

# GUIDING PRINCIPLES

- VALUE FOR CUSTOMERS
- INNOVATION
- LEADERSHIP
- PEOPLE
- RESPONSIBILITY
- LONG-TERM ORIENTATION



## VALUE FOR CUSTOMERS

We are committed to anticipating, understanding and meeting our customers' needs and expectations. As a diligent supplier with a passion for detail, we provide indispensable support to make our customers successful. We deliver superior value through our commitment to quality, service and reliability, supported by our global presence.

## LEADERSHIP

Entrepreneurship is our heritage and the foundation of our success. We continue this tradition through delegated responsibilities, freedom of action and personal accountability. We believe in solid leadership based on personal example, modesty, putting trust in people, and promoting team spirit. We are committed to developing our future leaders within the Freudenberg Group in order to safeguard this style.

## RESPONSIBILITY

Our company and its family shareholders together are committed to protecting the environment and being responsible corporate citizens in all countries and communities in which we do business. We take all possible care to ensure the safety of the workplace and of our products. As a family company, we strive for the highest standards of personal behavior. Fairness and integrity guide our conduct amongst ourselves, towards our business partners and the general public.

# GUIDING PRINCIPLES

FREUDENBERG GROUP

## INNOVATION

As a multinational company of German origin competing in global markets, our established tradition of innovation and renewal benefits our customers. Constant innovation in everything we do is essential for our long-term financial success. We are leaders in continuous improvement, and our culture encourages and rewards creativity and initiative from all our employees.

## PEOPLE

As a family company, we are devoted to our employees' well-being and personal development. We reject all forms of discrimination and harassment and show understanding and respect in our dealings with each other. We promote a multi-cultural environment where employees work together in worldwide teams to enrich our culture and capability. We believe in the value of enduring relationships with customers, suppliers and industrial partners.

## LONG-TERM ORIENTATION

After more than 165 years, the Freudenberg Group is and will remain a wholly owned family enterprise. We strongly believe that our long-term business orientation is a major strength that benefits our customers and partners. While we are not averse to reasonable risks, financial prudence and solidity will continue to determine the scope and speed of our strategic development. Freudenberg has a long and successful tradition of worldwide cooperation, alliances and partnerships which enable us to better serve our customers and strengthen our competitive position.

## FREUDENBERG VALUES AND PRINCIPLES

When the company's founder, Carl Johann Freudenberg, introduced his two sons as business partners in 1887, he expressed initial guidelines in his General Observations. Modesty, honesty, financial solidity and the ability to adjust to changing conditions are fundamental values of a successful entrepreneur. In 1994, 10 Business Principles, derived from Freudenberg's successful history, were written down for the first time. These Business Principles were considered a framework and a legacy for future generations of Members of the Board of Management.

The Guiding Principles are based on the Business Principles and define the value basis for all our conduct vis-à-vis employees, business partners, other stakeholders and third parties.

Since then, Freudenberg has become a more international company in many senses. Portfolio decisions, new business developments, increased regional and cultural diversity as well as rapid changes in the general business environment have challenged the group's traditional ability to adjust to new market needs. In the face of such changes, our core principles and values continue to provide guidance and orientation.

The Business Principles state that Freudenberg will remain a 100 percent family-owned enterprise. That principle goes beyond pure legal ownership. Our corporate governance structure, with its system of checks and balances, the delegation of responsibility between the Partners, the Partners' Board and the Board of Management, ensures a strong commitment to values, responsible behavior and ethical standards. These include, among others, a ban on the manufacture and distribution of products intended to harm people. The Business Principles also state that the Freudenberg Group must remain broadly diversified. This serves as a stabilizing factor, along with the requirement to uphold a minimum equity ratio of 40 percent. Such stability, combined with Freudenberg's openness towards strategic alliances, allows us to maintain a high degree of independence.

Upholding long-term profitability serves as a precondition for achieving all other goals in a wider social context and assures sustainability: Economic efficiency, social responsibility and environmental protection are firmly linked.

The Guiding Principles reflect our common, consistent and firm value basis. To foster a better understanding and ensure consistent interpretation, further explanations entitled "Conduct and Behavior" have been added.

It is our expectation that all employees will make this document a part of their daily working conduct and behavior. In doing so they set an example and spread the spirit that makes our company unique!

*The above Guiding Principles are based on the Business Principles of the Freudenberg Group, dated December 1994. These can be obtained from the registered office of the company.*

*Freudenberg Board of Management  
Freudenberg Partners' Board*

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