

# HSE GUIDELINE

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## AT FREUDENBERG WE ...

... promote, support and contribute to sustaining the health and well-being of all our associates.

... are committed to behaving responsibly, minimizing risks and looking out for each other every day so that we all work safely.

... take all reasonable care to constantly minimize our environmental impact and to preserve the natural habitat for future generations.

The guideline for Health, Safety & Environment (HSE guideline) at Freudenberg stipulates a clearly defined framework and encourages a dialog with internal and external stakeholders. At the same time, our organizational structures and management systems ensure legal conformity, provide an orientation framework for our employees and help to monitor Freudenberg's long-term HSE objectives. Continuous improvements are being made in an effort to ensure the functional capability of the corporate processes and efficient use of resources within the Group.

The competent departments within the Business Groups of the Freudenberg Group review and are primarily responsible for implementation of the HSE guideline worldwide and assistance at regular intervals. Strategic guidance and assistance is provided by Corporate HSE. These reviews by the Business Groups are also intended to identify new relevant risks, review the specific statutory requirements and reveal improvement potential. The purpose of these reviews is to provide quantifiable data and information, which can be reproduced and is easily accessible. The aim is to support the decision makers throughout the Group in performing their planning, control and monitoring tasks within HSE.

# HSE PRINCIPLES

The HSE principles constitute action maxims for the Freudenberg Group. They describe the fundamental ways how environmental protection, preventive health care, occupational, product and process safety as well as good corporate citizenship, are to be demonstrated to internal and external stakeholders.

## HSE AS A HOLISTIC CONCEPT

Preventive health care, environmental protection, occupational safety, the safety of machines, production lines and processes, and product safety as well as good corporate citizenship are of great importance at Freudenberg. Along with our economic success, they are equally important integral elements of our entrepreneurial success. We systematically take HSE issues into consideration in all of our economic decisions. Implementation of and adherence to the HSE requirements are the duties of every single person within the Group – from the Board of Management through to the apprentice.

## PREVENTIVE ENVIRONMENTAL PROTECTION

Environmental protection is a core element of Freudenberg's Values & Principles. We aim to continuously reduce our environmental impact throughout the entire value chain. While developing new products and techniques we adopt safe and environmentally sound manufacturing, utilization and disposal practices. In addition to this, we are constantly focusing our efforts on reducing the environmental impact by using natural resources more efficiently, lowering emissions, saving energy, water and other operating materials, as well as optimizing our transportation processes. Waste is handled in accordance with the principle that **prevention is better than recycling is better than disposal**. Residual substances that can neither be avoided nor recycled are disposed of in a responsible manner.

# HSE PRINCIPLES

## **PREVENTIVE EMPLOYEE SAFETY AND HEALTH PROTECTION**

We take occupational safety and preventive health protection throughout the whole value chain very seriously. The duties of our executives include identifying, evaluating and eliminating potential hazards to health and safety at the workplace. Where this is not possible, appropriate protective and qualification measures must be implemented for our employees and the proper way of dealing with risks must be communicated. Advised by their supervisors and respective upper levels, our personnel are

fully aware of the shared responsibility for their own health and safety at the workplace, they understand the requirements of the work they perform and follow the instructions given by their supervisors. We are committed to integrating health protection, occupational safety and process safety into our day-to-day working routine. The strong commitment of all Preventive employee safety and health protection Freudenberg associates is lived within the whole group and is a responsibility shared by every-

body. The “We all take care” initiative was born out of this commitment and encourages every single associate to contribute his /her ideas and suggestions for improvement, thus generating a culture in which everyone feels a responsibility for safety at work and environmental protection.

# HSE PRINCIPLES

## CONTINUOUS IMPROVEMENT

We want to continuously improve the company's HSE performance by setting concrete targets and assessing the results achieved. Managers are obliged to implement continuous improvement processes. Our management systems support us in this and are in accordance with such internationally acknowledged requirements as those of the ISO 14001 environmental protection standard, the guidelines of the EU Eco-Management and Audit Scheme (EMAS) and the OHSAS 18001 occupational health and safety management system specification. We audit our business activities at regular intervals and assess their consequences for people and the environment, enabling us to identify optimization potential and initiate appropriate improvement measures. The purpose of this is to use the best available technology at all sites – as long as adequate economic efficiency is assured.



## COMPLIANCE WITH STATUTORY REQUIREMENTS

We comply with the national laws and regulations governing HSE all over the world. Our managers are obliged to use a systematic development process which assures compliance with all applicable safety, environmental and contractually agreed customer specifications. However, Freudenberg does not consider that a responsible attitude to the environment and the safety of our customers, employees and neighbors should be restricted to merely adequate fulfillment of the pertinent statutory requirements. We therefore apply our own HSE specifications where appropriate regulations are still lacking or have not been demanded and verified by the local authorities. We brief external companies and suppliers working at our sites and require that they observe and obey Freudenberg's HSE requirements. We draw the attention of our business partners to aspects of environmental protection, preventive health care and occupational safety that are relevant to us.

# HSE PRINCIPLES

## TRANSPARENT COMMUNICATION

Clearly formulated objectives and expectations are the basis of a trustful interaction with our stakeholders and of an open communication of our health, occupational safety and environmental principles. We report openly and objectively to all of our stakeholders – including employees, shareholders, business partners, authorities and the public via various media/communication channels. We particularly focus on informing and advising our customers about the safe, environmentally compatible handling and disposal of our products.

## TRAINING AND MOTIVATING EMPLOYEES

Our employees' behavior is crucial to the successful implementation of our HSE measures and the achievement of our objectives. They receive systematic training, information and motivation to ensure that they adopt a safe and environmentally aware manner. We work together in the identification and elimination of health, safety and environ-

mental risks at the workplace – every employee is called upon to look out for potential HSE risks and report any that are identified. We actively involve our employees in the further development of our HSE principles and appropriate courses of action by encouraging them to proactively contribute ideas and suggestions for improvements.

## **GOOD CORPORATE CITIZENSHIP**

Corporate citizenship is lived inside and outside the company. Freudenberg wishes to make an active contribution towards society and accept responsibility. We support numerous local projects and initiatives providing concrete aid in the spirit of responsible corporate citizenship, which improve the quality of life of our associates, neighbors and stakeholders.

# ENVIRONMENTAL PROTECTION

Freudenberg is committed to a concept of preventive environmental protection and a responsible attitude to the handling of natural resources. We want to use raw materials, energy and water in the most efficient way possible and actively minimize the impact on the environment throughout the entire life cycles of our products – from manufacturing and use, right through to disposal. We aim to actively incorporate the value-added upstream and downstream processes into our environmental protection activities within the framework of a holistic approach. We also focus on constant improvements in our environmental impact along the whole value chain.

We select our materials and raw materials, and further develop our processes, in such a way as to completely avoid or reduce a negative environmental impact, wherever possible. We already take ecological aspects into consideration when planning any work to be performed on buildings or production lines or any

organizational measures. We prevent the production of residual substances wherever possible and, where they can not be avoided completely, recycle them in the sense of a circular-flow economy, reduce waste to a great extent and dispose of it in an environmentally compatible manner.

We invest in environmental protection, regarding this as an aspect of future-oriented entrepreneurial action. Our business and production processes undergo a continuous improvement process and we give integrated environmental protection measures precedence over additional, subsequent measures. We set specific, measurable targets for our Business Groups and sites all over the world. We support the achievement of these targets by means of appropriate management systems. We do not consider our ecological targets and measures on their own, but pursue them together with other HSE objectives and economic interests in accordance with

Freudenberg's holistic approach.

We implement suitable measures to ensure that ecologically damaging events and incidents are avoided and – if they occur in spite of all reasonable efforts – ensure that they are kept under control. We regard compliance with the environmental requirements that apply in the countries where our production facilities are located as being a self-evident minimum requirement and supplement these with our own stipulations as and when necessary.

## ENERGY

Freudenberg wants to achieve a continuous improvement in the efficiency of input energy utilization and a constant increase in the proportion of regenerative forms of energy with due regard for economic, ecological and social aspects. Innovative utilization concepts and conservation schemes help us to con-

tinuously improve the specific energy consumption of our sites – including non-manufacturing buildings – and processes. They make a significant contribution towards protecting the climate. We adopt sustainable construction and refurbishment concepts for our buildings regardless of ownership, wherever possible, and employ hereby modern, energy-saving technologies.

The Business Groups and sites conduct extensive status and potential analyses in order to be able to identify qualitative and quantitative energy-saving potentials systematically. Efforts are also focused on the realization of energy-saving measures in non-manufacturing buildings and production facilities, as well as in the production processes, thereby achieving a continuous reduction in the specific energy consumption.

# ENVIRONMENTAL PROTECTION

## WATER

The Freudenberg Group has set itself the target of using water in the most conscious and conservative manner possible within its area of influence. Freudenberg relies on holistic concepts, circular-flow systems and innovative individual measures to achieve a continuous reduction in the consumption of water.

We avoid the use and discharge of water-polluting substances to the greatest extent possible by continuously improving our manufacturing processes and our transport and storage procedures. We adopt effective preventive measures to protect the bodies of water in the vicinity of our production facilities against any pollution that could arise in connection with our business activities. Where ground-water has been contaminated by Freudenberg activities in the past, the areas are decontaminated professionally and sustainably. Our emergency procedures, which are checked on a regular basis,

ensure that, in case of an incident, increases in discharged substances, concentrations or loads are limited to the greatest extent possible.

We ensure that no mandatory regulatory limits are exceeded and no ecological systems are damaged when discharging water according to the infrastructural situation at each of our sites. Where necessary, wastewater undergoes a purification process before being discharged into the surrounding body of water.

## WASTE

As far as waste is concerned, Freudenberg is convinced of the principle that **prevention is better than recycling and recycling is better than disposal**. We therefore treat raw, auxiliary and operating materials at our facilities and use them again where feasible and expedient. Wherever possible, Freudenberg counts on innovative engineering proces-

ses and environmentally compatible production planning and scheduling to ensure that waste is not produced in the first place.

We systematically optimize processes in order to reduce waste. In situations where waste is unavoidable, precedence is given to material recycling and energy recovery rather than disposal. We therefore segregate production, storage and office waste systematically and feed it back into the utilization process to the greatest extent possible. Residual waste materials are disposed of properly.

## EMISSIONS

Freudenberg wants to contribute towards protecting the climate and reduce its polluting emissions significantly wherever technically and economically feasible. The principle that **prevention is better than cleaning and recovery is better than emission** is there-

fore adopted with respect to the development and use of production techniques. Exhaust air is purified according to the generally accepted state of the art. Purified air must be emitted in such a way as to enable unimpeded discharge without any long or short-term detrimental effects for the people or the environment in the vicinity of our sites.

Freudenberg aims to continuously reduce its specific carbon dioxide (CO<sub>2</sub>) emissions in particular. The Group is improving the energy efficiency of its machines, production lines and processes systematically, in order to achieve this objective. Climate change aspects are considered to the extent possible during product development. We routinely investigate the possibility of using innovative low-energy consuming lighting and supply systems for new buildings, extensions and modernization projects, and decide in favor of regenerative energy sources or those with the lowest possible emission levels.

# ENVIRONMENTAL PROTECTION

Other air pollutants, such as sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NOX) and volatile organic compounds (VOC) may be produced during the manufacturing processes in our plants, as well as CO<sub>2</sub>. Freudenberg is already working on lowering its specific emissions here as well, by means of continuous improvement processes and prevention strategies.

Freudenberg wants to keep the noise exposure of employees and residents at its sites as low as possible, with values that are well below the pertinent limits. When designing new production lines and processes, we take measures into consideration, which avoid or reduce noise, in order to prevent noise emissions completely or reduce them to the extent possible, right from the start. Sources of noise and noise levels on our premises are measured continually and reduced to a minimum where this can be achieved expediently.

## RAW MATERIALS

As far as Freudenberg is concerned, the efficient use of raw materials constitutes the basis for the environmentally compatible design of our production processes. We therefore close material circuits, where possible, and improve our material input continuously. We are consistently focusing our efforts on replacing hazardous substances and/or pollutants. We avoid the use of hazardous substances and/or pollutants when developing new products. Furthermore, we also examine the possibility of using renewable raw materials.



# OCCUPATIONAL SAFETY

Freudenberg is particularly committed to ensuring the safety of its employees at their workplaces. We are convinced that all accidents can be prevented and that this can be achieved by means of technical measures and especially by prudent behavior.

We sensitize every employee to safety at the workplace and draw attention to the employee's personal responsibility for compliance with the applicable safety requirements. Every Freudenberg employee is personally committed to further improving safety at the workplace. He or she undertakes an obligation to strictly follow the regulations and instructions given by his or her supervisor. Apart from this, he or she is also encouraged to implement in his or her area of influence all precautionary measures, which may be necessary to protect himself/herself and his or her colleagues from potential workplace hazards. This also includes reporting accidents and injuries immediately, as well as unsafe processes

and conditions. In an effort to foster and further develop our safety culture, we at Freudenberg conduct an open dialog with respect to errors or mistakes and possible remedial measures. This is an important prerequisite for expounding the problems associated with near misses, as well as their analysis and prevention.

Rules for safety and conduct at specific workplaces are drawn up by the process owners and the people who are assigned to the respective workplaces or tasks. They are implemented on site by the employees and executives. Our executives conduct staff training courses, seminars and coaching sessions at regular intervals to communicate and practice the occupational safety rules and regulations as well as to provide a strict level of care and oversight.

Our safety requirements are already taken into consideration when designing working premises, workplaces and working processes, as well as traffic routes on company premises. Where potential safety hazards are identified or reported in spite of this, appropriate remedial and corrective measures are implemented directly.

The same demanding occupational safety standards are applied throughout Freudenberg all over the world and they also apply to suppliers and business partners working at our sites. We comply with the requirements that apply to occupational safety in the countries in which our facilities are located and we supplement these with our own stipulations as and where necessary.

# HEALTH PROTECTION

“As a family company, we are devoted to our employees' well-being and personal development. ‘To take all reasonable care to ensure the safety of the workplace’ does also mean for us ‘preventive health protection and health care.’” We are aware that the company can only successfully achieve this objective in cooperation with our employees.

The company can only accomplish this objective if the employee is aware of and appreciates his or her own responsibility for his or her health. To be able to assist the employee adequately, he or she is encouraged to understand the specific health-related conditions of his or her job and to communicate appropriately any limitations so that the company can determine whether a reasonable accommodation is appropriate; communicate health changes which could impact the ability to fulfill the requirements of his or her job, and live a healthy life style.

All Business Groups are requested to create the necessary framework and attitude to pursue these health principles as an integral part of their management system, compatibly with local workplace health and safety regulations, as well as with labor and privacy laws of each country where the Business Groups operate.

We take disease prevention and health promotion seriously. Management has the responsibility to identify workplace health hazards that could potentially cause illness and eliminate identified health hazards in the workplace to the extent possible. Where this is not possible, to provide appropriate protective measures and/or to provide reasonable accommodation, assess and communicate specific health-related job conditions and ensure that employees have the requisite physical capabilities and qualifications for the job they perform and create a culture allowing a trustful dealing with employee health concerns.

All efforts on the part of the company of course cannot prevent employees from becoming ill. A part of this responsibility is to provide, where appropriate, upon the employee's return to work after illness, reasonable accommodations which are necessary to enable the employee to perform his or her job.”

# PRODUCT SAFETY

At the end of their useful lives, products manufactured by Freudenberg may be recycled or disposed of safely, or degraded in the environment without giving rise to any pollution. When designing new products, or further developing existing products, we use reasonable efforts to minimize the risk that our employees and customers are exposed to any potential health hazards.

The products and the raw, auxiliary and operating materials used to manufacture them are constantly examined with respect to their risk potential and preventive measures are taken to prevent or restrict any negative impact. Freudenberg advises customers, sales & marketing partners and carriers on how to handle, store and transport, use and dispose of the products safely.

Any relevant hazards identified or suspected by employees, customers or authorities in connection with the handling of a product – even if a potential hazard only arises in combination with a non-Freudenberg product – must be reported to the responsible unit immediately, where the identified and/or potential risks are analyzed and evaluated and appropriate countermeasures are implemented. If and to the extent required in order to prevent hazards to health and the environment, Freudenberg imposes restrictions on the marketing of such products by developing compatible alternatives or ceasing production completely.

# PROCESS SAFETY

The safe, reliable and fault-free operation of our production lines and processes is a prerequisite for the health and well-being of our employees and neighbors at Freudenberg's production facilities. We strive for proper engineering of our machinery, using state of the art technology and continuously improving the reliability of our production lines and processes.

Freudenberg plans its production lines and processes carefully, assesses the potential risks for people and the environment associated with the respective machine or production line, develops appropriate safety concepts on the basis of this assessment and monitors their implementation. Wherever expedient and feasible, existing systems are adapted to reflect technical progress. Qualified specialists perform safety inspections before putting new machines into service and following modifications to existing systems. Furthermore, maintenance work is carried out on our machines and production lines and processes at regular intervals.

We give our employees exhaustive instruction on the handling of machines and production lines and processes, and conduct training courses at regular intervals, in order to prevent malfunctions and accidents. All machines and production lines must be used in accordance with the purpose for which they were built; failure to comply with this ruling and improper use by individual employees are not tolerated by our supervisory executives or colleagues. Any malfunctions or accidents occurring in spite of this are investigated in depth and appropriate countermeasures implemented. Machine and production line safety is a matter of continuous further development at Freudenberg. We call on our sites and every individual employee to become actively involved in this process with their own ideas and suggestions.

Freudenberg draws up detailed hazard prevention plans for its machines, production lines and processes, where necessary. We practice the measures to be taken in the event of an alarm or hazardous situation as described in these plans with our employees at regular intervals.

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