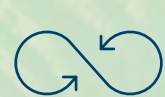


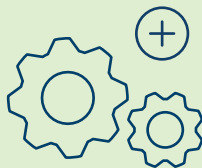


Sustainability Report 2024





Sustainability



**Added Value for
Customers**



**Employees and
Diversity**



**Occupational Health,
Safety, and Environ-
mental Protection (HSE)**



Compliance



**Corporate
Citizenship**

The information presented herein shall not be interpreted for the purpose of determining legal compliance or establishing any warranty, and is exclusively reflective of the practices of SurTec.

Dear Ladies and Gentlemen,

At SurTec, sustainability means taking responsibility—for our own actions and for the impact our solutions have on our customers. In 2024, we made remarkable progress once again—both in reducing our ecological footprint and in expanding our handprint.

We are particularly proud of the significant reduction in our CO₂ emissions: Thanks to the increased use of renewable energy—with a green electricity share of around 97%—we were able to almost halve our Scope 1 & 2 emissions compared to the previous year. The first-time integration of omniTECHNIK, combined with targeted investments in energy efficiency and photovoltaics, keeps us on track towards our goal of becoming CO₂ neutral by 2045.

At the same time, we are working intensively to maximize the positive contribution our technologies make along our customers’ value

chains. Whether it’s PFAS-free threadlockers, energy-efficient low-temperature processes like SurTec 041 LT, or sustainable additives such as SurTec 313 for resource-saving anodizing—our handprint continues to grow with every solution that saves resources, reduces emissions, and improves process reliability.

Sustainability at SurTec is not an add-on—it is a core element of our innovation strategy. Our Sustainability Balanced Score Card in research and development helps us systematically assess and actively promote sustainable innovations—starting from the very beginning of the product development process.

The path to a sustainable future demands determination, creativity and collaboration. I would like to thank all colleagues around the world who contribute to this mission every day—and invite you to discover more about our progress, initiatives and vision in this report.



Sincerely,

Dr. Karsten Grünke
Chief Executive Officer

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 22 countries. As part of the well-known, family-owned Freudenberg Group, headquartered in Germany with global operations, SurTec always relies on innovation and sustainable growth.

SurTec Key Facts



Customized chemical specialties
for surface treatment



Represented in over 40 countries worldwide



Founded in 1993



Headquarters in Bensheim, Germany

Part of the Freudenberg Group

a brand of

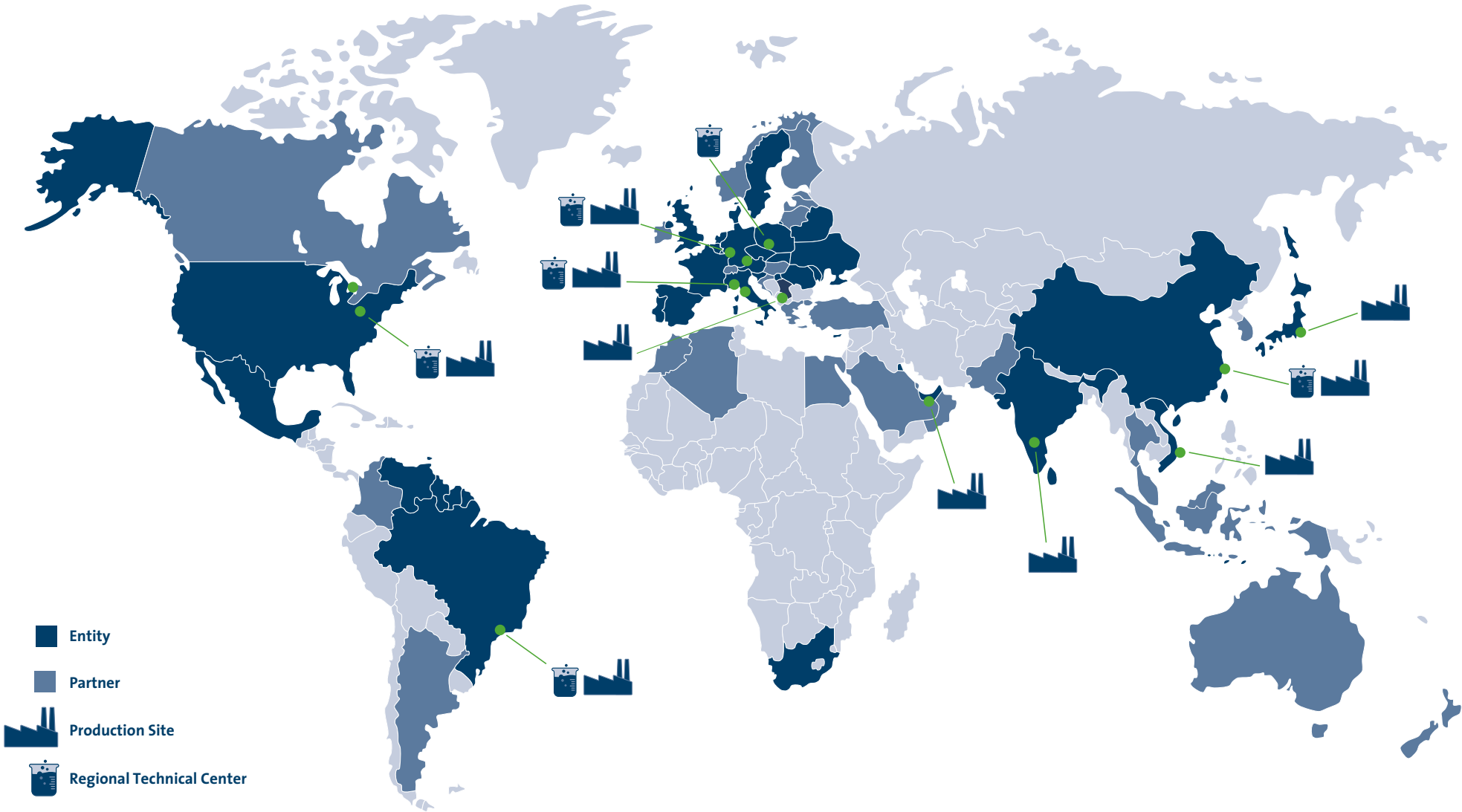


SURTEC WORLDWIDE

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.

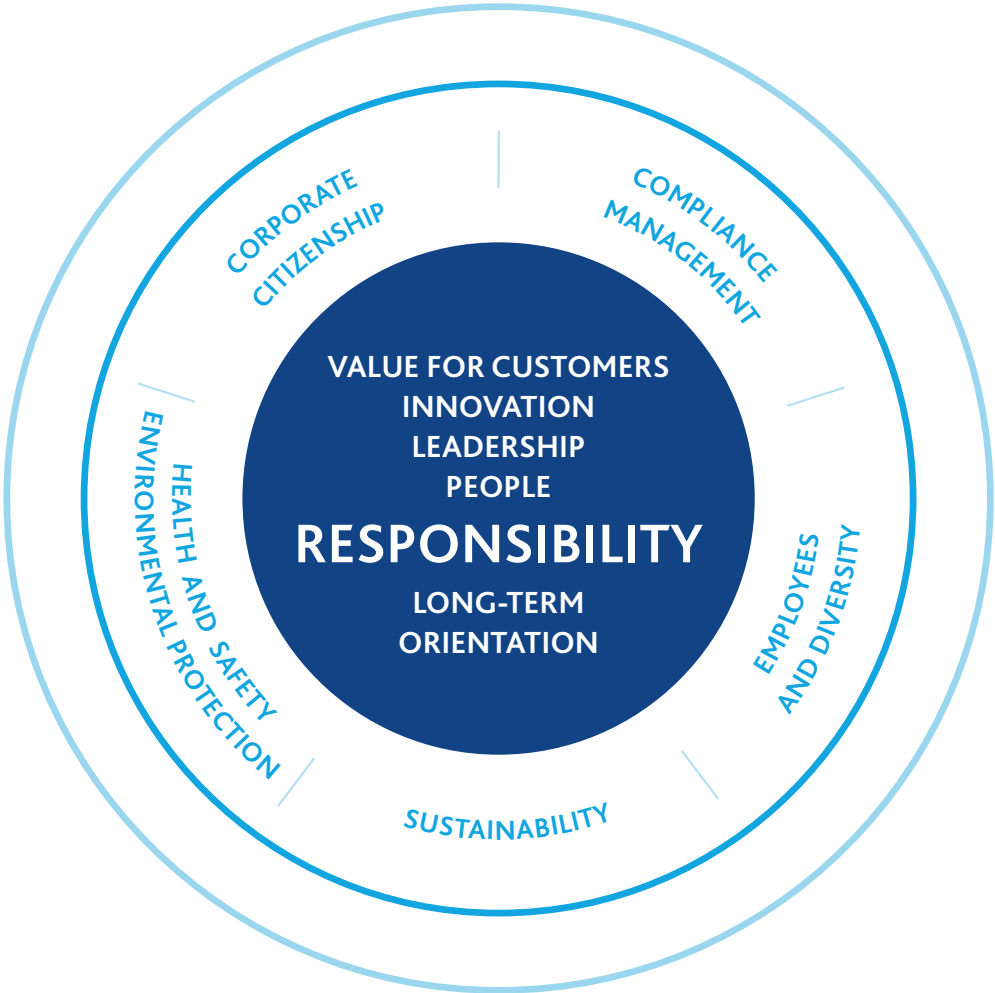


Our Responsibility as Part of the Freudenberg Group

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](#).

Freudenberg and SurTec understand sustainability in the sense of the UN’s 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.



The **Sustainability** Division at Freudenberg focuses on the **five Areas of Materials, Waste, Energy, Emissions and Water**.

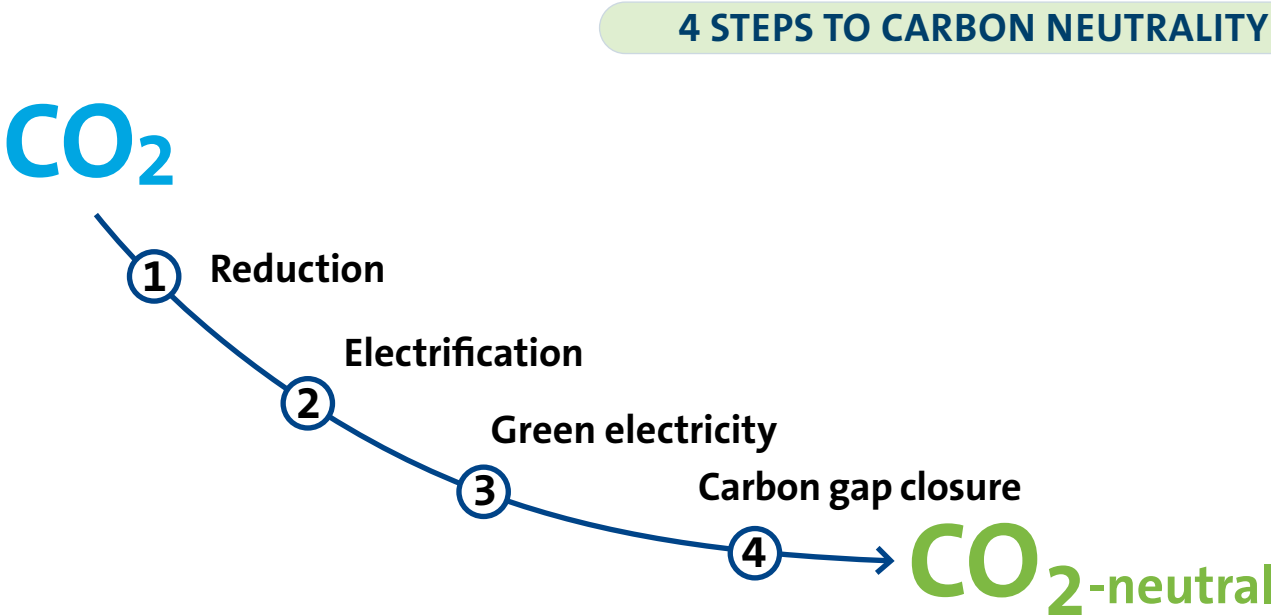
				
Materials	Waste	Energy	Emissions	Water
Materials efficiency	Waste handling	Energy efficiency Renewable energy	Air pollution/ emissions	Water pollution Water use
Recycled, renewable and substitute materials				
End of life (EOL) product handling				



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 CO₂ emissions to zero. The first milestone on the path to CO₂-neutrality is to reduce relative CO₂ 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 CO₂ closure 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 CO₂-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 CO₂ 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 CO₂ compensation in the near future.

For an explanation of the terms Scope 1-3 see [page 11](#)

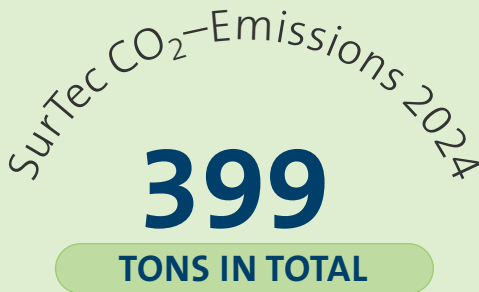
The first three steps—reduction, electrification, green electricity—are being implemented at Freudenberg company-wide. Business groups will vary based on technology and local availability and pricing of energy.

Group-wide initiatives to implement the path to CO₂ 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 2024 Responsibility Report.

In 2024, the CO₂ emissions of the **SurTec Group** are **399 t**. Of these, **332 t** come from Scope 1 and **67 t** come from Scope 2 (market-based). No data are yet available for Scope 3 in 2024, 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.

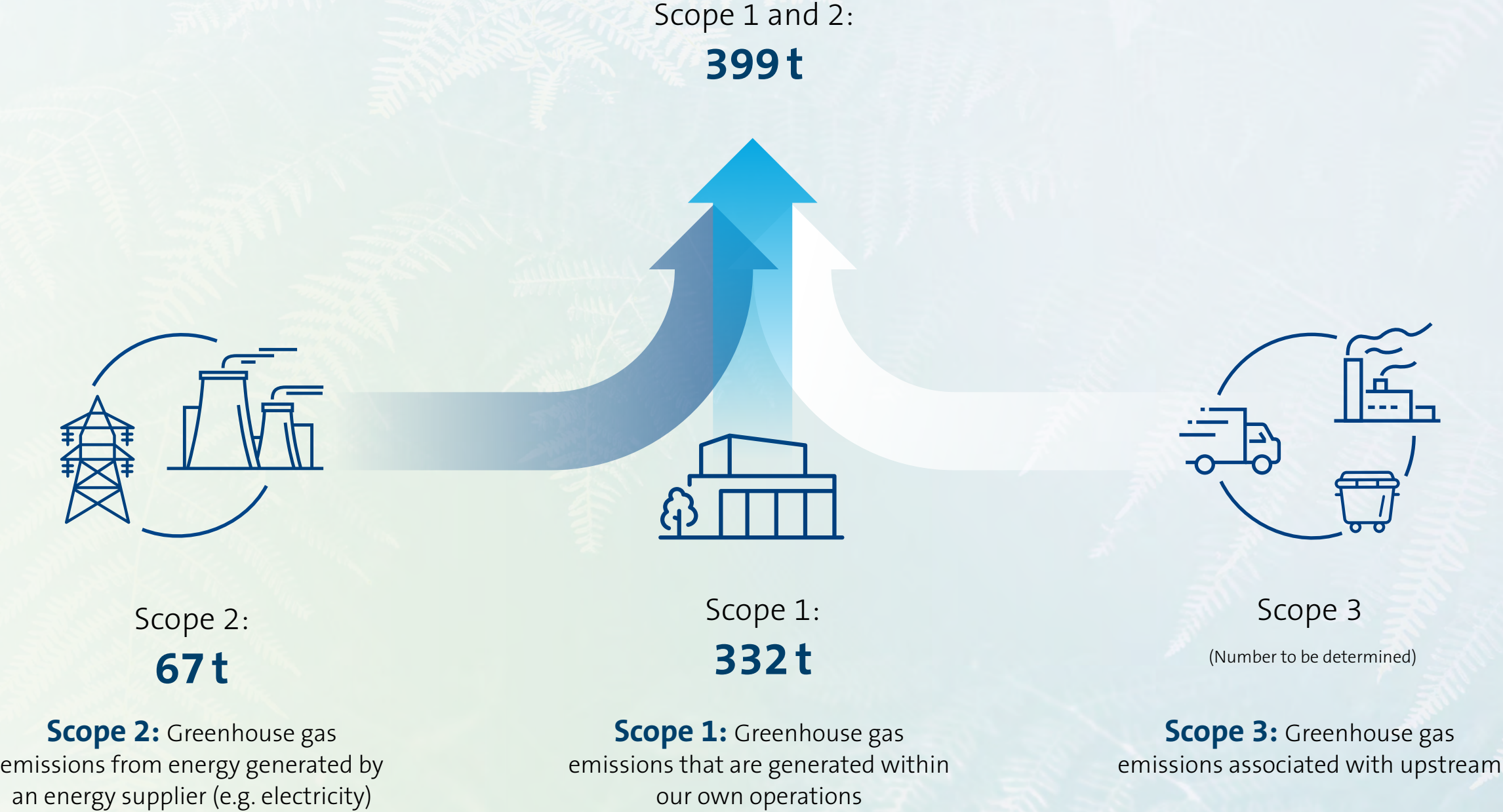
In 2024, the key figures of omniTECHNIK at the Munich site will be recorded as part of the SurTec Group. This is accompanied by an increase in Scope 1 emissions compared to 2023. Scope 2 emissions were significantly reduced by acquisition and generation (PV plant in Brazil) of green electricity. The percentage of green electricity is currently approx. 97%. The remaining Scope 2 emissions are mainly due to the acquisition of energy in the form of steam.



PDF download of the Freudenberg
Responsibility Report 2024

SurTec CO₂-Emissions 2024

(Scope 1 and 2)





Materials:

The SurTec Group strives to continuously reduce its raw material consumption. Accordingly, the share of bio-based raw materials in 2024 is approx. **4.0% (+0.4%)**. 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.



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 2024, a total of **1,623 t (-1.4%)** of which **1,445 t (-9.3%)** are considered hazardous waste. A total of **584 t (+29.4%)** waste was recycled.



Energy:

The SurTec Group’s total energy demand in 2024 is **4,147 MWh (+38.3%)**. Of these, **1,739 MWh (+49.1%)** are allocated to scope 1 and **2,408 MWh (+31.5%)** to scope 2. This shows that our electricity demand already exceeds the heating energy demand and we have already progressed in the electrification step. Renewables **increased** from **31.2% to 56.4%**.



Water:

In 2024, the amount of water in SurTec products was approx. **9,900 t (+ 7.6%)**. 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.

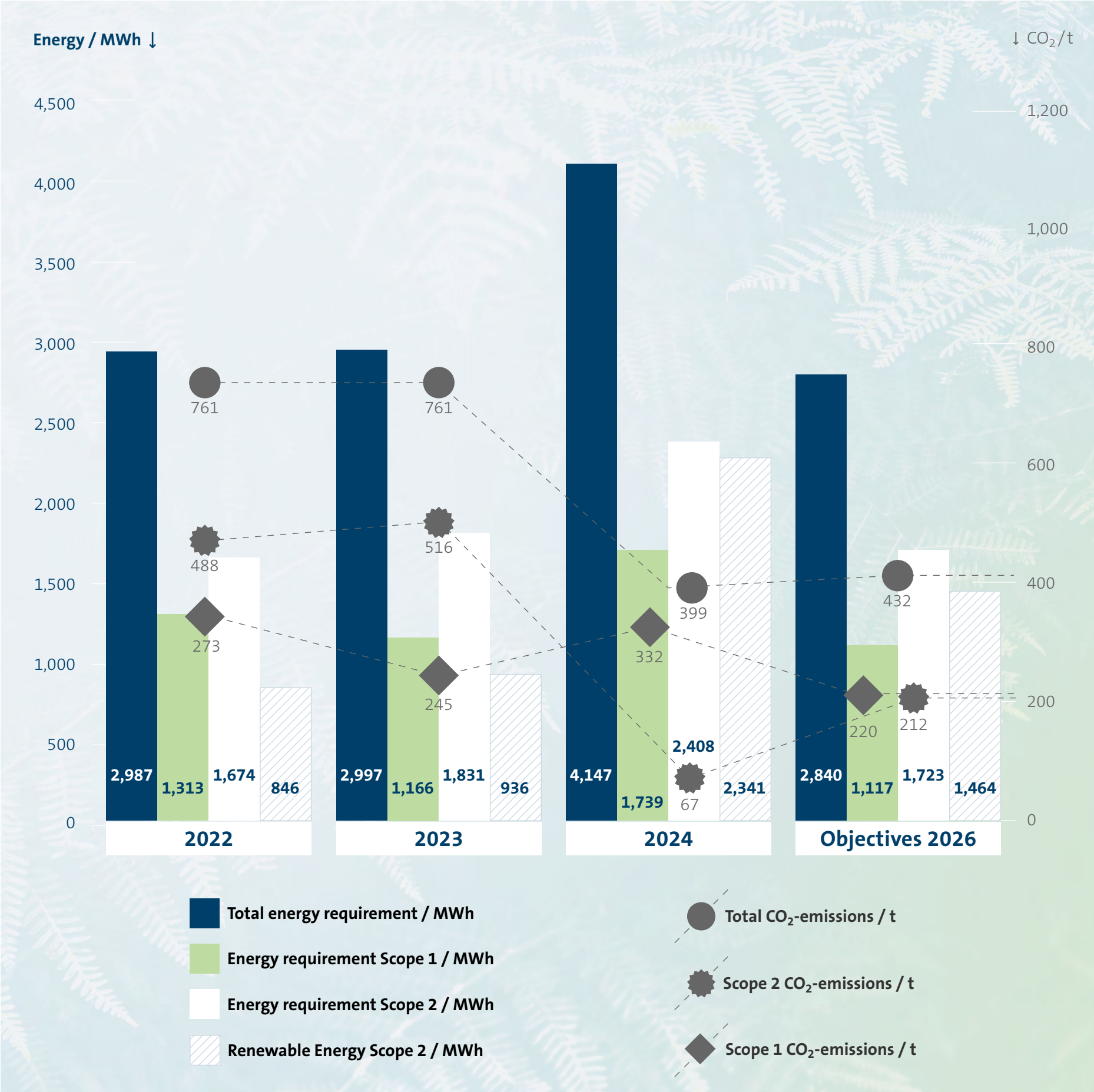
Objectives:

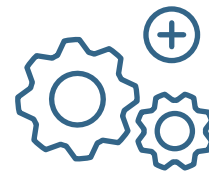
In consultation with the Freudenberg Chemical Specialities (FCS) business group, **we have set the following targets**, aligned with Freudenberg’s strategy, in the area of energy and emissions for the period from 2023 to 2026:

The objectives were defined before the integration of the omniTECHNIK and have not been adjusted since. By switching to green power, we are already below the target for 2026 in total emissions. Individual sites have significantly reduced their energy requirements compared to 2023, e.g. ST Germany (-15.5%), ST Brazil (-10.4%), but China saw a significant increase (+38.1%).

CO₂ BALANCE AND ENERGY CONSUMPTION:
ACTUAL VALUES AND TARGETS

	2022	2023	2024	2026
Total CO ₂ -emissions / t	761	761	399	432
Scope 1 CO ₂ -emissions / t	273	245	332	220
Scope 2 CO ₂ -emissions / t	488	516	67	212
Total energy requirement / MWh	2,987	2,997	4,147	2,840
Energy requirement Scope 1/ MWh	1,313	1,166	1,739	1,117
Energy requirement Scope 2/ MWh	1,674	1,831	2,408	1,723
Renewable Energy Scope 2 / MWh	846	936	2,341	1,464
Renewable energy share in Scope 2 / %	50.5	51.1	97.2	85
Total renewable energy share / %	28.3	31.2	56.4	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 contribution to our customers’ handprint.

Efficient Cleaning at low Temperatures—SurTec 041 LT as a sustainable Solution

With SurTec 041 LT, SurTec offers a cleaning system specifically designed for use at reduced process temperatures—making a significant contribution to energy efficiency and resource conservation in Industrial Parts Cleaning.

In a practical application on a strip cleaning line, the use of SurTec 041 LT led to substantial savings: energy consumption was reduced by more than 87%, water consumption by 76%—equating to approximately 124,000 kWh of energy and 90 m³ of water saved per year. This results in savings of around 50 tons of CO₂ per year.

In addition to its high cleaning performance, SurTec 041 LT offers very good corrosion protection properties, even under wet conditions, strong demulsifying properties, and residue-free drying—even at temperatures below 40 °C. The cleaning medium is particularly suitable for processes following oil or emulsion machining, as well as forming operations, and can often be integrated without the need to modify existing equipment.

By optimizing processes for low-temperature cleaning, SurTec enables customers to reduce energy and operating costs while minimizing environmental impact. SurTec 041 LT stands for a sustainable cleaning solution with measurable added value.

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 lifetime 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.

Win-Win Scenarios for Economy and Ecology in Metal Pre-Treatment

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.



*Premium Corrosion Resistance Meets Continuous Improvement—
SurTec delivers tailor-made pre-treatment systems that meet the
highest standards.*

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 are 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 CO₂ emissions.

Additionally, the advanced cleaning system optimizes chemical consumption and reduces chemical waste. This also has positive effects 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.

Sustainable Pre-Treatment at low Temperatures—SurTec 168 LT in industrial Use

With SurTec 168 LT, SurTec provides an innovative degreasing solution for metallic components that has been specially developed for use at reduced process temperatures. In a comprehensive project with Freudenberg Sealing Technologies, the product demonstrated its strengths in terms of both performance and resource efficiency.

By lowering the degreasing temperature from 65 °C to just 45 °C, a production line could save more than 90,000 kWh of energy, 18 tons of CO₂, and several thousand euros in operating costs each year. At the same time, SurTec 168 LT ensures reliable and effective cleaning performance. The subsequent phosphating step produces a uniform, closed zinc phosphate layer that fully meets the quality standards required for metal-rubber bonding.

Key Benefits include:

- Reduced energy consumption and CO₂ emissions
- High degreasing performance at only 45 °C
- Lower chemical and resource consumption
- Stable process parameters and reproducible results
- Safe use in serial production with existing equipment

The system is particularly suitable for phosphate-based pre-treatment prior to metal-rubber bonding. Thanks to its low operating temperature, it can also be efficiently combined with heat recovery systems or solar thermal energy—supporting the transition toward CO₂-neutral production.

SurTec 168 LT exemplifies how modern, sustainable process technologies can help customers meet regulatory demands, reduce operating costs, and actively contribute to climate protection.

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.

Energy-Efficient Anodizing—SurTec 313 as a sustainable Process Innovation

With SurTec 313, SurTec has developed a forward-looking additive for anodizing processes that combines energy savings, process reliability, and improved quality.

The additive enables operation at higher temperatures and sulfuric acid concentrations, which increases the bath’s electrical conductivity and significantly reduces voltage requirements. As a result, energy savings of up to 25% can be achieved during the anodizing process. In addition, the reduced cooling demand contributes to both resource efficiency and cost reduction.

Beyond energy performance, SurTec 313 enhances the crack resistance of the oxide layer. The additive protects the growing anodic layer during formation, preventing weak spots or cracks from developing.

Another key benefit: the additive significantly reduces aluminum dissolution in the bath, which extends electrolyte lifetime and minimizes environmental impact. In practice, this allows for up to four times longer bath lifetime and fewer bath replacements.

This makes it a sustainable step forward in delivering energy-efficient, stable, and high-quality anodizing processes.


Setting Standards in decorative and functional Electroplating

As early as 1996, SurTec launched the world’s first thick-layer passivation based on trivalent chromium and has since become a market leader in this field. SurTec was a pioneer in replacing hexavalent chromium in decorative and functional electroplating. Our trivalent chromium technologies were the first to be market-ready and have established themselves as standard processes across many areas of electroplating.

Since chromium(III) is non-toxic, it significantly contributes to occupational safety—both at SurTec and for our customers—while also offering environmental benefits. Compared to chromium(VI)-based processes, customers additionally benefit from up to 20% lower wastewater treatment costs and 30 to 50% lower electricity costs for rectifiers due to lower current densities.

A recent highlight of our development work is the successful launch of a chromium-free pre-treatment process for plastic metallization, developed in collaboration with our partner OKUNO CHEMICAL INDUSTRIES CO. LTD. Once again, this demonstrates that powerful alternatives are available.

Since 2017, SurTec has consistently pursued the strategic decision not to market any products containing chromium(VI) worldwide, offering more sustainable solutions instead.



OKUNO CHEMICAL INDUSTRIES CO. LTD. primarily develops and produces specialty chemicals for the finishing of metals and plastics, for the surface treatment of aluminium and aluminium alloys, as well as numerous solutions for electroless surface coating.

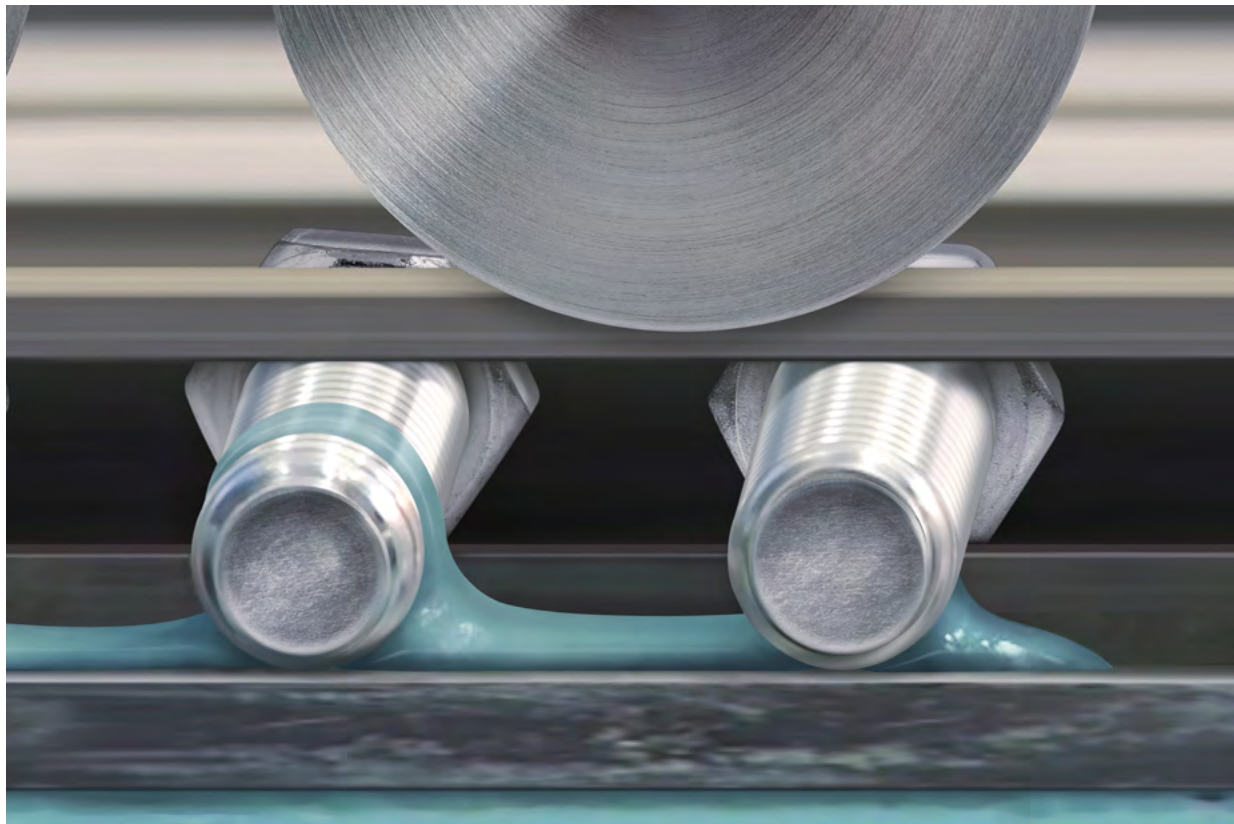
Additional Examples from our daily Practice:

- **Rinse water recirculation:** In functional electroplating, SurTec uses closed-loop systems that allow rinse water to be reused. A typical electroplating process involves up to ten rinsing steps. While conventional systems dispose of water after a single use, our systems treat and reuse rinse water multiple times—significantly reducing customers’ water consumption.
- **Low-temperature processes:** We offer passivations that can be operated at room temperature. This significantly lowers energy demand, reduces emissions, and minimizes the load on exhaust systems.
- **Healthier work processes:** We deliberately avoid formulations containing ammonium or ammonia to reduce health risks for employees and users.
- **Efficient plating processes:** For our zinc-nickel system, we offer technologies that maintain electrolyte performance over time. As a result, power consumption, chemical usage, and use of metal is reduced are significantly reduced—while maintaining high coating quality.



Sustainable Thread Locking—precote® 85 PFAS-Free as a future-proof Solution

With precote® 85 PFAS-free, SurTec presents an innovative solution that combines top-level performance with strong sustainability credentials. As the PFAS-free variant of our bestselling product, this coating delivers identical technical properties—without the use of PTFE.



The reformulation replaces PTFE with a biodegradable wax, offering an environmentally friendly alternative that maintains all key performance attributes: defined friction values, chemical resistance, and thermal stability. Customers benefit from consistent process reliability while actively supporting their sustainability goals—through reduced chemical use and a smaller environmental footprint.

Choosing precote® 85 PFAS-free means not only ensuring compliance with a currently debated EU-wide PFAS regulation, but also taking responsibility for people and the environment—fully in line with our “handprint” approach: sustainable solutions that generate a lasting benefit at the customer..

Furthermore, with the SurTec Coat 2000 product line, SurTec offers PFAS-free anti-friction coatings for additional application areas such as O-rings, door seal, door locks, and plain bearings—enabling low-maintenance, durable, and sustainable system solutions.

These innovative solutions support our customers in meeting the growing demands for sustainable and future-proof mobility.

External Sustainability Assessments

Ecovadis:

Ecovadis evaluates companies in four categories: **environment, ethics, labor and human rights, and sustainable sourcing**. Such an assessment is carried out annually and the best companies are awarded a medal. Compared to 2024, the conditions for the different medals were tightened. That’s why the top 1% of companies rated receive a platinum award, the top 5% receive a gold award, the top 15% receive a silver award, and the top 35% receive a bronze award. This time, the SurTec Group was awarded a Bronze Medal and ranked among the top 16% of companies evaluated in 2024.

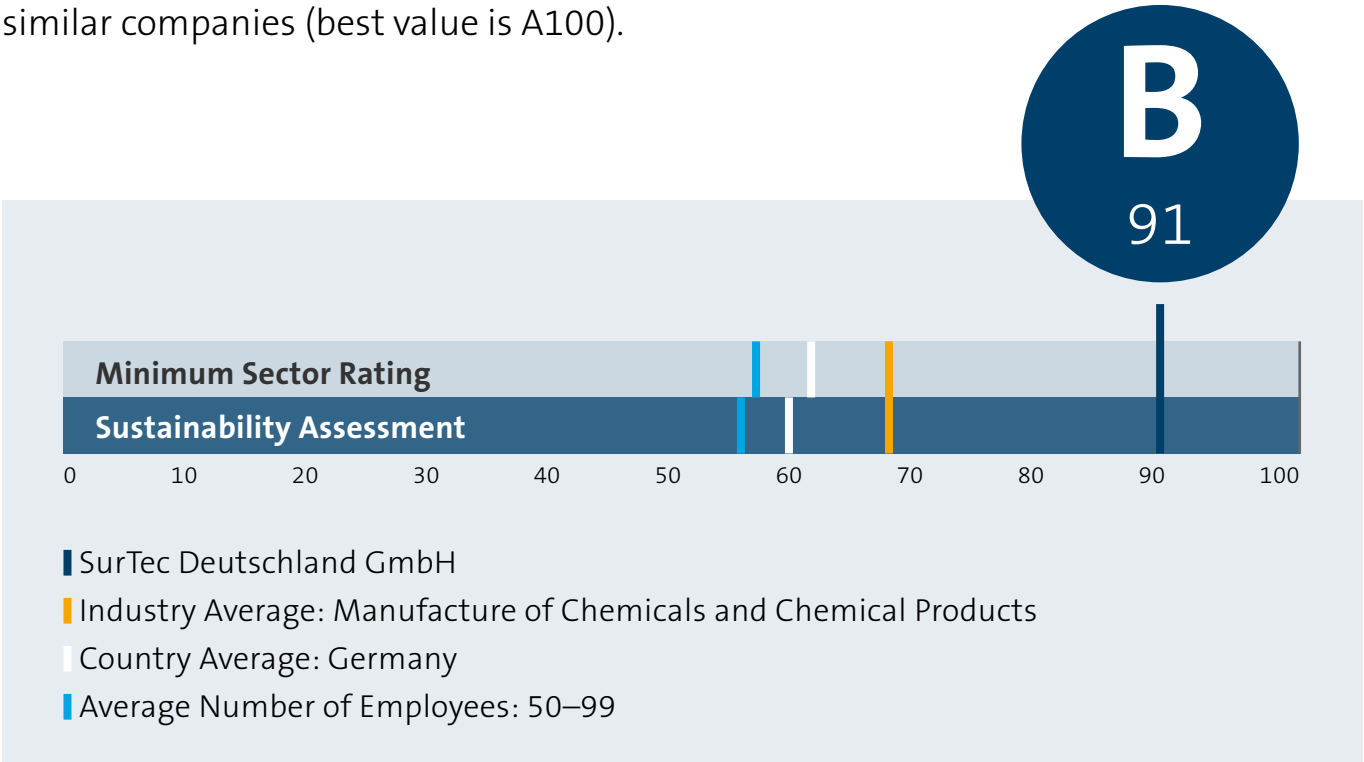


CDP:

In 2024, the SurTec Group first responded to a questionnaire in the area of climate of CDP and was rated with an overall rating of B.

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).



Sustainability in Research and Development

As part of our sustainability strategy, Research and Development (R&D) plays a central role in creating added value for our customers. Our R&D team is continuously focused on developing environmentally friendly and resource-efficient products.

To systematically assess sustainability performance, we have established the Sustainability Balanced Score Card (SBSC). This tool analyzes new developments across the entire product life cycle—from raw material sourcing to disposal—and compares them to existing or conventional products. It incorporates over 30 environmental, social, and product-specific criteria to identify and actively promote sustainable innovations at an early stage.

By integrating the SBSC into our development processes, we ensure that sustainability remains an integral part of our innovation strategy. Our goal is to offer products that meet the highest quality standards while also delivering clear environmental and social value.

The impact of this approach is particularly evident in the field of Industrial Parts Cleaning, where sustainability plays a key role:

- The new low-temperature cleaner SurTec 041 LT achieved a 6% higher sustainability score compared to a standard market product—thanks to the selection of more sustainable raw materials and energy-efficient application, while maintaining the same cleaning performance.

	Identical	Competitive Product	SurTec 041 LT	Score SurTec 041 LT
Overall Score	81	1	6	6%
Footprint	37	0	0	0%
Handprint	44	1	6	10%

R&D Sustainability Balanced Score Card

- With the SurTec 149 family, a highly efficient range of cleaners for aluminum cans, we achieved a 10% improvement in the score compared to the reference product. Notably, this was driven by a combination of an improved CO₂ footprint and a strong handprint—a measurable sustainability benefit for the customer.

	Identical	Competitive Product	SurTec 149 family	Score SurTec 149 family
Overall Score	67	6	15	10%
Footprint	28	2	7	14%
Handprint	39	4	8	8%

R&D Sustainability Balance Score Card

These examples highlight how the Sustainability Balanced Score Card helps us develop products that combine environmental responsibility with technical excellence.



EMPLOYEES AND DIVERSITY

How Diversity and Inclusion are put into Practice at Freudenberg & SurTec

52,104 employees in 60 countries from 149 nations.

At Freudenberg, diversity has a long tradition: it goes back to our founder and is embedded in our guiding principles.

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.



As a globally operating specialist company, SurTec is aware of the responsibility we bear towards our employees, society and the environment. 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.

Our D&I strategy is based on Freudenberg’s corporate principles of equal opportunity, respect and appreciation for all employees. We believe that diversity in our teams leads to better decisions, more creativity, and ultimately a stronger company.

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.



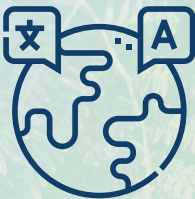
diversity & inclusion
innovating together

The Diversity & Inclusion Community embraces Freudenberg’s mission initiatives for the entire organization. At SurTec, we have a global team of **450 employees in 22 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.



Diversity at SurTec

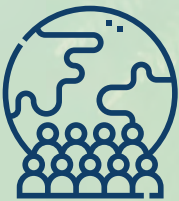
22
Countries



450
Employees



44
Cultures





OCCUPATIONAL HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION

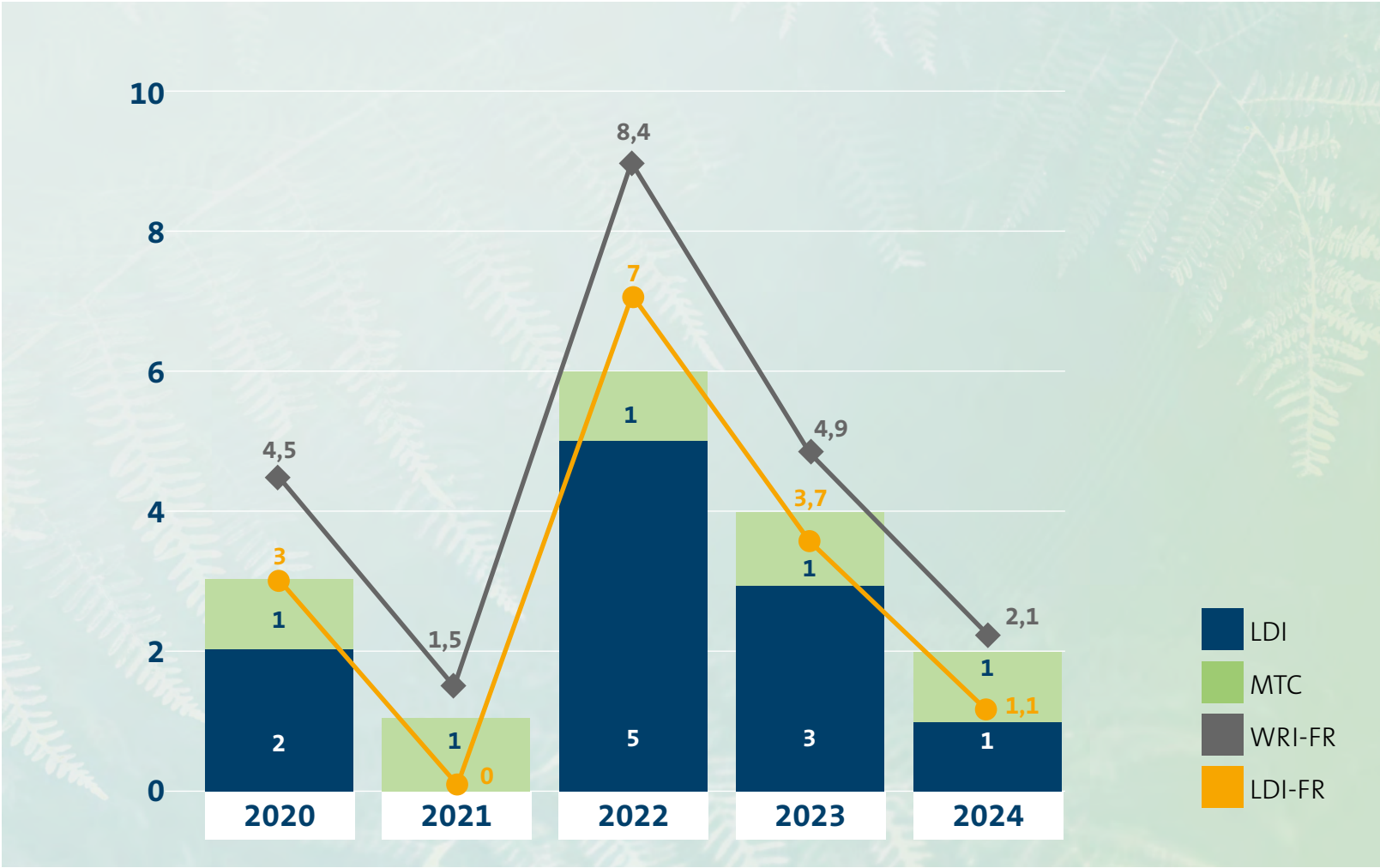
The Freudenberg HSE Policy contains the HSE principles and specifies the values and principles of the Freudenberg Group for the HSE area.

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 2024 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



Certifications

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. The production site in Serbia was certified 2024.

Good Catches:

2022: 231
2023: 696
2024: 699

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 2024, employees were offered a special blood pressure measurement that provides insights into their individual risk of cardiovascular diseases such as heart attack and stroke.



COMPLIANCE

Principles of the Freudenberg “Code of Conduct”

Through our parent company, Freudenberg, we are part of a values-based 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 e² program has further strengthened this commitment. e² 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.

The initiative complements existing projects using a defined set of criteria and has been implemented worldwide. SurTec is also committed to the e² program—true to the motto: “If you get involved, you can make a difference.”

Supporting Childhood Development and Community Recovery in Japan

SurTec Japan continues its commitment to social responsibility through its ongoing partnership with the non-profit organization Mirai no Mori. We are proud to support this initiative once again, contributing to the personal development of children living in care homes across Japan.

Through various charitable and team-based activities, SurTec helps create safe spaces and meaningful experiences for children who often lack such opportunities.

For example, some SurTec Japan employees took part in a rafting tour, various forest activities and a four-day charity bike ride. Sponsored by SurTec International GmbH, the latter event supported both Mirai no Mori and the ongoing reconstruction in Noto, Japan, following the devastating New Year’s earthquake in 2023.



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.

Through our continued support, SurTec affirms its commitment to empowering the next generation and standing by communities in times of need. We are honored to contribute to both youth development and regional recovery in Japan.

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 or mental/psychic 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.

Hands-on Commitment for lived Inclusion—SurTec Deutschland GmbH supports Sonnenkinder Elterninitiative Handicap e.V.

Over three days, employees of SurTec Deutschland GmbH were actively committed to the cause: together, they supported the Sonnenkinder Elterninitiative Handicap e.V., a non-profit association that is committed to fostering an inclusive and accessible society.

Accessible recreational activities for children with and without impairments take place at the association’s meeting court in Zwingenberg-Rodau, Germany. School classes, kindergartens and workshops for people with disabilities also regularly use the wide range of services.

In order to preserve and continue to grow the farm, SurTec employees—including management—engaged: fences were built, flowers planted, stables cleaned, play areas maintained, and more.

The effort was not only a concrete contribution to social responsibility and inclusion, but also a strong community experience—in the spirit of the values that connect SurTec and the entire Freudenberg Group.





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