



Flexitallic®

2022 ESG PERFORMANCE REPORT



**MAKING THE WORLD SAFER
AND CLEANER THROUGH
ENGINEERED SEALING SOLUTIONS**



2022 ESG PERFORMANCE REPORT

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Flexitallic's mission is to make the world safer and cleaner through engineered sealing solutions.



Over the decades, Flexitallic has consistently grown through our legacy of innovation, starting with the spiral wound gasket in 1912 and continuing with new products and materials such as Thermiculite®, Sigma® and Change®. By drawing upon our rich history and present-day values of safety, quality, continuous improvement, teamwork, integrity and performance, Flexitallic is the global leader in developing innovative sealing solutions for a variety of industries around the world.

Based in Houston, Texas, Flexitallic has offices and manufacturing facilities in 12 countries: Australia, Belgium, Canada, China, France, Germany, Italy, Mexico, Thailand, the United Arab Emirates, United Kingdom and United States. We supply and serve our global customer service network through our fully owned manufacturing facilities, manufacturing licensees and distributors. At the end of 2022, Flexitallic employed 1,074 people around the world. [To learn more, visit www.flexitallic.com.](http://www.flexitallic.com)

GLOBAL LOCATIONS



About This Report

For our second Environmental, Social and Governance (ESG) Report, Flexitallic continues to disclose information and metrics for relevant topics informed by Global Reporting Initiative (GRI) standards. GRI is an independent, international organization that helps businesses and other entities responsibly and transparently report their impacts by providing a global common language to communicate those impacts.

This report covers policies, programs and metrics for Flexitallic's global operated assets from Jan. 1, 2022, to Dec. 31, 2022, unless otherwise noted.

Flexitallic is committed to providing the most complete and accurate information available about our ESG performance. The content in this report was sourced from Company policies and through interviews with Flexitallic management and subject matter experts. It was approved by our executive leaders and the Flexitallic Board of Managers.

To identify topics of importance for this report, a third-party sustainability consultant reviewed peer group materials, common reporting frameworks, including GRI standards, and Flexitallic ESG and diversity surveys to map an initial materiality matrix in 2022. As part of the materiality assessment, the consultant conducted surveys and interviews with members of Flexitallic's leadership team, including the CEO, and updated the materiality matrix accordingly based on the input and observations. That materiality assessment continues to guide this year's report.

Feedback

Flexitallic wants to report quality content that is relevant and valuable to our stakeholders. We welcome your feedback to help us improve our ESG reporting. Please contact us at +1 (281) 604-2586 if you have comments or questions about this report.



Dear Stakeholders,

At Flexitallic, we are pleased to present our ESG Report for FY 2022, which demonstrates our ongoing commitment to pursuing excellence in all areas of this important part of our business.

While this report represents the second year of sharing our ESG accomplishments, excellence in this arena has always been a fundamental part of Flexitallic's identity. Environmental stewardship, social awareness and strong corporate governance are deeply ingrained in our Company's Guiding Principles and can be traced to the roots of our business dating to 1912.

As the market leader in providing innovative gasket and sealing solutions, we strive to uphold, if not exceed, the expectations of our stakeholders. We take pride in our ESG

"Our team has worked tirelessly to bring two new cutting-edge solutions to the market that help our customers meet their ESG goals. The FLEX-ACE stops leaks from air-cooled exchangers, and our FlexHX is our latest entry into the heat-exchanger market."

Lane Walker
President and Chief Executive Officer



practices at all levels of the Company, and we are committed to continuously improving our results and increasing transparency in the years ahead.

I take pride in our customers' commitment to raise the bar on their own ESG performance. At Flexitallic, we understand that our clients value both the efficiency of their plants and the performance of their joints, which is why they look to Flexitallic to support them with quality products and services that prevent leaks and enable safe operations. Maintaining the trust of our clients and helping them protect the environment and their teams is at the core of our environmental objectives and is grounded in our Guiding Principles.

As our customers continue to progress their own ESG journeys, we are with them every step of the way. Looking to the future, we strive to meet their ever-changing needs while maintaining the high-quality products and providing the joint integrity they rely on to keep critical operations running without interruption. By continually pushing the boundaries of what is possible, we remain steadfast in our pursuit of excellence, innovation and total joint integrity.

Our team has worked tirelessly to bring cutting-edge solutions to the market, and I am proud of two new products that help our customers meet their ESG goals. One new product, the FLEX-ACE, is the solution to customer leaks from air-cooled exchangers. We also launched FlexHX, a new product in the heat-exchanger market. These offerings – along with others in our portfolio -- help customers mitigate the risks of leaks and safeguard the environment, while enhancing operational efficiency.

Our commitment to ESG goes beyond our products. Safety is our number one priority, and we have implemented robust procedures, assessments and training programs to reduce the potential for accidents and provide a safe environment for our employees and visitors. Our safety program, Safety 365, continues to gain traction. In 2022, we created our 5 C's of safety: Culture, Competency, Communication, Conformance and Consistency. By acting on each of these values, I'm happy to report that we have seen improvement in our safety statistics.

A MESSAGE FROM OUR CEO

We are dedicated to upholding safety and quality across all our global operations, and we take this responsibility seriously. We have introduced a new video to prime all visitors on our safety procedures at Flexitallic and how to stay safe during their visits. This video will be rolled out across all sites globally in 2023.

We have the industry's largest team of specialty applications engineers, who are always available to provide global troubleshooting. We also operate the first full-service joint integrity training academy, which offers accredited, practical training to customers to prevent loss-of-containment incidents.

As part of our commitment to ESG leadership within Flexitallic, we track ESG risks and opportunities through regular reviews by senior management and our Board of Managers and continue to tie executive compensation to accomplishing ESG goals.

We operate with a Board-approved ESG policy that outlines our commitment to ESG advancement, and our Corporate Governance Committee meets regularly to maintain focus on ESG risks and objectives. Additionally, our employees take part in annual training on the Company's corporate governance and ethics policies to uphold our high standards for ethics and integrity.

While we are a product and services Company, our mission statement and taglines are more than mere words. They embody the values we stand behind and that our customers have come to know and expect from us. As Flexitallic continues to grow, we strive to continually improve the quality and performance of our sealing products and integrity services to enhance the service we provide to our customers with a focus on safety, the environment and overall performance. Our ESG commitments provide the framework to continue to build upon these ongoing objectives.

Thank you for your interest in Flexitallic. Throughout this report, you will learn more about our commitment to operating responsibly, respecting the environment and working each day with the highest regard for honesty and integrity. I am confident you will share my pride in our ESG story.

Sincerely,

Lane Walker

President and Chief Executive Officer

"We operate with a Board-approved ESG policy that outlines our commitment to ESG advancement, and our Corporate Governance Committee meets regularly to maintain focus on ESG risks and objectives."



Our CARE Framework

Flexitallic is trusted by our customers to provide best-in-class sealing solutions that allow them to operate their plants, complete projects and execute turnarounds safely and efficiently. Our goal is to help customers achieve zero leaks on startup, reduce their emissions throughout the operating cycle and enhance the safety of their operations.





At the end of the day, our aim is to manufacture products of the highest quality and to be our customers' preferred provider. We strive to meet or exceed customer expectations through our "CARE" framework.

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Our Guiding Principles

We are committed to uncompromising integrity in all that we do and in the way in which we relate to each other and to people outside Flexitallic, as reflected in Our Guiding Principles.

<p>We obey the laws, rules and regulations of all countries where we conduct business.</p>	<p>We do not tolerate, and we actively oppose, corruption in our businesses.</p>	<p>We comply with all laws on a global basis.</p>		<p>We ensure our books and records are accurate, complete and maintained according to the recognized accounting principles, industry best practices and all applicable laws.</p>
<p>We use assets of the Company, such as email, Internet access, telephones and computers, responsibly and honorably.</p>		<p>We act in the best interests of the Company, and we spend its money solely for the business purposes of the Company.</p>	<p>We are committed to providing safe, quality products and services. We address and do not hide risks or mistakes.</p>	<p>We protect the privacy of all individuals.</p>
<p>We communicate accurately with our customers, our vendors and the public.</p>	<p>We are inclusive, value diversity and support our global team members in realizing their potential.</p>	<p>We respect freedom of association and obey all laws on working hours and compensation.</p>	<p>We safeguard the health and safety of our global team members.</p>	
<p>We believe in vigorous competition and do not use illegal or unethical means to gain an advantage over a competitor.</p>	<p>We protect the confidential information of Flexitallic and its group companies, and we respect and protect the confidential information of our customers.</p>		<p>We comply with all applicable environmental laws and regulations.</p>	<p>We endeavor to minimize any detrimental impact on the environment through waste reduction and efficiency improvement.</p>

ESG Pillars



Our ESG Approach

Flexitallic's approach to ESG is based on the following pillars that are foundational to everything we do:

Corporate Governance

We have strong financial controls and compliance with a clear code of conduct for all our dealings in the marketplace. Ethics and integrity are at the core of everything we do.

Contributing to Customers' Compliance and Quality Goals

We respect customer compliance requirements in full and deliver products and software solutions of the highest quality.

Innovative Solutions

We ensure that all our products and solutions provide superb sealing, use the best materials for the job and create minimal waste. We endeavor to improve our products and develop new products and solutions as the industries and customers we serve evolve their own operations. Our innovative software tools contribute to our customers' quality standards and overall success.

Human Resource Management

We have global policies on key issues such as diversity, ethics, incentives and rewards, and training and development.

Environmental Health & Safety (EHS) Management

We meet the regulatory requirements relevant to each operation. We have a global Health and Safety Policy designed to eliminate injuries and unsafe conditions. We strive to reduce waste and minimize our impact to the environment.

Supply Chain Management

We ensure that our suppliers meet the requirements of our end users and meet our ethical and internal quality standards.

Community and Charity Involvement

We encourage volunteering in the communities where our employees live and work.





Environment

We Take Our Environmental Responsibilities Seriously

Care for the environment is a Flexitallic core value, and the Company believes it is a primary responsibility. Any impacts that our activities may have on the environment are a prime consideration when business decisions are made.

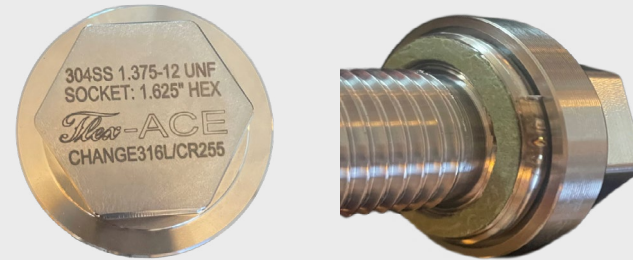
Product Integrity & Innovation

We continually strive to offer the industry's best sealing solutions and ensure that our customers have the right solution for their particular application. We accomplish this goal by continually improving our materials, processes and product designs to craft products that meet our customers' specific environmental requirements. In doing so, our products help reduce our customers' fugitive emissions and reduce or eliminate leaks of volatile chemicals into the environment consistent with our mission to make the world safer and cleaner through our engineered sealing solutions.

The most significant contribution we can make to the environment is ensuring that our sealing solutions provide the tightest seal possible within the constraints of the particular application. We are proud to be a trusted provider of high-quality products that play a critical role in ensuring the safety of all our end-users' operations. We understand the importance of our clients' operations and are honored to support them in the achievement of their environmental performance goals.

In 2022, we successfully reduced our customers' leaks from air-cooled exchangers with the launch of a new product, the FLEX-ACE. The effectiveness of FLEX-ACE in reducing leaks has made it our leading solution for these applications since its launch. We also introduced FlexHX, a gasket that represents a new solution in the heat-exchanger market. Outside of these two releases, we continue to solve problems daily with new applications and specialized solutions that address critical environmental challenges.

NEW PRODUCTS



FLEX-ACE

The effectiveness of FLEX-ACE in reducing leaks has made it our leading solution for these applications since its launch.



FlexHX

We also introduced FlexHX, a gasket that represents a new solution in the heat-exchanger market.

ENVIRONMENT

As part of our commitment to providing customers with innovative and effective solutions, we continue to expand our capabilities to help clients meet their ESG goals and prioritize worker safety. In the first quarter of 2023, we acquired INTEGRA Technologies to improve our services to customers with INTEGRA's advanced torquing and tensioning technologies. This acquisition enables us to control gasket installation, greatly improving the chances of

achieving a zero-leak start-up and minimizing environmental impact. Furthermore, with the addition of INTEGRA's leak detection and repair (LDAR) technology, we can now monitor and track leak rates in plants, allowing us to quickly identify and address any potential leaks.

Innovation to Application

Flexitallic engineers and delivers seals that prevent potential costly and disruptive spills or leaks, which is critical to the environmental performance of our partners in the industries we serve:



Hydrogen



Solar Power



Fuel Cells



Chemical Processing



Refining



Agrichemical



Power Generation



Oil & Gas



Marine



Pharmaceutical



Petrochemical



Nuclear



Food & Beverage



Aerospace

Greenhouse Gas (GHG) Emissions

Flexitallic endeavors to accurately record our GHG emissions to the atmosphere. We want to effectively contribute to the global fight against climate change because it is important to the long-term sustainability of our customers' business, as well as our own business. Flexitallic will conserve energy and work to improve the efficiency of our internal operations as well as the products we manufacture.

Greenhouse Gas Emissions			
Year	2020	2021	2022
Scope 1 emissions (tCO ₂ e):	6,856.15	5,844.91	7,291.26
Scope 2 emissions (tCO ₂ e):	11,490.79	5,085.25	5,239.91
Total Scope 1 + 2 emissions (tCO ₂ e):	18,346.94	10,930.16	12,531.17

NOTES: In line with our efforts to ensure that our data is as complete and accurate as possible, we have revised the previous calculations of emissions. The 2020 and 2021 values were restated in the above table. The restatement resulted in an additional 7,063.44 tCO₂e in 2020 and 432.05 tCO₂e in 2021. The increase is due to the inclusion of facilities that were omitted from previous calculations. Restatement is appropriate when changes result in a difference of more than 5% as compared to previously reported numbers.

In 2022, Flexitallic reported higher greenhouse gas emissions because of increased production volumes. We had a record year for sales in 2022, surpassing the previous record set in 2018.

Environmental Health & Safety Management

We prioritize environmental sustainability and strive to reduce the impact of our operations. To achieve this, we provide our employees with regular training and awareness to ensure they understand our policies and their role in achieving our goals. Each of our individual group companies has a general manager who holds the primary responsibility for implementing Flexitallic's environmental policy.

Several of Flexitallic's subsidiaries and their facilities are certified to ISO 14001 standards.

Additionally, Flexitallic aims to minimize waste and, wherever feasible, salvage materials for recycling or re-use. In 2022, we recycled, reprocessed or reused 85 percent of our waste generated. We minimize plastic and water use within our own operations to help limit the impact of our operations on the environment.



A woman wearing a yellow hard hat and safety glasses is working on a metal part in a factory. She is wearing a red and black plaid shirt and black gloves. The background is a blurred industrial setting. The image is framed by a green border at the top and bottom.

Social

Protecting Our People and Communities
is Priority One

Occupational Health and Safety

Employee health and safety is our top priority. Safety takes precedence over expediency and every other aspect of our operations. We incorporate safety into every job, every day.

The foundation of our global safety approach is Safety 365, our safety program launched in 2021 and led by the Managing Director of our U.K.-based facilities. Every month, the health and safety managers for each Flexitallic location collectively report their health and safety statistics for their respective locations.

In 2022, we developed our 5 C's of safety: culture, competency, communication, conformance and consistency. By acting on each of these values, we can further strengthen the Company's overall safety and wellbeing. In the second half of 2022, we conducted a gap analysis and benchmarking exercise at each of the individual group entities to identify and rectify any gaps in our safety processes and protocols. Our health and safety steering committee tracks the actions of individual business units to maintain continuous improvement.

In 2023, each business unit is encouraged to have at least three ongoing health and safety initiatives at all times, with a focus on any needs identified in the gap analysis and benchmarking exercise. The business units report to the Managing Director, UK, Middle East and Asia (UMEA), on a bi-monthly basis to advance the initiatives.

5 C'S OF SAFETY



Safety takes precedence over expediency and every other aspect of our operations. We incorporate safety into every job, every day.





We asked employees to submit ideas for safety slogans and rewarded 44 employees across seven business units globally for submitting 101 suggestions. We narrowed down the submissions to our final slogan — “protect your hands, they support your family” — and selected a logo design created by an employee in our U.K. operations.

Culture

Flexitallic recognizes the importance of a bottom-up approach to promote safety culture. In September 2022, we asked employees to submit ideas for safety slogans and rewarded 44 employees across seven business units globally for submitting 101 suggestions. We narrowed down the submissions to our final slogan -- “protect your hands, they support your family” -- and selected a logo design created by an employee in our U.K. operations. The final slogan and logo design was printed on t-shirts for all employees to wear on World Safety Day in April 2023.

To further the effort, we also introduced our Golden Safety Award to recognize employees who have contributed significantly to health and safety improvement. Our first award went to a maintenance employee at our facility in China who took it upon himself to redesign a piece of equipment that was associated with two recordable injuries in 2022.

Additionally, business units with no recordable injuries for the year received safety plaques to celebrate their achievement. The operations in Canada, France, Germany, Italy, China, Mexico, Australia and the Middle East all received safety awards.

We continue to focus on hand safety through an initiative called Take 5. Because our work is often hand intensive, we encourage employees before and during tasks to take five seconds to ensure they are taking the correct precautions to protect their hands.

Competency

Every employee receives general safety training during onboarding and then again annually as a refresher. All Flexitallic employees are covered by the Company’s health and safety management system, which is aligned to ISO 45001. Protecting our employees, our equipment, our property and any customer’s property is paramount. We continued to invest in safety measures across different business units to maintain safe conditions for employees and aim to improve in 2023 by revisiting our mandatory safety procedures and making sure all sites are compliant.



SOCIAL

At Flexitallic, we are committed to ensuring the safety of not only our employees but every visitor who sets foot in our facilities. We make every reasonable effort to reduce the potential for accidents. That includes assessing risks, implementing robust procedures and providing training for general safety awareness. In 2022, we completed production of a customer- and visitor-induction video and will be rolling it out to all global sites in 2023. The goal is to prime all visitors on our safety procedures and how to stay safe during their visit.

Conformance

Employees must understand their personal responsibility for preventing accidents and injuries on and off the job. Accident prevention and effective production go hand in hand. We believe that every time an accident occurs, the root cause can be traced to someone's behavior. We have policies, programs and training that encourage employees to engage in dialogue with their peers and management about safe and at-risk behaviors. Safety is a team effort, involving employees, management, contractors and other stakeholders.

The Business Unit Leaders of each of our facilities and locations have the ability to implement new, useful or otherwise novel safety ideas that can help lower accident risk on the job. We empower our staff to think critically about safety and take actions to lower the possibility of accidents.

Every injury must be reported immediately to a supervisor, management, or Human Resources. Unsafe conditions also should be reported immediately, regardless of whether there is an incident or injury. Flexitallic employees have Stop Work Authority and are encouraged to stop work if they are concerned that a job or procedure is unsafe or dangerous.

Consistency

All recordable injuries will be investigated using a structured cause/analysis process. Employees, particularly employees involved in the incident, are expected to participate in the cause analysis. Corrective actions will be identified and tracked to completion. Lessons learned from this process will be shared across Flexitallic and periodically evaluated to ensure we are implementing proactive actions at all sites.

To minimize exposure to hazards that can cause injuries or illness, we provide employees and others who may be exposed to such conditions with appropriate and effective personal protective equipment (PPE).

Safety Statistics

Metric	2020	2021	2022
Work-Related Injuries*	7	10	7
Work-Related Fatalities	0	0	0
Total Number of Lost Days Due to Injury	0	51	60
Total Recordable Incident Rate (TRIR)	0.39	0.93	0.66

*Over 50% of injuries were hand injuries

SOCIAL

Customer Health and Safety

Our high-performance products also play a crucial role in ensuring the safety of our customers' operations. We provide customers with comprehensive guidance and support to ensure the proper and safe installation and use of our products.

Flexitallic's Applications Engineers

Our attention to safety extends to our customers through our dedicated team of applications engineers.

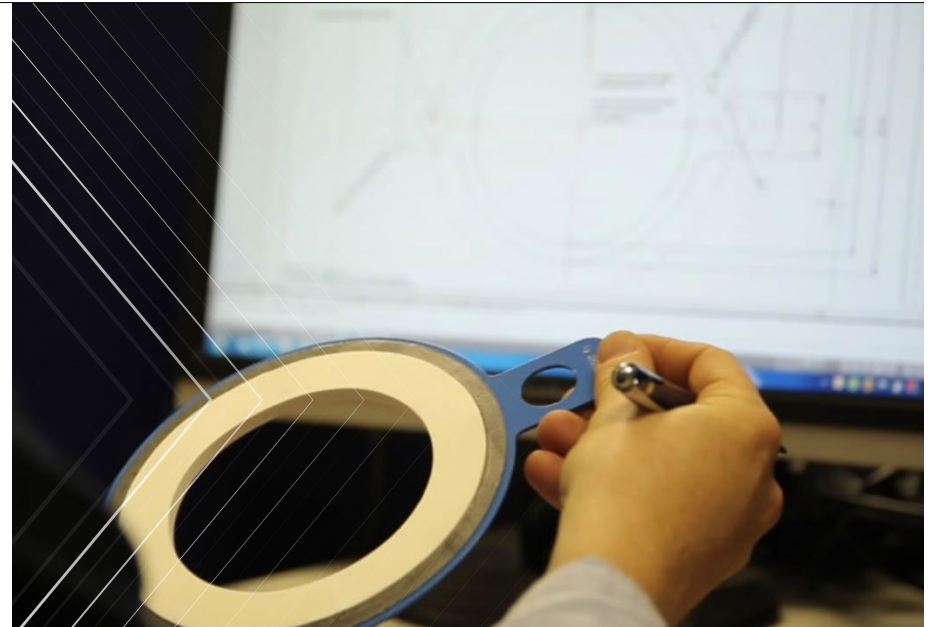
Flexitallic's team of applications engineers offers a range of joint integrity services designed to complement and enhance our product offerings. Our goal is to help customers achieve leak-free start-ups and conduct operations, including turnarounds, within scheduled maintenance cycles. Our applications engineers provide critical end-user support for problematic sealing applications, design solutions for bespoke connections and critical equipment, develop joint integrity management software and provide gasket installation supervision.

The Academy of Joint Integrity

In addition to our applications engineers, Flexitallic further assists customers through our industry-first Academy of Joint Integrity in the United Kingdom. Through the Academy, Flexitallic provides the process industries with access to critical training related to gasket fit, proper installation, appropriate torque values and bolting and tensioning processes. Our customers use this training to ensure leak-free startups and the safe and efficient operation of their equipment and facilities.

We provide these customers with appropriate process safety benchmarks and three-year certifications regarding their competence as safe operators in the field of joint integrity. From time to time, the Academy also supports the applications engineers when customers require a quick response on issues involving joint integrity.

Since its founding in 2011, the Academy has worked with more than 700 customers. Throughout the years, the Academy has provided an average of 300 hours of training per year.



Human Rights, Resources, Respect

As a Company with global operations, we are committed to respecting human rights wherever we operate and complying with laws that prohibit forced, compulsory and child labor and human trafficking. We also take steps to ensure that our business partners adopt the necessary measures to meet these goals.

Our Statement on Modern Slavery and Human Trafficking outlines our commitment to improving practices to combat all forms of modern slavery and human trafficking within our own operations and our supply chain. Flexitallic applies this policy to our contractors, suppliers and other business partners.

Everyone at Flexitallic has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment.

Flexitallic encourages reporting of all perceived incidents of discrimination or harassment. It is our policy to investigate such reports promptly and thoroughly. Flexitallic prohibits retaliation against any individual who reports discrimination or harassment or who participates in an investigation of such reports. Confidentiality will be maintained throughout the investigatory process to the extent consistent with an adequate investigation, appropriate corrective action and due process.

Employee Engagement and Retention

Thoughtfully expanding our team, engaging with our staff and providing incentives and activities to retain team members are important parts of our global human resources efforts. The Company had 103 net new hires in 2022, increasing our total headcount at year-end to 1,074.

We conduct employee appreciation events to mark milestones and other accomplishments and, where possible, provide accommodations in our facilities to make the workday more pleasant. In 2022, we completed the renovation of our employee cafeteria at our Deer Park, Texas, facility, and will continue to improve employee spaces at more of our locations in 2023.

The appreciation of our employees also extends to their families. We marked the tenth year of the Pablo Rodriguez Memorial Scholarship in 2022, again honoring the memory of one of our treasured former team members. The scholarship program was created to support the aspirations and educational goals of the children and grandchildren of Flexitallic employees. Each year, the program awards two \$5,000 scholarships to two deserving students entering college, and Flexitallic is committed to continuing this tradition for many years to come.



In 2022, we completed the renovation of our employee cafeteria at our Deer Park, Texas facility.



Above: Alda Nicole De Leo and Jude Cotton Garcia were awarded the 2022 Pablo Rodriguez Memorial Scholarship.

Bottom (left to right): Jerry Lastovica, President of Flexitallic US and Canada, Mrs. Rodriguez, and Sam Espinoza, North America Finance Director, Flexitallic.



CASE STUDY: WHO WE ARE

At Flexitallic our greatest asset is our people. In 2022, our team created an appreciation video in which we interviewed 10 different employees. Each individual offered a unique perspective of what being a part of the Flexitallic team means to them. Employees highlighted Flexitallic's creative and inclusive culture as well as the pride they take in providing solutions to critical industries. We presented the video to employees during an appreciation event to demonstrate our gratitude and recognition for all their hard work throughout the year.

Training, developing and retaining our workforce is a critical element of sustaining a business for the long term. We believe in creating specific action steps and commitments that focus on incorporating new skills and ideas on the job.

Flexitallic promotes and fosters individual and organizational effectiveness by developing and offering programs in support of our commitment to employee development and organizational enrichment. We will accomplish these objectives by focusing on the following goals:

- Providing quality, cost-effective training designed to increase individual and organizational productivity and enrichment.
- Providing development opportunities that enhance knowledge, develop skills and enrich the organization.
- Identifying and developing high-potential employees.
- Creating, promoting and fostering an organizational environment that values development, diversity and growth opportunities for all employees.
- Providing individuals and the organization with the tools to respond effectively to customer needs as well as current and future demands for service.
- Conducting annual performance reviews to assess our workforce and continuously improve employee performance.
- Providing ongoing leadership and support to the organization's succession efforts.
- Promoting, supporting and leveraging technology resources and tools to improve and enhance workflow efficiency and improve customer service.

SOCIAL

Diversity & Inclusion

Flexitallic continues to expand our Human Resources System to capture global employee data in one centralized location. Gaining a holistic picture of our workforce creates the baseline for developing and refining our D&I strategy. We also formed an affinity group for female employees, which began meeting in the first quarter of 2023. Additionally, in 2022 we began new initiatives at certain Flexitallic locations to educate employees about inclusion in a refreshed format to increase engagement.

Diversity at a Glance

	2021	2022
% of total employees that identify as female	32%	32%
% of total leadership that identify as female	12%	15%
% of leadership that is diverse	12%	30%

Community Involvement

Flexitallic routinely engages with our local communities to support deserving organizations. We also fund mentorship and STEM programs for younger students, and scholarship programs for qualified students who attend local colleges and universities.



Corporate Governance & Business Ethics

Strong Governance is Critical to Global Market Leadership



Our Guiding Principles apply to all employees, officers, directors, suppliers and third parties we work with, and they lay out the guidelines and expectations for applying our values in every facet of our business. Rigorous, attentive business practices, combined with oversight from our Board of Directors, serve the best interests of our Company, employees, customers and communities.

Oversight & Management Responsibilities

Our Board of Managers (Board) has appointed a Special Management Committee that includes two independent members and four non-independent members. This Special Management Committee meets regularly and reviews all matters related to material risk management, business strategy, financial performance and related processes and forwards its recommendations and findings to our Board for final review and approval. The members of this Special Committee include Flexitallic's CEO, Flexitallic's CFO, representatives of Bridgepoint, our majority shareholder, and an independent member with a broad background and interests related to ESG, energy transition and new energy, who serves as Chairman of the Special Management Committee.

Our Special Management Committee and our Board consider ESG excellence to be of strategic importance to Flexitallic's growth as a business, and the Company's ESG objectives and metrics are tied to senior management compensation. Our leaders regularly review our ESG risks and opportunities profile, including those related to climate change.

Flexitallic's Board-approved ESG-related policies outline the Company's commitment to ESG advancement and responsible corporate governance. This includes maintaining strong financial controls, contributing to customers' compliance programs, managing rigorous human resources policies and ensuring that our suppliers meet our own ethical and internal quality standards.

Day-to-day responsibility for our ESG progress is overseen by the Corporate Governance Committee, which meets regularly to manage ESG priorities. Committee members include the CEO, CFO, Executive VP, Legal, Compliance and Corporate Governance, and global leaders from Human Resources (HR), Information Technology (IT) and Supply Chain. The committee also reviews and discusses ongoing matters submitted via quarterly questionnaire responses from the business units related to health, safety, quality, business risks, anti-corruption, antitrust issues, employment issues, claims, litigation and supply chain matters.

The Executive VP, Legal, Compliance and Corporate Governance, is responsible for collecting the information reported in the quarterly corporate governance questionnaires directed to each of the Company's business units, as well as the information and data collected in annual ESG questionnaires directed to Flexitallic group companies. The surveys cover topics related to training; resource efficiency; health, safety and employee welfare; and responsible sourcing.

Ethics and Anti-Corruption Programs

Flexitallic conducts robust training to ensure employees understand our ethical and legal obligations. During onboarding, new employees receive a comprehensive list and must acknowledge awareness of the Company's policies for safety, ethics, anti-bribery and anti-corruption, sexual harassment, workplace violence and other topics. Employees in each of Flexitallic's global locations receive a refresher course once a year to ensure awareness of the Company's corporate governance and ethics policies.

Employees whose roles involve working with customers, suppliers and other third parties also receive additional online training on anti-bribery, anti-corruption and antitrust issues and the proper handling of contracts.

To accommodate the largest number of employees, training is offered in a variety of ways – in group settings, online and individually. Flexitallic tracks completion of the online third-party compliance training courses with software from third-party supplier NAVEX. In 2022, 23% of Flexitallic's employees completed the NAVEX compliance training, and 100% of Flexitallic's employees received annual training on the Company's corporate governance policies.

We publish the following Policies & Statements related to corporate governance on our corporate website:

- Anti-Corruption Policy
- Safety Policy
- Statement on Modern Slavery
- Ethics Policy
- Reporting Illegal or Unethical Conduct

Every employee is responsible for protecting Flexitallic's culture of integrity. A potential violation is a serious matter. If anyone at the Company sees something or is unsure if something potentially violates our Anti-Corruption Policy, Ethics Policy, Antitrust Policy or any of Our Guiding Principles, they are expected to speak up. This applies equally to suspected violations by any suppliers, customers or third parties. Flexitallic plans to implement an anti-money laundering policy in 2023.

Additionally, we assess risks related to corruption through quarterly reports from business units and the investigation of any potential incidents or issues should they arise. If an investigation reveals an incident of corruption involving an employee, distributor or supplier, we take immediate corrective action to reduce and/or eliminate that risk going forward.

If an employee has a question about our Anti-Corruption Policy, Ethics Policy, Antitrust Policy or any of our corporate governance policies, or is concerned about a potential violation, they have a number of options:

- Discuss the issue with their supervisor.
- Discuss the issue with another supervisor or manager.
- Contact their Human Resources Department or the Executive VP, Legal, Compliance and Corporate Governance.
- Contact the Company's confidential, anonymous hotline.

Employees may make their inquiries confidentially, and all reports of possible violations are investigated. All employees are expected to fully cooperate with investigations conducted by the Company. We do not tolerate retaliation against anyone for raising good faith concerns.

Cybersecurity

Like most companies, Flexitallic relies heavily on IT networks and systems, including the Internet, to process, transmit and store electronic information, to manage or support a variety of business functions, and to maintain various records. This may include information regarding our customers, employees or other third parties. The integrity of these systems is essential for us to conduct business. We make significant efforts to maintain the security and integrity of these types of information and systems and to guard against both internal and external threats.

The Flexitallic Global IT Director and CFO are primarily responsible for our cybersecurity strategy and oversight of the Company's cybersecurity policy. A cybersecurity/IT update is a standing topic at the quarterly Corporate Governance Committee meeting, and cybersecurity is included in our annual risk management report. The Special Management Committee and our Board also conduct an annual cybersecurity review.

We identify cybersecurity risks through multiple sources, including employees, management, insurance company presentations/meetings, board discussions and alerts from suppliers. Since 2021, we have had 24-hour monitoring in place provided by the cybersecurity company Sophos. Our cybersecurity protections are compliant with the requirements of the General Data Protection Regulations.

Supply Chain Compliance

The Supply Chain is an integral component of our ability to conduct business on a global basis. Our objective is to obtain the best total cost of manufacture through commercial expertise and effective governance of consistent, targeted procurement and materials management processes. We develop relationships with suppliers who share our commitment to safety, quality, the environment, compliance and business ethics, and we support supplier efforts for continuous improvement in these areas.

Flexitallic's procurement team is trained to conduct supplier pre-qualification assessments that include, when applicable, anti-corruption, modern slavery issues, human trafficking issues, environmental matters, safety performance, quality and delivery performance.

Specifically, we assess and audit suppliers against environmental factors, including applicable standards such as ISO 14001, and personally visit supplier facilities in connection with assessments and audits on a periodic basis - typically every two to three years. All other audits are performed remotely. We also assess and audit for compliance related to modern slavery and human trafficking regulations.

United Nations Sustainable Development Goals (SDGs)

Flexitallic's products and services contribute positively to the achievement of three UN SDGs, which provide a global roadmap for a more prosperous and sustainable future: 6, Clean Water and Sanitation; 9, Industry, Innovation and Infrastructure; and 12, Responsible Production and Consumption.

Specifically, we have identified the following SDGs where our business activities have the most significant impact:



6.3

By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.



9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities.

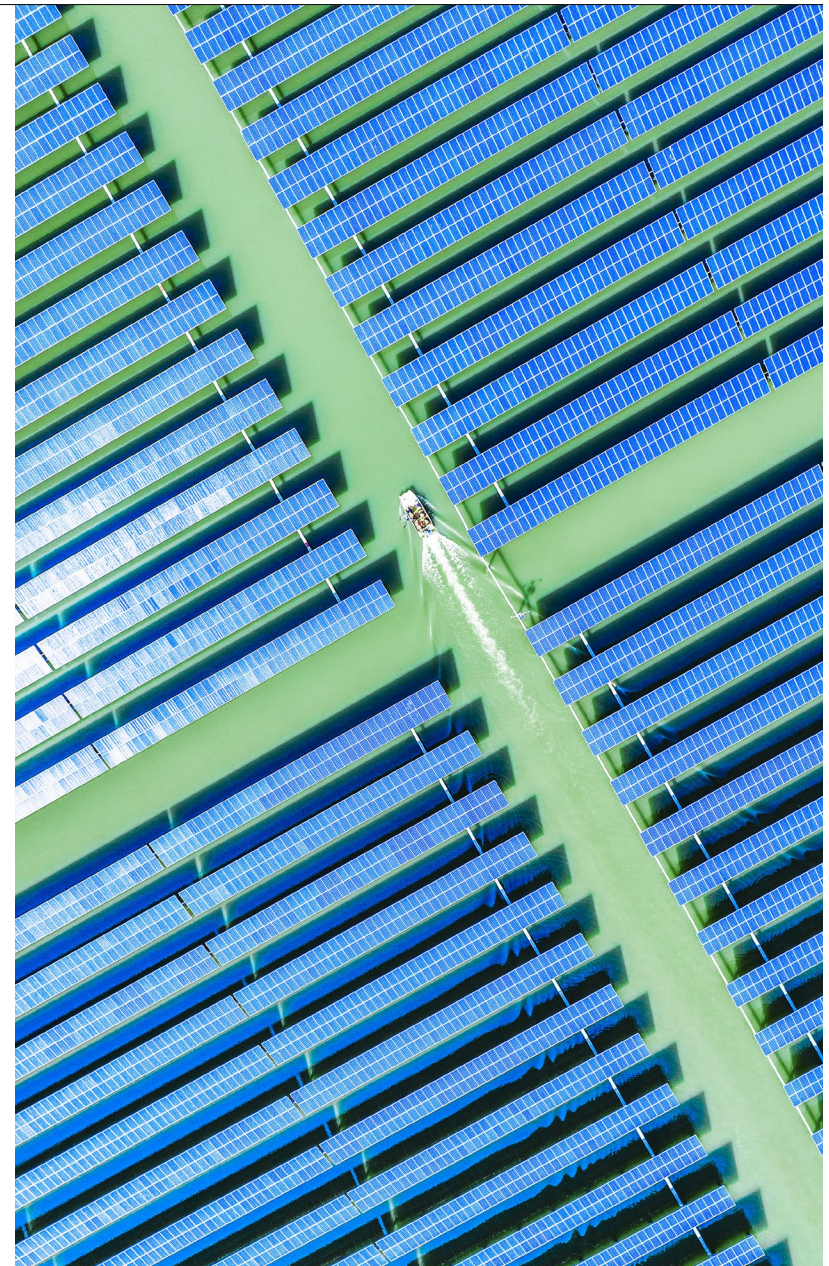


12.2

By 2030, achieve sustainable management and efficient use of natural resources.

12.4

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment.



2022 ESG Performance Data

GRI Standard	Disclosure	Location
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Located on page 24 of this report
	205-2 Communication and training about anti-corruption policies and procedures	Located on page 23 of this report
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Located on page 13 of this report
	305-2 Energy indirect (Scope 2) GHG emissions	Located on page 13 of this report
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Located on page 24 of this report
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Located on page 19 of this report
GRI 403: Occupational Health & Safety 2018	403-8 Workers covered by an occupational health and safety management system	Located on page 16 of this report
	403-9 Work-related injuries	Located on page 17 of this report
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Located on page 21 of this report
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Located on page 24 of this report



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