measure CO<sub>2</sub> savings and develop suitable measures. A corresponding reporting system is currently being developed.

Following the expansion of the site in 2016, during which investments were made in new energy-efficient system 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 emissions factor from 2019, around 138 tonnes of CO<sub>2</sub> can be saved.

We also rely on modern LED lighting technology. In addition to the quality of light, their advantages include their energy efficiency, long service life and environmental friendliness. LED lamps are also free from toxic substances and significantly reduce CO<sub>2</sub> 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 reduces the burden on the environment and cuts costs.

The production process for our profile-extruded PUR hoses generates waste. By optimising our production facilities and manufacturing processes, we continuously reduce the amount of waste as far as possible. If waste is nevertheless generated, a distinction is made between reuse, recycling and other forms of utilisation, such as energy recovery. Scrap generated 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 our products, innovation is a material issue for the entire Group. The implementation of sustainability aspects in our manufacturing processes and end products is made possible at Masterflex through the implementation of innovation processes along our value chain. We therefore focus on research and development and contribute to reducing the energy and resource consumption of 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 manner, 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. We will therefore continue to expand our technology leadership and face new challenges with the active digitalisation of our solutions under the name AMPIUS®. For some time now, we have also been driving forward the necessary structural and procedural changes in order to prepare the Masterflex Group for a scenario of significant growth. This is because digitalisation and the resulting networking of all stages of the value chain in 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.

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, we want to maintain employee commitment and also secure the talent on the labour market for future challenges. To this end, we specifically address potential specialists and junior staff at careers fairs and via electronic media, engage in co-operation 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 take part in the annual "Girls' Day" campaign.

A low fluctuation rate in many of our units and positive return rates after parental leave indicate a high level of satisfaction among our employees. As a value-orientated company, our corporate culture helps to ensure that our employees are proud to work for us. It provides guidance for our actions and our dealings with one another, which are characterised by honesty, tolerance and mutual respect. The coronavirus pandemic in particular has shown that our social and societal commitment is not derived strategically, but from our attitude and culture of values.

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

To summarise, social and societal responsibility, particularly in the area of human resources, as well as the resource-efficient use of materials, processes and methods are the focal points of corporate social responsibility for us.

### **Goals**

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

We will continue to integrate sustainability aspects into our decision-making processes in the future in order to promote sustainable corporate behaviour 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 any 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 far as possible. When waste is nevertheless produced, a distinction is made between reuse, recycling and other forms of utilisation, such as energy recovery. Scrap generated 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 recovery is technically impossible or economically unreasonable.

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

## Process management

### Responsibility

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

### Rules and processes

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

- **Quality management system DIN EN ISO 9001:2015**  
Our procedures, processes and services are certified through auditing in accordance with 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 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 targets in line with economic, social and political requirements.
- **Aerospace quality management system EN 9100:2016**  
Our procedures, processes and services are certified through auditing in accordance with the European standard EN 9100, which provides the framework for a quality management system for organisations in the aviation, aerospace and defence industries based on the general quality management standard DIN EN ISO 9001. Certification to EN 9100 is technically equivalent to AS 9100 and JISQ 9100 and corresponds to the QSF-C of the German Aerospace Industries Association (BDLI).
- **Energy efficiency audit in accordance with DIN EN 16247-1**  
The aim of this energy audit is to improve energy efficiency and reduce energy consumption through a comprehensive, systematic review of energy consumption.
- **Medical devices - Quality management system DIN EN ISO 13485:2016**  
The processes introduced and their effectiveness in fulfilling the requirements for our products are certified in accordance with 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**

We have been qualified as a system manufacturer by Airbus Germany. System manufacturers are responsible for the development and production of technically complex systems and also bear responsibility under aviation law. The QSF (quality assurance requirements) standard used was developed by the member companies of the BDLI (German Aerospace Industries Association).

All aviation products comply with special 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**

Back in 2012, we were recognised for our long-standing practice of family-friendly working time models and emergency arrangements (e.g. sickness, cancelled lessons).

## Control

We regularly collect and analyse relevant data so that we can measure our activities in the relevant areas of sustainability. In the area of HR policy, for example, we record

- Fluctuation rate
- Sickness rate
- Training quota
- Disability compensation levy
- Return rate after parental leave
- Personnel development measures per employee
- Participation in training programmes
- Status and development of the average age

At locations with certifications in the areas of quality (DIN EN ISO 9001, DIN EN ISO 13485 and DIN EN ISO 9100), environment (DIN EN ISO 14001) and energy (DIN 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 and country-specific characteristics, it is not possible to provide comprehensive information on all required performance indicators.

## Incentive systems

At the Masterflex Group, target agreements and remuneration are based on the requirements of the position, the individual performance of the employee and the company's success. Target agreements for managers are defined in regular employee appraisals and take into account both financial and non-financial targets. The remuneration system for the Management Board is drawn up in accordance with Section 87 (1) and Section 87a (1) of the German Stock Corporation Act (AktG). The variable remuneration components of the Executive Board remuneration are designed to make a sustainable contribution to the long-term orientation of the Masterflex Group and therefore also include targets in the areas of compliance and

sustainability. Comparable targets are also integrated into the remuneration system for senior employees/executives.

The presentation of the remuneration system and the remuneration granted and owed in the 2023 financial year can be found in the remuneration report prepared in accordance with the provisions of Section 162 AktG.

### **Stakeholder participation**

For Masterflex SE and the subsidiaries of the Masterflex Group, direct contact with customers, suppliers, employees, society and the public is of great importance. A written stakeholder analysis is currently being developed. The involvement of our stakeholders has so far been dealt with selectively. The focus here has primarily been on employees, customers and suppliers.

One example of this is our customer surveys, which give us a valuable insight into how our customers perceive us. 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. The fulfilment of customer requirements is an essential component of our sustainable corporate success.

### **Innovation and product management**

As the global market leader and technology driver for technical hoses and connection systems, 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 customised connection solutions for the most demanding requirements. Many of our products contribute worldwide to reducing the consumption of energy and resources, lowering costs through optimised operating processes, protecting the environment, making working environments safer, creating pleasant indoor air quality and enabling 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. We will therefore continue to expand our technology leadership and face new challenges with the active digitalisation of our solutions under the name AMPIUS®. For some time now, we have also been driving forward the necessary structural and procedural changes in order to prepare the Masterflex Group for a scenario of significant growth. Digitalisation and the resulting networking of all stages of the value chain in 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.

In 2016, the Masterflex Group was recognised for the first time by Top 100 as one of the most innovative medium-sized companies in Germany. Our innovation management was rated "A" overall, which according to Top 100 means that we have an unusually professional innovation management system, even by international standards. This professional innovation management has been maintained, meaning that we have consistently made it into the ranking of German global market leaders from 2019 to 2021.

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 will continue to be one of the world market leader champions in 2024 and have been for many years without interruption.

Across all industries, the term "global market leader" stands for globally active and successful companies with leading technologies and outstanding product and service quality.

In addition, the Masterflex Group was awarded the "Innovative through Research" seal of approval by the Stifterverband für die Deutsche Wissenschaft e.V., one of the largest private business development organisations in Germany, in 2018. Companies that take part in the biennial survey on research and development in the German economy receive this seal of approval.

## **Environment**

### **Utilisation of natural resources**

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

The production process for our profile-extruded PUR hoses generates waste. By optimising our production facilities and manufacturing processes, we continuously reduce the amount of waste as far as possible. If waste is nevertheless generated, a distinction is made between reuse, recycling and other forms of utilisation, such as energy recovery. Scrap generated 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. We therefore endeavour 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 EUR 7 million in an extension in Gelsenkirchen. The new two-storey building expanded our production capacity for spiral hoses by up to 2,400 metres<sup>2</sup> and our storage capacity by around 3,700 metres<sup>2</sup>. Investments were made in state-of-the-art production facilities with reduced energy consumption. On top of this, we are reducing our primary energy requirements and fulfilling ecological requirements with new heat recovery systems. In the heat recovery systems, the hall air heated by production processes is channelled through heat exchangers. The charged heat exchangers then heat the fresh outside air supplied to such an extent that the production halls have a pleasantly tempered yet good air climate. Ideally, energy savings of up to 95 per cent can be achieved.

We also rely on modern LED lighting technology. In addition to the quality of light, their advantages include their energy efficiency, long service life and environmental friendliness. LED lamps are free of toxic substances and significantly reduce CO<sub>2</sub> emissions. In combination with digital lighting and heating management, we make optimum 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 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 regular exchange of experience between network participants facilitates and accelerates implementation, lowers energy consumption, helps to reduce energy costs - and creates competitive advantages.

Last year, the Gelsenkirchen site worked with the NRW Energy Agency to assess energy improvement measures in buildings and facilities. The site is also implementing the jointly developed measures in new investments and remodelling measures.

### **Resource management**

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

When it comes to our transport packaging, we always ensure that the consumption of resources is reduced, for example through the use of 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 global 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 want to use energy as efficiently as possible in our own processes and contribute to global climate protection through the associated reduction in CO<sub>2</sub> emissions. Accordingly, we introduced the CCF in 2022 to measure our CO<sub>2</sub> emissions and derive appropriate measures to reduce them in 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 while ensuring 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 classified as "enabling activities" for the promotion of climate protection. The use of sustainable and recyclable raw materials contributes significantly to the optimisation of the CO<sub>2</sub> footprint of the Masterflex Group's end customers.

The share of sales from products associated with taxonomy-compliant economic activities amounted to around 2.2% of total sales in the 2023 financial year. 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 aim to further expand this share of sales. There are also development partnerships in place to develop solutions in the area of ecologically sustainable raw material groups. Aspects of the circular economy are already being addressed in the development strategy.

In addition to the strategic orientation of the innovation strategy, the Masterflex Group itself invested around 7.1% in measures for climate protection and the transition to a circular economy in the 2023 financial year. In particular, this includes investments in the processing and reusability of scrap materials and waste as well as the avoidance of scrap.

### Information on the EU taxonomy at a glance:

	Total	Taxonomy share	in %
Turnover (in T€) <sup>1)</sup>	101.115	2.193	2,2 %
Capex (in € thousand) <sup>2)</sup>	5.066	360	7,1 %
Opex (in € thousand) <sup>3)</sup>	89.328	46	0,1 %

<sup>1)</sup> Sales = consolidated sales according to P&L

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

<sup>3)</sup> Opex = personnel expenses + cost of materials + depreciation and amortisation + other operating expenses

The detailed reporting forms for the EU taxonomy can be found in Appendix 1 to 3 on pages 22 to 24 of this non-financial summarised report 2023.

## Society

### Employee rights

The unreserved commitment to compliance with national and international norms and standards and to our ecological and social responsibility was summarised by the Executive Board in the "Masterflex Group Code of Conduct" 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. Companies should support and respect the protection of international human rights.
2. Companies should ensure that they are not complicit in human rights violations.

##### Labour standards

3. Businesses should uphold the 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. Companies should stand up for the abolition of child labour.
6. Companies should work towards the elimination of discrimination in 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. Companies should accelerate the development and dissemination of environmentally friendly technologies.

### **Corruption prevention**

10. Companies should take a stand against all forms of corruption, including extortion and bribery.

The Masterflex Group has been using a company suggestion scheme for many years. Employees can submit their ideas and suggestions for improvement here. Among other things, they also participate financially in savings and improvements for the company.

### **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 want to maintain employee commitment and also secure the talent on the labour market for future challenges. To this end, we specifically approach potential specialists and junior staff at careers fairs and via electronic media, engage in partnerships with secondary schools and universities, offer internships and regularly take part in the annual "Girls' Day" event.

A low staff turnover rate and positive return rates after parental leave indicate a high level of satisfaction among our employees. As a value-orientated company, our corporate culture helps to ensure that our employees are proud to work for us. It provides guidance for our actions and our dealings with one another, which are characterised by honesty, tolerance and mutual respect.

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

- **Work and private life**  
It is important to us that our employees are able to harmonise work and family or special life situations with flexible and modern working time models that adapt to the different phases of our employees' lives. These include flexible flexitime arrangements, part-time models, mobile working and home office options.
- **Health management**  
As part of our occupational health management programme, for example, we work with the company "medicos. Auf Schalke" at our headquarters in Gelsenkirchen. In line with the Betsi prevention programme ("Ensuring employability with a focus on participation"), we enable our employees to take part in this health-promoting programme. We also offer recurring workshops and information events on various health topics at different locations to support our employees in maintaining their health free of charge and during working hours, for example through back training, 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 in order to ensure the prevention of hazards and the elimination of risks to the safety of our employees.
- **Other company benefits**  
Among other things, we offer our employees a company pension scheme with the market leader for pension products, bright and modern workplaces, company car parks, travel allowances for the use of public transport, job bikes, common rooms, joint activities, events, trainee days, company runs, a Christmas party as well as fresh fruit, water and coffee.

- "Social Day"  
Since 2018, trainees at Masterflex SE have regularly spent a day doing charitable work at the "Social Day" organised by the IHK Nord Westfalen as part of the acceptance campaign "In|du|strie - Gemeinsam. Living the future". The Masterflex SE trainees engage in a dialogue with local people and demonstrate 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 endeavours to play an active and cooperative role in the community. For example, we have long supported local social institutions that focus on supporting children, young people and the inclusion of people with disabilities in the labour market.

The cooperation between our Norderstedt site and the Elbe workshops in Hamburg is of the greatest importance here. Elbe employees have been employed at the Norderstedt site since 2011 and carry out light work there. With this inclusion agreement, we have set ourselves the goal of assigning people with disabilities tasks that are appreciated, in which they can optimally utilise 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 our day-to-day interactions.

Inclusion is also an important component at the Masterflex site in Halberstadt. The foundation stone for the collaboration between Masterflex and the Diakonie Werkstätten was laid 30 years ago with the awarding of gardening contracts. 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 in times of coronavirus. The Masterflex company was able to rely on TOP quality even when capacity utilisation fluctuated during the coronavirus 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 to enable 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 basics of the German language and grammar. Another trainer imparted product-specific expertise. The trainers came to the company twice a week for three hours each time during working hours for four months. There were also coaches for visits to the authorities and behavioural training, so that integration took place through language and daily work. We were supported in this ambitious project by an external partner.

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

Supporting the Kindertafel in the long term is very important to us. After all, if children from socially disadvantaged families - for whatever reason - have to go to school on an empty stomach, they lack the basis for proper learning. As a result, these children's chances of getting a good education and a good start to their careers are reduced from the outset. However, this is primarily about satisfying a basic need: food.

Through the participation of our employees in local company runs, such as the "B2Run" in Gelsenkirchen, social projects are supported on a pro rata basis from the entry fees paid. In addition, the Masterflex Group donates a fixed amount to the Gelsenkirchen children's charity for each runner. This has been the case since the first edition of the 5.4-kilometre "B2Run" company run at Schalke in 2015.

### **Qualification**

At the Masterflex Group, employees are offered prospects at every stage of their lives and careers so that their individual needs can be harmonised with the requirements of the company. This includes flexible and modern working time models that adapt to the different phases of our employees' lives, such as flexible flexitime arrangements, part-time models or home office options. Maintaining and promoting the health of our employees is also important to us.

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

We ensure working conditions that guarantee the highest level of occupational safety. We also focus intensively on training young people and generally take on all trainees for at least twelve months once they have successfully completed their training.

By targeting potential specialists and junior staff at careers fairs and via electronic media, we also aim to secure talent on the labour market for future challenges. We are involved in co-operations 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.

### **Human rights**

In January 2022, the Executive Board of the Masterflex Group adopted a declaration of principles on respect for human rights and safe working conditions in all our Group companies. It is our self-image and declared goal to avoid violations of human rights. Our responsibility is focussed on topics and fields of action in which we can exert our influence as a commercial enterprise. In this respect, our responsibility complements the obligations of states and sovereign institutions to protect human rights.

Our actions are aligned with the following international standards:

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

The Declaration of Principles supplements and specifies our Code of Conduct with regard to our commitment to respecting human rights and occupational safety.

## **Community**

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

## **Political influence**

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

## **Behaviour in compliance with the law and guidelines**

The Masterflex Group's business is based on integrity, respect 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 behaviour are therefore of crucial importance to us.

As an internationally orientated 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 employees to potential legal risks, educates them and supports them in complying with local and international legal regulations.

The Masterflex Group's Code of Conduct forms the basis of the compliance management system and provides an overview of the legal issues relevant to the Masterflex Group on the one hand and sets (minimum) standards for ethical and legally compliant behaviour on the other. It is available for download at any time in German and English. With these principles of conduct, we clarify the demands we place on the behaviour 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 see these principles of behaviour as a minimum standard for cooperation and interaction with customers, suppliers, competitors, shareholders and authorities.

By implementing this code in our day-to-day business, we are also committing ourselves to combating all forms of unfair competition, corruption and deception.

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

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

We see the further development and Group-wide establishment of an effective compliance management system as a significant contribution not only to limiting risks within the Group, but also as an expression of Masterflex SE's self-image and its commitment to fair, responsible and lawful behaviour worldwide.

Since 2014, we have offered employees and external third parties the opportunity to report grievances and violations of applicable laws, internal guidelines and the Masterflex Group's Code of Conduct to our ombudsman or the externally administered compliance mailbox - anonymously if desired.

In December 2023, we added an additional digital whistleblower system to our compliance management system, which employees can use to report specific indications of possible violations of laws, internal guidelines and our Code of Conduct - either by name or anonymously. The digital whistleblower system is a web-based reporting platform that can be accessed at any time and guarantees confidentiality at all times thanks to the latest security technology.

Naturally, whistleblowers do not have to fear any disadvantages from the company as a result of providing information.

## DNK – Statement of compliance

Area	DNK criterion	Page
<b>Strategy</b>	1. Strategic analysis and anchoring	6
	2. Materiality and measures	6, 7
	3. Goals	8
	4. Depth of the value chain	8, 9
<b>Process management</b>	5. Responsibility	9
	6. Rules and processes	9,10
	7. Control	10
	8. Incentive systems	11, 12
	9. Stakeholder participation	11
	10. Innovation and product management	11, 12
<b>Environment</b>	11. Utilisation of natural resources	12, 13
	12. Resource management	13
	13. Climate-relevant emissions and reporting on the EU taxonomy	13, 14
<b>Society</b>	14. Employee rights	14, 15
	15. Equal opportunities	15, 16, 17,
	16. Qualification	17
	17. Human rights	17
	18. Community	18
	19. Political influence	18
	20. Behaviour in compliance with the law and guidelines	18, 19

### REMARK

Only the German version of this report is legally binding

### Appendix 1

Reporting form: Share of turnover from goods or services related to taxonomy-compliant economic activities - Disclosure for the year 2023

Wirtschaftstätigkeiten (1)	Code(s) (2)	Absoluter Umsatz (3) TEUR	Kriterien für einen wesentlichen Beitrag						DNSH-Kriterien ("keine erhebliche Beeinträchtigung")						Taxonomie-konformer Umsatzanteil Jahr 2023 (18) %	Taxonomie-konformer Umsatzanteil Jahr 2022 (19) %	Kategorie (ermöglichte Tätigkeiten) (20) E	Kategorie (Übergangstätigkeiten) (21) T
			Klimaschutz (5)	Anpassung an den Klimawandel (6)	Wasser- und Meeresressourcen (7)	Kreislaufwirtschaft (8)	Umweltverschmutzung (9)	Biologische Vielfalt und Ökosysteme (10)	Klimaschutz (11)	Anpassung an den Klimawandel (12)	Wasser- und Meeresressourcen (13)	Kreislaufwirtschaft (14)	Umweltverschmutzung (15)	Biologische Vielfalt und Ökosysteme (16)				
<b>A. TAXONOMIEFÄHIGE TÄTIGKEITEN</b>																		
<b>A.1. Ökologisch nachhaltige Tätigkeiten (taxonomiekonform)</b>																		
3.1 Herstellung von Technologien für erneuerbare Energie	3.1	1.849	100	0	J	J	J	J	J	J	J	J	J	J	J	1,8	-	E
3.6 Herstellung anderer CO <sub>2</sub> -armer Technologien	3.6	159	100	0	J	J	J	J	J	J	J	J	J	J	J	0,2	-	E
3.18 Herstellung von Automobil- und Mobilitätskomponenten	3.18	185	100	0	J	J	J	J	J	J	J	J	J	J	J	0,2	-	E
<b>Umsatz ökologisch nachhaltiger Tätigkeiten (taxonomiekonform) (A.1)</b>		<b>2.193</b>		<b>2,2</b>														
<b>A.2 Taxonomiefähige, aber nicht ökologisch nachhaltige Tätigkeiten (nicht taxonomiekonforme Tätigkeiten)</b>																		
3.1 Herstellung von Technologien für erneuerbare Energie	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.6 Herstellung anderer CO <sub>2</sub> -armer Technologien	3.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.18 Herstellung von Automobil- und Mobilitätskomponenten	3.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Umsatz taxonomiefähiger, aber nicht ökologisch nachhaltiger Tätigkeiten (nicht taxonomiekonforme Tätigkeiten) (A.2)</b>		<b>-</b>		<b>0</b>												<b>0,0</b>		
<b>Total A.1 + A.2</b>		<b>2.193</b>		<b>2,2</b>														
<b>B. NICHT TAXONOMIEFÄHIGE TÄTIGKEITEN</b>																		
Umsatz nicht taxonomiefähiger Tätigkeiten (B)		98.922		97,8														
<b>Gesamt (A + B)</b>		<b>101.115</b>		<b>100,0</b>														

## Appendix 2

Reporting template: CapEx share from goods or services associated with taxonomy-compliant economic activities - Disclosure for the year 2023

Wirtschaftstätigkeiten (1)	Code(s) (2)	Absoluter CapEx (3)	Anteil am CapEx (4)	Kriterien für einen wesentlichen Beitrag						DNSH-Kriterien ("keine erhebliche Beeinträchtigung")						Taxonomie-konformer CapEx-Anteil, Jahr 2023 (18)	Taxonomie-konformer CapEx-Anteil, Jahr 2022 (19)	Kategorie (ermöglichte Tätigkeiten) (20)	Kategorie (Übergangstätigkeiten) (21)
				Klimaschutz (5)	Anpassung an den Klimawandel (6)	Wasser- und Meeresressourcen (7)	Kreislaufwirtschaft (8)	Umweltverschmutzung (9)	Biologische Vielfalt und Ökosysteme (10)	Klimaschutz (11)	Anpassung an den Klimawandel (12)	Wasser- und Meeresressourcen (13)	Kreislaufwirtschaft (14)	Umweltverschmutzung (15)	Biologische Vielfalt und Ökosysteme (16)				
<b>A. TAXONOMIEFÄHIGE TÄTIGKEITEN</b>																			
<b>A.1. Ökologisch nachhaltige Tätigkeiten (taxonomiekonform)</b>																			
Herstellung von Technologien für erneuerbare Energie	3.1	5	0,1	100	0														
Herstellung von energieeffizienten Gebäudeausrüstungen	3.5	25	0,5	100	0														
Sortierung und stoffliche Trennung nicht gefährlicher Abfälle	2.7	41	0,8		100														
Installation, Wartung und Reparatur von energieeffizienten Geräten	7.3	289	5,7	100	0														
<b>CapEx ökologisch nachhaltiger Tätigkeiten (taxonomiekonform) (A.1)</b>		<b>360</b>	<b>7,1</b>																
<b>A.2 Taxonomiefähige, aber nicht ökologisch nachhaltige Tätigkeiten (nicht taxonomiekonforme Tätigkeiten)</b>																			
Herstellung von Technologien für erneuerbare Energie	3.1	-	0	-	-														
Herstellung von energieeffizienten Gebäudeausrüstungen	3.5	-	0	-	-														
Sortierung und stoffliche Trennung nicht gefährlicher Abfälle	2.7	-	0	-	-														
Installation, Wartung und Reparatur von energieeffizienten Geräten	7.3	-	0	-	-														
<b>CapEx taxonomiefähiger, aber nicht ökologisch nachhaltiger Tätigkeiten (nicht taxonomiekonforme Tätigkeiten) (A.2)</b>		<b>-</b>	<b>0</b>																
<b>Total A.1 + A.2</b>		<b>360</b>	<b>7,1</b>																
<b>B. NICHT TAXONOMIEFÄHIGE TÄTIGKEITEN</b>																			
CapEx nicht taxonomiefähiger Tätigkeiten (B)		4.706	92,9																
<b>Gesamt (A + B)</b>		<b>5.066</b>	<b>100,0</b>																

### Apendix 3

Reporting template: OpEx share of goods or services associated with taxonomy-compliant economic activities - Disclosure for the year 2023

Code(s) (2)	Währung	Anteil am OpEx (4)	Kriterien für einen wesentlichen Beitrag						DNSH-Kriterien ("keine erhebliche Beeinträchtigung")						Taxonomie-konformer OpEx-Anteil, Jahr 2023 (18)	Prozent	Taxonomie-konformer OpEx-Anteil, Jahr 2022 (19)	Prozent	Kategorie (ermöglichende Tätigkeiten) (20)	Kategorie (Übergangstätigkeiten) (21)
			Klimaschutz (5)	Anpassung an den Klimawandel (6)	Wasser- und Meeresressourcen (7)	Kreislaufwirtschaft (8)	Umweltverschmutzung (9)	Biologische Vielfalt und Ökosysteme (10)	Klimaschutz (11)	Anpassung an den Klimawandel (12)	Wasser- und Meeresressourcen (13)	Kreislaufwirtschaft (14)	Umweltverschmutzung (15)	Biologische Vielfalt und Ökosysteme (16)						
<b>A. TAXONOMIEFÄHIGE TÄTIGKEITEN</b>																				
<b>A.1. Ökologisch nachhaltige Tätigkeiten (taxonomiekonform)</b>																				
Materialrückgewinnung aus nicht gefährlichen Abfällen		14	0,0	100	0															
Betrieb von Vorrichtungen zur persönlichen Mobilität, Radverkehrslogistik		2	0,0	100	0															
Beförderung mit Motorrädern, Personenkraftwagen und leichten Nutzfahrzeugen		24	0,0	100	0															
Installation, Wartung und Reparatur von energieeffizienten Geräten		7	0,0	100	0															
<b>OpEx ökologisch nachhaltiger Tätigkeiten (taxonomiekonform) (A.1)</b>		<b>46</b>	<b>0,1</b>																	
<b>A.2 Taxonomiefähige, aber nicht ökologisch nachhaltige Tätigkeiten (nicht taxonomiekonforme Tätigkeiten)</b>																				
Materialrückgewinnung aus nicht gefährlichen Abfällen																				
Betrieb von Vorrichtungen zur persönlichen Mobilität, Radverkehrslogistik																				
Beförderung mit Motorrädern, Personenkraftwagen und leichten Nutzfahrzeugen																				
Installation, Wartung und Reparatur von energieeffizienten Geräten																				
<b>OpEx taxonomiefähiger, aber nicht ökologisch nachhaltiger Tätigkeiten (nicht taxonomiekonforme Tätigkeiten) (A.2)</b>																				
<b>Total A.1 + A.2</b>		<b>46</b>	<b>0,1</b>																	
<b>B. NICHT TAXONOMIEFÄHIGE TÄTIGKEITEN</b>																				
<b>OpEx nicht taxonomiefähiger Tätigkeiten (B)</b>		<b>89.282</b>	<b>99,9</b>																	
<b>Gesamt (A + B)</b>		<b>89.328</b>	<b>100,0</b>																	