

# Sustainability Report 2023











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sustainability. This means not only driving innovation, but also ensuring that our processes have a positive long-term impact on people and the environment. With this clear aim, we pursue two key objectives: our ecological footprint – minimizing the environmental impact of our production processes – and our handprint – the positive effects that our sustainable products and services can have on our customers.

Even in times of political and economic uncertainty, we remain adaptable to ensure both the supply of our customers and the consistent pursuit of our sustainability goals. This report documents our path and commitment to creating a sustainable foundation for our customers, society and the environment. At the same time, we are committed and highly motivated to take decisive advantage of the opportunities ahead of us and put sustainability into practice.

**Dr. Karsten Grünke** Chief Executive Officer

**Dr. Fulvio Lamberti** Chief Financial Officer

## Dear Ladies and Gentlemen,

We are pleased to present the fifth edition of our 2023 Global Sustainability Report. Again this year, we are sharing insights on the specifics of the progress that we have made towards a more sustainable future and how we resolutely continue to expand our involvement in an increasingly challenging world. Our sustainability strategy is designed to address the central needs of our society and the environment and demonstrates that at SurTec we run a chemical company that takes responsibility for generations to come.

Since the founding of SurTec in 1993, responsible action has been deeply embedded in our corporate DNA – a global commitment shared by all of our subsidiaries and partners. In our anniversary year, we celebrate 30 years of innovation in surface treatment – and also three decades of active commitment to environmentally sustainable and resource-saving solutions. Sustainability is not just a principle for us, but an integral part of our corporate culture and decision-making processes.

As a preferred partner and supplier of chemical specialties for surface treatment, our job is to develop advanced technologies that strike a balance between efficiency and environmental





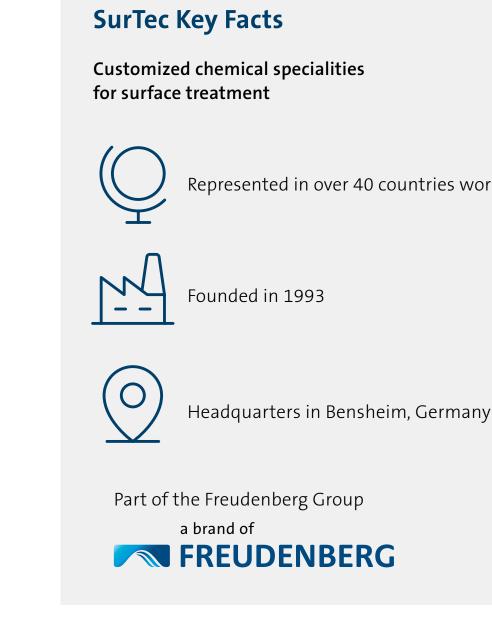
## **About SurTec**

The SurTec Group develops, manufactures and distributes surface treatment chemical specialties to meet the needs of its customers. SurTec covers the entire surface treatment portfolio with the five fields of application – Industrial Parts Cleaning, Metal Pre-Treatment, Functional and Decorative Electroplating and Functional Coatings.

As a supplier to nearly all sectors and industries in the surface processing industry, SurTec offers applications for the automotive, transportation, architectural, construction, electronics, health and lifestyle sectors. SurTec sells its products directly worldwide and provides its customers with comprehensive technical service.

#### **Global Engagement and Networking**

The SurTec Group, headquartered in Bensheim, Germany, is part of Freudenberg Chemical Specialities GmbH and operates in collaboration with partners in over 40 countries worldwide. SurTec employs its own staff in 26 countries. As part of the well-known, family-run Freudenberg Group, headquartered in Germany with global operations, SurTec always relies on innovation and sustainable growth.





Represented in over 40 countries worldwide

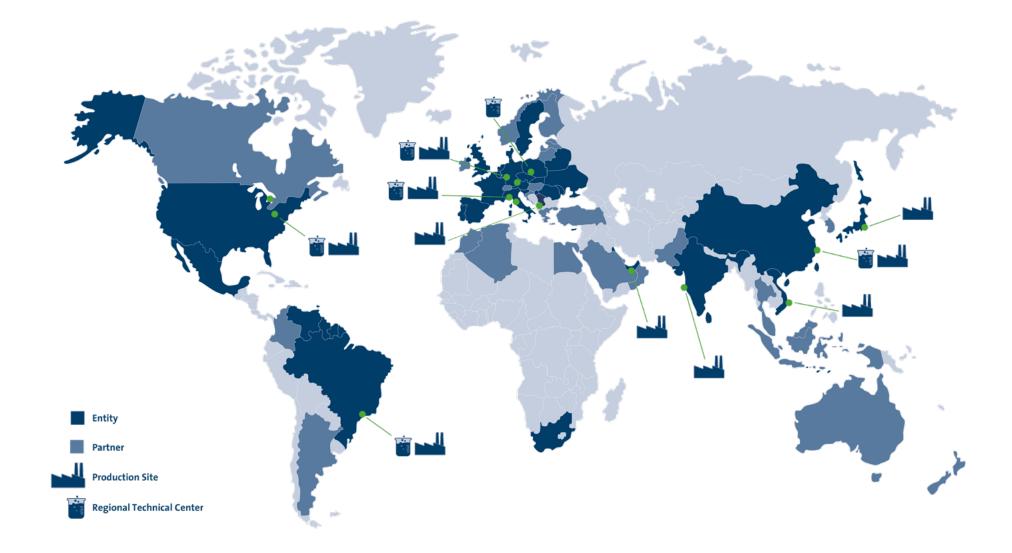




#### Sustainability and Innovation

SurTec is committed to sustainable, cutting-edge development and operates global technical centers. Decades of experience and ongoing research have enabled us to develop environmentally, high-performance methods in surface treatment.

Certifications according to the international standards ISO 9001 (Quality Management), ISO 45001 (Occupational Health and Safety) and ISO 14001 (Environmental Management) underscore SurTec's commitment to quality, health and safety, and to the conservation of the environment and natural resources.



#### SURTEC WORLDWIDE



#### Our responsibility as part of the Freudenberg Group

As part of the Freudenberg Group, SurTec is also committed to the shared values and principles that have always shaped Freudenberg. Our activities are based on the Freudenberg principle that doing business means more than just achieving financial success. The comprehensive concept of sustainability is understood in terms of ESG – environment, social and governance – and summarized under the Freudenberg core principle "Responsibility".

Freudenberg sees responsibility as a guiding principle that extends to five key areas: **Sustainability, Employees and Diversity, Health, Safety and Environmental Protection, Compliance and Corporate Citizenship**. For SurTec, this means that we take care in all our activities to comply with environmental and social standards and contribute to positive development in the communities in which we operate. This responsibility forms the basis of our actions and is reinforced by Freudenberg's internal *Code of Conduct*.

Sustainability is understood by Freudenberg and SurTec within the meaning of the UN Brundtland definition: We meet today's needs without compromising future generations. This



commitment shapes our products and processes, as well as our business culture, which promotes diversity and openness.

As an employer, SurTec relies on employee safety and well-being, with a strong focus on promotion of occupational safety and health. As a family-owned company, Freudenberg has high standards of fairness and integrity. This shapes our relationships – internally and externally. In close alignment with these principles, we at SurTec strive to not only reduce our environmental footprint, but also to make the social impact of our products and activities positive. Together with Freudenberg, we are implementing our vision of a sustainable and responsible future.



# SUSTAINABILITY

Sustainability has two dimensions in our group of companies. First, it is a matter of how the company designs its own processes and uses systems to conserve resources (footprint). At the same time, Freudenberg offers numerous products and solutions that allow customers to produce more efficiently and sustainably or make their products more resource-efficient (handprint). By reducing its own footprint and increasing the handprint for customers, the Group contributes to greater sustainability worldwide.

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The **Sustainability** division at Freudenberg focuses on the five areas of materials, waste, energy, emissions and water.



**Materials** 

Materials efficiency

Recycled, renewable and substitute materials

End of life (EOL) product handling



Waste

Waste handling

Energy efficiency Renewable energy

Energy

### **Emissions**

Air pollution/ emissions





Water pollution

Water use

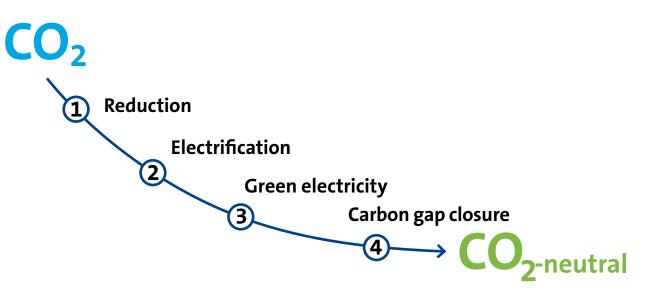




#### **Emissions:**

The company is committed to helping to keep our planet livable for the long term. It is for this reason that we are committed to reducing waste and emissions and minimizing the use of water, energy and materials. **By 2045, we aim to reduce our Scope 1 & 2 CO<sub>2</sub> emissions to zero.** The first milestone on the path to  $CO_2$ -neutrality is to reduce relative  $CO_2$  emissions per million euros of revenue by 25 percent by 2025 compared to 2020. The Group's commitment to climate protection also makes business sense, as demand for sustainable products continues to grow. This requires innovation, and it represents a huge opportunity for Freudenberg as a technology company. In addition, sustainable companies are more attractive to customers who integrate them as suppliers into their own sustainability programs.

The first steps of our multi-stage strategy on the path to  $CO_2$ -neutrality are: energy savings, electrification, purchasing and own production of "green" electricity. Despite these steps, some residual emissions are expected in 2045, since due to differences in  $CO_2$  neutrality targets, it is likely that 100 percent "green" electricity will not be available in all countries by that date. In addition, it may not be reasonable and cost-efficient to electrify certain processes. For these remaining emissions, which can no longer be reduced with the mainstream approaches of today, Freudenberg relies on emerging technologies and markets ("carbon gap closure"). In the future, for example, "green" hydrogen or biogas may be available in sufficient quantities and at acceptable costs to meet the remaining energy demand. It is also expected



that a globally regulated trade of green power certificates will arise, similar to that already existing in the EU. This would make it possible to offset emissions in countries with limited green power availability in a transparent manner. Due to the quality and acceptance problems of today's Voluntary Carbon Markets, Freudenberg is not pursuing CO<sub>2</sub> compensation in the near future.

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#### **4 STEPS TO CARBON NEUTRALITY**

For an explanation of the terms Scope 1-3 see



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The first three steps – reduction, electrification, green electricity – are being implemented at Freudenberg company-wide. Business groups will vary based on technology and local availability and pricing of energy.

Group-wide initiatives to implement the path to CO<sub>2</sub> neutrality will be propelled by the Sustainability Drives Climate Action project. The key business group initiatives are also recorded and tracked within the strategic planning process. Further information can be found in the Freudenberg 2023 Responsibility Report.

In 2023, the CO<sub>2</sub> emissions of the **SurTec Group** are **761 t**. Of these, **245 t** come from Scope 1 and **516 t** come from Scope 2 (market-based). No data are yet available for Scope 3 in 2023, but these are recorded gradually in coordination with the parent company. Accordingly, there are currently no product-specific emission values (Product Carbon Footprint). However, our emissions statement includes an average of all our products.

In 2023, the integration of omniTECHNIK Mikroverkapselungs GmbH into the SurTec Group went forward. However, their metrics are not yet included in this report.



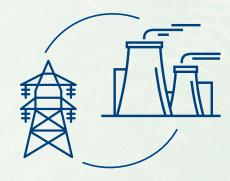
PDF download of the Freudenberg Responsibility Report 2023



# SurTec CO<sub>2</sub>-emissions 2023

(Scope 1 and 2)

Scope 1 and 2: 761t



Scope 2: 516t

Scope 2: Greenhouse gas emissions from energy generated by an energy supplier (e.g. electricity)

Scope 1: 245 t

**Scope 1:** Greenhouse gas emissions that are generated within our own operations



### Scope 3

(Number to be determined)

Scope 3: Greenhouse gas emissions associated with upstream or downstream value chain activities





#### Materials:

The SurTec Group strives to continuously reduce its raw material consumption. Accordingly, the share of bio-based raw materials in 2023 is approx. **3.6%**. In the future, we intend to use a higher percentage of recycled raw materials. At the same time, we aim to add more products to our portfolio that can be recycled by our customers.



#### **Energy:**

The SurTec Group's total energy requirement in 2023 is 2,997 MWh. Of these, 1,166 MWh are allocated to Scope 1, and 1,831 MWh are allocated to Scope 2. This shows that our electricity demand already exceeds the heating energy demand, and we have already registered progress in the electrification step. The proportion of renewable energy is 31.2%.



#### Waste:

At the SurTec Group, we distinguish between hazardous and non-hazardous waste. The data is collected semi-annually at all our production sites in a system in place throughout the Freudenberg Group. In 2023, a total of **1,646 t** of waste was generated, of which **1,593 t** is classified as hazardous waste. A total of **451 t** of waste was recycled.



#### Water:

In 2023, the amount of water in SurTec products was approx. 9,200 t. In addition, there are other consumptions throughout the group, e.g. in the form of rinsing water. There are currently no exact numbers here. A more accurate recording is in progress for the future.

#### **SUSTAINABILITY**

### **Objectives:**

In consultation with the Freudenberg Chemical Specialities (FCS) business group, **we have set the following targets**, aligned with Freudenberg's strategy, in the area of energy and emissions for the period from 2023 to 2026:

To achieve our goals, we plan for energy savings. In addition, the green electricity share should increase over the next few years, e.g. due to installation of photovoltaic systems.

#### **CO<sub>2</sub> BALANCE AND ENERGY CONSUMPTION:** ACTUAL VALUES AND TARGETS

Year	2022	2023	2026
Total CO <sub>2</sub> -emissions / t	761	761	432
Scope 1 CO <sub>2</sub> -emissions / t	273	245	220
Scope 2 CO <sub>2</sub> -emissions / t	488	516	212
Total energy requirement / MWh	2,987	2,997	2,840
Energy requirement Scope 1/ MWh	1,313	1,166	1,117
Energy requirement Scope 2/ MWh	1,674	1,831	1,723
Renewable Energy Scope 2 / MWh	846	936	1,464
Renewable energy share in Scope 2 / %	50.5	51.1	85
Total renewable energy share / %	28.3	31.2	51.5







# ADDED VALUE FOR CUSTOMERS

## **Optimize Handprint – Increase Customer Benefit**

Resource conservation has a positive impact not only on our own footprint, but also on that of our customers.





The use of water instead of organic solvents as a carrier substance, or products that extend service life, reduces the ecological footprint of the user. Extending the operating time of surface finish baths not only reduces the amount of raw materials used, but also provides tangible economic benefits:

Longer operating time also means less frequent, or simply fewer, bath changes, reduced material usage, and reduced waste and wastewater volumes. In some cases, we achieve a multiplication of the bath life with our high-quality product formulations/technologies.

With our recyclable, modular cleaning processes, we make a major contribution to higher resource and/or production efficiency and reduce process costs by up to 25%. Through special formulations, we have also been able to significantly reduce sludge formation in surface finish baths in certain applications. This ensures more stable processes, while at the same time reducing waste disposal expenses for the customer.

Here are some examples of our positive impact on our customers' handprint.

## Sustainable cleaning systems – recyclable, biodegradable, energy-efficient

Many of our cleaning systems are recyclable, significantly reducing material usage. This includes recyclable surfactant components or spray and immersion surfactants.

At SurTec, low-temperature cleaners always achieve the same cleaning effect as standard processes that run at far higher temperatures. Energy cost savings are significant.

Our water-based and modular cleaners offer significantly longer cleaning bath life with correspondingly optimized production cycles, reduced maintenance and significantly reduced wastewater volumes with proportionately lower process costs per year.

SurTec has developed special cleaners for the recycling of PET flakes. These serve to remove adhesive and label residues from the flakes and separate them according to the type of plastic.

We also provide biodegradable defoamers.



In Metal Pre-Treatment, we pursue similar goals for the benefit of our customers: avoidance of critical substances and increased economic efficiency. Hot-dip galvanizing quenching baths typically contained toxic chromium(VI), which can lead to health risks. SurTec has succeeded in redesigning the process based on chromium(III) – a significant contribution, not just to occupational safety. Moreover, we have succeeded in developing phosphate-free products that avoid the often undesirable ingredient phosphate in the wastewater stream while providing the same effectiveness.

A significant contribution of the SurTec Group to sustainability is the so-called "low-temperature" products. These innovative solutions are characterized by their application temperature being significantly reduced compared to traditional methods. This leads to significant energy savings, while at the same time contributing significantly to the reduction of CO<sub>2</sub> emissions. Additionally, the advanced cleaning system optimizes chemical consumption and reduces chemical waste. This also has a positive impact on water economy and consumption. The overall reduction in energy demand also facilitates the integration of more environmentally friendly energy sources such as solar panels or heat exchangers, which could not have met the higher energy demand of the previous system. Premium Corrosion Resistance Meets Continuous Improvement – SurTec delivers tailor-made pretreatment systems that meet the highest standards.

### Efficient Metal Pre-Treatment and Innovative Corrosion Protection: SurTec Technologies Support Transformation Processes in the Automotive Industry

SurTec 650 in combination with a seal optimally prevents the corrosive infiltration of moisture into the battery housing and ensures a low electrical contact resistance. The technology also enables electromagnetic compatibility (EMC), making it the perfect solution for surface treatment of e.g. battery housings and electronic control unit (ECU) housings.





### **Pioneering the field of Decorative and Functional** Electroplating

In 1996, SurTec launched the world's first thick film passivation on a chromium(III) basis and has since been the market leader in this range of technologies. SurTec has thus pioneered the alternative to replace hexavalent chrome for Decorative and Functional Electroplating technology. Our trivalent chromium technologies were the first to achieve market-readiness and have become the standard method in many areas of electroplating.

Since chromium(III) is non-toxic, it makes a major contribution to occupational safety – at our premises and at the users' - and has a positive impact on the environment. Thanks to low current densities compared to chromium(VI)-based processes, customers also save up to 20% of wastewater treatment costs and 30 to 50% of electricity costs for the rectifier. Since 2017, SurTec has pursued its strategic decision to no longer bring chromium (VI)-containing products to market worldwide. We have better alternatives!

Other areas of focus in electroplating are the elimination of certain, previously indispensable metals, which are considered critical from a health or environmental perspective. For instance, SurTec has developed various high performance passivations that avoid the use of cobalt salts, which are hazardous to health.

#### Other examples from our daily practice include:

- Rinse water recirculation: In the field of Functional Electroplating, SurTec relies on closed systems that allow the rinsing water to be returned to the process. A galvanic process consists of up to ten rinsing steps. In conventional processes, the water used for this purpose is disposed of after only one rinse. In a closed system, on the other hand, rinsing water may be processed and returned to the process, i.e. used several times. This significantly reduces the customer's water consumption.
- To protect the health of employees both at the customer's premises and in our own production – SurTec replaces chromium(VI) with chromium(III) in the decorative sector. This enables a 100% chromium(VI)-free process – even in pretreatment.
- We offer alternatives to ammonium- and ammonia-containing processes, reducing the risk to the health of our employees and our customers.



#### **SurTec Relies on PFAS-Free Solutions for Future Mobility**

SurTec offers a broad portfolio of PFAS-free Functional Coatings. In the field of microencapsulated adhesives for thread locking, a majority of the portfolio, such as precote<sup>®</sup> 30 and precote<sup>®</sup> 80, is PFAS-free. These coatings are used, among other things, in the body and chassis of electric vehicles by leading OEMs.

Furthermore, the current designs of e-mobility increasingly demand pre-coatings for sealing applications. Our water-based and completely PFAS-free sealants are used to seal hexagonal rivets in battery packs worldwide.

Within the SurTec Coat 2000 series, we offer PFAS-free options in the area of lubricants, which are ideal for applications such as sealing rings and plain bearings.

These innovative solutions help our customers meet the growing demands for sustainable and future-proof mobility.

#### **External Sustainability Assessments**

#### Ecovadis:

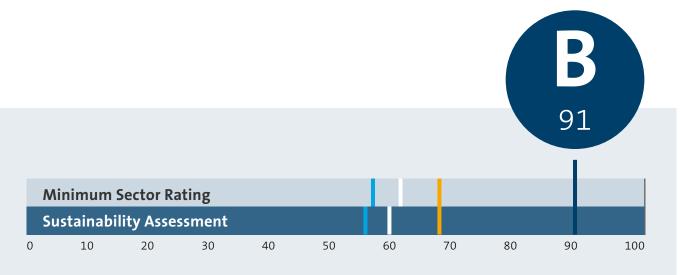
In 2023, the SurTec Group received an assessment of our sustainability efforts through the Ecovadis platform for the first time. Ecovadis evaluates companies in four categories: **Enviroment, Ethics, Labor** and Human Rights and Sustainable Procurement. This rating is made annually, and the best companies are awarded a medal. The top 1% of companies rated receive a platinum award, the top 5% receive a gold award, the top 25% receive a silver award, and the top 50% receive a bronze award. The SurTec Group was awarded a silver medal and is among the top 8% of the companies evaluated in 2023.





### NQC/SAQ:

This platform is an assessment tool under the auspices of Drive Sustainability. In this case, the assessment is made with attention to key areas of **Environment, Social and Governance (ESG)**. This platform is used to evaluate individual SurTec sites. SurTec Deutschland GmbH was able to achieve an above-average rating of B91 compared to similar companies (best value is A100).



 SurTec Deutschland GmbH
Industry Average: Manufacture of Chemicals and Chemical Products Country Average: Germany
Average Number of Employees: 50–99

#### Sustainability in Research and Development

As part of our sustainability strategy, research and development (R&D) plays a key role in creating added value for our customers. Our R&D department keeps a steady focus on developing environmentally friendly and resource-saving products. To assess this, we have introduced a **Sustainability Balanced Score Card** (SBSC) in R&D. This analyzes new developments over the entire product life cycle, from raw materials to disposal, and compares them with conventional products.

The SBSC considers over 30 environmental and social criteria, as well as product characteristics, to identify and promote sustainable innovation early in the product development process.

By integrating the Sustainability Balanced Score Card into our R&D activities, we ensure that sustainability remains a central component of our innovation strategy and that we are able to offer our customers high-quality products that are also environmentally friendly and sustainable.





# EMPLOYEES AND DIVERSITY

## How diversity and inclusion are put into practice at Freudenberg & SurTec

50,000 employees in 60 countries with 150 different cultural backgrounds. At Freudenberg, diversity has a long tradition: it goes back to our founder and is embedded in our guiding principles.



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We assemble, promote and maintain a diverse and inclusive work environment where everyone is valued, respected and heard. "Diversity" describes individual, social and structural differences and similarities of people and is used to describe the substance, diversity of people. "Inclusion" refers to the method, we get everyone involved, and everyone offers their own contribution.



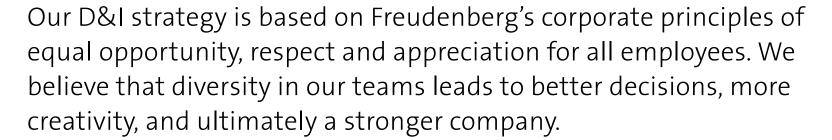
Companies with a diverse workforce have economic advantages. The world we live, do business and work in is becoming more complex. A variety of different perspectives are necessary to understand a problem holistically – whether in development, production or sales. Research also shows that companies that reflect the demographics of their customers and their home countries in their own workforces are also more successful. They have a better understanding of the target groups from each culture and often establish a more trusting relationship with their customers.

Therefore, we support and focus on diversity and inclusion (D&I) initiatives that are essential for us in fostering an innovative and creative work environment.

As a specialist enterprise with operations in many countries, SurTec recognizes the responsibility we have to our employees, society and the environment. **EMPLOYEES AND DIVERSITY** 



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### Our goals are:

**1. Promoting diversity:** We are actively working to create a diverse team that brings different perspectives and experiences. This includes gender, ethnicity, race, age, sexual orientation, disability, and cultural background. We are committed to fostering a work environment characterized by respect, openness, and inclusion, where diversity enriches our team and contributes to our shared success.

2. Putting inclusion into practice: We create a work environment where all employees feel valued and respected. This includes training to raise awareness of D&I issues and promote open dialogue.

**3. Creating equal opportunities:** We ensure that all employees have the same opportunities for professional development and career development. This includes the planned implementation of a mentoring program and targeted training.

4. Development of D&I training programs: At Freudenberg, comprehensive training was introduced for all employees to raise awareness of D&I issues and address biases. These training sessions are integrated into the organization on a mandatory basis and will be updated regularly.

**5. Learning and exchange in a Diversity & Inclusion Community:** Freudenberg founded the D&I Community in 2014, which consists of ambassadors from all Freudenberg Business Groups to address the specific challenges and opportunities in our regions. This community regularly reports on its progress and best practices to the Freudenberg Group Board of Directors. To ensure top-down communication, the respective representatives of the Business Group communicate with the boards of their Business Group.









The Diversity & Inclusion Community embraces Freudenberg's mission statement and is committed to developing supporting actions and initiatives for the entire organization. At SurTec, we have a global team of 450 employees in 26 countries and with 44 different cultural backgrounds. In our recruitment efforts, we place great emphasis on promoting a representative balance in terms of cultural background and gender.





## OCCUPATIONAL HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION

The Freudenberg HSE Policy contains the HSE principles and specifies the values and principles of the Freudenberg Group for the HSE area.







The overriding goals are to avoid all work-related accidents, provide preventative health protection and to continue to reduce the negative impact of our business operations on the environment. Detailed information on these topics can be found under the Freudenberg 2023 Responsibility Report.

The SurTec Group records the following key figures, which are reported annually within the FCS business group to Freudenberg:

**MTC:** medical treatment case, accident with medical treatment of health damage by a licensed medical professional and involving less than one day absence from work.

**LDI:** lost day incident, accident involving one or more days absence from work. **Severe accident (serious accident):** Work accidents involving the following persons:

- Freudenberg employees
- Contractors who perform activities on behalf of the reporting unit, as well as customers and visitors of the reporting unit and have the following impact:
- result in permanent damage
- result in a hospital stay of more than 7 calendar days
- resulting in death

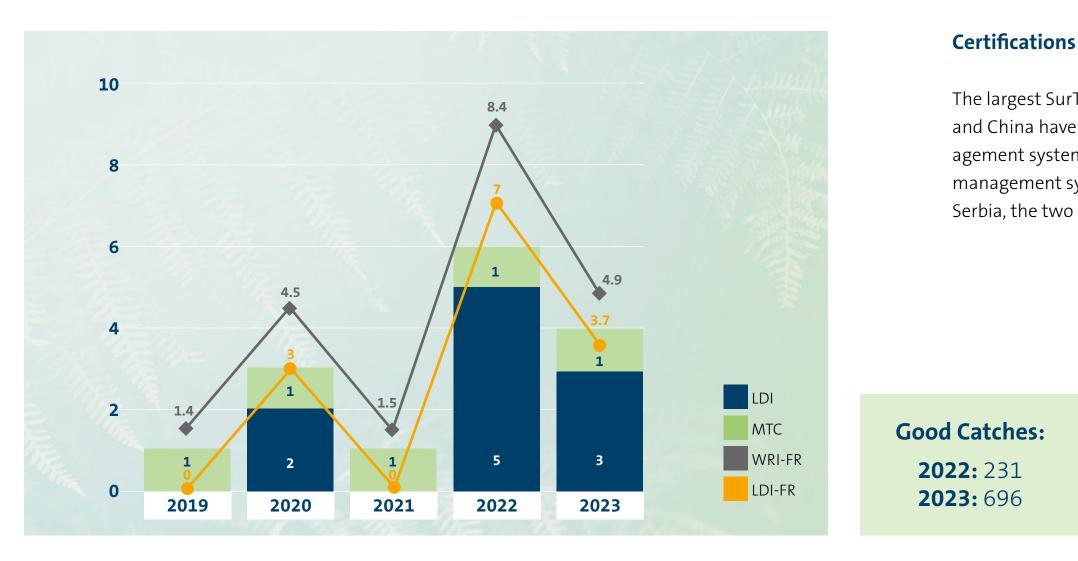
LDI-FR: lost day incident frequency rate, number of LDI accidents per 1 Mio. hours worked.

WRI: work related injury, consolidation of MTC and LDI accidents. WRI-FR: work related injury frequency rate, number of WRI accidents per 1 Mio. Hours worked.

Good catches: In addition to the accident metrics, "near misses" (good catches) have also been recorded since 2022. These are unsafe situations or unsafe actions that had the potential to result in a work accident.

First Aid cases without missed working hours are not reported centrally, they are recorded at the site level and analyzed afterward.

### Work related incidents and LDI-FR at SurTec



Each year, the SurTec Group implements various health, safety and environmental protection (HSE) activities at its locations worldwide. An example of this is the annual HSE Week, organized jointly by several sites, with a particular focus on occupational safety and health. In 2023, it focused on back health and stress. Presentations, workshops and practice groups were offered on both areas of focus.



The largest SurTec production sites in Germany, Brazil and China have a certificate of the environmental management system ISO 14001 and the occupational safety management system ISO 45001. For the production site in Serbia, the two certificates are planned for 2024.



# COMPLIANCE

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## **Principles of the Freudenberg** "Code of Conduct"

Through our parent company, Freudenberg, we are part of a valuesbased family of companies that are clearly committed to ethical principles.





Hence, lawful and responsible actions are firmly anchored in our corporate culture and thus in our daily work. We expressly reject the use of illegal or unethical methods. The Group-wide Compliance Management System helps us uphold these values and ensure they are followed in all areas of our business. This system investigates and assesses any potential compliance risks and includes prevention, review, control and any necessary countermeasures to meet legal or ethical requirements. You can find more information here.

As a member of the Freudenberg Group, we are guided by the Freudenberg Code of Conduct, which defines uniform standards of conduct worldwide. These standards ensure that integrity, ethical behavior, and compliance with all applicable laws are a given for all employees.

In addition, we adhere to Freudenberg guidelines and business principles as well as to specific guidelines such as the Antitrust Guideline, the Anti-Bribery and Anti-Corruption Guideline and the Catalogue of Standard Internal Controls. These rules apply globally and provide clear guidance to our employees in making decisions.

### **UN Global Compact**

In 2014, Freudenberg signed the UN Global Compact because it is important to communicate our business principles to customers, neighbors, potential employees and institutions. The principles underlying the Global Compact are set forth in the Group's policies. These comprise ten principles in the four areas of human rights, labor standards, environmental protection and anti-corruption. The Freudenberg Group's guiding principles are value for customers, leadership, responsibility, innovation, people and longterm orientation.

#### **Ethics Offices**

The Ethics Offices are an important part of Freudenberg's compliance management system and a confidential point of contact for all employees and third parties (i.e. persons outside the Freudenberg Group, such as suppliers or customers) who wish to report an actual or impending violation of law or of the business principles or company guidelines in force at Freudenberg. The ability to report compliance violations through a guaranteed confidential means or to point out impending violations is intended to help preserve the culture of trust and to further protect Freudenberg's values and principles.

#### **Sustainable Purchasing**

Responsible supply chain management is becoming increasingly relevant, in part due to new laws. The SurTec Group evaluates its suppliers together with our FCS affiliates using the Ecovadis platform or using its own supplier questionnaire. We have also drawn up a sustainable purchasing policy. The relevant employees receive regular training, and the policy is reviewed and updated on a regular basis.



## CORPORATE CITIZENSHIP

Since its founding, the Freudenberg Group has been involved in positive social initiatives. Since 2015, the e<sup>2</sup> program has further strengthened this commitment. e<sup>2</sup> stands for "education" and "environment", and the name describes the program: its goal is to improve access to education and work and to promote environmental protection.





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The initiative complements existing projects using a defined set of criteria and has been implemented worldwide. SurTec is also committed to the e<sup>2</sup> program - true to the motto: "If you get involved, you can make a difference."

#### Supporting Childhood Development in Japan

SurTec participates on an altruistic basis in a project called Mirai no Mori, which aims to give children in Japanese care homes the opportunity to express themselves freely and develop a strong sense of individuality. Due to restrictions in these facilities, many children lack opportunities for personal growth. The Mirai no Mori program equips children with essential tools for self-discovery and building of confidence to grow into strong and unique personalities.

Mirai no Mori is a non-profit organization that creates life-changing outdoor programs for abused, neglected, and parentless children in Japan and supports their development into happy and successful young adults.

### SurTec Deutschland GmbH cooperates with the Karolinger Hof

Since 2021, SurTec Deutschland GmbH has worked closely with the Karolinger Hof in Lorsch, a qualification project of Caritas Darmstadt. This long-term social enrichment project provides opportunities for people with physical and mental impairments, as well as long-term unemployed people to learn and work in a real-world work environment. With an inclusion share of around 70%, the project enables participants to develop new perspectives through professional support and social education support. SurTec regularly procures catering services from Karolinger Hof for internal events, customer appointments and training sessions and plans to continue this valuable cooperation in the coming year.



As part of the Freudenberg e<sup>2</sup> program, a team of nine SurTec Vietnam volunteers traveled to Binh Phuoc Province to install water filter towers and mobile disinfection systems at two primary schools. The systems were provided by the Planet Water Foundation, with the goal of providing clean drinking water to rural schools.

Each AquaTower filter system removes bacteria, fungi, viruses and other contaminants greater than 0.01 microns, providing safe, clean drinking water for students and surrounding communities. With a capacity of 1,000 liters per hour, the system can supply up to 1,800 people.

After installing the AquaTowers, hygiene training was conducted for the children to teach them about the importance of health and hygiene. This initiative will have a lasting impact by providing clean water and improving hygiene standards in these underdeveloped areas.











LEGAL NOTICE



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