

ANNUAL REPORT
FREUDENBERG GROUP

2024

HIGHLIGHTS

[€ million]	2020	2021	2022	2023	2024
Sales					
Germany	1,378	1,584	1,736	1,761	1,720
EU (excluding Germany)	2,133	2,411	2,706	2,753	2,723
Other European countries	605	743	797	910	933
North America	2,259	2,599	3,458	3,515	3,650
South/Central America	194	247	333	360	341
Asian	2,073	2,244	2,481	2,380	2,361
Africa/Australia	199	211	242	224	219
Total sales	8,841	10,039	11,753	11,903	11,947
Consolidated profit	366	587	640	831	725
Cash flow from operating activities	1,139	862	608	1,404	1,289
Cash flow from investing activities	-241	-534	-434	-515	-524
Balance sheet total	11,855	12,921	13,151	13,439	14,316
Equity	5,696	6,491	7,108	7,536	8,133
Equity ratio	48 %	50 %	54 %	56 %	57 %
Workforce (as at Dec. 31)	47,777	49,836	51,462	52,241	52,104
Workforce (annual average)	47,909	48,787	50,598	52,035	51,974

2024 FREUDENBERG ANNUAL REPORT

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COMPANY BOARDS

SUPERVISORY BOARD



1st row from left:

Thielen, Schücking, Beecroft, Braun, Cardoso

2nd row from left:

Freudenberg-Beetz, Haas-Wittmüß, Holsten, Kairisto, Pott

3rd row from left:

Schildhauer, Towfigh, Zeschky

Mathias Thielen, Zürich, Switzerland
Chairman of the Supervisory Board,
Freudenberg SE
Attorney

**Dr. Christoph Schücking,
Frankfurt am Main**
Deputy Chairman of the Supervisory
Board, Freudenberg SE
Attorney and Notary Public (retired)

Dr. Richard Beecroft, Bruchsal
Sustainability Scientist,
Karlsruhe Institute of Technology

Anna Maria Braun, LL. M., Melsungen
Chief Executive Officer, B. Braun SE

**Carlos M. Cardoso, Incline Village,
Nevada, USA**
Principal, CMPC Advisors LLC

**Dr. Maria Freudenberg-Beetz,
Weinheim**
Biologist

Martin Haas-Wittmüß, Dreieich
Vice President, Springer
Nature AG & Co. KGaA

Dr. Anne Holsten, Berlin
Senior Researcher,
Bauhaus der Erde gGmbH

Essimari Kairisto, Korschenbroich
Member of the Supervisory Boards of
MCF Financial Services GmbH, Fortum
Oyj, TenneT Holding B.V., Iveco Group
N.V. and Fugro N.V.

Dr. Richard Pott, Leverkusen
Chairman of the Supervisory Board,
Covestro AG

Walter Schildhauer, Stuttgart
Managing Partner, speedwave GmbH

**Professor Dr. Emanuel V. Towfigh,
Bad Soden**
University Professor, EBS University
Law School

**Dr. Jürgen Zeschky, Bellwald, Switzer-
land**
Member of the Supervisory Board,
Enercon, Member of the Board of Di-
rectors, Aloys Wobben Stiftung, Mem-
ber of the Supervisory Board, Messer
Investment Holding

As at December 31, 2024

BOARD OF MANAGEMENT



From left: Herr, Loidl, Sohi and Heislitz

Dr. Mohsen Sohi,
Frankfurt am Main
Chief Executive Officer

Dr. Frank Heislitz,
Hofheim am Taunus
Member of the Board, CTO

Thomas Herr,
Alsbach-Hähnlein
Member of the Board, CFO

Esther Maria Loidl,
Heidelberg
Member of the Board, CHRO

As at December 31, 2024

EXECUTIVE COUNCIL

Members	Business Groups
Claus Möhlenkamp (CEO)	Freudenberg Sealing Technologies
Babak Khodadadi Bashbolagh (CEO)	Freudenberg Flow Technologies
Frank Müller (CEO)	Vibracoustic
Dr. Andreas Raps (CEO)	Freudenberg Performance Materials
Dr. Alexander Rozmán (CEO)	Freudenberg Filtration Technologies
Takuya Yakata (CEO)	Japan Vilene Company
Karin Overbeck (CEO)	Freudenberg Home and Cleaning Solutions
Filip Krulis (CEO)	Freudenberg Chemical Specialities
Dr. Mark Ostwald (CEO)	Freudenberg Medical
Dr. Max Gisbert Kley (CEO)	Freudenberg e-Power Systems
and the Board of Management	
Membership of the above-mentioned ten senior executives in the Executive Council takes stronger account of the perspectives of the Business Groups with regard to overarching issues.	

MANAGEMENT OF THE BUSINESS GROUPS

Management	Business Groups
Claus Möhlenkamp (CEO and Member of the Executive Council), Kerstin Borrs (CFO), Dr. Matthias Sckuhr (COO/CTO)	Freudenberg Sealing Technologies
Babak Khodadadi Bashbolagh (CEO and Member of the Executive Council), Bozidar Grcevic (CFO), Dr. Kai Ziegler (CTO)	Freudenberg Flow Technologies
Frank Müller (CEO and Member of the Executive Council), Dr. Jörg Böcking (CTO), Marina Cacciutti (CFO), Axel Wersel (COO)	Vibracoustic
Dr. Andreas Raps (CEO and Member of the Executive Council), Marco Altherr (CFO), John McNabb (CTO)	Freudenberg Performance Materials
Dr. Alexander Rozmán (CEO and Member of the Executive Council), Dr. Matthias Götzfried (COO), Christian Ott (CFO)	Freudenberg Filtration Technologies
Takuya Yakata (CEO and Member of the Executive Council), Yukiyasu Izuta (CFO), Tatsuo Nakamura (CTO)	Japan Vilene Company
Karin Overbeck (CEO and Member of the Executive Council), Dr. Arman Barimani (CTO), Alexander Thoma (CTO), Dominik Thoma (CFO)	Freudenberg Home and Cleaning Solutions
Filip Krulis (CEO and Member of the Executive Council), Dr. Sebastian Weiß (CFO)	Freudenberg Chemical Specialities
Dr. Mark Ostwald (CEO and Member of the Executive Council), Michael McGee (COO), Kurt Ziminski (CFO)	Freudenberg Medical
Dr. Max Gisbert Kley (CEO and Member of the Executive Council), Don Kleist (CFO), Dr. Jan Kuiken (CTO)	Freudenberg e-Power Systems

REPORT OF THE SUPERVISORY BOARD



Mathias Thielen (Chairman)

2024 was a year shaped by economic uncertainty and geopolitical tensions. The Freudenberg Group adapted corporate management flexibly by regularly reviewing strategic priorities, optimizing operational processes and responding to new market requirements and geopolitical developments. The Supervisory Board was closely involved in these activities and kept updated on developments by the Board of Management. There was intensive coordination between the Chief Executive Officer and the Chairman of the Supervisory Board. Furthermore, the Supervisory Board advised the Board of Management in the management of the Group and oversaw and monitored the conduct of business. In addition, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, and the Board member responsible for Finance exchanged information on a regular basis.

In the year under review, there was a change in the leadership of the Supervisory Board: at the end of June 2024, **Martin Wentzler** stepped down from the Supervisory Board to take retirement. He began serving as Chairman in 2014 and had been a member of the Supervisory Board since 1993. With his wide-ranging expertise and vision, he made a lasting impact on the Freudenberg Group during this period. Among other things, he pressed ahead with advances in the company's governance to promote its efficient and responsible management and direction. The guidelines and processes anchored in the company today are largely his work. Under his leadership, the Supervisory Board supported the Board of Management in the

successful strategic orientation of the Group. The company and the Supervisory Board express their great respect for Martin Wentzler's achievements and thank him for his successful service. This change and the carefully planned transition ensure the stability and continued responsible cooperation between the Supervisory Board and the Board of Management.

Furthermore, Dr. Maria Freudenberg-Beetz, Prof. Dr. Emanuel V. Towfigh and Dr. Jürgen Zeschky were reelected to the **Supervisory Board of Freudenberg SE** in 2024. Their term of office had duly expired. Dr. Anne Holsten was elected as a new member of the Supervisory Board.

In the year under review, the Supervisory Board decided on the successor to **Dr. Mohsen Sohi** as **CEO** of the Freudenberg Group when his employment contract expires at the end of June 2025 and he takes retirement. His successor with effect from July 1, 2025 is **Claus Möhlenkamp**, who already began serving as Deputy Chairman of the Board of Management of Freudenberg SE with effect from January 1, 2025.

The **Supervisory Board held seven meetings** in 2024. The markets, sales and earnings development, the financial situation, the strategy, and the risk management of the Group were analyzed and discussed in detail at the ordinary meetings. At the beginning of 2024, the Supervisory Board approved the **strategic planning** of the Freudenberg Group for the period 2024 to 2026.

In addition, the Supervisory Board consulted on **portfolio development, investment projects, and acquisitions and their integration**. Freudenberg FST GmbH, Weinheim, Germany, acquired all the shares in Trygonal Group GmbH, Sachsenheim, Germany, in July 2024. Freudenberg Performance Materials Holding GmbH, Weinheim, Germany, acquired all the shares in Stella MidCo GmbH, Bramsche, Germany, the holding company of the Heytex Group, in December 2024.

The Supervisory Board was also involved in preparations for the **DIALOG management event** in June 2024, when 450 of Freudenberg's senior managers discussed the key elements for the Group's long-term success. The celebrations commemorating our company's anniversary were another important topic for the Supervisory Board: under the motto "Curious since 1849", Freudenberg employees at sites all over the world celebrated **Freudenberg's**

175th anniversary with great creativity and enjoyment, thus making the occasion a very special event.

The **Audit Committee** met four times in the year under review. The first two meetings focused on the annual financial statements and consolidated annual financial statements as at December 31, 2023, and the report concerning these annual financial statements prepared by the auditor. The auditor also presented its opinion on the standard internal controls applied by Freudenberg. Other issues addressed by the Audit Committee were risk management in the Group, the management of cybersecurity risks, the work of the Ethics Office, the compliance management system at Group level, and the implementation of EU sustainability reporting. Corporate Audit reported on the internal audits at each meeting of the Audit Committee.

The **Personnel Committee** met five times. One key topic was arrangements for the successor to head the Board of Management. The Committee also gave guidance on important personnel decisions at Business Group and Corporate Function level. At its December meeting, the Committee consulted in depth on the remuneration system, with particular reference to variable remuneration.

The **Innovation and Technology Committee** held four meetings. Items on the agenda included the Group's digitalization activities and the focal points of the innovation strategy for the strategic period 2024-2026. The Committee also addressed the topic of quality assurance and measures to increase sustainability in the Business Groups.

The annual financial statements, the consolidated financial statements compiled pursuant to IFRS, the combined management report for Freudenberg SE and the Group as well as the dependent company report for 2024 for Freudenberg SE were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, and were approved without reservation. All Supervisory Board members were provided with the documentation for the annual financial statements and the audit reports in due time. The Supervisory Board approved the consolidated financial statements and the combined management report of Freudenberg SE and the Group as well as the annual financial statements of Freudenberg SE and, following examination, concurred with the auditor's findings. The annual financial statements of Freudenberg SE as at December 31, 2024 are therefore adopted. The report drafted by the Freudenberg SE Board of Management in compliance with Section 312

AktG (German Stock Corporation Act) regarding relations with affiliated companies (dependent company report) was audited by the auditor, who issued the following opinion: "Pursuant to Section 313 AktG, we have been engaged to audit the report of the Board of Management on relations with affiliated companies for the financial year from January 1 to December 31, 2024, prepared in accordance with the provisions of Section 312 AktG. Based on the results of our audit, the dependent company report does not give rise to any reservations. In accordance with Section 313 (3) 1st sentence AktG., we have therefore issued the following opinion:

Based on our audit and assessment which were carried out in accordance with professional standards, we confirm that:

1. The factual statements made in the report are correct,
2. The payments made by the company in connection with legal transactions detailed in the report were not unreasonably high,
3. There are no circumstances in favor of a significantly different assessment than that made by the Board of Management in regard to the measures listed in the report."

The Supervisory Board examined and approved the report on relations with affiliated companies and signed off on the auditor's report. The Supervisory Board's examination of the report on relations with affiliated companies did not result in any objections to the concluding statement by the Board of Management in the dependent company report.

The Supervisory Board expresses its **thanks** to the Business Group managing bodies and the Board of Management for successfully overcoming numerous challenges in the year under review, for their prudent and decisive actions and successful management of business. Special thanks go to all Freudenberg employees for their proactive and successful commitment during another challenging year.

Weinheim, March 18, 2025
For the Supervisory Board



Mathias Thielen
Chairman

FOREWORD OF THE BOARD OF MANAGEMENT

Freudenberg continues to be a strong and healthy company. That is impressively confirmed by our financial performance in 2024 – our anniversary year. And it is all the more remarkable given that conditions were still very challenging: geopolitical crises and significant pressure for transformation in mobility, energy supply and digitalization impacted the economic situation. In many countries, there was weak demand in markets of relevance to Freudenberg such as the automotive industry and mechanical engineering. Nevertheless, we are in a very good position to tackle current challenges and future tasks.



Dr. Mohsen Sohi (CEO)

What makes Freudenberg strong

2024 was a special year for Freudenberg. We celebrated our **175th anniversary**. Only a few companies can look back on such a long and successful history. One key constant in our history is our courage to change, together with our ability to constantly reinvent ourselves. **Progress through innovation** is one of Freudenberg's hallmarks. It has created a **broad portfolio of products and services of the highest quality**.

The recent customer survey confirms that our customers recognize this, too. **Freudenberg customers are very satisfied customers**. This is indicated by the Net Promoter Score, or NPS. We use this metric to measure customer satisfaction. The NPS in the fall 2023 survey was 13 points up on the score for 2012. Our NPS of 44 is excellent. We have positive ratings in all regions and all market segments. As a result, we clearly outperform our competitors. We are valued, we have a good image and our customers are loyal to Freudenberg. The entire Board of Management joins me in expressing our sincere thanks to them. It is also interesting to note that,

in their responses to the survey, customers not only rated hard facts such as the ability to innovate, product quality and top service, but also took employee satisfaction and attractiveness as an employer into consideration.

Changes in the Board of Management

Our two new Board members, **Dr. Frank Heislitz** and **Thomas Herr**, are perfect examples of the excellent career prospects offered by Freudenberg and the effectiveness of talent management in our company. Both have been with the Freudenberg Group for over 20 years and took up their new posts as planned effective July 1, 2024, succeeding **Dr. Tilman Krauch** as Chief Technology Officer, respectively **Dr. Ralf Krieger** as Chief Financial Officer. These two outstanding managers who played a decisive role in shaping Freudenberg have taken retirement. Dr. Ralf Krieger launched numerous strategic initiatives aimed at streamlining administration and strengthening our ability to innovate. And the name of Dr. Tilman Krauch is closely associated with to the Group's present sustainability program and the evolution of the technology platforms.

Furthermore, there will also be a change in the position of CEO. I will retire at the end of June 2025. My successor from July 1, 2025 is **Claus Möhlenkamp**, who already joined the Board of Management of Freudenberg SE effective January 1, 2025.

One thing that all new Board members have in common is that – in addition to their excellent specialist qualifications – they have for many years demonstrated their commitment to the **values of our Group** and put our corporate culture into practice. That secures continuity and stability for our company as the necessary transformation progresses.

Financial KPIs

Sales

11,947.5

Previous year: 11,902.8

(€ million)

In a challenging market environment, Freudenberg grew by some 0.4 percent. Exchange rate effects had a negative impact on sales.

Operating result

1,132.4

Previous year: 1,081.6

(€ million)

The operating result was some 4.7 percent higher than the level for the previous year.

Key success factors were in particular the innovative product range, customer-centric and flexible solutions for various sectors, and structured expansion into attractive markets and strategic business areas.

Return on sales

9.5%

Previous year: 9.1%

Consolidated profit

724.8

Previous year: 830.8

(€ million)

Equity ratio

56.8%

Previous year: 56.1%

CAPEX

501.5

Previous year: 452.7

(€ million)

(investments in property, plant and equipment, inter alia)

Research and development

Investments

604.4

Previous year: 603.6

(€ million)

R&D ratio

5.1%

Previous year: 5.1%

(share of R&D investment in sales)

New products

30.8%

Previous year: 32.4%

(share in sales of products introduced less than four years ago)

Current strategic period runs until the end of 2026

2024 was the first year of our current strategic period that continues until the end of 2026. At Group level, **sustainability, electromobility and digitalization** – alongside our emphasis on customer centricity – remain the key issues.

For the Freudenberg Group with its broad positioning, the focus is on some 50 strategic business units that have developed their own very detailed strategies tailored to the relevant customer, market, and technology environment. Strategy development is based on the Freudenberg Group's vision: Freudenberg's ambition is to be one of the most innovative and diversified globally active technology groups. Furthermore, we aim for a balanced portfolio of cyclical and non-cyclical business and an even distribution of sales – with North and South America, Europe and Asia each accounting for one third.

The “**Balance**” project that continued in 2024 will help us to achieve this. The aim of the project is to improve local talent development in production and administration, with the emphasis on Asia and North America.

On the path to CO₂ neutrality

Climate change is one of the greatest challenges of our time. That is why **sustainability** has very high priority at Freudenberg: efforts focus on resource efficiency with regard to energy and materials. The Group drives the energy transition systematically forward – with its products and within the company itself. Our goal is to reduce our CO₂ emissions to zero by 2045, primarily through energy conservation, electrification, and the purchase and self-generation of green power.

Mobility of the future

We are convinced that **e-mobility** will prevail in the automotive sector in the long term, in spite of the short-term challenges that must be overcome in Europe as well as North America. Freudenberg's strategy is clear: the Group offers automakers solutions tailored to their needs – whatever drivetrain consumers ultimately opt for.

Digital Science Award

To mark its 175th anniversary, the Freudenberg Group launched the “**Freudenberg Award – Digital Science**” in collaboration with the Technical University of Darmstadt – consistent with the strategic significance of digitalization for Freudenberg. The annual award recognizes outstanding academic theses in the field of digitalization at the interface between research and practice. The first award winners were Nils Rollshausen, Antonia Bähr and Niklas Ihm. Their work impressively illustrates how artificial intelligence, smartwatches and hydrogen can impact our future.

Acquisitions

As regards **acquisitions**, Freudenberg focuses on companies with extensive technical expertise that can help us reinforce our market position in highly-specialized segments. For example, Freudenberg Sealing Technologies strengthened its global business unit Freudenberg Xpress in the year under review. This unit is an expert in small and medium batch sizes, rapid prototyping and customer-specific sealing solutions. Freudenberg FST GmbH, Weinheim, Germany, therefore acquired all the shares in Trygonal Group GmbH, Sachsenheim, Germany. The company produces sealing solutions in the areas of thermoplastics, elastomers and rubber-metal compounds. Furthermore, Freudenberg Performance Materials Holding GmbH, Weinheim, Germany, acquired all the shares in Stella MidCo GmbH, Bramsche, Germany, the holding company for the Heytex Group. Heytex is a global manufacturer of high-quality and functional technical textiles.

New Business Group founded

Freudenberg founded a new Business Group named **Freudenberg Flow Technologies** in January 2024. It comprises the former EagleBurgmann and Freudenberg Oil & Gas Technologies Business Groups. This move enables us to realize synergies for sustainable sealing solutions.

Sustainability at Freudenberg

In the year under review, the Group continued to reduce CO₂ emissions. In particular, the share of renewable energies increased year-on-year. Energy consumption remained at the previous year's level. Since 2020, Freudenberg has reduced the relative CO₂ emissions per million euro sales referred to Scope 1 and 2 by 45 percent to 47.5 tonnes. The corresponding absolute values show a reduction of some 200 kt CO₂, or 26 percent of the CO₂ emissions in the base year. At the same time, the accuracy of the KPIs has improved since 2020. Over the coming years, Freudenberg intends to confirm this trend and continue to improve.

Energy use

881
(direct, GWh)

1,605
(indirect, GWh)

38%
(renewable energy as a proportion
of total electricity consumption)

2,486
(total, GWh)

These values represent energy
consumption in 2024, including
self-generated and purchased energy.

0.21
(energy efficiency
in kWh/euro sales)

CO₂ emissions

These values represent the total global CO₂
emissions of the Freudenberg Group in 2024
(market-based) as a result of the use of
self-generated and purchased energy.

568
(total, 1,000 t)

47.5
(t/million euro sales)

Waste

11.6
(t/million euro sales)

Freudenberg employees

Entrepreneurial flair and financial strength are two of the ingredients that go into 175 years of success: most important of all, though, are the people who identify with the company and who drive innovation. One of the Group's strengths is its **diversity**. People from 149 nations work together at Freudenberg – in international projects and interdisciplinary teams. Freudenberg employees are **trusted** and are given **entrepreneurial freedom**. They can leverage their personal potential and strengths, thereby taking the company successfully forward.

Family is very important to Freudenberg. For that reason, Freudenberg launched a program in 2024 offering **education and professional orientation to the children of employees**. More specifically, this program consists of scholarships, job orientation, internships and an alumni network.

Furthermore, the Freudenberg Group gives top priority to **employees' safety in the workplace**. The LDIFR metric (accidents with at least one day of work lost per million hours worked) is first-class for producing companies and came in at 1.5 in the year under review (previous year: 1.4).

Corporate citizenship

As regards corporate citizenship, Freudenberg combines continuity, reliability and a long-term orientation with the flexibility to provide help wherever there is urgent and swift need. It is this combination that makes the Group's commitment so diverse. In 2024, for example, Freudenberg provided **immediate donations** to help the victims of natural disasters such as the hurricane in Texas, USA, and the floods in Asheville, North Carolina, USA. The company doubled the sums donated by employees.

Freudenberg also runs a global program for education and environmental protection. Since this program was launched in 2015, the Group has provided a total of €21 million to fund charitable projects and already supported more than 200 projects.

Outlook

We expect geopolitical tensions and economic uncertainty to continue. In part intensified by the war in Ukraine and the conflicts in the Middle East, there will be challenges such as energy supply risks, raw material bottlenecks, price increases, suppliers' delivery difficulties, and the shortage of skilled labor. To master these issues, we will stay agile at all our sites throughout the world and continue to respond swiftly and flexibly to the ever-changing requirements. Customer centricity will be a permanent focus of all efforts. This principle applies for every sector and region. We will also continue to invest in long-term projects. Our key strategic themes remain unchanged – the mobility transformation, digitalization and sustainable solutions.

Thanks to employees and customers

The entire Freudenberg Group again impressively proved its operational and strategic capabilities in 2024. Our managers and employees once more played their part with considerable commitment and great reliability. I would like to express my sincere thanks on behalf of the entire Board of Management.

We would also like to express our appreciation to all our customers and business partners for their trust and the excellent cooperation. As always, they can count on our support. Together, we will overcome all challenges as we move into the future.

Weinheim, March 18, 2025
For the Board of Management



Dr. Mohsen Sohi
CEO

People at Freudenberg

Employees worldwide

52,104

As at December 31, 2024, Freudenberg employed 52,104 people.

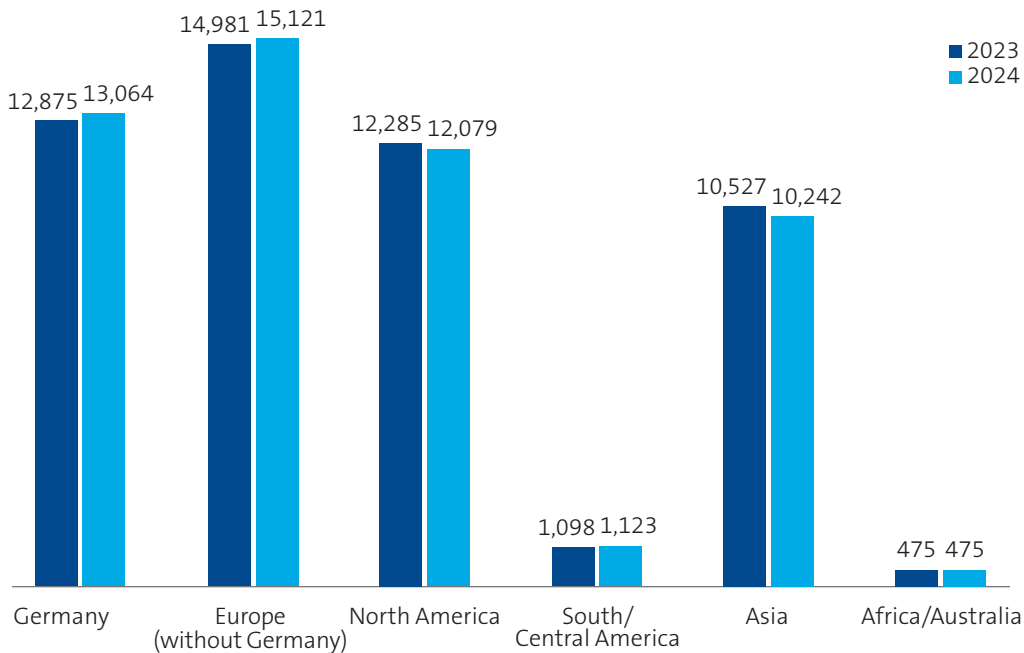
149

Freudenberg Group employees come from 149 different countries.

60

There are Freudenberg sites in 60 countries.

Employees by regions



Average length of service (in years)



LDIFR

(Lost Day Incident Frequency Rate)

1.5

(all accidents at work with at least one day lost per million hours worked)

COMBINED MANAGEMENT REPORT

FUNDAMENTAL INFORMATION

BUSINESS MODEL

Organizational structure

The Freudenberg Group (Freudenberg) is a global technology group whose goal is to strengthen its customers and society long-term through forward-looking innovations.

At year-end 2024, the number of companies in Freudenberg totaled 455 located in 55 countries, 424 of these companies were included in the consolidation. 403 companies, including 146 sales companies and 175 production companies, were fully consolidated. The remaining companies were holding or management companies.

On January 1, 2024, Freudenberg founded a new Business Group named Freudenberg Flow Technologies comprising the former EagleBurgmann and Freudenberg Oil & Gas Technologies Business Groups. With this step, Freudenberg plans to realize innovation and sales synergies with the focus on sustainable sealing solutions. Furthermore, Freudenberg Flow Technologies offers the organizational framework to promote further growth.

Together with partners, customers and the world of science, Freudenberg's ten Business Groups aspire to develop cutting-edge products, excellent solutions and services for some 40 market segments and for thousands of applications: seals, vibration control components, technical textiles, filters, cleaning technologies and products, specialty chemicals, medical products, batteries and fuel cells.

STRATEGIC MANAGEMENT FREUDENBERG & CO. KOMMANDITGESELLSCHAFT			
BUSINESS OPERATIONS FREUDENBERG SE			
Business Area Seals and Vibration Control Technology	Business Area Technical Textiles and Filtration	Business Area Cleaning Technologies and Products	Business Area Specialties
Business Groups	Business Groups	Business Groups	Business Groups
Freudenberg Sealing Technologies	Freudenberg Performance Materials	Freudenberg Home and Cleaning Solutions	Freudenberg Chemical Specialities
Freudenberg Flow Technologies	Freudenberg Filtration Technologies		Freudenberg Medical
Vibracoustic	Japan Vilene Company		Freudenberg e-Power Systems

As at December 31, 2024.

For further details on Freudenberg companies, please refer to the chapter entitled "Review of Operations by Business Area".

Freudenberg builds on lasting and reliable relationships with customers and partners. The partnership with NOK Corporation, Tokyo, Japan, for example, already spans more than 60 years. Numerous activities in the Americas, Asia and Europe have been jointly established during the decades-long partnership.

Freudenberg and NOK Corporation jointly hold shares in several companies. Particularly worthy of mention are Freudenberg-NOK General Partnership, Wilmington, Delaware, USA, which is fully consolidated in the consolidated financial statements, as well as NOK-Freudenberg Singapore Pte. Ltd., Singapore, which is disclosed at-equity as a 50:50 joint venture in the consolidated financial statements.

Further details can be found under “Investments in joint ventures” and “Investments in associated companies” in the Notes to the Consolidated Financial Statements.

Across the globe, the Freudenberg Group’s products and services make a valuable contribution to the success of its customers – rarely visible, but always indispensable, in the spirit of the positioning that reads **“Freudenberg is a values-based technology group that best serves its customers and society”**.

It is Freudenberg’s goal to offer **customers** in the passenger car and commercial vehicle industry, mechanical and plant engineering, textile and apparel industry, construction, mining and heavy industry, energy, chemical, oil and gas industry, medical technology, civil aviation and rail vehicles sectors, as well as end users excellent technological and innovative products as well as services.

The ability to innovate, strong customer centricity and close collaboration as well as diversity and team spirit are the cornerstones of the Group. Commitment to excellence, reliability and pro-active, responsible action have belonged to the company’s core values ever since it was founded in 1849.

Freudenberg introduced the “Strategic Guide” **leadership structure** in 2013. Under this concept, the Board of Management concentrates on developing the Freudenberg Group strategy, approves major investments, draws up strategic guidelines, and defines strategic planning. The Business Groups are responsible for operational business.

Freudenberg has two **parent companies**: Freudenberg & Co. Kommanditgesellschaft (Freudenberg & Co. KG), Weinheim, Germany, is the strategic parent company, Freudenberg SE, Weinheim, Germany, is the parent company with responsibility for managing business operations. The corporate bodies of Freudenberg & Co. KG are the Management Board, the Board of Partners and the General Meeting. The corporate bodies of Freudenberg SE are the Board of Management, the Supervisory Board and the Shareholders Meeting. The composition of the Management Board of Freudenberg & Co. KG and the Board of Management of Freudenberg SE is identical. This also applies to the Board of Partners of Freudenberg & Co. KG and the Supervisory Board of Freudenberg SE.

Freudenberg is a **family company** owned by over 370 heirs (as at December 2024) to the founding father Carl Johann Freudenberg.

Organizational changes

Acquisitions and disinvestments and discontinued operations of note for the Group

Freudenberg Sealing Technologies strengthened its global business unit Freudenberg Xpress in the year under review. This unit is an expert in small and medium batch sizes, rapid prototyping and customer-specific sealing solutions. Freudenberg FST GmbH, Weinheim, Germany, acquired therefore all the shares in Trygonal Group GmbH, Sachsenheim, Germany (“Trygonal”) in July 2024.

Trygonal generated annual sales of over €30 million in 2023. 220 employees at eight locations in Germany, Spain, Austria and Switzerland produce customized sealing solutions in the areas of thermoplastics, elastomers and rubber-metal compounds using a wide range of manufacturing processes.

Furthermore, **Freudenberg Performance Materials** expanded its business in coated technical textiles. In December 2024, Freudenberg Performance Materials Holding GmbH, Weinheim, Germany, acquired all the shares of Stella MidCo GmbH, Bramsche, Germany, the holding company for the Heytex Group (“Heytex”). The acquisition covers the core business of Heytex with three production locations in Bramsche and Neugersdorf, both Germany, and Zhangjiagang, China, as well as all headquarter related functions, including Sales and R&D.

Heytex is one of the world’s leading manufacturers of high-quality and functional technical textiles. In 2023, the part of the Heytex Group covered by the acquisition generated sales of roughly €100 million with a workforce of some 400 employees.

Business processes

In the year under review, all ten of Freudenberg’s Business Groups continued their intensive efforts to respond to **customers’ needs** even more effectively and to optimize **business processes**.

Numerous cross-functional **Operational Excellence** activities were implemented in 2024. This concept describes the quest for continuous and systematic improvement in productivity aimed at eliminating waste and reducing complexity. Operational Excellence underscores Freudenberg’s ambition as a technology group to continuously enhance both the quality of its products and the efficiency of processes and services. By so doing, the Group improves both cost efficiency and the quality of earnings in all divisions. A key factor for Operational Excellence is the targeted development of employees and corporate culture.

Freudenberg was quick to recognize that **digitalization** is a decisive factor for long-term competitiveness. More specifically, the use of artificial intelligence makes digitalization one of the most important technology drivers of our time. It is one of the keys to increasing efficiency and creating added value for customers. Freudenberg seeks to optimize processes, make better use of data, and develop new products as well as innovative business models through digitalization. It can help the Group to respond more swiftly to market changes and to drive innovations. Technologies such as machine vision, for example, improve process parameters and automate production workflows, and can thus contribute to reducing errors and increasing product quality. In addition, digital tools already offer functions such as real-time monitoring and predictive maintenance. These can minimize downtimes and therefore reduce operating costs, thus further enhancing both efficiency and competitiveness.

Further information on business processes can be found in the chapter entitled “Report on Opportunities and Risks”.

RESEARCH AND DEVELOPMENT

Freudenberg continually expands its technological competence and systematically strengthens its ability to innovate. The company seeks to ensure that its products and services meet the highest standards of quality and reliability by providing targeted support for the relevant technologies and innovation processes of the individual Business Groups. Freudenberg delivers on its claim of “Innovating Together” through close cooperation with customers, scientific institutions and other partners.

In the 2024 financial year, the Freudenberg Group conducted research and development activities in the amount of €604.4 million (previous year: €603.6 million). This represents 5.1 percent of sales (previous year: 5.1 percent). Research and development activities also include development expenses for customer-specific development projects disclosed under cost of sales in the consolidated statement of profit or loss. The Business Groups account for the largest share of funds for research and development activities.

The Freudenberg Group measures the effectiveness of its research and development activities as the share of new products (products less than four years old) in total sales. In 2024, this share was 30.8 percent (previous year: 32.4 percent).

Innovation through technological transformation

Digitalization and artificial intelligence are the main technology drivers of this decade. The Freudenberg Technology Innovation corporate function actively co-shapes this digital transformation at Freudenberg. By making use of advanced technologies and collaborating with strong partners, Freudenberg Technology Innovation aims to deliver innovative solutions to optimize processes, create sustained added value and safeguard competitiveness. In this way, the corporate function closes the gap between research and application and ensures the strategic orientation of digital initiatives.

Groundbreaking materials development with artificial intelligence

Materials development is a key element in Freudenberg’s innovation strategy and focuses on lubricants, silicones, thermoplastics, fibers and elastomers. Freudenberg made targeted use of data analyses and machine learning in 2024 to determine material formulations and processing conditions on the basis of desired product properties. These activities can accelerate innovations, enable the development of unique materials, reduce costs, improve product quality and offer sustainable, customer-oriented solutions. A newly-established AI team in North America marks the beginning of the next phase in this development.

Further advances in product design

Digitalization has transformed product design into a continuous, iterative process. AI-powered tools such as automated and generative design can enable precise simulation, increase functionality and minimize scrap. The following examples illustrate how Freudenberg creates solutions, harnesses new business opportunities or achieves process efficiency: leak-free sealing concepts (Freudenberg Flow Technologies), optimized manufacturing methods for air springs (Vibracoustic), and the DIAvent design (Freudenberg Sealing Technologies).

Automation and virtual factory

The data-driven automation of production workflows combines innovation with operational excellence. It is Freudenberg's ambition to create more intelligent and more efficient production lines through the use of Industry 4.0 technologies, such as the Internet of Things, robotics, edge computing and machine vision. Furthermore, machine vision can be specifically used to develop innovative solutions for fault detection and the treatment of parts.

The virtual factory is a major milestone in digital transformation at Freudenberg. Through a combination of simulation, cloud computing and artificial intelligence, the company is working on creating digital replicas of manufacturing processes. By analyzing and evaluating data from current production workflows and by optimizing parameters, both cycle times and scrap rates were improved, even referred to highly-optimized standard processes. In addition, manufacturing cells and lines were simulated and optimized with a view to increasing productivity and reducing investment costs.

Freudenberg technology platforms

The Freudenberg technology platforms strengthen cross-sectional cooperation within the Group. In the year under review, cross-Business Group strategic programs in data-driven strategic exploration areas within the Freudenberg Group were successfully implemented. Materials informatics, automated design optimization and inline process control are three examples of strategic programs researching into the use

of data-assisted methods in the fields of materials, product design and injection molding process control.

One goal of the "Scientific Innovator" program is to implement new competencies faster in the Business Groups. Under this program, young talents are assigned to Freudenberg Technology Innovation to familiarize themselves with new technologies, build expert networks within Freudenberg, and subsequently apply their knowledge in their own Business Groups. In 2024, some 20 Scientific Innovators from almost all Business Groups were assigned to Freudenberg Technology Innovation.

Digital lab and protection of intellectual property

Data from labs is the basis for innovation and efficiency. With the new Lab Information Management System, Freudenberg Technology Innovation is developing a digital automated lab of the future. The system aims to improve traceability, guarantee data integrity, optimize workflows and speed up research so that customer requirements can be met even more effectively.

Freudenberg Technology Innovation's Intellectual Property Management System protects innovations, monitors patents, and ensures intellectual property is consistent with business strategies. By promoting collaboration and increasing efficiency, the system provides various Freudenberg Business Groups with support, and aims to speed up decision-making and reinforce the protection of corporate values.

Prizes and awards

To mark its 175th anniversary, Freudenberg launched the **Freudenberg Award – Digital Science** in collaboration with the Technical University (TU) of Darmstadt; the award recognizes outstanding academic theses in the field of digitalization. In 2024, it was presented to Antonia Bähr (mechanical engineering) and Niklas Ihm (computer science) for their Bachelor's theses, and Nils Rollshausen (computer science) for his Master's thesis. This initiative underscores Freudenberg's commitment to supporting young talent and innovations at the interface between research and practice.

Life science researcher Dr. Natalie Schunck was awarded the 2024 **Karl Freudenberg Prize** for her groundbreaking work on how microalgae can be used as microscopic biorefineries. She succeeded for the first time in integrating synthetic catalysts direct into living cells to produce renewable chemicals. This approach brings promising opportunities for replacing fossil fuels with sustainable alternatives. With this award, Freudenberg supports outstanding scientific work scientists, thereby contributing to the advancement of innovative technologies.

Successful innovations

Freudenberg drives progress with innovative solutions that are not only intended to meet the needs of customers, but also to respond to the requirements for a sustainable future. Efforts focus on resource conservation, environmental compatibility and technological advances that aim to set new standards in many areas. In 2024, the company made progress in process and product innovation to increase efficiency, and with the goal of contributing to the future of medical technology, mobility and industrial applications. The following examples serve to illustrate the diversity of and contribution made by these innovations.

Medical technology and health

Freudenberg Medical generated significant momentum in process and product innovation in 2024. In Beverly, USA, and Kaiserslautern, Germany, two-component injection molding technology was expanded further to enable the single-step production of medical devices made of silicone/thermoplastic or two silicones of variable hardness. One example is the FlexSeal Valve produced from silicones of two different shore hardnesses. The design of the access catheter was also refined to provide an even more effective seal during minimally invasive surgical procedures, thereby minimizing patients' blood loss.

Freudenberg Performance Materials also expanded its range of technologies. Investment in a rotary spinning machine enables the production of bioresorbable nonwovens used in the management of surgical hemostasis. The nonwoven materials are fully resorbed by the body and offer a more effective alternative than present solutions. Freudenberg is therefore not only

focusing on medical innovation, but also helping to reduce costs.

Automotive technology and mobility

Vibracoustic presented two innovative systems for the advancement of automotive technology: the Smart Leveling System for mid-class vehicles offers a cost-effective and efficient system for ride height adjustability tailored to front- or rear-axle applications that compensates for loading and optimizes ground clearance, and also improves battery cooling and increases the range in electric vehicles. The Thermal Management Decoupling System bundles HVAC components to save space while simultaneously mitigating the impact of noise and vibrations.

Freudenberg e-Power Systems has opened up new possibilities for sustainable mobility with its XRANGE Battery Pack. Specially designed to power medium- and heavy-duty transportation applications such as trucks, buses and delivery vehicles, the new battery solution offers long range, high payloads, and high uptimes. An ultra-modern automated production line for battery packs was commissioned at the new gigafactory in October 2024. The factory can assemble more than 20,000 battery packs per year with a total capacity of over 2 gigawatt hours.

Freudenberg Sealing Technologies developed a waveguide antenna for radar sensors, using a special electroplating process to increase robustness and flexibility and with the aim to improve thermal management. The Business Group also commercialized new seals for proton exchange membrane electrolyzers that are designed to meet the demanding requirements of the electrolysis industry. The fluor-rubber based materials improve flowability. The goal is to respond to customer requests for economical large seals with small cross sections.

Filtration and air quality

In the field of air filtration, **Freudenberg Filtration Technologies** offers a reliable air filtration solution for extreme conditions, in particular for air intake filtration of gas turbines and compressors, with the Viledon Compact T 60 hydro high-performance pocket filter. The filter contains a polypropylene nonwoven layer to

prevent water breakthrough and ensures high filtration efficiency in both on- and off-shore applications. In addition, new catalyst solutions for air purifiers remove hazardous gases such as formaldehyde from indoor air and improve air quality. Furthermore, new filter solutions for air purifiers help improve indoor air.

Sustainability and resource conservation

Freudenberg focuses its ability to innovate on long-lasting solutions that conserve resources and not only aim to bring benefits to customers and consumers, but are also beneficial for the environment. One example is the Vileda H2prO household cleaning system from **Freudenberg Home and Cleaning Solutions**. The system with its dual tank design not only keeps the clean and dirty water separate so that consumers always mop with fresh, clean water, it also saves water. Another example is the UNIVERSAL ONE Mop for professional cleaning that can be used for both wet and dry floor cleaning. The product is in part made of recycled fibers, can be washed and reused time and time again, and thus helps to conserve resources.

The **Freudenberg Chemical Specialities** Business Group also focuses consistently on sustainable solutions and combines ecological responsibility with high product quality: **Klüber Lubrication** developed products made from biogenic or recycled raw materials. **OKS** commercialized a biodegradable plant-based multipurpose oil. **SurTec's** galvanizing processes are now entirely chromium (VI)-free and the company is to offer innovative, corrosion-resistant coatings for the automotive industry going forward. **CAPOL** focused on ethically sound raw materials and sustainable packaging, and **Chem-Trend** developed water-based release agents for wood composites.

Process and production technology

Freudenberg Flow Technologies presented the high-pressure nitrogen generator and the smart seal solutions for a new seal range in the year under review. The nitrogen generator is designed to enable efficient nitrogen production and storage, while the smart seal solutions aim to provide continuous monitoring of mechanical seals, thereby preventing failure through early fault detection. The Business Group also contributes to safety and efficiency in the oil and gas industry

with the innovative Vector Techlok Single Bolt Connector. The system replaces conventional hammer unions by a modern solution with a reusable metal-to-metal sealing. Thanks to the lightweight design and easy handling with just one bolt, down time for assembly and disassembly is reduced. The Single Bolt Connector was specially developed for the demanding requirements of the oil and gas industry and offers a reliable and sustainable alternative for use in the field.

Japan Vilene Company developed an innovative air-permeable pad for the MLCC (Multilayer Ceramic Capacitor) manufacturing process. MLCCs are essential components in electronic devices, used to store energy, filter signals, and stabilize voltage and current. This new pad transitions from traditional spunbond and paper materials to a wet-laid nonwoven fabric made from short-cut fibers. The material offers uniform air permeability and surface consistency, with patterned holes designed to optimize airflow during the MLCC stacking process.

REPORT ON ECONOMIC CONDITIONS

MACROECONOMIC ENVIRONMENT

In full year 2024, global gross domestic product (GDP) again only expanded at a moderate pace. At 2.7 percent, the growth rate was at a level similar to the previous year (source: World Bank). In the first half of the year in particular, developments in many countries were shaped by significantly higher key interest rates that gradually brought inflation nearer target corridors. The first interest rate cuts in the year under review came mainly in the second six months, but continued high financing costs nevertheless still impacted spending by investors and consumers. Moreover, both (geo)political crises and significant pressure for transformation in mobility, energy supply and digitalization fueled the persisting uncertainty on the part of economic players, especially in Europe.

Falling inflation and rising wages lent important, albeit subdued, growth momentum to the eurozone economy. Services and private consumption in particular saw growth, while in contrast there were marked downswings in investments and industrial production. Germany was especially hard hit by the negative trends, with slightly negative year-on-year economic growth that was below the eurozone average for the fourth successive year.

The US economy saw strong gains thanks to the administration's spending program and continued high employment. At 2.8 percent, economic growth in America was notably stronger than in other developed nations.

China met the 5 percent growth target set by the government. Domestic demand continued to feel the effects of the real estate crisis that weakened the wealth situation of many Chinese households, as well as the high debt levels of regional governments. The slack global economy, together with increasingly common derisking strategies targeted at Chinese suppliers, dampened demand for exports.

Other Asian countries frequently profited from the latter development. The main beneficiary was India, where economic momentum was again the highest among the world's major economies. Nevertheless, economic growth in India was the weakest in four years.

EUROPE – GDP GROWTH		
Region	GDP growth 2023	GDP growth 2024
Eurozone	0.5 %	0.7 %
Germany	-0.3 %	-0.2 %
France	0.8 %	1.1 %
Greece	2.4 %	2.3 %
Ireland	-1.6 %	-0.5 %
Italy	0.7 %	0.5 %
Portugal	2.2 %	1.7 %
Spain	2.3 %	3.2 %
United Kingdom	0.4 %	0.9 %

Sources: Consensus Inc., national statistical offices
GDP growth 2024: as at February 2025
GDP growth 2023: as at date reported in previous year

WORLD REGIONS – GDP GROWTH		
Region	GDP growth 2023	GDP growth 2024
Argentina	-1.6 %	-2.7 %
Brazil	3.0 %	3.3 %
China	5.2 %	5.0 %
India	6.9 %	6.3 %
Japan	1.9 %	-0.1 %
Mexico	3.3 %	1.6 %
Russia	2.6 %	3.4 %
Taiwan	1.2 %	4.3 %
USA	2.4 %	2.8 %

Sources: Consensus Inc., national statistical offices
GDP growth 2024: as at February 2025
GDP growth 2023: as at date reported in previous year

Sector-specific environment

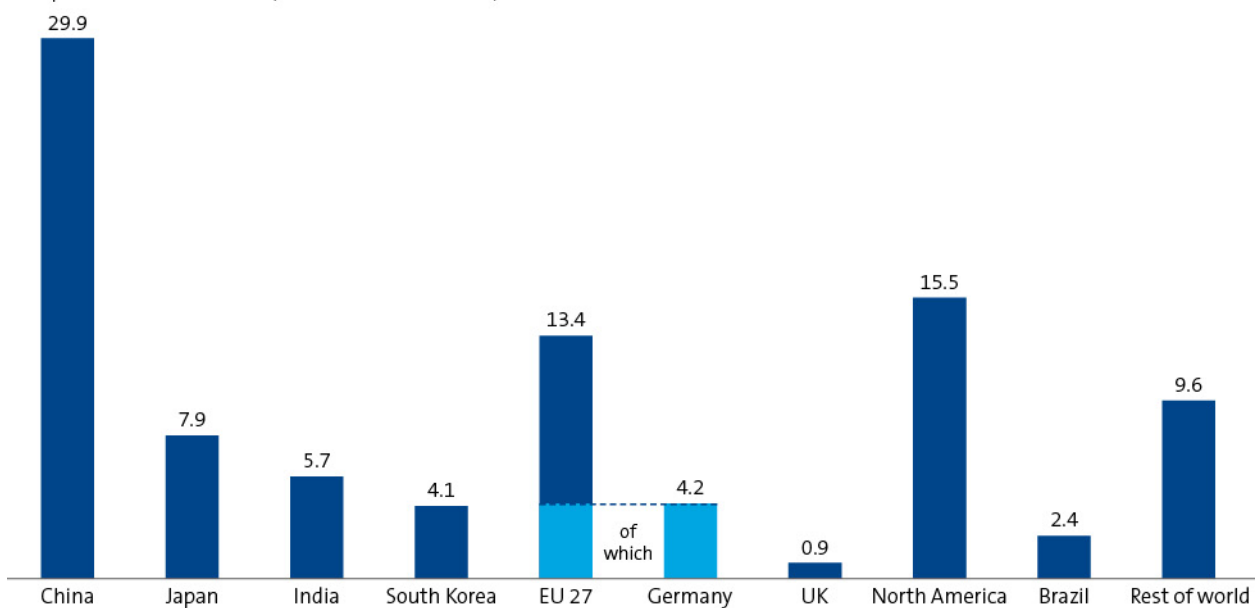
The changes in the macroeconomic environment also had an impact on the Freudenberg Group’s main sales markets.

Once the high order backlog of the previous year had been cleared, the weak demand that had already been noticeable in the **automotive industry** for some time made itself felt in 2024. At 89 million units, full-year global production of light vehicles was 1.1 percent down on the previous year’s level. There were significant regional differences: production decreased in many traditional industrialized nations. The decline was in the single-digit range in Germany (-1.7 percent) and Spain (-3.0 percent). However, it entered double digits in France (-10.7 percent), United Kingdom (-11.4 percent) and Italy (-32.8 percent). Fewer vehicles were also produced in North America (-1.4 percent) and Japan (-8.3 percent). In contrast, production grew in China (3.8 percent), India (3.8 percent) and Brazil (8.0 percent). The share of all-electric vehicles (BEV) in global production rose to some 13.0 percent in 2024 (source: S&P Around the World), the share of high-voltage hybrid vehicles (PHEV and FHEV) grew to just short of 17 percent (source: S&P Global, Marklines).

The hopes of a recovery in demand in the **mechanical engineering industry** in 2024 failed to materialize. For global production, this meant a decrease of 2.0 percent. The downturn was as high as 8.0 percent in Germany, while it was 4.6 percent in Italy, 9.0 percent in the United Kingdom, 7.3 percent in France, 2.2 percent in the USA and 2.0 percent in Japan. Similar to developments in the automotive industry, major emerging economies recorded positive growth rates: 1.8 percent in India, in Brazil 2.8 percent and in China 3.4 percent (source: VDMA, national statistical offices).

Manufacturers in the **textile and apparel industry** again saw production decline in many regions in 2024. In spite of falling inflation on average, annual demand remained subdued. A notable exception, however, was global market leader China, where production grew 5.1 percent (source: national statistical offices).

LIGHT VEHICLE DOMESTIC PRODUCTION
2024 production in million units (89 million units worldwide)



Source: IHS Markit, February 2025

There are still significant regional differences in the **construction industry**. Business continued to deteriorate in the EU27, and production decreased by 1.5 percent. Spain escaped this negative trend with an increase of around 3.0 percent, with Italy performing even better with an increase of 5.4 percent. Business in the USA was also good, with growth coming in at 6.5 percent. The real estate crisis in China became more entrenched. Production fell by a further 9.6 percent, following on from the previous year’s hefty slump. In contrast, India continued its robust upswing (12.9 percent) (source: national statistical offices).

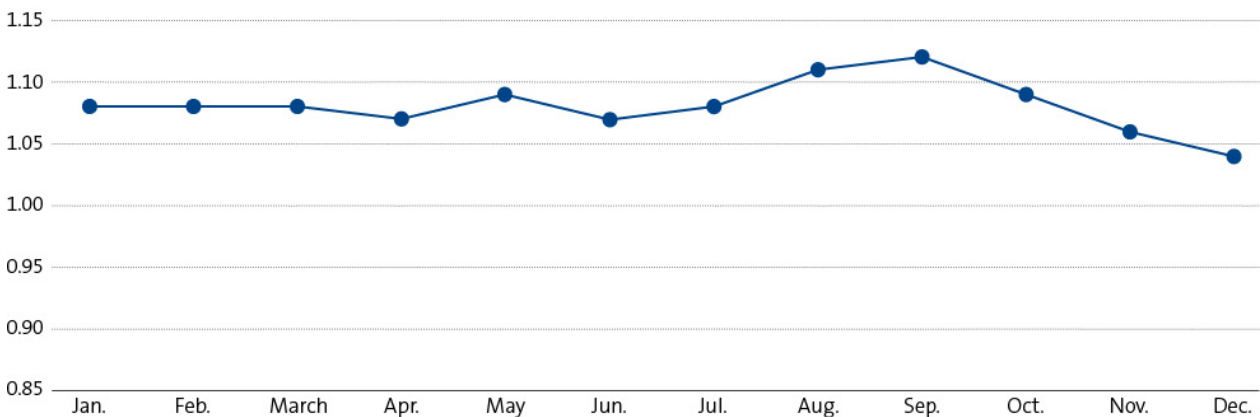
The global **chemical industry** also felt the effects of weak demand in many sales markets. Production in the EU27 decreased by 3.1 percent. Thanks to low customer inventories, Germany escaped this negative trend in the first three quarters of 2024, recording a 3.1 percent increase at year-end. Growth was even stronger in the USA (5.4 percent) and China (8.9 percent) (source: VCI, national statistical offices).

As the downturn in inflation gathered momentum and some countries began to cut interest rates, **private consumption** picked up, albeit often at a sluggish pace. Overall, expenditure by private households across the year was often subdued (source: national statistical offices).

The **oil price** was very volatile in 2024, although the oil price level itself dropped noticeably from September. The average annual price was US\$ 76.6 per barrel WTI, 1.3 percent lower than the previous year (source: EIA).

The **euro exchange rate** followed the previous year’s trend in the first nine months. The US \$ exchange rate per euro in the last three months of 2024 was 1.04. At US \$ 1.08 per euro, the annual average was on a par with the previous year (source: Deutsche Bundesbank / European Central Bank).

EURO EXCHANGE RATE DEVELOPMENT IN 2024
US dollar per euro



Source: European Central Bank; month-end rates

BUSINESS DEVELOPMENT AND POSITION

For Freudenberg, sales, operating result and return on sales are the key financial performance indicators. The key performance indicator of operating result describes the result before income tax without special effects (for example, significant restructuring expenses), the profit or loss on disposals of assets, impairment of goodwill, or results of major associated companies. The return on sales is calculated from the two key performance indicators of sales and operating result.

In its internal reporting, Freudenberg uses the LDIFR (Lost Day Incident Frequency Rate) as a non-financial key performance indicator. This rate measures all accidents at work with at least one day of work lost per million hours worked. The indicator also includes data for temporary employees and agency staff.

The forecasts made at the beginning of the year with respect to the financial and non-financial key performance indicators are regularly reviewed and updated during the course of the year. The financial and non-financial key performance indicators presented are reported to the Board of Management on a monthly basis. This allows trends and changes to be identified in good time so that measures can be taken to counteract any detrimental developments.

The key financial performance indicators are used for assessing business success, the position and development of the Group, and focus on sustainable growth and a continuous increase in enterprise value as indicators for steering future, value-driven success.

Our performance indicators developed as follows:

FORECAST/ACTUAL COMPARISON FREUDENBERG				
	ACTUAL 2023	Forecast for 2024	Change	ACTUAL 2024
Sales [€ million]	11,902.8	slightly above prior-year level	+0.4 %	11,947.5
Operating result [€ million]	1,081.6	slightly increased	+4.7 %	1,132.4
Return on sales [percent]	9.1	at prior-year level	+0.4 % points	9.5
LDIFR [LDI per million hours worked]	1.4	at prior-year level	+0.1	1.5

At €11,947.5 million, sales were on a par with the prior-year level of €11,902.8 million, and as a result the forecast development was not fully met. This is mainly attributable to negative exchange rate effects despite the positive effects from sales prices.

At €1,132.4 million, the operating result was higher than the prior-year level of €1,081.6 million and thus within the forecast range. The rise is attributable to positive price effects compared with the previous year.

Once again, many occupational safety programs and initiatives were implemented at the individual sites of all Business Groups in the 2024 financial year. These focused on designing safe work systems and the further development of safety culture at the sites.

The LDIFR in the 2024 financial year was 1.5 (previous year: 1.4), thus within the forecast corridor. The

rate for 2024 is attributable to the slight rise in the number of accidents with more than one day of work lost. In contrast, there was a disproportionate decrease in the number of incidents without a lost-time injury that required first aid treatment.

Sales

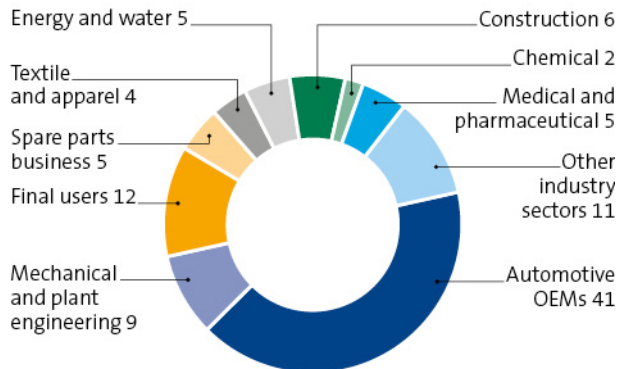
Freudenberg aims for profitable growth achieved both through its own efforts (organic) and through acquisitions (external). Key success factors are, in particular, the innovative product range, customer-centric and flexible solutions to problems in the different sectors of industry, and structured expansion into attractive markets and strategic business areas.

In the 2024 financial year, Freudenberg generated sales of €11,947.5 million (previous year: €11,902.8 million). Exchange rate effects totaling €76.9 million had a negative effect on sales. These effects were primarily attributable to developments in the exchange rates of the Japanese yen and the Brazilian real. Positive developments in the exchange rate of the Polish zloty had an offsetting effect. Acquisitions in the year under review accounted for sales of some €57.6 million. Disinvestment effects amounted to some €45.1 million. This includes sales of acquired or disinvested companies for the period until they are included or not included, as the case may be, in the consolidation of the Freudenberg Group for a full twelve months.

Sectors and regions

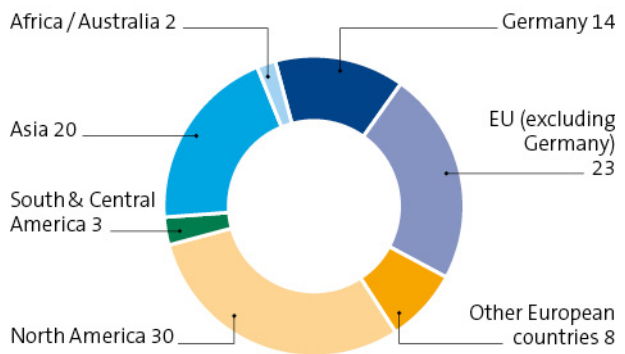
Sales distribution by sectors remained generally stable in the 2024 financial year. The share of sales to automotive OEMs decreased slightly to 41 percent (previous year: 42 percent). The share of sales to the mechanical and plant engineering sector also declined slightly from 10 percent in the previous year to 9 percent in the year under review. The share of sales to the energy and water sector increased slightly to 5 percent (previous year: 4 percent), as was also the case for the medical and pharmaceutical sector, where the share of sales also increased to 5 percent (previous year: 4 percent). There was no change in the share in total sales compared with the previous year for the remaining sectors.

SALES BY SECTOR [in %]



The North America region accounted for 30 percent of total sales (previous year: 29 percent). Freudenberg generated a share of 23 percent (previous year: 23 percent) of total sales in the European Union, excluding Germany. The Asia region accounted for 20 percent (previous year: 20 percent) of total sales.

SALES BY REGION [in %]



Earnings position

[€ million]	2023	2024
Sales	11,902.8	11,947.5
Cost of sales	-8,195.2	-8,134.6
Gross profit	3,707.6	3,812.9
Selling expenses	-1,584.3	-1,679.1
Administrative expenses	-731.7	-755.6
Research and development expenses	-524.7	-534.4
Other income and expenses	82.5	105.8
Income from participation in joint ventures	23.4	23.1
Profit from operations	972.8	972.7
Financial result	50.8	44.7
Profit before income taxes	1,023.6	1,017.4
Income taxes	-192.8	-292.6
Consolidated profit	830.8	724.8

At €11,947.5 million, sales in 2024 were at a comparable level to the previous year. The cost of sales ratio fell by 0.8 percentage points. The selling expenses ratio rose to 14.1 percent and the administrative expenses ratio to 6.3 percent.

The ratio of research and development expenses to sales rose by 0.1 percentage points to 4.5 percent compared with the previous year. The research and development expenses reflect the continued growth in battery cell and fuel cell business.

The financial result fell by €6.1 million compared with the previous year, chiefly as a result of the decrease of €59.5 million in other investment result; this was partly offset by the pro rata share in the results of associated companies, amounting to €26.5 million.

The consolidated profit was €106.0 million below the figure for the previous year.

Financial position

Financing management

Freudenberg SE and the central financing company Externa Handels- und Beteiligungsgesellschaft mit beschränkter Haftung, Weinheim, Germany, steer all the financing activities of Freudenberg, thus ensuring that Freudenberg has sufficient liquid funds. As a general principle, companies obtain the financing they require via cash pool agreements or internal loans – for legal, fiscal and other reasons, financing in some countries also takes the form of bank loans guaranteed by Freudenberg SE.

Freudenberg does not expose itself to financial risks through speculation with derivative financial instruments but uses such instruments only for hedging, and therefore reducing, risks in connection with underlying transactions and items. Future transactions are only hedged if there is a high probability of occurrence. In order to ensure the identification and management of all financing risks, the Freudenberg Group pursues a holistic approach to financial risk management. The existing financial risks are identified and limited in an institutionalized control loop.

Exchange rate risks on currency markets remain high. In addition, there continues to be volatility on the credit and capital markets. This also impacts the financing conditions for industrial companies. In the opinion of the Board of Management, Freudenberg is in a good position to tackle these challenges thanks to its conservative finance policy. Liquidity measures include high reserves of liquid funds and committed credit lines with core banks. Liquid funds are always invested on the basis of internal directives. These call for the risk-based, limit-oriented diversification of financial investments between issuers with an investment grade rating and for investment only for short terms.

A key element in external borrowing is a long-term shareholder loan where the interest payable is oriented towards market interest rates for the same terms plus a premium.

As at December 31, 2024, Freudenberg had undrawn committed credit lines amounting to about €825 million. The interest payable on the certificates of indebtedness (“Schuldscheindarlehen”) included in the liabilities to banks is based on variable and fixed components. Further details on interest rate structure can be found in the section on interest rate risks in the Notes to the Consolidated Financial Statements.

In the year under review, Moody’s Deutschland GmbH, Frankfurt am Main, Germany, rated Freudenberg SE, Weinheim, at “A3”, with a stable outlook. The Group therefore continues to hold a single-A rating.

This gives Freudenberg very good creditworthiness at investment grade level.

STATEMENT OF FINANCIAL POSITION STRUCTURE				
	Dec. 31,	Dec. 31,	Change	
	2023	2024	[percent]	[€ million]
	[€ million]	[€ million]		
Assets structure				
Non-current assets	7,307.7	7,615.7	4.2%	308.0
Current assets	6,131.5	6,700.0	9.3%	568.5
Assets	13,439.2	14,315.7	6.5%	876.5
Capital structure				
Equity	7,536.1	8,132.9	7.9%	596.8
Non-current liabilities	2,457.2	2,242.0	-8.8%	-215.2
Current liabilities	3,445.9	3,940.8	14.4%	494.9
Equity and liabilities	13,439.2	14,315.7	6.5%	876.5

Capital structure

In the 2024 financial year, the statement of financial position total rose by €876.5 million. The **equity ratio** increased from 56.1 percent to 56.8 percent. **Equity** rose by €596.8 million. This increase is chiefly due to the positive consolidated result. It was partly offset by dividend payments to the parent company Freudenberg & Co. KG and holders of noncontrolling interests.

Non-current liabilities amounted to €2,242.0 million (previous year: €2,457.2 million). This development was chiefly due to a reduction of €182.3 million in long-term financial debt.

The €494.9 million rise in **current liabilities** to €3,940.8 million was chiefly the result of the increase in trade payables and short-term financial debt. This development runs counter to the development in long-term financial debt as a result of the change in repayment terms.

Adjusted for exchange rate effects and changes in the consolidated group, non-current liabilities fell by 10.7

percent, while current liabilities increased by 11.5 percent. As regards the currency structure, reference is made to the currency risk section of the Notes to the Consolidated Financial Statements.

Investments

Adjusted for acquisitions, investments in intangible assets, tangible assets and investment properties amounted to €501.5 million (previous year: €452.7 million).

The Freudenberg Group invested worldwide. Freudenberg e-Power Systems continued to invest in the expansion of its manufacturing and production facilities for battery systems at Midland, USA. In Morinda, India, investments were made in the construction of a new production plant for the Vibracoustic Business Group and the Freudenberg-NOK India Joint Venture. Freudenberg Medical constructed a new production plant for business with catheters and injection-molded thermoplastic compounds in Costa Rica. Japan Vilene Company expanded production capacities for automobile foot mats in El Llano, Mexico. The Vibracoustic Business Group expanded production and assembly capacities for air spring tubes in Lerma, Mexico.

Investments in Germany totaled €181.2 million (previous year: €174.1 million). Freudenberg Performance Materials expanded production capacities for fuel cell applications in Weinheim. Freudenberg Flow Technologies constructed its new research and development center in Wolfratshausen and continued projects for the optimization of the production of mechanical seals and other products at Eurasburg. Freudenberg Medical invested in the development of the new production location for Hemoteq in Alsdorf. In Weinheim, Freudenberg Sealing Technologies started work on the construction of the new automated central warehouse for Corteco.

Investments planned for 2025 are likely to be financed from cash flow from operating activities and to have no major effect on net assets.

Liquidity

Cash flow from operating activities in the 2024 financial year amounted to €1,288.9 million, corresponding to a decrease of €114.8 million compared with the previous year. This fall was chiefly due to the lower profit before tax and an increase in working capital.

As a result of higher cash outflows for investments in non-current assets, there was a higher negative **cash flow from investing activities** of €-524.1 million (previous year: €-515.3 million).

Cash flow from financing activities in the year under review was €-400.5 million (previous year: €-415.6 million). The cash outflows mainly concerned the repayment of financial debts.

On the basis of the assessment of the Board of Management, the Group can meet all of its payment obligations without any restrictions.

Assets

The total assets of Freudenberg increased by €876.5 million to €14,315.7 million (previous year: €13,439.2 million).

Non-current assets increased slightly from €7,307.7 million to €7,615.7 million. This development was chiefly due to a rise in tangible assets and financial assets. These increases were partially offset by the fall in other non-current assets. Adjusted for exchange rate effects and changes in the consolidated group, non-current assets increased by €157.7 million.

Current assets rose by €568.5 million to €6,700.0 million. This rise was due chiefly to an increase of €363.1 million in cash and cash equivalents. The increase was partially offset by a fall of €21.3 million in short-term tax receivables. Adjusted for exchange rate effects and changes in the consolidated group, current assets rose by a total of €523.3 million.

Overall assessment

The 2024 financial year was shaped by a difficult economic and geopolitical environment chiefly affected by the consequences of the war in Ukraine and persistently high price levels. Nevertheless, both the sales and the operating result of the Freudenberg Group were above the level of the previous year. The Business Groups benefited from higher sales prices. On the other hand, exchange rate effects had a negative impact.

As in previous years, Freudenberg continued to invest in the future viability of the Group in 2024. In addition to customer orientation, key strategic topics were the transformation in mobility, digitalization and sustainability. Special mention should be made of investments in the battery and fuel cell business. Freudenberg aims for profitable growth which may come both from its own resources and from acquisitions. In a volatile environment and especially in times of crisis, it is beneficial to be a broadly diversified company. We continue to aim for a balanced portfolio of cyclical and non-cyclical business with sales distributed evenly between North and South America, Europe and Asia. Against this backdrop, we strengthened various Business Groups through acquisitions in the year under review. The liquidity situation of Freudenberg remains solid.

Furthermore, occupational safety continued to be one of the main focuses of the Group in the 2024 financial year. To ensure continuous improvement, development work continued on existing measures and innovative approaches were added. In the year under review, the non-financial performance indicator LDIFR was 1.5 (previous year: 1.4).

Against the backdrop of our solid net assets and financial position and our high-earnings business, our overall assessment of the economic position of the Group is positive.

REVIEW OF OPERATIONS BY BUSINESS AREA

The Freudenberg Group's ten Business Groups are divided into four Business Areas: "Seals and Vibration Control Technology", "Technical Textiles and Filtration", "Cleaning Technologies and Products", and "Specialties". They focus on long-term, sustainable and profitable growth.

Together with its partners, customers and the world of science, the Freudenberg Group aspires to develop cutting-edge products, excellent solutions and services for some 40 market segments and thousands of applications in the spirit of the positioning that reads "Freudenberg is a values-based technology group that best serves its customers and society".

Seals and Vibration Control Technology Business Area

In the year under review, the Seals and Vibration Control Technology Business Area comprised the following Business Groups:

- Freudenberg Sealing Technologies (page 31)
- Freudenberg Flow Technologies (page 32)
- Vibracoustic (page 33)

Sales in this Business Area amounted to €6,166.1 million (previous year: €6,301.5 million). The headcount at the close of the financial year was 29,546 (previous year: 29,748).

Technical Textiles and Filtration Business Area

In the year under review, the Technical Textiles and Filtration Business Area comprised the following Business Groups:

- Freudenberg Performance Materials (page 34)
- Freudenberg Filtration Technologies (page 35)
- Japan Vilene Company (page 36)

In total, the Business Area generated sales of €2,617.4 million (previous year: €2,587.7 million). At year-end 2024, the headcount was 10,858, compared with 11,026 at the end of the previous year.

Cleaning Technologies and Products Business Area

In the year under review, the Cleaning Technologies and Products Business Area comprised the following Business Group:

- Freudenberg Home and Cleaning Solutions (page 37)

Sales in this Business Area amounted to €1,342.0 million (previous year: €1,240.7 million). The headcount at the close of the financial year was 3,803 (previous year: 3,682).

Specialties Business Area

In the year under review, the Specialties Business Area chiefly comprised the following Business Groups:

- Freudenberg Chemical Specialties (page 38)
- Freudenberg Medical (page 39)
- Freudenberg e-Power Systems (page 40)

Overall, the companies in this Business Area generated sales totaling €2,085.1 million (previous year: €2,022.2 million). At year-end 2024, the headcount was 7,897, compared with 7,785 at year-end 2023.

FREUDENBERG SEALING TECHNOLOGIES



	2023	2024
Sales [€ million]	2,554.2	2,485.9
Workforce	13,163	13,010

Seals for clean energy generation: manufacturing seals for fuel cell bipolar plates

Business Group profile

Freudenberg Sealing Technologies is a long-standing technology expert and a world leader in demanding and innovative sealing technologies for applications in many industries, including e-mobility and renewable energies. With its long-established materials and technology expertise, the company is a proven supplier of high-quality and complex products, as well as a development and service partner for customers in the automotive industry and in general industry. The Corteco brand is a specialist for the independent automotive aftermarket.

Freudenberg Sealing Technologies invests heavily in research and development in order to continuously deliver new solutions in response to industry's increasing requirements. The company turns to sustainability and innovation to develop environmentally-friendly products designed to help reduce the CO2 footprint.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- General industry in recession; sharp downturn in automotive industry since 3rd quarter, OEMs and suppliers plan massive restructuring measures; large discrepancies between order backlog and delivery call-offs due to unpredictable order behavior of customers
- Positive effects for Business Group from Trygonal and Seal Aftermarket Products acquisitions
- Low single-digit percentage dip in year-on-year sales attributable to global economic downturn in core markets and impact of negative exchange rate effects
- Sales in China slightly below previous year; Europe with sharper single-digit percentage drop in sales due to higher share of industry business
- Declining sales, some in the double-digit percentage range, in truck & bus, hydraulics, agricultural machinery, commercial marine, general mechanical engineering as well as energy generation and industrial distribution segments

FREUDENBERG FLOW TECHNOLOGIES



	2023	2024
Sales [€ million]	1,068.7	1,045.5
Workforce	6,301	6,185

Automated seal production in Judenburg, Austria

Business Group profile

Freudenberg Flow Technologies is a leading international manufacturer of industrial sealing technology. The Business Group with the EagleBurgmann brand develops, manufactures and markets a broad range of high-quality products for pumps, compressors, agitators and special machines. The sealing systems are used where safety and reliability are important, for example in renewable and alternative energies, in the (petro-)chemical industry and in refineries, in pharmaceuticals and food production, in power plants or water applications.

Freudenberg Flow Technologies offers its customers worldwide sealing solutions that enable entire branches of industry to operate more sustainably.

A dense sales and service network ensures excellent customer proximity all over the world and is complemented by digital offerings.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- Promising market climate for original equipment used in pumps, compressors and agitators; stable market situation for spare parts in target segments such as oil & gas, (petro-)chemical, water and energy production
- Dynamic, but volatile development in energy transition; regulatory challenges in Europe; uncertain political development in USA
- Slight sales dip in first year of business for new Business Group comprising former Freudenberg Oil & Gas Technologies and EagleBurgmann Business Groups
- Stable sales growth for Business Group in North and Central America, Middle East and Europe; sales decrease in Asia primarily attributable to disinvestment in Japan
- Growth in original equipment for compressor seals with stable sales in pump seals; strong growth in spare parts business for oil & gas, water, pharmaceuticals and food

VIBRACOUSTIC



	2023	2024
Sales [€ million]	2,678.6	2,634.7
Workforce	10,284	10,351

Innovation through collaboration at Vibracoustic’s TechCenter in Hamburg

Business Group profile

Vibracoustic is a global leading NVH (noise, vibration, harshness) expert for the automotive industry and provides customized solutions that offer more comfort, while contributing to efficiency, safety and the operating life of vehicles. Thanks to its know-how throughout the entire product life cycle and for all vehicle systems, as well as its broad product portfolio, Vibracoustic provides solutions to current and future NVH challenges in all vehicle segments.

With a global network of production and engineering sites, the Business Group supplies components to almost all relevant light and commercial vehicle manufacturers as well as their direct suppliers worldwide.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- Challenging market environment shaped by global decline in vehicle production, delay in transformation to battery electric vehicles, more intense competition, market share losses of Western OEMs, and supply chain disruptions
- New projects with Asian OEMs; localization of passenger car air springs in China; production expansion in Mexico
- Both Vibracoustic sales and global vehicle production below previous year’s level, in part due to lower vehicle production, especially in Europe
- Year-on-year increase in Vibracoustic sales in North America; slight dip in sales in Europe and Asia-Pacific, but above trend in vehicle production
- Adjusted for inflation, sales trend in passenger car solutions up on the previous year, in particular due to good development of air springs sales in North America; decrease in commercial vehicles solutions, in part due to portfolio measures

FREUDENBERG PERFORMANCE MATERIALS



	2023	2024
Sales [€ million]	1,427.7	1,432.1
Workforce	5,071	5,366

Gelling fiber nonwovens ensure the effective management of wound exudate.

Business Group profile

Freudenberg Performance Materials is a leading global supplier of innovative technical textiles for a wide range of markets and applications, including apparel and shoes, construction, coated technical textiles, energy, filter media, healthcare, household and outdoor, manufacturing and industry, mobility and transport.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- High interest rates and inflation slowed down investments and global demand; markets impacted by geopolitical conflicts and uncertainty; bottlenecks on labor market
- Business with coated technical textiles expanded through acquisition of core business of Heytex Group
- Slight year-on-year sales growth for Freudenberg Performance Materials; higher sales volumes offset by negative exchange rate effects
- Business Group's sales in the Asia-Pacific region significantly higher year-on-year; in contrast, lower sales in North America, South America and Europe
- Positive development in divisions such as "Apparel", "Carpet, Filtration & Shoe", and "Healthcare", demand for "Coated technical textiles" remained at low level; deferred demand on part of key customers for "Fuel cell components" division

FREUDENBERG FILTRATION TECHNOLOGIES



	2023	2024
Sales [€ million]	638.2	664.4
Workforce	3,621	3,222

Filtration competence: development, production and application of air and liquid filtration solutions from a single source

Business Group profile

Freudenberg Filtration Technologies is a development, production and application specialist for air and liquid filtration. The Business Group’s solutions help make its customers’ industrial processes more efficient, conserve resources, and protect people and the environment.

As a globally active partner for reliable, energy-efficient filtration, Freudenberg Filtration Technologies is active in the automotive and transport, energy and resources, comfort and health, production and building technology industries and in technologically sophisticated special applications.

System solutions such as the development, installation and operation of complete filtration systems as well as wide-ranging services for air and water quality management complement the innovative product portfolio.

Business development with statements on market environment, important topics and sales (total, regional, sectoral)

- Market environment for Business Group shaped to greater or lesser extent – depending on sector – by volatility, inflation and geopolitical uncertainty; weaker industrial and automotive markets in Europe
- Restructuring of residential air filtration business including consolidation of several sites in USA; closure of automotive filtration facility in China
- Total sales slightly higher than previous year; moderate growth in “Industrial” and “Automotive” divisions; strong rise in consumer goods segment in Asia; indoor air filter sales in USA slightly lower than previous year
- Double-digit percentage year-on-year sales growth in Asia-Pacific and India; sales in North America and EMEA (Europe, Middle East and Africa) stable at prior-year level
- Very good sales growth with filters for indoor air, gas turbine and engineering applications; sales growth in cabin air filters aftermarket

JAPAN VILENE COMPANY



	2023	2024
Sales [€ million]	521.8	520.9
Workforce	2,334	2,270

Nonwoven production at Japan Vilene Company in Shiga, Japan

Business Group profile

Since it was established in 1960, Japan Vilene Company has been one of the leading nonwoven manufacturers on the Japanese market. The company offers a broad portfolio of products for a wide range of “Automotive”, “Medical”, “Electrical” and “Industrial” applications. Business in automotive floor mats underwent global expansion.

Japan Vilene Company operates 15 production sites worldwide, including two main sites in Japan.

Working in close cooperation with Freudenberg Performance Materials and Freudenberg Filtration Technologies, Japan Vilene Company operates a network of production and sales joint ventures throughout Asia.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- Market environment for Japan Vilene Company characterized by sluggish economy in Japan, economic growth in USA, high interest rates in USA and Europe and crises on Chinese real estate market
- Higher labor and raw material costs, particularly in USA and Japan
- Total Business Group sales in euros similar to previous year; organic growth more than offset by negative exchange rate effects
- Significant growth in automotive floor mat sales in North America; transdermal materials sales increased in China; unit sales of separators for hybrid vehicles recovered in Japan
- Industrial materials and automotive floor mat sales both higher than the previous year

FREUDENBERG HOME AND CLEANING SOLUTIONS



	2023	2024
Sales [€ million]	1,240.7	1,342.0
Workforce	3,682	3,803

At Freudenberg Home and Cleaning Solutions, constructive exchange is one way of finding creative solutions.

Business Group profile

Freudenberg Home and Cleaning Solutions is a leading international company for branded cleaning products and household items. The products are sold inter alia under the brand names Vileda, Vileda Professional, O-Cedar, Gimi, Oates, Gala, Wettex, Marigold and Vermop.

Detailed market expertise, innovations, effective new products and customer centricity all help the company succeed. International market and customer research, innovation centers and production facilities in all regions of the world, as well as a dedicated sales network in more than 35 countries, also help the company thrive.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- Consumer restraint and downturn in some cleaning markets
- Integration of Vermop, Gilching, Germany, in Business Group's Professional division begun in 2023 continued as planned in year under review
- Freudenberg Home and Cleaning Solutions with record sales and high single-digit growth in 2024 compared with previous year; this was partly attributable to increases in market shares inter alia as result of significantly increased advertising presence
- Year-on-year increase in consumer business sales in all regions; particularly noteworthy growth in largest core market EMEA (Europe, Middle East and Africa) and in America
- Sales growth in all sectors, i.e. consumer and wholesale business

FREUDENBERG CHEMICAL SPECIALITIES



	2023	2024
Sales [€ million]	1,423.6	1,491.2
Workforce	3,981	4,014

Specialty lubricants from Klüber Lubrication can increase energy efficiency in sectors such as the cement industry.

Business Group profile

The Freudenberg Chemical Specialities Business Group comprises the operationally autonomous divisions of Klüber Lubrication, Chem-Trend, SurTec, OKS and CAPOL.

Klüber Lubrication is a globally active manufacturer of specialty lubricants.

Chem-Trend is a supplier of release agents used to manufacture composite, rubber, plastic, metal and polyurethane molded parts.

SurTec is a globally active supplier of chemical specialties for surface treatment, electroplating and functional coatings.

OKS specializes in performance lubricants and in repair and maintenance products.

CAPOL is a specialized provider of surface treatment products for the confectionery industry and pigments and natural flavors for the food industry.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- Good demand in food, paper and bearing industries, markets for plastic processing and metalworking, compressor industry and heavy industry
- Less tense situation in international movement of goods and raw material supply; high level of delivery reliability and supply security for Freudenberg Chemical Specialities customers
- 2024 sales by Freudenberg Chemical Specialities as expected despite unchanged challenging market environment
- Marked sales growth in Asia and South America; satisfactory development in Europe; North America did not meet expectations
- Higher sales volumes at Klüber Lubrication due to organic growth; SurTec integrated acquisitions from 2023 and, like Chem-Trend and CAPOL, reported growth; return to positive development at OKS, in part due to higher demand from specialist trade

FREUDENBERG MEDICAL



	2023	2024
Sales [€ million]	363.3	378.9
Workforce	2,594	2,751

Freudenberg Medical laid the foundation for its second production facility in Costa Rica in 2024.

Business Group profile

Freudenberg Medical is the global partner for the design, development and production of innovative medical devices that play a critical role in a variety of medical and pharmaceutical applications. All products help improve people’s health – every day, everywhere around the globe.

The portfolio includes complex catheter solutions, hypotubes, specialty needles, medical balloons and coatings for minimally invasive surgery, as well as precision-molded parts and custom tubing made of silicone and thermoplastic for the medical device and pharmaceutical industry.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- Slower growth in medical device supply industry in 2024 than in previous years; medical device and pharmaceutical companies reduced safety stocks as supply chains stabilized
- Freudenberg Medical recognized with two prestigious Irish MedTech Awards, one of them as “Medtech Company of the Year”
- Double-digit annual growth for Business Group since 2019; weaker growth momentum in 2024; sales nevertheless slightly higher year-on-year
- Further growth in Freudenberg Medical sales in Costa Rica and Ireland; business with drug coatings from Hemoteq, Aachen, Germany, also grew faster than market
- Demand for minimally invasive catheters and drug coatings offset lower order volumes for injection-molded components and custom extrusion tubing

FREUDENBERG E-POWER SYSTEMS



	2023	2024
Sales [€ million]	107.4	82.4
Workforce	827	768

Freudenberg e-Power Systems offers solutions for sustainable mobility such as battery cells.

Business Group profile

The Freudenberg e-Power Systems Business Group was founded in April 2022. Freudenberg e-Power Systems is a supplier of energy systems for heavy-duty applications. With its experience and expertise in battery and fuel cell technology, the company offers combined solutions for sustainable and cost-efficient e-mobility.

Freudenberg e-Power Systems supports its customers from application development to production, commissioning and service.

Business development with statements on market environment, important topics and sales (total, regional, sectoral):

- Market for fuel cells and battery solutions for heavy-duty applications still characterized by growth; however, increasing delay in fuel cell market ramp up for on-road use
- Fuel cells not yet fully established as technical solution; development held back by high costs due to low unit volumes and scarcity of green hydrogen
- Total sales by Business Group in 2024 lower than previous year; negative effects from postponed product ramp up at two key customers
- Sales in 2024 generated by battery products in North America plus a small share in Europe
- Majority of sales by Freudenberg e-Power Systems from city and school buses segment; in 2024, city bus segment more resilient against negative effects

REPORT ON EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Major events after the date of the statement of financial position which are not included either in the statement of profit or loss or the statement of financial position are explained in the Notes to the Consolidated Financial Statements under the section “Major events after the date of the statement of financial position.”

REPORT ON OPPORTUNITIES AND RISKS

Freudenberg is exposed to numerous opportunities and risks inseparably associated with business activities. Monitoring technological, political and social changes in particular is part of proactive entrepreneurship. This often generates opportunities to be harnessed in order to secure and specifically improve the company's competitiveness. Opportunities are addressed, pursued and reported throughout the year in the context of the annual planning process. Long-term opportunities for profitable growth are, inter alia, identified as part of the strategy process. Freudenberg operates a Group-wide risk management system to identify risks in a timely fashion and respond to them appropriately. Newly-acquired companies can temporarily increase the Group's risk profile as described below until the integration process has been completed. The following presentation is in line with the assessment of the Board of Management.

Opportunities

Global presence

Due to its global presence, Freudenberg has for many years been able to offer products and services at uniform worldwide standards. As a result, Freudenberg can keep pace with the international strategies of its customers, for example in production or research and development. Freudenberg has a tradition of leveraging this expertise in trusting working relationships with many customers from Europe or North America, and also in other continents. Vice versa, Freudenberg also successfully supports the international strategy of customers from emerging economies in Europe or North America.

Investments in strategic growth areas and regions

The Freudenberg Group's strategy envisages the continuous evolution of existing business through product and process innovations with a view to achieving profitable, significantly faster-than-market growth in existing business areas. This is accomplished, inter alia, by expanding the portfolio through selective, targeted acquisitions, closing identified technology gaps and gaining access to new markets. The successful growth strategy in the defined areas is thus continued. Examples in 2024 include the acquisition of the Trygonal Group, Sachsenheim, Germany. Options to acquire new areas of business that complement Freudenberg's existing activities are also examined. In the long term, Freudenberg's goal is a strategically balanced portfolio of cyclical and noncyclical businesses with sales distributed evenly among the regions of North and South America, Europe and Asia.

Forward-looking product development

Social trends, ecological imperatives and the regulatory environment require constant change. Changes in consumer behavior and growing expectations of products and services, for example with regard to the sustainability of products and their manufacture, are key drivers in the search for innovative solutions, new

raw materials and recycling opportunities. Significant market potential and opportunities for the future lie in the systematic focus on such changes and the Group's ensuing innovation activities at as early a stage as possible. Numerous product developments incorporate sustainability criteria such as material consumption, waste and energy saving together with emissions reduction. For example, Freudenberg offers the pulp and paper industry a solution for improving resource efficiency in this sector.

The Group-wide "Sustainability drives Climate Action" program coordinates the special focus on saving energy and reducing CO₂ as well as the Group's positioning on climate protection and climate change. One approach is to replace fossil resources by sustainable materials. Several Business Groups offer new products designed to meet more stringent sustainability requirements and thus increase the process efficiency or longevity of future-oriented facilities.

Mobility

The term "new mobility" as used by Freudenberg describes solutions offered to customers spanning the entire spectrum of drive technologies, such as optimized internal combustion engines, hybrid solutions, battery electric vehicles and fuel cell systems. Gas diffusion layers from Freudenberg are a performance-defining component in fuel cells. Traditional products such as the classic Simmerring have been advanced further through targeted efforts to develop special conductive properties for applications in electric motors. Special seals for use in fuel cells, and components for the electromagnetic shielding of high-voltage parts in electric powertrains open up further fields of application, some of them entirely new. New thermal barriers help reduce the risk of ignition or explosion of a battery cell in an electric vehicle. Other innovative components are designed to improve thermal management in battery cells or extend the service life of these cells. Filter systems from Freudenberg can be found in a broad range of vehicle types, including battery and fuel-cell drive systems. Freudenberg's strength as a development partner lies in its broad-based line-up, together with its industrialization know-how and its technology and materials competence, such as its battery and fuel cell expertise.

Freudenberg considers itself well prepared for the changes in drive technologies in a range of applications, given that other components and systems offset reductions in demand for products such as conventional seals. Going forward, Freudenberg will remain a competent provider of solutions for high-tech innovations for all types of drivetrains.

Digitalization

At Freudenberg, digitalization centers on gaining a better understanding of customers' wishes, reducing cycle times, updating products and making them more innovative, and commercializing products faster. All efforts pursue at least one of two objectives: to enhance customer benefit or to leverage internal efficiencies.

The smart measurement of lubricating oils ensures efficient maintenance work based on real requirements. Examples of new digital applications include sensor technology that can continuously monitor the condition of a seal with integrated predictive spare parts management and documentation. An electrically-conductive biocompatible silicone can direct electric currents to specific areas of the body, for use in applications such as neurostimulation for pain treatment.

Internal working groups regularly present examples of the ever-evolving opportunities offered by artificial intelligence, augmented reality, virtual reality and other digital technologies throughout the Group. The practical execution of upcoming projects is supported by a "Digitalization Hub" that structures and implements digitalization projects. Parallel to this, a key focus lies in knowledge transfer and networking with business units.

Further development of strategic issues

Throughout the world regions, Freudenberg's know-how and innovative capability are used in some 40 market segments and for thousands of applications. The company engages in numerous activities specifically targeted at pooling this knowledge, because the potential thus generated makes a key contribution to securing the future. Synergies are harnessed to drive key strategic issues such as digitalization, sustainability and material efficiency across the

Business Groups. Joint projects and programs are always implemented under expert guidance and achieve concrete results.

The Freudenberg Technology Innovation corporate function focuses on the future-oriented technological development of the Group as a whole. Independently identified trends, technologies and developments, together with technology topics from within the Group, are bundled into strategic subject areas and structured for further development. This includes expertise in analyzing complex datasets and the development of AI models, new mobility topics, the energy transition, as well as sustainable materials and the associated processes. In this context, strengthening existing external and internal networks and establishing new ones is becoming increasingly important in order to identify trends promptly, evaluate them and work on solutions together with partners.

Talent management

A talent management process covering the majority of employees worldwide has been in place at Freudenberg for several years. A shared HR system landscape enables standardized assessment systems with uniform skills profiles and definitions of potential. Improved comparability of assessments, more efficient personnel development and long-term personnel planning allow Freudenberg to take personnel decisions on the basis of sound and reliable information.

For the past ten years, Freudenberg has engaged in diversity & inclusion initiatives and actively encourages the diversity of a corporate culture where all employees feel valued, respected and heard. By harnessing the strengths, abilities and talents of employees from all classic dimensions of diversity (age, gender, ethnic origin, sexual orientation, religion, disability) and unlocking their potential, Freudenberg anticipates a broader employee basis and a greater degree of innovation and resilience.

Corporate risk management system

The Group's risk management system is a decentralized system oriented to the organizational structure. It covers all fully-consolidated Freudenberg companies. This process in particular ensures the

structured identification, assessment, control and monitoring of main risks. The process also includes appropriate risk communication and the continuous improvement of the corporate risk management system, allowing, for example, the mapping of sustainability risks.

The primary objective of the corporate risk management system is the early identification of risks that, individually or in combination, might jeopardize the continued existence of the company, and the initiation of appropriate countermeasures. The intention is not to avoid all potential risks, but rather to create the leeway for taking a deliberate decision to enter into a risk backed by a comprehensive knowledge of the main factors involved.

The risk management strategy is derived from the general strategy of the Group. The risk management system is continually developed, refined and audited. Controlling, internal auditing, the compliance organization, the Code of Conduct, the internal control system, various quality assurance systems as well as several corporate functions make a significant contribution to the success of the Group's risk management.

Risks

Risks are defined as all future developments, events or actions that could have a negative impact on the targets and strategies of the Group.

The following deals with risks classified as significant for Freudenberg ranked in descending order based on their importance according to the potential level of damage. These quantifiable and non-quantifiable risks can have very differing impacts. They may occur individually and independent of one another, or simultaneously. In all cases, they have the potential to impact the net assets, financial position or results of operations of the Group directly or indirectly in the short or long term. Quantitative data are not disclosed because qualitative factors affecting operating activities such as failure to meet corporate targets or damage to the company's reputation are included in impact classification.

Macroeconomic and sectoral risks

Freudenberg offers solutions in many customer segments and sectors and is active in more than 60 countries worldwide. The broad diversification of the Group reduces dependence on individual customers, customer groupings, suppliers, raw materials, technologies, regions and countries. Freudenberg is actively involved in the rapid development of alternative automotive drivetrain technologies through intensified research and development activities in various product groups, and tests the findings in several cooperation projects with industrial partners. Notwithstanding, Freudenberg is dependent on the global economic situation, particularly with regard to the general demand for its products and services, and also exposed to the effects of increasing geopolitical risks. The unexpected duration and intensity of the Russia-Ukraine war has had tangible consequences. The military escalation and the embargo measures imposed continue to disrupt global supply chains with direct and indirect effects on the Group. Other military conflicts, for example in the Middle East, and international trade disputes with disruptive effects on regional and global supply chains are also monitored particularly closely. In spite of sustained efforts to diversify further, a slump in demand in a specific region or sector or a persistent international trade dispute, for example, can lead to a substantial decline in sales and earnings for Freudenberg and thus pose a significant risk. The broad-based diversification of the Group with respect to geographic regions and business sectors will help to keep the overall impact on Freudenberg within manageable limits despite isolated problem areas.

Freudenberg has taken measures to limit the negative consequences of demand-side risks. In particular, the company has appropriate capacity flexibility and practices active working capital management. Freudenberg regularly monitors several success indicators and can thus respond promptly to negative developments. In the context of a long-term response to demand-side risks, Freudenberg makes targeted investments, particularly in research and development as well as in selected strategic growth areas.

Legal risks and compliance

Freudenberg is a globally active manufacturer of functionally relevant technical components and system parts for many sectors of industry. The Group's portfolio also includes battery and fuel cell components and systems. The Group manufactures mechanical cleaning equipment and filter products for end users and is active in the manufacture and sale of medical materials and components. Freudenberg also develops and produces specialty lubricants, release agents and a broad range of specialty chemicals for very diverse applications. Wide-ranging services in the various business segments round off the Freudenberg portfolio. Consequently, Freudenberg is exposed to several legal risks. These include in particular risks in the fields of product liability, data protection, contractual warranty risks, competition and antitrust law, tax and excise duty law, M&A transactions, asset misappropriation, corruption, money laundering, infringements of intellectual property rights (patents and brand law), export controls, chemicals regulation as well as risks in the fields of occupational health and safety and environmental protection. Violations of laws and regulations can affect Freudenberg to various degrees and can lead not only to fines or other penalties or compensation, for example, but can also impair and endanger the reputation and image of the Group as a whole. In extreme cases, legal risks could have a significant effect on Freudenberg.

Freudenberg has many measures in place to respond to these legal risks. These include comprehensive quality assurance mechanisms tailored to the requirements of the respective business models and value chains, product specifications, instructions, regular training for employees, documentation, and preventive contractual solutions containing provisions limiting liability and taking account of the parties' spheres of influence. These measures are flanked by customary insurance cover which is carefully analyzed on an annual basis and, where necessary, adapted to changed conditions.

The Group conducts its global business in many different jurisdictions under different legal and regulatory frameworks that are constantly undergoing change and becoming steadily more complex. The scale and scope of the laws and regulations that must be observed are subject to continual changes

that are sometimes difficult to predict, and call for the monitoring of legislative trends, interdisciplinary and cross-border communication as well as an appropriately swift response and measures. For example, the Rules of Procedure of the Ethics Offices were revised in order to comply with the Act on Corporate Due Diligence in Supply Chains as well as the Whistleblowing Directive and the Whistleblower Protection Act. Furthermore, internal processes and infrastructure were expanded to incorporate measures for the systematic identification, documentation – and if necessary – remediation with regard to possible human rights violations within the company itself or along the supply chain. The necessary structures and processes were put in place for the timely transposition of the Corporate Sustainability Reporting Directive (CSRD) into national law. Reducing waste, lowering CO₂ emissions, HSE and compliance with the Code of Conduct have already been focal topics for management for many years.

By tradition, compliance with laws and regulations as well as internal guidelines and Freudenberg's own Guiding Principles and Business Principles has very high priority at Freudenberg. Employees are made aware of and trained in the relevant legal risks for their respective Business Group and the regions of relevance for Freudenberg; they are expected to observe and comply with these requirements. To communicate compliance content for training, dialog and discussions, Freudenberg makes use of both printed documents and in-person seminars as well as web-based trainings, e-learning tools and interactive video conferences to reach as many employees as possible. Furthermore, 450 Freudenberg managers who attended the DIALOG management event in 2024 devoted considerable attention to the topic of compliance. Held once every three years, this latest event addressed the key elements and processes for the Group's long-term success.

Despite all carefully applied control and prevention mechanisms in our compliance structure and compliance measures, there is a residual risk that is unavoidable given the size and complexity of our global organization and the significant increase in regulatory density. Furthermore, the possibility that employees from Freudenberg or from our suppliers unconsciously infringe third-party rights cannot be entirely ruled out; this could trigger negative judicial

consequences or damage the image or reputation of Freudenberg.

Information security risk

Modern business processes are to a significant extent based on information collected, processed, exchanged and stored digitally. Potential risks caused by disruptions in these processes could impact both internal business processes and communication with customers and suppliers, and could, for example, lead to the interruption of operations at Freudenberg or at a third party. Demands on the reliability and security of IT systems and cloud services used by us, our suppliers and our customers are intensifying as a result of technological progress and the trend towards greater process networking.

The aim of the guideline on information security issued by the Board of Management is to preserve the confidentiality, availability and integrity of information. Freudenberg deals with the relevant information security risks by operating information security management systems oriented to the ISO/IEC 27001:2013 international standard. Data protection management systems ensure the protection of personal data through the implementation of measures required by law. The Business Groups and corporate functions conduct regular risk assessments, monitor legislative activity such as the transposition of the NIS-2 Directive, and implement appropriate measures. Local risks, for example, are dealt with by means of geographically separate, redundant data centers.

At Freudenberg, as elsewhere, the relevance of cyber risks is steadily growing. Freudenberg counters new, professional attack techniques, such as supply chain attacks or AI-generated phishing attacks, through internal training and communication measures. The same applies with regard to risks from the use of artificial intelligence. This also promotes a heightened awareness on the part of employees with regard to the secure handling of information and information processing systems and processes. It is flanked by the risk-based continued development of protection and response mechanisms, and the expansion of expert capacities, particularly as regards monitoring, and response capabilities in the event of an incident. In this context, the IT security level of IT service

providers is regularly reviewed and aligned with Freudenberg's requirements. Despite all technical, organizational and awareness measures, significant system failures and damage to Freudenberg as the result of a cyberattack cannot, however, be ruled out.

Interruptions of operations and long-term disruptions

The classic risk of unplanned interruptions of operations has several possible causes. The main ones are interruptions in production, for example due to uncertainty regarding the availability of specific raw materials and energy, delays in upstream stages of the supply chain or in the Group's own supply chain levels, restricted availability of IT infrastructure, damage from natural hazards, fires or explosions, or any combination of these causes. Possible consequences are loss of sales revenue and earnings, contract infringements, contractual penalties and claims for damages as well as reputational damage.

Recent years have seen an increase in natural events, probably associated with climate change. Freudenberg real estate is also affected by regional floods, fires and storms, and damage can result in an impact on sales revenue and earnings. Insurance cover has largely been arranged for actual damage and any resulting interruption of operations.

Freudenberg has taken numerous precautions to maintain and safeguard IT systems (back-up solutions, emergency data centers) as well as to meet contractual delivery obligations (dual/multi-sourcing, lead centers with interchangeable infrastructures, cross-plant tools, crisis training at relevant production locations) and to ensure delivery reliability and contract compliance, and has also insured individual risks deemed by Freudenberg to merit cover. While not universal, these concepts and their evolution have also proved their worth in particularly demanding situations. Despite all the measures that have already been taken or will be taken in the event of an emergency, there is a residual risk of a temporary interruption in operations, for example, in the event of sudden, widescale interruptions in energy supply, with a possible impact on the sales revenue and earnings of the Group.

Our response to demographic change and other social developments, primarily in industrialized nations, takes the form of central recruiting functions in the USA, Germany, China and Costa Rica/Mexico designed to recruit and retain appropriately trained and motivated employees with a view to maintaining competitiveness and the further development of the Freudenberg Group in the medium- to long-term.

Financial risks

As an internationally active company with major shareholdings in other countries, Freudenberg is exposed to financial risks which under certain circumstances could significantly impact the net assets, financial position or results of operations of the Group. Such risks include financial risks from the Group's M&A activities arising from the potential impairment of goodwill and investments or of unrecognized obligations. Freudenberg employs various measures to manage these risks. The Group has several expert groups specifically tasked with the identification, analysis and steering of Freudenberg's financial risk profile. This also includes the regular review of financial risk management methodology and steering.

Various measures to safeguard liquidity are in place which allow Freudenberg to react swiftly to unexpected liquidity-related risks. Such risks are hedged by solid bank and Partners' financing as well as high liquid reserves. Freudenberg has a high equity ratio, a stable level of Partners' reserves, and comprehensive credit lines.

In addition, Freudenberg is exposed to exchange rate and interest rate risks. Managing these risks is implemented by internal guidelines and processes and monitored by a treasury management system. In line with a central framework of regulations, exchange rate risks are determined locally on a cause-specific basis and steered under a consultation process. Interest rate risks arise from possible changes in the market rate and can lead to changes in the market value of fixed interest investments.

Funds for subsidiaries are made available in the form of cash pool agreements, inter-company loans as well as guaranteed loans from banks. Inversely,

Freudenberg companies channel surplus liquidity to the central finance department.

Binding internal guidelines for Freudenberg companies clearly specify that derivative financial instruments may not be used for speculative purposes, but only for hedging risks in connection with underlying transactions and associated financing operations.

The Group's conservative finance strategy was one of several factors that led the rating agency Moody's Deutschland GmbH, Frankfurt am Main, Germany, to confirm its Freudenberg SE "A3" rating with a long-term "stable" outlook in May 2024. This gives Freudenberg very good creditworthiness at investment grade level.

Risks from technological progress and innovations

As a highly diversified technology group, Freudenberg is active in numerous product and market segments, some of which are very different in many respects. Moreover, Freudenberg conducts its entrepreneurial activities on the basis of different business models. Consequently, Freudenberg operates in a constantly changing environment and is exposed to technological progress and a wide range of innovations. In specific terms, this means that Freudenberg comes up against new products, technologies or organizational structures.

Freudenberg addresses the implications of these customary risks in its regularly updated corporate strategy and limits these risks by various measures, in particular in-house research and development and innovation. The most important pillar and key driver of innovation at Freudenberg is to be found in the Business Groups, whose research and development activities are closely geared to their customers. In addition, the Freudenberg Group acquires companies or business units to add to the Group's technology and product portfolio and to enhance competitiveness through innovation.

With the Freudenberg Technology Innovation corporate function, Freudenberg has created an organizational unit that pools the Group's technical knowledge – in particular on cross-sectional technologies. At 5.1 percent, Freudenberg invested a

substantial share of sales in research and development in the 2024 financial year. The share of sales attributable to new products totaled 30.8 percent.

Contractual risks

Freudenberg enters into contracts with third parties on a daily basis and constantly adjusts its portfolio through acquisitions and disinvestments of companies and business units. During the course of these activities, obligations are assumed or commitments undertaken that may change as time goes by, must be complied with over a longer period of time, or may prove impossible to meet as a consequence of unforeseen events, such as the consequence of raw material supply bottlenecks. Inversely, long-term commitments to purchase from suppliers designed to safeguard the Group's own delivery capabilities could prove disadvantageous in the event that sales planning targets cannot be met. These activities could in retrospect prove detrimental and, above all, could negatively impact the earnings situation of the Group. Freudenberg manages these significant risks with measures such as comprehensive upfront analyses and checks with regard to acquisitions, supported by consultations with internal and external experts and consultants and, where appropriate, plausibility checks on the outcomes of the consultation process. This is complemented by interdisciplinary and supra-regional risk management resources established at both Business Group and holding company level, as well as the continuous improvement and further development of systematic contract management and contract monitoring in line with business demands. These measures significantly reduce the risk.

Occupational safety, health protection, environmental, security and sustainability risks

Freudenberg has production sites in some 60 countries, some of which operate under very different conditions. There are operational risks with regard to production processes in particular in terms of workflows, production equipment and the processing of hazardous materials. Freudenberg trains employees to comply with safety regulations and in the use of protective equipment, and fulfills all relevant safety requirements and guidelines.

Freudenberg locations are repeatedly exposed to natural hazards as a result of the presence in different regions and climate zones. In spite of preventive measures, natural hazards such as earthquakes, floods, tornados, forest fires, mudslides or extreme snowfall can occasionally negatively impact the business operations of the units concerned. Natural hazards are taken into consideration as part of the site selection process and for acquisition projects. By using a natural hazard database, Freudenberg can conduct portfolio analyses on natural hazards as well as trends and risks relating to medium- and long-term climate risks and take appropriate action.

Freudenberg has been monitoring the risk of a global pandemic for several years (SARS, avian influenza virus H5N1, zika virus). The precautions and measures to fight pandemics were developed further and reinforced based on the experience gathered during the course of the COVID-19 pandemic. We make sure that we stay prepared for any future pandemic.

Group-wide standards in the fields of occupational safety, health, site security, crisis management, environment and fire protection are defined, implemented and reviewed on the basis of the minimum requirements and guidelines for the Business Groups. Despite all preventive measures, significant occupational safety, preventive healthcare, security and environmental risks cannot be entirely ruled out. In the case of hazardous substances, efforts are, for example, made to identify substitutes for substances with proven, unacceptable risks before a statutory provision comes into effect, with a view to minimizing potential and customary risks arising in connection with such hazardous substances. This also forestalls undesirable effects through a possible ban on a given substance. In addition, many product developments are subject to a stage gate process which among other things ensures that new products have a better environmental performance than their predecessors and that certain undesirable substances are not used in the development of new products. These measures exemplify many other ideas and projects to reduce sustainability risks.

Since it was launched in 2002, the worldwide “We all take care” initiative motivates Freudenberg employees to make their work and their workplaces safer, healthier and more environmentally friendly

as well as taking responsibility for society. The initiative is supported by the Group's top management, employee representatives and senior executives in the Business Groups, and the best projects are honored each year.

Internal control and risk management system (referred to the Group financial reporting process)

The Group internal control and risk management system for the financial reporting process at Freudenberg is tasked with ensuring the functionality, compliance and effectiveness of financial reporting in the Group. The internal control system includes measures designed to ensure the complete, accurate and timely transmission and presentation of information of relevance for the preparation of the consolidated financial statements and the consolidated management report of the Group.

The consolidated financial statements and the consolidated management report of the Group are prepared centrally. The minimum requirements regarding reporting content submitted by the companies are defined and controlled centrally, and the time frame and process requirements are monitored. The regularly updated IFRS accounting guidelines form the basis for the IFRS reporting packages of the parent company and of all domestic and foreign subsidiaries included in the consolidation. There are binding instructions for Freudenberg's internal coordination and other preparatory work for the financial statements.

Freudenberg uses a standard software tool for the Group financial reporting process. This tool is used throughout the company worldwide and clearly defines user rights observing the principle of the separation of functions. The system covers both reporting by Freudenberg companies and the data for the consolidated financial statements. Additional controls are implemented in the consolidation process.

The consolidation process is also supported by a software tool for the automatic reconciliation of balances throughout the Group. The individual companies have a local internal control system which is the responsibility of the respective Business Group and

which must comply with uniform minimum requirements applicable throughout the Group.

The Corporate Controlling & Accounting function organizes seminars for employees involved in this process in the event of important changes in financial reporting procedures and IT applications, thereby guaranteeing a consistently high standard of reporting. Actuarial reports and evaluations are compiled by specialist service providers.

There is a clear demarcation of tasks between the corporate function and the companies. The segregation of functions and the dual control principle are systematically applied. It is standard procedure for the Freudenberg auditor and the auditors of the consolidated companies to review the functionality and compliance of the relevant reporting process. Suggestions for improvements are regularly discussed and optimized. In addition, the functionality and compliance of processes of relevance to financial reporting are reviewed regularly under an internal auditing process. The complete package of processes, systems and controls adequately ensures that the Group's reporting process is in accordance with IFRS and other regulations and laws of relevance to financial reporting and is reliable.

Overall assessment of the opportunities and risks

Freudenberg has an in-depth understanding of the short- and long-term opportunities necessary for the further development of existing business areas and the development of new activities to secure the future of the Group, and actively pursues these opportunities.

In our opinion, based on the probability of occurrence and potential impact of the risks described above, they do not individually or cumulatively present a risk to the continued existence of Freudenberg.

REPORT ON EXPECTED DEVELOPMENTS

The assumptions made in the report on expected developments are based on the operative planning of the Freudenberg Group for 2025 and the strategic planning for the period 2024 to 2026 adopted by the Board of Management and the Supervisory Board. This planning is premised on our underlying expectations regarding macroeconomic conditions and developments in the markets of relevance to the Group. The assessments of future business development take their orientation from the targets set by our Business Groups as well as the opportunities and risks arising from expected market conditions and the competitive situation in the planning period. Set against this backdrop, we adjust our expectations for business development on a case-by-case basis in line with the latest forecasts.

We expect the generally challenging macroeconomic environment to continue in the 2025 financial year. As in 2024, we anticipate subdued global economic growth for 2025.¹ Economic and geopolitical uncertainty remains high in 2025. One uncertainty factor is the threat to geopolitical stability with far-reaching consequences for trade relations. In particular, further developments in the conflict between Russia and Ukraine and the conflict in the Middle East remain uncertain, even though various initiatives and negotiations are emerging. There are indications that economic growth in the major industrialized nations will only come in at 2 percent at best. Even though increases in central bank interest rates have reined in inflation in several regions, the price level on procurement markets remains relatively high. Labor markets are faced with a shortage of skilled workers. Against this backdrop, we expect modest business development in the markets relevant to the Group.

With regard to our regional core markets, we expect the German economy to see slight economic growth of 0.3 percent in 2025 following a slight recession in 2024.

The consumer response to lower inflation and falling interest rates is only lukewarm. Industry is facing high

cost and competitive pressure and feeling the effects of continued subdued global economic activity.

In the eurozone, which remains the Group's largest sales region, we expect to see further growth of 0.9 percent in 2025 based on slight growth of 0.7 percent in 2024. Falling inflation and the associated cuts in central bank interest rates, most recently to 3.0 percent in December 2024, will stimulate the economy, albeit with a slight time lag. The inflation rate in the eurozone is expected to decrease from an average of 5.4 percent in 2023 to 2.4 percent in 2024 and 2.1 percent in 2025.

We expect economic growth in the USA to drop from 2.8 percent in 2024 to 2.2 percent in 2025. Both private consumption and government spending will likely be lower in 2025 than in the previous year.

In Japan, we expect a slight minus of 0.1 percent in 2024 to be followed by 1.2 percent growth in 2025. Moderate inflation and government measures are likely to bolster both private consumption and businesses.

Economic development in the emerging economies will present a mixed picture. China remains one of the most important growth regions for Freudenberg. Following growth of 5.0 percent in 2024, we anticipate 4.5 percent growth in 2025. The government has taken the first steps to stimulate the economy. However, persistent geopolitical uncertainty and the threat of export tariffs on electric vehicles are fueling uncertainty. For India, we forecast economic growth of 6.5 percent in 2025 based on 6.3 percent growth in 2024.

Against the backdrop of subdued global economic growth in 2025, developments in the sectors served by Freudenberg will be mixed. The automotive industry is a particularly important sector for Freudenberg. Based on negative growth of 1.1 percent in the automotive industry in 2024, we expect global production to stagnate in 2025. We expect to see 0.4 percent growth in China in 2025, 5.0 percent growth in India, and 5.5 percent growth in South America, offset by minus 0.6 percent growth in Japan, minus 1.8 percent

¹ Sources: In this chapter, all figures related to economic developments are based on data from Consensus Economics, the European Commission, the International Monetary Fund, the World Bank, the OECD, and the marketing research and consulting company Schlegel und Partner.

in Korea, minus 2.2 percent in North America, and minus 3.0 percent in Europe. Global automobile production of light vehicles is anticipated to return to the 2019 pre-crisis level, with 89.4 million units in 2024 and an expected 89.0 million units in 2025.

We expect to see growth of 1 percent in the mechanical and plant engineering sector, Freudenberg's second most important sector, in 2025.

Private consumption will see positive development. We expect growth of 1.6 percent in the industrialized nations in 2025, with higher rates in some of the emerging economies, for example 4.7 percent in China and 6.2 percent in India.

In the oil and gas industry, we anticipate growth rates of between 0.5 and 5.0 percent in the industry's regions in 2025.

To manage the uncertainties outlined above, we will stay agile at each of our locations throughout the world and continue to respond swiftly and flexibly to changing requirements. Customer centricity is a main focus of all our efforts. This principle applies to all sectors and regions. We will therefore continue to invest in long-term projects. The mobility transformation, digitalization and sustainable solutions will remain our key strategic themes. We will adopt a selective and focused approach to developing our portfolio further and strengthening it through acquisitions relating to promising technologies. Our efforts in this context are guided by the findings of the foresight project named "Odyssey" that examined what the world might look like in 2050 and what business opportunities this might bring for Freudenberg. The project was launched in 2015, and a follow-up project called "Janus" started in 2020 to address the impact of recent political and economic changes on the framework set out in "Odyssey". Additionally, since the 2021 financial year, the interdisciplinary "Janus" team has been analyzing the impact of the COVID-19 pandemic, growing protectionism, nationalism and trade conflicts on the future. Our long-term goal is a balanced portfolio of cyclical and non-cyclical businesses with equal sales contributions from North and South America, Europe and Asia.

In 2025, we will again continue to drive forward with our projects in the fields of sustainability, non-financial key performance indicators and corporate

citizenship. As a responsible, innovative technology group, Freudenberg will once again implement numerous measures in environmental protection, occupational health and safety. As in the previous year, special attention will again be devoted to occupational safety. We expect to see the Lost Day Incident Frequency Rate (LDIFR) in the 2025 financial year at the level of the previous year.

Given the opportunities and risks described in the previous chapter, or in the event that the expectations and assumptions described above do not materialize, the actual development of Freudenberg may show a positive or negative deviation from this report on expected developments.

Anticipated sales developments in our Business Groups reflect the regional and sectoral developments and challenges described above. We expect Group sales in the 2025 financial year to be slightly higher than the prior-year level. Set against the backdrop of a persistently challenging macroeconomic environment, we anticipate a slightly higher operating result. On the basis of these forecasts, we expect a slightly lower return on sales for 2025.

Weinheim, March 18, 2025

The Board of Management

FREUDENBERG SE (HGB)

Freudenberg SE is a wholly-owned subsidiary of Freudenberg & Co. KG, Weinheim, Germany, and is the parent company with responsibility for the operations of the Freudenberg Group.

The net assets, financial position and results of operations of Freudenberg SE are characterized by its holding function. The company holds interests in affiliated companies and it is the profit from these investments that dominates the earnings situation of Freudenberg SE.

The annual financial statements of Freudenberg SE are set up in accordance with the Handelsgesetzbuch (HGB – German Commercial Code) and the Aktiengesetz (AktG – German Stock Corporation Act).

EARNINGS SITUATION

[€ million]	2023	2024
Sales	61.1	61.2
Investment result	900.8	773.9
Other operating income	2.5	3.3
Material expenses	-45.3	-45.1
Personnel expenses	-9.6	-10.2
Other operating expenses	-96.8	-102.3
Financial result	-63.9	-58.0
Profit before taxes	748.8	622.8
Income taxes	-35.0	-37.6
Profit for the year	713.8	585.2

The **sales** of Freudenberg SE largely result from the charging of services and from royalties for the Freudenberg global brand amounting to €15.2 million (previous year: €14.6 million).

The **investment result** decreased from €900.8 million to €773.9 million. The negative development in the results of individual affiliates had a corresponding impact on the overall result. The fall in dividend payments from €143.1 million to €66.5 million also had a negative effect.

Other operating income rose from €2.5 million to €3.3 million.

At €45.1 million, **material expenses** were at about the same level as the previous year (€45.3 million) and represent services purchased.

At €10.2 million (previous year: €9.6 million), **personnel expenses** were above the level of the previous year. Expenses for salaries ran at €12.6 million (previous year: €10.5 million).

The **other operating expenses** rose from €96.8 million to €102.3 million. This rise was due to various factors, including higher consultancy expenses and administrative expenses and higher expenses for development services.

The **financial result** rose by €5.9 million compared with the previous year. This increase was chiefly the result of lower interest expenses.

Income taxes rose by €2.6 million from €35.0 million to €37.6 million. This rise was chiefly due to higher municipal trade tax and higher taxes for prior periods.

At €585.2 million (previous year: €713.8 million), the **profit for the year** of Freudenberg SE was below the level of the previous year.

ASSETS, LIABILITIES AND FINANCIAL POSITION

[€ million]	Dec. 31, 2023	Dec. 31, 2024
Intangible assets	4.3	2.6
Tangible assets	1.8	2.3
Financial assets	2,905.9	2,945.9
Receivables and other assets	3,843.0	4,303.8
Cash at bank and in hand	91.1	63.2
Total assets	6,846.1	7,317.8
Equity	4,898.2	5,349.5
Provisions	164.2	170.7
Liabilities	1,783.7	1,797.6
Total equity and liabilities	6,846.1	7,317.8

The assets of Freudenberg SE as the holding company chiefly consist of shares and participations in companies and amounts receivable from these companies.

As of the statement of financial position date, financial assets had risen by €40.0 million to €2,945.9 million (previous year: €2,905.9 million).

Receivables and other assets mainly include amounts receivable from affiliates. As of the statement of financial position date, these had risen by €460.8 million to €4,303.8 million (previous year: €3,843.0 million). This is mainly the result of higher cash pool receivables from Externa Handels- und Beteiligungsgesellschaft mit beschränkter Haftung with headquarters in Weinheim, Germany.

Equity increased to €5,349.5 million (previous year: €4,898.2 million). The net retained profit rose by €451.2 million from €4,153.0 million to €4,604.2 million. The profit for the year decreased from €713.8 million to €585.2 million. The retained profit was reduced by dividends paid in the amount of €133.9 million (previous year: €111.9 million).

Provisions rose by €6.5 million from €164.2 million to €170.7 million and chiefly include provisions for pensions.

Liabilities increased by €13.9 million from €1,783.7 million to €1,797.6 million.

SUMMARY STATEMENT

Against the backdrop of our sound situation with respect to net assets and financial position and the high earnings of our affiliates, we assess the general economic situation of Freudenberg SE as positive. This statement is not affected by any events reported in the chapter “Report on Events after the Date of the Statement of Financial Position”.

REPORT ON EXPECTED DEVELOPMENTS

As the parent company of the Freudenberg Group responsible for business operations but without its own business operations, Freudenberg SE mainly receives income from its affiliates. As a general principle, expectations concerning business developments within the Freudenberg Group therefore also have an impact on the earnings of Freudenberg SE. For this reason, the assumptions and statements made in the report on expected developments for Freudenberg are equally relevant to Freudenberg SE.

NET RETAINED PROFIT AND DIVIDEND

In December 2024, the Shareholders Meeting resolved, as proposed by the Supervisory Board and the Board of Management, to pay a dividend of €133.9 million (previous year: €111.9 million) to the sole shareholder Freudenberg & Co. KG in 2024 from the net retained profit as at December 31, 2023, which amounted to €4,153.0 million.

The Board of Management proposes that the retained profit for the 2024 financial year, amounting to €4,604.2 million, should be carried forward to new account.

SUMMARY CONCLUDING STATEMENT OF DEPENDENT COMPANY REPORT OF FREUDENBERG SE

“We hereby declare in accordance with Sec. 312, Para 3, AktG (German Stock Corporation Act) that, on the basis of the circumstances of which we were aware at the time when transactions with affiliated companies were implemented or acts or forbearances were taken, our company received consideration comparable with that obtainable from a non-affiliated company and did not suffer any disadvantage as a result of such acts or forbearances.”

Freudenberg embraces responsibility.

Examples of how Freudenberg embraced responsibility in 2024 can be found on the following pages:

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**FOR AN
OPTIMISTIC
LOOK INTO THE
FUTURE**



Technology and Values

**CREATIVE TECHNICAL
SOLUTIONS
OF EXCELLENT QUALITY**

Freudenberg stands for excellent technologies and a high ability to innovate. Our employees are experts in products, services and solutions that are at the forefront of technology and used in thousands of applications and about 40 market segments. Our seals, vibration-control components, technical textiles, filters, cleaning technologies, specialty chemicals, medical products, batteries and fuel cells make a valuable contribution to the success

of our customers around the world. The company has always been family-owned, and the values of the founder Carl Johann Freudenberg have kept it grounded. We have been true to these values since 1849.

**Life is full of Freudenberg:
for example, our solutions make sure
that the air in rooms is becoming
cleaner, that cars can drive, or that
wounds heal faster.**

Freudenberg products are often invisible, but always essential – for example, in silicone belts that monitor preterm babies, in household cleaning, for emission-free mobility (top row, from left) or in a desalination plant, in the production of oxygen masks, or in outdoor clothing (bottom row). And these are just six examples from thousands of applications.



FINANCIAL SUCCESS IS ONLY HALF THE STORY

Freudenberg defines success as achieving financial success while at the same time taking its responsibility for society and the environment seriously. These two goals are inseparably linked and firmly anchored in the company's Guiding Principles.

This responsibility comes in many forms: Freudenberg has set itself clear environmental goals, and aspires to become a CO₂ neutral company by 2045.

Freudenberg also encourages diversity among the workforce and stands for a corporate culture that enables all employees to contribute their strengths. Freudenberg embraces this responsibility outside the company, too, in many areas where aid is needed. In 2024, for example, in the form of immediate aid for the victims of war and natural disasters, or through a global program to support education and environmental protection.

These examples all demonstrate the depth of Freudenberg's commitment to its value orientation.



The themes of the Freudenberg Group's Guiding Principles are value for customers, leadership, responsibility, innovation, people, and long-term orientation. The "Responsibility" Guiding Principle is particularly relevant with regard to Freudenberg's responsibility for society:

RESPONSIBILITY

We are committed to the highest standards of personal behavior. Fairness and integrity guide our actions within the company and in the communities where we operate. These values govern our behavior towards customers, suppliers and other business partners.

We are committed to sustainability and responsible behavior in all the countries and communities where we operate. We are dedicated to workplace and product safety.

Freudenberg is a values-based technology company that feels a responsibility to its customers and society.

Responsibility for society encompasses five areas at Freudenberg:

Sustainability; Health, Safety and Environmental Protection; Corporate Citizenship; Compliance; Employees and Diversity.

By tradition, all these themes are important for Freudenberg and are also anchored in the company’s Values and Principles as well as its Code of Conduct.

Moreover, Freudenberg works constantly to improve in these areas and meet specific targets, such as becoming CO₂ neutral (referred to Scope 1 and 2 emissions) no later than 2045.

Furthermore, Freudenberg has over the past few years dealt in detail with the ESG (E= Environmental, S= Social, G= Governance) regulatory requirements of the EU, and created the framework for reporting in line with the relevant regulations (CSRD, Taxonomy). More specifically, Freudenberg has implemented projects to understand these reporting obligations and put them into context, to set up the organizational framework, to establish processes for collecting the required data and information, and to roll out tools for collecting and transmitting the data.



- Freudenberg Values and Principles
- Areas relevant to the “Responsibility” theme

ON THE SAME WAVELENGTH AS THE UNITED NATIONS



**Sustainable Development Goals:
Freudenberg prioritizes nine of
the 17 goals where it can make
an important contribution.**

Freudenberg has always been values-oriented. Freudenberg is a participant of the UN Global Compact, because values are non-negotiable and because communicating our actions to the public is equally important. Through its participation, the company affirms its support for the ten basic principles on human rights, labor, anti-corruption and environmental protection agreed by the United Nations.

Freudenberg is also committed to the 17 Sustainable Development Goals that were proclaimed as a global framework in 2016, shortly after the Paris Climate Conference. Freudenberg prioritizes nine of the 17 goals where it can make an important contribution.



Freudenberg-wide initiative

AWARD-WINNING TEAMS FROM ALL OVER THE WORLD

We all take care!

Since its launch in 2002, the Freudenberg-wide “We all take care” initiative has honored employees and teams who are especially committed to making work safer, healthier and more environmentally-friendly. The annual “We all take care” Awards honor the achievements of the winning teams. With some 320 projects submitted, the number of teams taking part in the year under review was the highest ever in the history of the initiative.

First place went to Freudenberg Sealing Technologies. With its “Safety meets Performance” project, the team in Berlin achieved a remarkable reduction in the braking speed of open rolling mills, decreasing one of the greatest safety risks in dealing with rollers. The original goal was to reduce energy consumption. In the course of the project, it became clear that the measures could almost eliminate the risk of serious injuries.

The Vibracoustic team from Wuxi came **in second**. By taking a holistic approach to its “Energy Efficiency and Carbon Reduction” project, the Chinese facility was able to reduce its energy consumption and CO₂ emissions by about one-quarter.

Third place went to the Freudenberg Chemical Specialties team in Shanghai. As part of a project entitled “A Digital Safety Hub for Anyone, Anytime, Anywhere”, the Chem-Trend team built a digital platform where every employee is able to play an active role in safety issues.



Sustainability

ON THE PATH TO **CO₂ NEUTRALITY**

Freudenberg's understanding of sustainability is focused: sustainability is about resource efficiency as regards the use of energy and materials.

Transparency requirements grow as regulation increases – not only with regard to the company’s own reporting, but also at product level, for example through customer enquiries.

Freudenberg’s definition of sustainability is consistent with the UN’s Brundtland definition. The company would like to keep our planet livable far into the future. That is why we want to play our part in producing as little waste and emissions as possible and minimizing the use of water, energy and materials. Our goal is to achieve CO₂ neutrality at our sites by 2045 (Scope 1 + 2).

The Group’s commitment to climate protection also makes good business sense. Products are increasingly expected to be sustainable. That calls for innovation and represents a huge opportunity for Freudenberg as a technology company. At the same time, sustainable companies are more attractive to customers, who integrate them as suppliers into their own sustainability programs.

Freudenberg sees the purchase and self-generation of green electricity as one pathway to reducing CO₂ emissions.

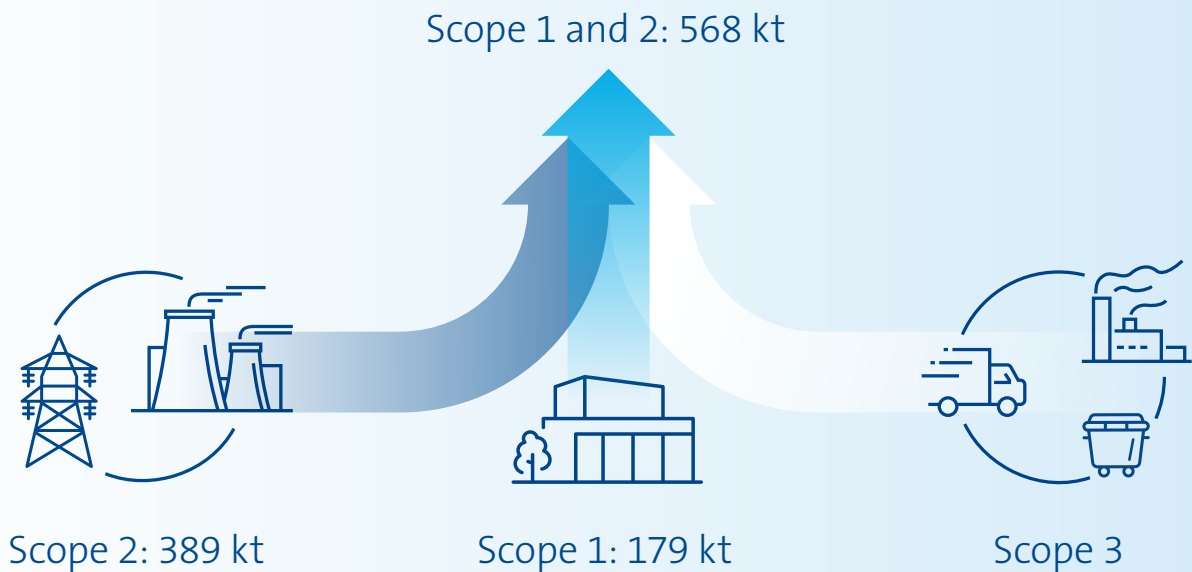


Climate change is one of the greatest challenges of our time. That is why the current focus of Freudenberg's sustainability strategy is the path to CO₂ neutrality.

As a company whose Business Groups operate in several industries and use various production methods,

Freudenberg defines key goals and the overarching path to CO₂ neutrality at Group level. Within this framework, the Business Groups develop their individual, industry-specific paths. This approach aligns the Group-wide sustainability strategy with Business Group-specific goals and needs.

Freudenberg's CO₂ emissions in 2024 (Scope 1 and 2)



Scope 2:

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

Scope 1:

Greenhouse gas emissions generated directly by the Freudenberg Group

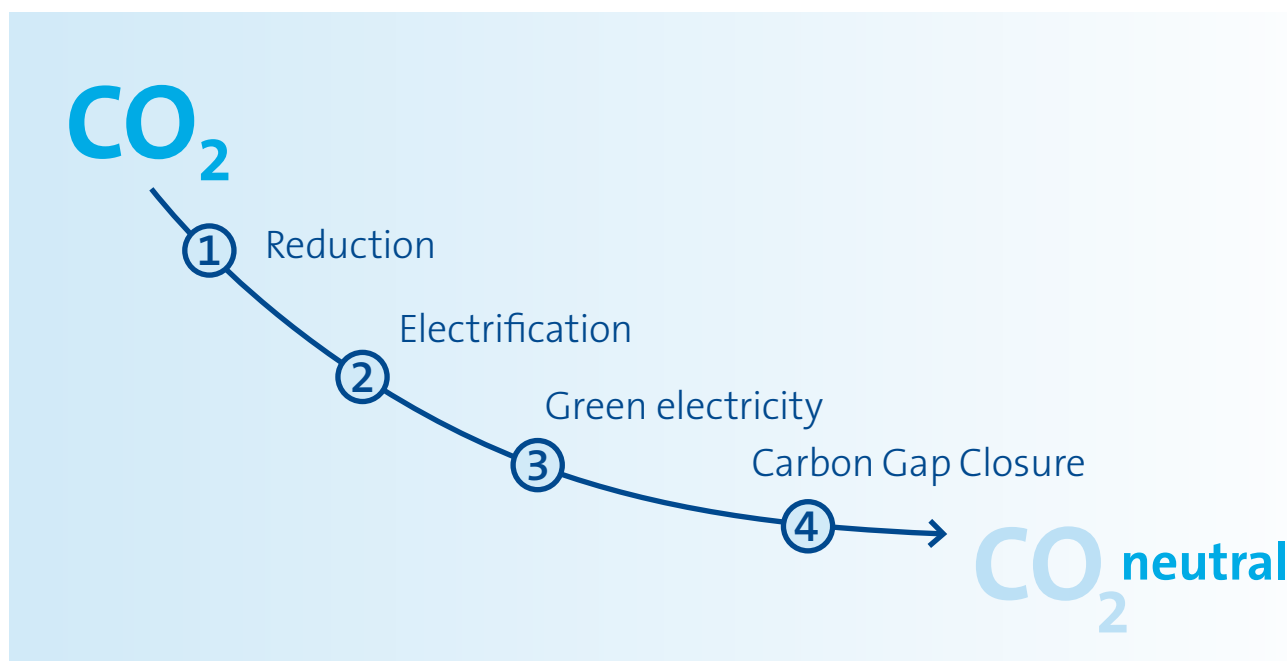
Scope 3:

Greenhouse gas emissions associated with upstream or downstream value chain activities

The goals set by Freudenberg address what are known as Scope 1 and Scope 2 emissions: these are emissions where the company can exert an influence through its own energy consumption and through energy purchasing. The first milestone on the path

to CO₂ neutrality is to reduce relative CO₂ emissions, measured per million euros of sales, by 25 percent by 2025 compared to 2020. Freudenberg aspires to be a CO₂ neutral company by 2045 at the latest.

4 steps to CO₂ neutrality



The first steps in the multistep strategy on the path to CO₂ neutrality are reductions in energy use, electrification, and the purchase and self-generation of green electricity. Even with these steps, certain residual emissions are likely in 2045 because not all countries are expected to be able to purchase 100 percent green electricity by then, given their different CO₂ neutrality goals (for example, China: 2060).

Moreover, the electrification of some processes is not meaningful or economically viable. To take the last step to CO₂ neutrality, Freudenberg therefore focuses on new technologies and markets to manage these residual emissions that cannot be reduced by means of today's established approaches (carbon gap closure). For example, adequate volumes of green hydrogen or biogas may be available at acceptable costs in future to replace the residual demand for fossil energy. A further possible development is a globally-regulated system for tradable green electricity certificates similar to the system already in place in the EU, enabling a transparent process for trading emissions in countries with limited green electricity availability. Freudenberg will not engage in any CO₂ offsetting in the foreseeable future given the quality

and acceptance problems of the present voluntary carbon market.

The first three steps – reduction, electrification, and green electricity – are already being implemented throughout the Freudenberg Group. The Business Groups adopt various approaches, depending on technology, local availability and price structures for energy.

The “Sustainability drives Climate Action” project is the motor for Group-wide initiatives to implement the path to CO₂ neutrality. In addition, the Business Groups' key initiatives are defined and tracked within the strategic planning process.

Developments on the energy market are another reason why reducing our own energy consumption pays off. This market is becoming ever more volatile, and as a result the self-generation and storage of electricity along with flexibility concepts makes increasing sense: sites become less exposed to energy market risks such as electricity rationing, blackouts or extremely volatile energy costs.

The “Be energy efficient” initiative, or “Bee” for short, lays the foundation for uniform and comparable energy standards within the Freudenberg Group. It is an important component of the “Sustainability drives Climate Action” project and has been uncovering energy-saving potential at Freudenberg locations since 2019. It focuses in particular on energy consumption, process electrification, and energy efficiency. So far, some 40 percent of the entire Freudenberg Group’s CO₂ emissions have been analyzed under the initiative.

Freudenberg is convinced that reducing CO₂ emissions first and foremost means saving energy, process electrification, and the purchase and self-generation of green electricity.

These analyses have identified energy-saving potential of up to 30 percent through reductions in energy consumption. As in the previous year, efforts in 2024 concentrated in particular on compressed air, heat recovery and cooling/refrigeration: two further areas are digital twins and energy monitoring, the latter helps to save energy through control optimization and organizational measures. In some cases, if the know-how for identifying improvement potential is available, small-scale investment is all it takes to save significant amounts of energy. The decisive factors are a structured analysis and well-trained employees.

Since 2023, activities to familiarize the individual Business Groups with the flexible consulting approach for sites developed by Freudenberg’s energy

efficiency experts as part of the “Bee” initiative have been intensified, for example through the services offered by the Bee Academy – a comprehensive training program covering the fundamentals of energy management and energy efficiency.

Concepts for the gradual transition of building stock to climate neutrality are developed on the basis of as-is analyses. The first pilot project at the site in Hamburg, Germany, was followed by analyses at further sites in Kaiserslautern, Neuenburg and Reichelsheim, all Germany. A critical success factor for the analysis and identification of climate protection measures is an integrated and holistic approach covering production-specific infrastructure, the technical facilities, the building itself and the potential for using renewable energies.

The share of green electricity successively increased in 2024 in line with the Freudenberg Group’s sustainability goals. Power purchase agreements, i.e. long-term supply contracts, were extended to further countries (including Poland). However, infrastructure challenges also increase as the expansion of renewables intensifies, for example, energy prices are becoming ever more volatile. For this reason, Freudenberg focuses on technical solutions such as storage systems in Germany in particular. Consumption is thus adjusted to supply on the electricity market.

In addition to purchasing power supplies, the self-generation of non-fossil fuel-based electricity is an important component. There was further significant progress in expanding the number of photovoltaic systems at Freudenberg sites in 2024. A total of 44 arrays were in operation worldwide. Moreover, around 65 further photovoltaic systems are at various stages of planning and construction. Depending on the local situation and the availability of external developers, there are essentially two business models for realizing these systems: they are either self-financed or financed by third-party investments.

Group-wide Key Performance Indicators on Sustainability

In the year under review, the Group continued to reduce CO₂ emissions. In particular, the share of renewable energies increased year-on-year. Energy consumption remained at the previous year's level. Since 2020, Freudenberg has reduced the relative CO₂ emissions per million euro sales referred to Scope 1 and 2 by 45 percent to 47.5 tonnes. The corresponding absolute values show a reduction of some 200 kt CO₂, or 26 percent of the CO₂ emissions in the base year. At the same time, the accuracy of the KPIs has improved since 2020. Over the coming years, Freudenberg intends to confirm this trend and continue to improve.

Energy use

881
(direct, GWh)

1,605
(indirect, GWh)

38%
(renewable energy as a proportion
of total electricity consumption)

2,486
(total, GWh)

These metrics show energy
consumption from self-generated
and purchased energy in 2024.

0.21
(energy efficiency
in kWh/euro sales)

CO₂ emissions

These metrics quantify the Freudenberg Group's global CO₂ emissions in 2024 (market-based) from self-generated and purchased energy.

568
(total, 1,000 t)

47.5
(t/million euro sales)

Waste

11.6
(t/million euro sales)

Sustainability has two dimensions for the Freudenberg Group. First, the way the company shapes its own processes and uses its systems to reduce resource consumption (**footprint**). Second, Freudenberg offers numerous products and solutions that enable customers to manufacture more efficiently and sustainably or to make their products more resource-efficient (**handprint**).



By reducing its footprint and expanding customers' handprints, Freudenberg is contributing to greater sustainability worldwide.

Handprints and footprints are always a matter of resource and energy efficiency, and that invariably means technology.

There is a wide range of footprint and handprint improvements. The following pages present several examples.



Materials

Materials efficiency
Recycled, renewable and substitute materials
End of life (EOL) product handling



Waste

Waste handling



Energy

Energy efficiency
Renewable energy



Emissions

Air pollution/
emissions



Water

Water pollution
Water use

THE MANY FACES OF SUSTAINABILITY AT FREUDENBERG

Examples of successful projects

Compressed air consumption significantly reduced

The Freudenberg Medical site in Carrick-on-Shannon, Ireland, has implemented a comprehensive project to optimize compressed air management and significantly reduce energy consumption.

particles from the products, for example. However, inefficient utilization results in high costs. With this initiative, Freudenberg Medical pursued the goal of increasing energy efficiency in the long term through improved processes.



Freudenberg Medical in Carrick-on-Shannon, Ireland, improved energy efficiency by optimizing compressed air management.

Freudenberg Medical manufactures minimally invasive catheters under cleanroom conditions at the site. Compressed air is used to remove fibers or

The project centered on four main measures: firstly, compressors were switched off outside of production hours to avoid unnecessary energy consumption. In addition, a program was implemented to detect compressed air leaks. By regularly inspecting and repairing such leaks, the loss of valuable compressed air was reduced. The site also installed auto-off sensors on compressed air nozzles, which automatically interrupt the air flow when it is not needed. The fourth measure involved the use of pressure control valves at the air outlets to optimize the pressure to demand and thus save energy.

The result of these measures is impressive: Freudenberg Medical was able to reduce its annual energy consumption in Carrick-on-Shannon by a total of around 389 MWh, which corresponds to a reduction of 9 percent. The implementation of this project is a significant step towards sustainability and shows how targeted efficiency measures contribute to reducing energy consumption, CO₂ emissions and operating costs.





Pipeline seals can be monitored remotely with digital solutions from Freudenberg.

Digital monitoring of seals

Freudenberg Flow Technologies offers digital solutions for the remote monitoring of sealing systems. This lengthens the service life and reduces the ecological footprint.

Seals are often overlooked, but they perform indispensable tasks. When installed in transcontinental pipelines, however, they are often hard to access or located a long way from the nearest service team.

With EagleBurgmann EB Smart Products, Freudenberg offers digital solutions that continuously monitor sealing systems. Parameters such as pressure, temperature and vibrations can be monitored remotely. The battery-driven EB Smart Seal sensors are attached directly to the seal inlet and outlet. Data transmission is wireless. This enables cost-efficient installation and accurate results.

Measuring data collected by sensors fitted directly inside seals such as the EB Smart Seal is even more precise. This sealing solution already has integrated sensors that enable monitoring of parameters such as the sliding parts temperatures.

The data is sent wirelessly via a protected communication protocol to the myEagleBurgmann Cloud, where it is monitored and analyzed. If a parameter exceeds a predefined limit, an alarm is triggered, and the customer is notified. As a result, consequential damage, or expensive repairs and the extensive use of materials and resources can be avoided. In the worst-case scenario, this technology can provide protection against serious implications for the environment and safety.



New approach to treating exhaust air

Freudenberg Performance Materials' innovative approach to exhaust air treatment at its location in Colmar, France, cuts energy consumption and reduces CO₂ emissions.

The Freudenberg plant in Colmar produces non-wovens for the construction industry and Evolon products. Two lines use chemical binding agents. A thermal oxidation unit with heat recovery processes 35,000 m³/h of waste air. Gas consumption by the unit accounts for some 40 percent of the site's CO₂ emissions.

Freudenberg in Colmar is implementing a new concept to comply with stricter emission thresholds and meet its own sustainability ambition. It has divided exhaust air treatment into three steps: heat recovery,

removal of dust and aerosols via electrostatic precipitators, and the removal of gaseous pollutants such as formaldehyde via wet scrubbers.

One particular advantage of this new concept is that it does not require any additional thermal energy, so energy consumption is significantly reduced. Moreover, energy generation has become more environmentally-friendly because no fossil fuels are used and the waste heat is recovered directly from the exhaust air. Not only that – the efficient use of wastewater means there is no increase in water consumption.

The project is scheduled for completion by the end of 2025 and is an example of Freudenberg's commitment to greater sustainability.



HANDprint
FOOTprint

How the Vibracoustic factory in Wuxi reduced energy consumption and CO₂ emissions

At the end of 2023, the Vibracoustic factory in Wuxi, China, and the energy experts from Freudenberg Service KG conducted an energy efficiency analysis as part of the "Be energy efficient" initiative. The goal was to analyze major energy users such as compressed air networks, dryers, motors, generators and heating, ventilation & air conditioning systems, and to identify energy-saving potential. An action plan to reduce energy consumption and CO₂ emissions in 2024 was developed based on the findings of the analysis.

The team in Wuxi implemented several measures during 2024. These included the rollout of a digital

energy control system for transparent and automated monitoring of energy consumption, as well as optimization measures for machines, such as improving the efficiency of hydraulic motors for the vulcanization presses. In addition, the compressed air system was modernized and fitted with a heat recovery unit to use waste heat efficiently.

As a result of these measures, the factory reduced scope 1 and 2 CO₂ emissions by 13 percent and lowered its energy consumption by 14 percent compared with 2023.



HANDprint
FOOTprint



“Klüber Energy Efficiency” identifies the savings potential in energy consumption and realizes this potential through the use of selected specialty lubricants.

Saving energy: Transparency with the help of specialty lubricants from Klüber Lubrication

Specialty lubricants are a simple and cost-effective way to reduce energy costs. But a valid statement on the energy efficiency improvement often proves difficult. Reliable results can only be obtained based on a before/after comparison – a process that calls for expert knowledge and precise measurement methods.

This is exactly where the solution developed by the Freudenberg company Klüber Lubrication comes in. With “Klüber Energy Efficiency”, the savings potential is systematically identified and realized. The process starts by measuring energy consumption with the original lubricant. The Klüber Lubrication experts then analyze the results and suggest the use of a Klüber Lubrication product tailored to the specific application. Once the lubricant has been exchanged,

additional measurements validate the improvements, thus making the energy savings transparent.

The cooperation with Graham Packaging, a leading producer of packaging products, illustrates the effectiveness of this method. Klüber Lubrication thoroughly reviewed the lubrication of the extruder gearboxes at the Graham Packaging plant in Rotselaar, Belgium. The outcome: energy savings of 2.1 percent over the product lifetime and CO₂ savings of 11.2 tonnes – equivalent to approx. 5 trees/lifetime. The payback period for this measure was less than eleven months.

This project impressively underscores how targeted lubricant optimization reduces operating costs as well as making a significant contribution to greater sustainability.



Less energy, no water, no chemicals

Accumulator production at Freudenberg Sealing Technologies in Remagen is taking a new, sustainable approach to welding diaphragm accumulators.

The metal surfaces of the top and bottom halves of an accumulator must be perfectly clean to ensure a permanently secure weld seam. Since spring 2025, laser technology has been used to remove unwanted substances from the weld edges of both halves of diaphragm accumulators, a key component of hydraulic energy control, in preparation for electron beam welding. It is particularly important to remove any greases and oils previously deposited during punching, drawing and turning. Until this spring, these parts were cleaned in a wet-chemical industrial washing system.

Freudenberg expects the laser technology to cut electricity consumption by over 90 percent – with the corresponding cost benefits. In addition, it will no longer be necessary to use and dispose of process water and chemicals. Apart from these positive sustainability aspects, the new technology also promises to deliver on advances in quality and productivity. In addition, the improved cleaning performance reduces scrap and reworking. Moreover, material flow is simplified and accelerated through the direct integration of cleaning in the individual manufacturing lines. The previously used wet-chemical industrial washing system is a stand-alone solution for all manufacturing lines.



Accumulator production at Freudenberg in Remagen is taking a new, sustainable approach to welding diaphragm accumulators.



HANDprint
FOOTprint



Mop heads for the EasyWring & Clean and RinseClean floor cleaning systems no longer need to be wrapped in protective plastic bags before they are packed in sales boxes to be sold in the USA and Canada.

Say goodbye to plastic packaging

Freudenberg Home and Cleaning Solutions has taken an important step towards sustainability at its site in Aurora, Illinois, USA: eliminating plastic packaging for Vileda and O-Cedar products conserves valuable resources and significantly reduces CO₂ emissions.

The mop heads for the EasyWring & Clean and RinseClean floor cleaning systems have a long journey ahead of them before they are packed in boxes to be sold in the USA and Canada. And no mishap can befall them on this journey. Until recently, they were wrapped in polybags to protect them from dirt and damage during storage and transport.


In October 2023, however, a Freudenberg team conducted a thorough analysis and came to the conclusion that this packaging was no longer necessary. The plastic packaging could be entirely eliminated

by making certain adjustments in production and logistics processes. At the same time, innovative measures made sure the mop heads were clean and undamaged at the end of their journey – without any additional packaging.

Although dispensing with the packaging only saves 4.25 grams per unit, the overall weight saving is impressive: some 50,000 kilograms of packaging material are saved each year. That is equivalent to more than 125,000 kilograms of scope 3 CO₂ emissions – a significant contribution to climate protection.

Apart from the ecological advantages this measure also brings benefits for the company in terms of cost efficiency, and demonstrates how environmental awareness and economic efficiency go hand in hand.





Employees and Diversity

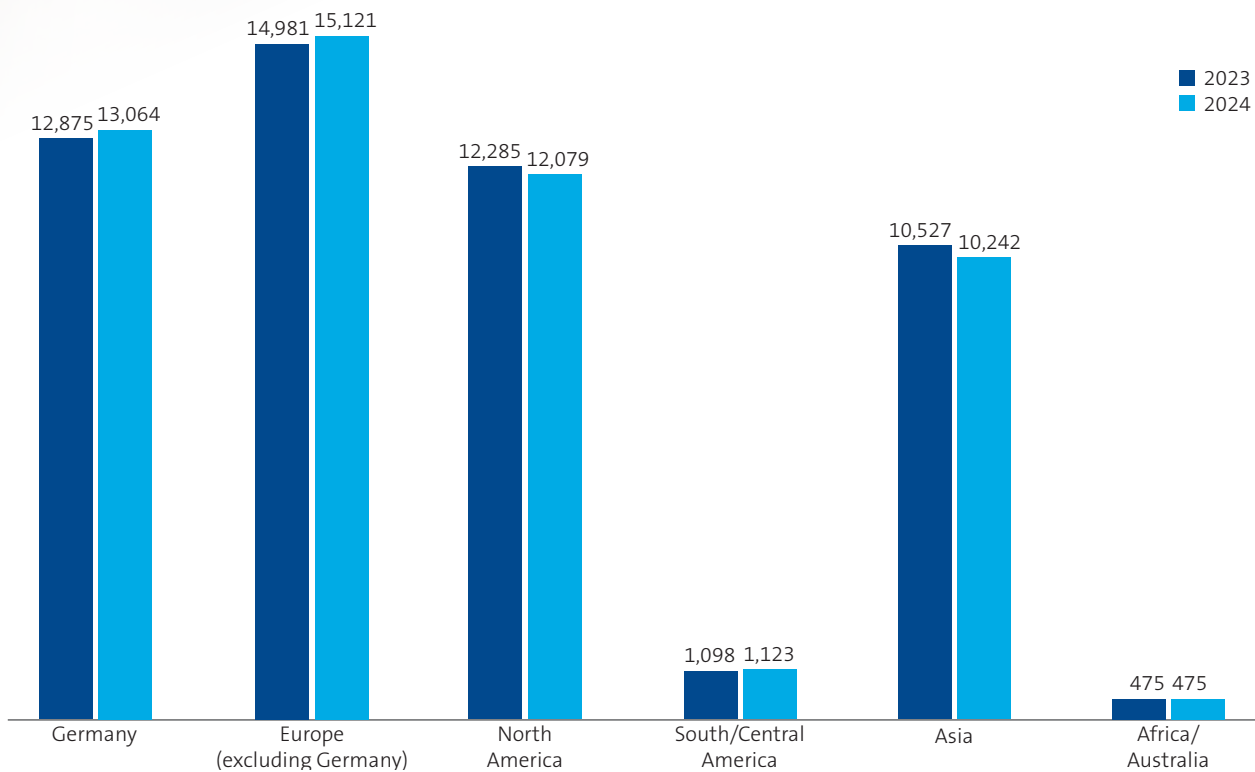
BUILDING ON TEAM STRENGTH

We continue to focus on diverse teams to drive Freudenberg's ability to innovate. The best solutions and innovations for customers happen when our employees contribute their varied experience, knowledge and skills to a collaboration. Working together in diverse teams they come up with new ideas, generate imaginative solutions and create innovative products. The common foundation for our employees all over the world is entrepreneurship in their mindset and actions.

52,104

staff were employed by Freudenberg as of December 31, 2024 (previous year: 52,241 employees).

Freudenberg Group employees by region



In Germany, the employee headcount was 13,064 (previous year: 12,875), in Europe (excluding Germany) the number was 15,121 (previous year: 14,981), in North America 12,079 (previous year: 12,285), in Asia 10,242 (previous year: 10,527), in Africa/Australia 475 (previous year: 475) and in South America/Central America 1,123 (previous year: 1,098).

Strengthening the employer brand

The Freudenberg Group employer brand with its slogan “Working at Freudenberg: We will wow your world!” was strengthened in the year under review. The accompanying visuals capture the essence of the product diversity, career opportunities and values of Freudenberg as an employer. The campaign is designed to appeal to individual target groups and inspire and attract them to join Freudenberg. The activities led to a sharp increase in the number of followers on social networks. More than 370,000 users visited the Freudenberg career website in 2024.

Career fairs as well as LinkedIn campaigns proved to be successful measures. These measures focused on regional offerings as well as internal employer branding to turn employees into brand ambassadors. The sharp rise in the number of applications to 250,000 in 2024 compared with 161,000 for the previous year (an increase of 55 percent) is indicative of the attractiveness of the jobs advertised. The numerous events and actions to celebrate our 175th anniversary organized at Freudenberg sites worldwide and actively shared on social media also had a positive impact on our corporate image.



Job applications in 2024:

250,000

Visitors to the Freudenberg career website in 2024:

370,000

Followers on LinkedIn at the end of 2024:

570,000

Attractiveness

Freudenberg provides numerous benefits that are constantly being expanded in order to become, and remain, attractive for new hires and existing employees alike. In general, the benefits we offer vary from region to region and site to site, but in the main go well beyond the statutory minimum requirements for the respective countries.

Under the talent management program, Freudenberg supports the continuous further development of its employees through numerous vocational training, further training and development programs for all hierarchical levels. The Freudenberg Group also believes a good work-life balance is important in helping to preserve and improve the health and well-being of employees. As part of an occupational health management program, the

Group provides the best possible medical support and promotes a wide range of sport and fitness schemes.

Freudenberg repeatedly receives awards that confirm the Group is an attractive employer. In 2024, for example, Freudenberg Home and Cleaning Solutions was again honored with the “Great Place to Work” award in India and – for the first time – also in Australia. In Hong Kong, Freudenberg Home and Cleaning Solutions was recognized as a “Caring Company”, and Freudenberg Sealing Technologies received the “Excellence in People & Technology” award in the UK. At the MEMA Original Equipment Suppliers Conference in Michigan, USA, Freudenberg-NOK Sealing Technologies was honored for its commitment to promoting diversity, equity & inclusion.

In addition, the Freudenberg Group was named “Family Business of the Year 2024” by the INTES Academy for Family Businesses. The jury honored the close cooperation between the family and the company that only works so well because prudent action has successfully bundled the interests of some 370 Partners in the Supervisory Board. Moreover, other outstanding attributes are the Group’s entrepreneurial courage, foresight, a desire for new things, a pioneering spirit and good governance – all qualities that are attractive for present and future employees.

Talent management

The goal of talent management is the holistic and professional personnel development of all employees as well as the successful identification and advancement of high potentials. Employees are given regular balanced and calibrated feedback from their line manager. They also discuss new requirements regarding the abilities and skills needed for their current job and, where appropriate, the next development steps. Under the talent management process, succession candidates for specialist and leadership functions are systematically identified to ensure the long-term stability of the leadership teams. Talent development across Business Groups continued to gain ground in 2024. Regional and functional talent conferences are progressively leading to a shared understanding of key positions and talents in the organization, joint responsibility for talent advancement, and optimal staffing decisions.

Particularly worth of note with regard to 2024 is the fact that all 17 new appointments at the top two management levels were recruited from within the company. This confirms that Freudenberg offers excellent career opportunities and that our talent management process functions extremely well.

Personnel development

Freudenberg attaches considerable importance to employee training and professional development. Employees in production and manufacturing receive regular training and instruction to ensure they have the requisite workplace skills and qualifications and are aware of and comply with the necessary occupational health and safety measures.

In 2024, some 23,000 Freudenberg employees from indirect areas participated in various training formats – both in-person and virtual. The average duration of these development measures was approximately one day. LinkedIn Learning is a new element in the training and development program, and over 2,000 employees have already made use of this platform. We also invested further in management development in 2024: more than 420 managers participated in the Freudenberg Group’s various leadership development programs.



Leadership development

420

(participants
in programs
in all regions)

Labor shortage and fluctuation

Once again, the shortage of skilled labor associated with demographic change did not spare Freudenberg in 2024. Filling vacant posts worldwide in both direct and indirect areas remained a major challenge. We were nevertheless able to fill vacant posts more efficiently and improve the candidate experience by making organizational changes such as establishing central recruiting functions in the USA, Germany, China and Costa Rica/Mexico. A further twelve countries were added to the employee referral program under which employees recruit employees (“Freudenberg Future Colleagues”) in 2024, and the program now covers the Freudenberg Group’s 22 largest countries. As a result, 624 additional applicants were recommended internally, of which 171 were hired by Freudenberg. In all, Freudenberg was able to recruit some 8,000 new employees in 2024.

2023 already saw the percentage of the workforce that left the Group at their own request decrease from ten to nine percent. This positive trend continued in 2024: the fluctuation rate fell further to some eight percent. Once again, there were regional differences, with numbers in some cases significantly higher in North America than in Europe. Employee fluctuation in “Operations” and in some support functions was greater than fluctuation in what are termed general indirect areas. Where fluctuation rates are high, we take specific steps at local and regional level to remedy the causes and retain the workforce.

Diversity and inclusion

Diversity and inclusion are firmly anchored in the Group’s Values and Principles and also clearly positioned within our employer brand. We are convinced that teams made up of people of various ages, genders, cultural backgrounds and sexual orientations are not only enriching, but also more successful. In 2024, people from 149 nations worked together successfully at Freudenberg and thus underpinned the commitment to fostering an inclusive workplace. As in the previous year, the share of female senior managers in the year under review was stable at just over 23 percent.

The “Diversity and Inclusion Community” is a cross-Business Group community that proactively engages in several initiatives to ensure our employees feel valued, respected and included in our corporate culture. Freudenberg actively engages on a regular basis to create a work environment where diversity can flourish and where everyone has an equal chance to succeed.

The majority of our professionals and managers are still located in Europe, particularly Germany. In the medium term, our ambition is to create more development opportunities for local talent in North America and Asia in order to set up positions for global professionals and managers outside Europe and appoint local talent in these roles. Regional meetings between top managers and promising talents are held regularly, providing an opportunity for greater visibility and a forum for a mutual exchange of expectations. The very successful “China Challenge Club” came to a close in China in 2024. This is a development program for high potentials from Asia designed to prepare them for future top positions through cross-Business Group projects and other senior management qualification measures.



New hires

8,096

(new hires in 2024)

3,122

(in North America)

938

(in Asia)

2,264

(in Europe excluding Germany)

322

(in South/Central America)

1,377

(in Germany)

73

(in Africa/Australia)



Diversity

Freudenberg looks at diversity from many different angles, such as those set out in the Diversity Charta.

149

(Freudenberg employees come from 149 nations.)

60

(There are Freudenberg facilities in 60 countries.)

33 %

(female professionals and managers)



Employee distribution

By age:

31%

(over 50)

54%

(30 - 50)

15%

(under 30)

By function:

65%

(Production)

8%

(Research and Development)

Average length of service (worldwide):

10.4 years

17%

(Sales)

10%

(Administration)

Training at Freudenberg

In 2024, 159 persons (previous year: 158) began training at Freudenberg companies in Germany. A total of 427 persons in Germany and a total of 549 persons worldwide were enrolled in a training program as at December 31, 2024.

The quality of the training at Freudenberg is highly regarded by other companies. This is shown by the fact that well-respected companies in the region repeatedly send their young talent to be trained at Freudenberg in Weinheim. The training ranges from two-year technical programs to commercial courses and dual studies at cooperative state universities. In recent years, the Freudenberg Training Center has specialized in digitalization topics and is an acknowledged learning hotspot for both vocational training and further development.

There has been very positive development in training statistics in Weinheim for the last two years. In September 2024, 124 new vocational trainees and dual study students began their courses at the Freudenberg Training Center. In total, some 345 future specialists are currently enrolled at the Training Center, 43 percent more than two years ago.

The Training Center in Weinheim is also known for its social engagement. Since 2016, under the "Training for Refugees" project refugees have been offered a technical internship with the prospect of starting vocational training at Freudenberg. So far, a total of 63 refugees have taken up this offer, and 39 have subsequently begun their training at Freudenberg. All of the 36 trainees who have already graduated have found jobs.



549

(trainees at Freudenberg worldwide as at December 31, 2024)

427

(trainees at Freudenberg in Germany as at December 31, 2024)



Career orientation and education

Company anniversary and gift to children of employees

In its 175th anniversary year, Freudenberg launched a new program called “Horizons”. The name describes the goal very well: we want to give the children of our employees the opportunity to open up new horizons in their development through education and career orientation. The program consists of four components:

horizons expanding perspectives.

The Freudenberg
Educational Support Program

1. Scholarships:

Financial support for a first degree course in priority countries such as the USA, Germany, India, China, Italy, Mexico or Türkiye

2. Career orientation:

First insights into potential industrial professions at suitable locations after leaving school

3. Internships:

Increase in the number of internships for employees' children

4. Alumni:

Building a network for exchange and support





Health, Safety and
Environmental Protection

**FOR THE WELLBEING OF
PEOPLE AND
THE GOOD OF THE
ENVIRONMENT**

The HSE (Health, Safety and Environment) Guideline contains the HSE principles and defines the Freudenberg Group's Values and Principles for HSE. The overarching goals are avoiding all accidents, preventive healthcare, and continuously reducing the negative impact of the Group's business on the environment.

Freudenberg is devoted to the wellbeing of its employees and their personal development. Occupational safety and health are encouraged and practiced at all hierarchy levels within Freudenberg. Health, safety and environmental protection are an integral part of all processes.

This approach has enabled the Freudenberg Group to reduce the number of accidents to a low level relative to industry benchmarks and to maintain this low level. Existing measures are reinforced and enhanced with innovative approaches to ensure continuous improvement. Success in occupational safety serves as a benchmark for other areas of HSE where Freudenberg also engages in continuous improvement. In addition to reducing environmental impacts, this is particularly relevant with regard to health protection.

The safety of employees in the workplace has top priority at Freudenberg. An HSE week, during which various forms of activities on HSE topics take place, is held once a year at all Freudenberg sites. In 2024, activities included items such as

presentations on coping with pressure and stress in everyday life, or various healthcare checkups. Entertaining ways to get across important safety messages are becoming ever more relevant. For example, the Freudenberg Home and Cleaning Solutions site in Weinheim, Germany, organized a safety quiz for employees, and the facility in Adas, India, developed a safety game to raise awareness about personal protective equipment. Vibracoustic in India arranged a competition to test the skills needed for the safe handling of forklifts. Employees at the Vibracoustic site in Melnik, Czech Republic, drafted 10 rules for saving energy similar to Freudenberg's 10 workplace safety principles. There were tree planting actions at many sites around the world.

Internal and external audit processes and standardized HSE assessments at sites operated by all Business Groups monitor the implementation of internal standards and programs to improve occupational health, safety and environmental protection, as well as fire prevention. The findings from such audits are systematically evaluated and implemented.

During the HSE weeks, many Freudenberg sites organized talks and healthcare checkups on managing the stress and pressures of everyday life.



Management systems

The roll-out of management systems for occupational safety (ISO 45001) and environmental protection (ISO 14001) continued in the 2024 financial year. Many sites have introduced energy management systems in accordance with DIN EN ISO 50001 or conduct energy audits pursuant to EN 16246 to improve energy consumption, thereby reducing the impact of industrial activities on the environment.

Investment

As in the previous year, the share of direct investment in environmental protection, occupational health and safety in overall investment in tangible assets, intangible assets and investment properties was 10.0 percent. The main focus of sustainability-related investment is on the reduction of energy consumption and carbon dioxide emissions. In 2024, the proportion of investment devoted to sustainability was 4.1 percent.

Environmental protection

Freudenberg is committed to protecting the environment and assumes responsibility for making its activities as environmentally compatible as possible.

The goal is to continuously reduce the negative environmental impact along the entire value chain by using natural resources more efficiently, saving energy, and reducing CO₂ emissions.

One example of the Group's activities to protect the environment is the success of a project at the Freudenberg Filtration Technologies site in Silao, Mexico. The facility cut its landfill waste by 70 percent. The goal of the project was to identify alternative methods of waste management to avoid direct ground contamination from landfills. In cooperation with a supplier from the construction industry, this waste is now diverted to a concrete manufacturer, where it is used as a fuel for concrete production.

Freudenberg is committed to protecting the environment and assumes responsibility for making its activities as environmentally compatible as possible.

Events

In 2024, the Freudenberg Group recorded 38 (previous year: 39) environmental and crisis management events.

In the year under review, there were a number of minor fires at various Freudenberg sites as well as several interruptions in operations as a result of process-related shutdowns or severe weather. No employees were injured in any of these incidents.

In 2024, some sites, including locations in the USA, South Africa and Slovenia, were again severely affected by the consequences of natural disasters such as flooding or whirlwinds, with some of these incidents resulting in water penetrating buildings. At the Freudenberg Performance Materials facility

in Asheville, USA, heavy rain caused flooding at the site resulting in damage running to several millions. There were also environmental incidents at Freudenberg Performance Materials and Vibracoustic in Weinheim, Germany, and at the Freudenberg Chemical Specialities site in Tyler, USA, and the Vibracoustic plant in Morganfield, USA.

There was an attack on employees at the Vibracoustic site in Lerma, Mexico. Furthermore, a travel ban was issued for Lebanon in light of the ongoing conflict in the Middle East. The travel ban for Israel was updated to reflect the current situation.



This photo is symbolic of the flooding that caused water damage at some of the Group's sites in 2024.

Resource consumption

Freudenberg used 2,486 gigawatt hours of energy in 2024 (previous year: 2,485 gigawatt hours). Consumption breakdown by energy sources is as follows:

- Energy purchased from external sources (electricity, steam and district heat: 1,605 gigawatt hours)
- Gas (811 gigawatt hours)
- Heating oil (11 gigawatt hours)
- Self-generated renewable energy (7 gigawatt hours)

The 2,486 gigawatt hours incurred costs totaling some 229 million euros. Energy costs accounted for 1.9 percent of total sales (previous year: 2.1 percent).

Contaminated sites

Provisions for contaminated sites were some 10 percent higher than the previous year. Work under the rehabilitation plan for the former Freudenberg Sealing Technologies site in Pinerolo, Italy, continued, as did work under the ongoing groundwater monitoring programs at locations such as the Klüber Lubrication site in São Paulo, Brazil, and the Freudenberg Sealing Technologies site in Montrond, France. Monitoring requirements specified by the authorities were implemented at the Weinheim site, Germany, at Freudenberg Sealing Technologies in Bristol, USA, and at Chem-Trend in Howell, USA.

Occupational health

In order to cater to specific occupational health needs and demands in the best possible way, the “Occupational Health Management” Group, one of the groups under Freudenberg’s internal competition for the “We all take care!” (WATC) Award, encourages all sites and Business Groups to come up with their own projects specifically designed to nurture and protect the health of their employees in keeping with local requirements. A total of 38 projects on occupational health issues were submitted in 2024. This high number confirms that employees and decision-makers alike recognize the importance of proactive occupational health and act accordingly.

The winning project in the “Occupational Health Management” Group of the “We all take Care” initiative selected by the jury was the “Working Welfare, Investing in our People – Part 2” project submitted by employees from the Freudenberg Performance Materials sites in Ebbw Vale and Littleborough, UK. The project presented an initiative introduced back in 2022 that has evolved into an extended early-warning system for health risks by monitoring occupational health and identifying health problems.

This led to the implementation of various measures to promote health that addressed specific problems and risks. With regard to mental health issues, for example, mental health first aiders have now been trained and internal support structures for swift access to professional help are now in place. In terms of physical health, numerous ergonomic improvements for specific manual tasks and some workplaces have been made and various manual handling training sessions along with advice on healthy eating regimes are available. Follow-up surveys not only show that the project has brought objective improvements, but also confirm a very positive response from employees. The jury was convinced by the holistic approach, the continuity and the measurability of the concept.



Occupational health and safety have top priority at Freudenberg.

Occupational safety

The Freudenberg Group uses the LDIFR (Lost Day Incident Frequency Rate) and the WRIFR (Work Related Incident Frequency Rate) as occupational safety key performance indicators. In 2024, the LDIFR was 1.5, at the same level as the previous year. This corresponds to a global figure of 166 accidents at work with at least one day lost (previous year: 152). The WRIFR again decreased slightly year-on-year, coming in at 3.1 instead of 3.4.

There were ten serious accidents in 2024, of which three involved contractors' personnel. One serious accident already occurred in November 2023. The wound subsequently became infected and the fingertip had to be amputated in March 2024. This represents a significant increase in the number of serious accidents compared to the previous year. In seven cases, employees suffered permanent damage to hands and fingers. Three of the accidents required a stay of more than seven days in hospital. Three accidents involving a trip, slip or fall highlight the fact there are still many activities that call for height-

ened safety awareness on the part of personnel. In this context, the efforts of recent years to intensify safety culture awareness must be continued. Additional supporting measures, such as color markings, lighting or safety information and signs, are needed to emphasize the need for caution and for identifying hazards.

Many high-quality projects in the field of occupational safety were again submitted under the "We all take care" initiative. Overall winner was the team from Freudenberg Sealing Technologies in Berlin, Germany. With its "Safety meets Performance" project, the team succeeded in significantly reducing the braking time of open rolling mills.

Third place went to the Freudenberg Chemical Specialities team in Shanghai, China. As part of a project entitled "A Digital Safety Hub for Anyone, Anytime, Anywhere", the Chem-Trend team built a digital platform where every employee is able to play an active role in safety issues.

A photograph of three people in an office environment. A man with glasses is on the left, looking towards a woman with dark curly hair in the center. To her right, another woman with glasses and braided hair is pointing at a computer monitor. The background shows office shelves and a bright, modern workspace.

Corporate Citizenship

WE HELP ALL OVER THE WORLD

At Freudenberg, corporate citizenship goes beyond the value chain. The Group acts as a responsible corporate citizen in all countries where it does business, and therefore supports a whole raft of social and community projects – from small local initiatives to complex international programs. All the campaigns are tailored to local requirements, and Freudenberg employees often participate in their free time.

Freudenberg's corporate citizenship combines continuity, reliability and a long-term orientation with the flexibility to provide help wherever it is needed urgently and swiftly. It is this combination that makes the Group's commitment so diverse. This commitment is currently divided into three areas: Flagship projects, aid projects and emergency relief, and "good neighbor" initiatives.

Flagship projects

(Examples)

e² education and environmental protection program

The goal of this program launched in 2015 is to provide people with access to education and employment and to support environmental protection. The program complements existing individual initiatives, providing support for projects on all continents based on a catalog of defined criteria. Total funding currently stands at €21 million and over 200 projects have already received support.

Here are some current examples of e² projects:

USA: Support for adults to obtain a high school certification

In the USA, it is often difficult to find a job without a high school diploma. The St. Vincent and Sarah Fisher Center in Detroit, Michigan, supports adults as they seek to earn a GED (General Education Diploma) – the equivalent of a high school diploma. A new computer lab was recently installed at the center with financial support from e². In addition, Freudenberg employees provide mentoring.

Romania: Education for children from disadvantaged backgrounds

The organization "Rubio Pro Copilărie Pro Viață" supports orphans and children from single-parent families in Arad, Romania. Many of the children come from financially unstable backgrounds, where access to education is often limited. Without targeted support, their futures would be filled with uncertainty. The organization provides scholarships, tutoring, and psychological support. In addition to financial support from e², Freudenberg employees guide young people in exploring career paths and training opportunities.

India: An AquaTower for clean drinking water

Freudenberg employees built an AquaTower in Tamil Nadu, India, in cooperation with the Planet Water Foundation. The tower supplies 530 children at the PUMS Melpadappai school as well as the surrounding community with drinking water (photo left). A built-in filtration system processes impure water and helps prevent the spread of illness from contaminated water.



Training center in India

In the wake of the devastating tsunami in December 2004, Freudenberg built a non-profit training center in Nagapattinam in the south Indian province of Tamil Nadu. Since 2009, it has been offering state-recognized dual training in the professions of electrician, welder, plumber, motor mechanic and machinist. So far, more than 1,000 young people have made a successful start to their careers.

Botanical garden in Weinheim

A feast for the senses: Hermannshof in Weinheim, Germany, is an impressive botanical garden largely financed by the Freudenberg Group. It is a place of peace and relaxation, offering an escape from everyday life and the opportunity to appreciate the diversity of the plant world. Hermannshof is visited by people from all over the world to enjoy the beauty of nature and to discover new ideas and find inspiration for their own gardens: entrance is free.

School project in China

A primary school in the Chinese village of Haijin in Sichuan Province devastated by an earthquake in May 2008 was rebuilt with support from Freudenberg and reopened in 2009. The building has space for some 300 schoolchildren and can give them a good start to their education. Freudenberg employees visit the school every year and organize various activities such as the summer camp and extra tuition.

Freudenberg Foundation

Since 1984, the Freudenberg Foundation has been helping to bring about real, long-term structural change by promoting inclusion, education and democracy. As a non-profit company, the Foundation is a Partner of Freudenberg & Co. Kommanditgesellschaft. The main focus of all its projects is the social, linguistic, educational and professional integration of children and young people.



A colorful sea of flowers: Hermannshof botanical garden

Aid projects and emergency relief

(Examples)

Help for people affected by the war in Ukraine

After arranging for the immediate aid which was so important right at the start of the war, Freudenberg focused more closely on organizations dedicated to the long-term support and integration of refugees. So far, some 40 organizations in Ukraine and other European countries have received assistance. One such organization is the Ukrainian Friends Foundation that builds container villages at safe locations in Ukraine.

Natural disaster relief

Freudenberg regularly helps where help is urgently needed. In 2024, for example, Freudenberg provided immediate relief to help the victims of natural disasters such as the hurricane in Texas, USA, and the floods in Asheville, North Carolina, USA. The company doubled the sums donated by employees.

“Good neighbor” initiatives

(Examples)

“Service Day” in North America

Every year, more than 60 Freudenberg sites in North America take part in a range of corporate citizenship activities. Since 2014, a large number of employees from the USA, Canada and Mexico have come together every year on “Service Day” to help people in need, to join in tree planting initiatives, or to clean up parks.



Together for society: employees taking part in the “Service Day”

Standing together against old-age poverty and loneliness: free meals for senior citizens

Every year in the pre-Christmas period, the members of the Works Council collect donations for Weinheim senior citizens in need. The Freudenberg Group doubles the sum raised in this way and the funds are used to provide free hot midday meals and some social interaction for the senior citizens 7 days a week. This initiative has been running for some seventy years.

Local site initiatives

The Freudenberg Group has sites in some 60 countries. Freudenberg companies and employees engage in local social projects at many of these sites, thus fulfilling their responsibility for society.



Compliance

ABIDING BY LAWS AND REGULATIONS

As early as 1887, when his sons joined the company, founder Carl Johann Freudenberg drafted his first principles of business conduct. The document forms the basis for the Freudenberg Group's nine Business Principles with which Partners and employees identify. One principle stipulates that Freudenberg acts with the highest level of integrity and ethical standards. The Group does not permit illegal or unethical business activities.

Business Principles and Guiding Principles

The Guiding Principles derived from the Freudenberg Group's Business Principles define the values shaping conduct towards employees, business partners, stakeholders and third parties.

In 2024, Freudenberg made use of the opportunity offered by the DIALOG management event to update the language of the Business Principles and the Guiding Principles. Moreover, the content of the Business Principles was adapted to reflect the current situation of the Freudenberg Group. The revised documents were communicated to Freudenberg employees worldwide.

Compliance structure

Freudenberg is a company whose Business Groups are entrepreneurially-driven and operate with a large degree of independence. Along with the holding company, these Business Groups are therefore responsible for conduct that complies with laws and regulations. Both the Board of Management of Freudenberg SE and the top management of the individual Business Groups clearly subscribe to this. At the holding level, the focus is on compliance topics of critical importance across the Business Groups and in an international context that could pose a threat to Freudenberg, especially in terms of the company's reputation.

Freudenberg's ambition is to continuously improve its compliance organization, documentation and processes. Functions at the holding level coordinate Freudenberg-wide compliance measures, thereby strengthening and expanding collaboration between Group-level units and compliance managers in the Business Groups. Among other benefits, this promotes the implementation of Freudenberg's compliance standards, best practice exchange and the further development of compliance programs.

The online training programs on various compliance topics are updated regularly and made available to the Business Groups. E-learning courses are provided for many individual topics, giving employees from defined fields and areas of responsibility the opportunity to raise their awareness of specific compliance subject areas.



Code of Conduct

The Code of Conduct is derived from the Business Principles and Guiding Principles, in particular the “Responsibility” Guiding Principle. It covers standards of conduct that are valid worldwide and is designed to ensure that law-abiding and responsible behavior remains the cornerstone of business conduct. The Code of Conduct is available to employees worldwide in 27 languages. It was comprehensively revised in 2022 to adequately take account of legislative changes as well as significant developments in the field of compliance standards. In particular the amendments enlarge on specifics with regard to key topics in the areas of human rights and climate protection, and also take account of new topics such as cooperation with business partners and the prohibition of money laundering. The updated Code of Conduct was communicated and explained to all employees across the globe in 2023. The Business Groups have made use of the available communication media in many ways. This consistent, continuous communication, which is also mandatory for new employees, and the binding nature of the Code of Conduct (for example, as an appendix to employment contracts) underscore the unequivocal requirement to adhere to these standards of behavior. The globally standardized e-learning tool on the Freudenberg Code of Conduct that was also extensively revised when the Code of Conduct was updated is an appropriate instrument for all employees to become familiar with the Code’s contents.

Freudenberg plans to strengthen and further develop the role of the Code of Conduct as a cornerstone of corporate culture and to expand help and support for employees and their supervisors. In these efforts, Freudenberg focuses in particular on regular exchange with Business Group Compliance managers and on active collaboration with the Ethics Offices and their members.

Furthermore, 450 Freudenberg managers devoted considerable attention to the theme of compliance at the DIALOG management event held in 2024. This latest in the series of triennial events focused on the key elements and processes for the Group’s long-term success.

The Freudenberg Code of Conduct is available in 27 languages. The globally standardized e-learning tool on the Freudenberg Code of Conduct is an appropriate instrument for all employees to become familiar with the Code’s contents.

UN Global Compact Communication on Progress

The UN Global Compact is the world's largest and most important initiative promoting responsible corporate governance. Since signing the Global Compact in 2014, Freudenberg has made a voluntary commitment to ensuring its business is values-based and sustainable. Freudenberg regularly reports on how the company is implementing the ten principles of the Global Compact and its contribution to achieving the UN Sustainable Development Goals in

what is known as the UN Global Compact Communication on Progress. To this end, Freudenberg, like all other participants, must complete a standardized questionnaire containing some 70 questions – mostly multiple choice – in sections on Governance, Human Rights, Labor, Environment and Climate, and Anti-Corruption. The completed questionnaires are available from the UN Global Compact website at <https://www.unglobalcompact.org>.



CONSOLIDATED FINANCIAL STATEMENTS OF FREUDENBERG SE

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

[€ million]	Note	Dec. 31,2023	Dec. 31,2024
ASSETS			
Intangible assets	(1)	2,636.8	2,651.0
Tangible assets	(2)	2,938.9	3,130.3
Investment properties	(3)	10.2	9.0
Investments in joint ventures	(4)	222.2	231.6
Investments in associated companies	(5)	931.2	969.7
Other financial assets		130.2	155.8
Financial assets		1,283.6	1,357.1
Other non-current assets	(7)	67.3	56.2
Deferred taxes	(26)	370.9	412.1
Non-current assets		7,307.7	7,615.7
Inventories	(6)	1,728.4	1,886.5
Trade receivables		1,751.2	1,764.0
Other current assets		257.3	313.1
Current receivables	(7)	2,008.5	2,077.1
Current tax assets		157.2	135.9
Cash and cash equivalents	(8)	2,237.4	2,600.5
Current assets		6,131.5	6,700.0
		13,439.2	14,315.7

EQUITY AND LIABILITIES

[€ million]	Note	Dec. 31,2023	Dec. 31,2024
EQUITY AND LIABILITIES			
Subscribed capital		450.0	450.0
Capital reserves		50.2	50.2
Retained earnings		6,615.9	7,228.0
Equity without non-controlling interests		7,116.1	7,728.2
Non-controlling interests		420.0	404.7
Equity	(10)	7,536.1	8,132.9
Provisions for pensions and similar obligations	(11)	655.6	623.5
Other long-term provisions	(12)	137.6	137.4
Long-term provisions		793.2	760.9
Financial debt		1,269.0	1,086.7
Other non-current liabilities		153.4	166.0
Liabilities	(13)	1,422.4	1,252.7
Deferred taxes	(26)	241.6	228.4
Non-current liabilities		2,457.2	2,242.0
Other current provisions	(12)	793.2	863.6
Current tax liabilities		147.1	197.2
Financial debt		983.1	1,196.0
Trade payables		1,173.0	1,299.5
Other current liabilities		349.5	384.5
Liabilities	(13)	2,505.6	2,880.0
Current liabilities		3,445.9	3,940.8
		13,439.2	14,315.7

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

[€ million]	Note	2023	2024
Sales	(14)	11,902.8	11,947.5
Cost of sales	(15)	-8,195.2	-8,134.6
Gross profit		3,707.6	3,812.9
Selling expenses	(16)	-1,584.3	-1,679.1
Administrative expenses	(17)	-731.7	-755.6
Research and development expenses	(18)	-524.7	-534.4
Other income	(19)	158.1	303.2
Other expenses	(20)	-75.6	-197.4
Income from investments in joint ventures	(4),(21)	23.4	23.1
Profit from operations		972.8	972.7
Income from investments in associated companies	(5),(22)	36.8	63.3
Other investment result	(23)	57.0	-2.5
Other interest and similar income	(24)	65.2	176.8
Interest and similar expenses	(25)	-108.2	-192.9
Financial result		50.8	44.7
Profit before income taxes		1,023.6	1,017.4
Income taxes	(26)	-192.8	-292.6
Consolidated profit		830.8	724.8
Of which: attributable to Freudenberg		753.7	628.9
Of which: attributable to non-controlling interests	(27)	77.1	95.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

[€ million]	Note	2023	2024
Consolidated profit		830.8	724.8
Other comprehensive income:			
Remeasurement of defined benefit plans	(11)	-58.9	27.4
Changes in value of securities		10.4	7.6
Income tax relating to items that will not be reclassified to profit or loss	(10)	17.5	-9.1
Share in other comprehensive income of joint ventures	(4)	-0.1	0.0
Share in other comprehensive income of associated companies	(5)	39.6	10.4
Items that will not be reclassified to profit or loss		8.5	36.3
Exchange rate differences	(10)	-244.4	62.7
Changes in value of derivative financial instruments	(10)	0.0	0.2
Miscellaneous comprehensive income		6.3	-2.7
Income tax relating to items that will be reclassified subsequently to profit or loss when specific conditions are met	(10)	3.1	-5.0
Share in other comprehensive income of joint ventures	(4)	-0.1	-0.8
Share in other comprehensive income of associated companies	(5)	33.2	36.3
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-201.9	90.7
Other comprehensive income for the year		-193.4	127.0
Total comprehensive income for the year		637.4	851.8
Of which: attributable to Freudenberg		576.0	746.0
Of which: attributable to non-controlling interests		61.4	105.8

CONSOLIDATED STATEMENT OF CASH FLOWS

[€ million]	Note	2023	2024
Profit before taxes		1,023.6	1,017.4
Depreciation, amortization and impairment losses on intangible assets, tangible assets, investment properties and financial assets less write-ups		566.4	557.3
Income from investments and interest income		-75.0	-69.5
Income taxes paid		-319.1	-298.3
Profit or loss on disposal of intangible assets, tangible assets, investment properties and financial assets		6.0	-1.9
Dividends received		120.7	51.7
Other expenditure and income not affecting payments		16.7	42.2
Changes in inventories, trade receivables and other assets		127.9	-166.8
Changes in trade payables and other liabilities		-13.5	143.2
Changes in provisions		-2.7	37.6
Interest paid		-105.9	-104.2
Interest received		58.6	80.2
Cash flow from operating activities	(28)	1,403.7	1,288.9
Cash inflow from disposals of intangible assets, tangible assets and investment properties		18.3	22.0
Cash outflow from acquisitions of intangible assets, tangible assets and investment properties		-452.7	-501.5
Cash inflow from disposals of financial assets		14.0	2.3
Cash outflow from acquisitions of financial assets		-12.0	-23.6
Cash inflow in connection with the disposal of consolidated companies or other business units less cash disposed of		0.0	41.0
Cash outflows in connection with the acquisition of consolidated companies or other business units less cash acquired		-82.9	-64.3
Cash flow from investing activities		-515.3	-524.1
Dividend payments to shareholders/non-controlling interests	(29)	-151.5	-255.0
Payments from transactions with non-controlling interests		-33.4	-17.1
Cash inflow from the take-up of financial debts		222.1	224.5
Cash outflow from the repayment of financial debts		-460.0	-330.1
Cash inflow from disposals of loans and securities held as non-current assets		40.5	5.2
Cash outflow from acquisitions of loans and securities held as non-current assets		-33.3	-28.0
Cash flow from financing activities		-415.6	-400.5
Changes in cash and cash equivalents with effect on payments	(31)	472.8	364.3
Changes in cash and cash equivalents from changes in consolidated group		0.0	0.6
Changes in cash and cash equivalents from exchange rate differences		-63.3	-1.8
Cash and cash equivalents at beginning of year		1,827.9	2,237.4
Cash and cash equivalents at end of year		2,237.4	2,600.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

[€ million]	Subscribed capital	Capital reserves	Currency translation	Remeasurement of defined benefit obligations	Fair value measurement of securities	Financial investments accounted for using the equity method
Status Jan. 1, 2023	450.0	50.2	-153.6	-191.0	8.8	165.5
Changes in consolidated group						
Consolidated profit						
Appropriation of profit						
Other comprehensive income			-226.9	-61.0	10.7	52.2
Status Dec. 31, 2023	450.0	50.2	-380.5	-252.0	19.5	217.7
Status Jan. 1, 2024	450.0	50.2	-380.5	-252.0	19.5	217.7
Changes in consolidated group						
Consolidated profit						
Appropriation of profit						
Other comprehensive income			46.6	25.3	8.2	33.9
Status Dec. 31, 2024	450.0	50.2	-333.9	-226.7	27.7	251.6

[€ million]	Tax effects recognized in equity	Other retained earnings	Total retained earnings	Equity without non-controlling interests	Non-controlling interests	Equity
Status Jan. 1, 2022	98.5	5,843.7	5,618.3	6,118.5	372.0	6,490.5
Changes in consolidated group		-0.6	-0.6	-0.6	0.0	-0.6
Consolidated profit		626.5	626.5	626.5	13.1	639.6
Appropriation of profit		-93.5	-93.5	-93.5	-43.8	-137.3
Other comprehensive income	-58.9	13.1	107.8	107.8	8.0	115.8
Status Dec. 31, 2022	39.6	6,389.2	6,258.5	6,758.7	349.3	7,108.0
Status Jan. 1, 2023	39.6	6,389.2	6,258.5	6,758.7	349.3	7,108.0
Changes in consolidated group		-106.7	-106.7	-106.7	48.9	-57.8
Consolidated profit		753.7	753.7	753.7	77.1	830.8
Appropriation of profit		-111.9	-111.9	-111.9	-39.6	-151.5
Other comprehensive income	21.7	25.6	-177.7	-177.7	-15.7	-193.4
Status Dec. 31, 2023	61.3	6,949.9	6,615.9	7,116.1	420.0	7,536.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General

Freudenberg is an international industrial group mainly active as a supplier to the automotive, mechanical engineering, oil and gas, and construction industries as well as the textile and apparel industries. The portfolio also includes medical technology and consumer goods.

The consolidated financial statements of Freudenberg SE, Weinheim, Germany (registered with Mannheim Local Court, HRB 714579), for 2024 have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union (EU) as of the date of the statement of financial position (December 31, 2024) and cover the smallest consolidated group. Freudenberg SE, Weinheim, Germany, is included in the consolidated financial statements of Freudenberg & Co. Kommanditgesellschaft, Weinheim, Germany, which are published in the "Unternehmensregister" (Business Register) and cover the largest consolidated group.

Freudenberg SE has availed itself of the right as laid down in Sec. 315e (3) HGB ("Handelsgesetzbuch", German Commercial Code) to set up its consolidated financial statements in accordance with IFRS.

The Group currency is the euro. All amounts are indicated in million euros unless otherwise stated.

Accounting standards applied for the first time in the reporting year

In the 2024 financial year, the application of the following amended and new standards was binding for the first time:

Standards/Amendments	Designation	Impact
IAS 1	Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	No material impact
IAS 1	Amendments to IAS 1 – Non-current Liabilities with Covenants	No material impact
IFRS 16	Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	No material impact
Various standards	Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	No material impact

Accounting standards published but not yet applied

The following standards, interpretations and amendments published by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee are not yet binding. The application of these standards, interpretations and amendments is subject to endorsement by the EU which, in some cases, is still pending.

Standards/Interpretations/Amendments		Application binding from ¹	Endorsed by EU	Probable Impact
IAS 21	Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	January 1, 2025	Yes	No material impact
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	No	Effects on the presentation of the statement of profit or loss as a result of the classification of income and expense items by categories and the introduction of new subtotals as well as extended disclosures in the notes, especially as regards “Management-defined performance measures”; in addition, minor changes to the statement of cash flows as regards the classification of interest and dividend cash flows. It is currently expected that IFRS 18 will have a material impact on the presentation of the statement of profit or loss.
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027	No	No material impact
Various standards	Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 1, 2026	No	No material impact
Various standards	Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	January 1, 2026	No	No material impact
Various standards	Annual Improvements Volume 11	January 1, 2026	No	No material impact

¹ From this date or for reporting periods beginning after this date.

Consolidated group

Apart from Freudenberg SE, 60 German (previous year: 59) and 342 foreign (previous year: 340) **affiliated** companies, with respect to which Freudenberg SE has the power to direct the relevant activities of the company, the right to variable returns from the company and the ability to affect such variable returns, are fully consolidated.

Freudenberg operates a joint venture in the field of mechanical seals within the Freudenberg Flow Technologies Business Group together with the partner Eagle Industry Co., Ltd., Tokyo, Japan. Freudenberg holds a 25-percent stake in EagleBurgmann Japan Co., Ltd., Tokyo, Japan. The partner also holds a 25-percent indirect stake in EagleBurgmann Germany GmbH & Co. KG, Wolfkratshausen, Germany. According to the joint venture agreement between the partners, Freudenberg exercises control over affiliated companies of the EagleBurgmann Group in which Freudenberg holds less than half of the voting rights of the other company; such affiliated companies are therefore fully consolidated.

In the consolidated financial statements, 1 German (previous year: 1) and 11 foreign (previous year: 12) **joint ventures** are included. These legally independent companies are managed jointly with the partner company in each case. Both parties hold rights to the net assets of the companies. The joint ventures are consolidated using the equity method.

In addition, 9 foreign (previous year: 9) **associated companies** are included in the consolidated financial statements. Freudenberg does not control these companies but only exercises a significant influence. These companies are consolidated using the equity method.

All affiliated companies, joint ventures and associated companies are listed in the "Shareholdings" section attached to these Notes to the Consolidated Financial Statements.

In the year under review, 20 companies were included in the consolidated financial statements as fully consolidated affiliated companies for the first time. 17 companies which had previously been fully consolidated were no longer included as fully consolidated affiliated companies due to sale, liquidation or merger. The timing of the initial consolidation is determined

on the basis of the date when Freudenberg SE gained control. In the event of loss of control, deconsolidation is effected.

Acquisitions and disposals

In December 2024, Freudenberg Performance Materials Holding GmbH, Weinheim, Germany, acquired all the shares in Stella MidCo GmbH, Bramsche, Germany, which acts as the holding company of the Heytex Group ("Heytex"). Heytex is a globally active manufacturer of high-quality and functional technical textiles. Heytex will be integrated in the Freudenberg Performance Materials Business Group. The consideration for the acquisition runs into the mid-double-digit range in millions of euros. In addition, external loans of a comparable amount will be assumed. The company is fully consolidated as part of the Freudenberg Group. From the Group point of view, this acquisition was not material. The purchase price allocation was still provisional as of the date of the statement of financial position as a result of the date of the acquisition.

In May 2024, Freudenberg FST GmbH, Weinheim, Germany, acquired all the shares in Trygonal Group GmbH, Sachsenheim, Germany ("Trygonal"). Trygonal is a globally active manufacturer of customized sealing solutions with a wide range of manufacturing processes. The company is fully consolidated as part of the Freudenberg Group. From the Group point of view, this acquisition was not material.

The consideration transferred for all acquisitions which were not material from the Group point of view reached into the upper-double-digit range in millions of euros. In 2024, assets totaling about €88.1 million were acquired as a result of all the acquisitions classed as not material. The resulting goodwill is classed as of secondary importance. In the year under review, the companies contributed about €21.6 million to consolidated sales. If the acquisitions had already taken place on January 1, 2024, the sales of the Freudenberg Group would have been increased by a further amount of €127.2 million.

The purchase price allocations for the acquisition of VERMOP GmbH, Gilching, Germany, which had not been finalized as at December 31, 2023, were reviewed in the year under review as at the end of the reporting period. There were no material changes.

Consolidation methods

The consolidated financial statements are based on the annual accounts of Freudenberg SE and the consolidated companies according to IFRS. All the annual accounts concerned were drawn up as at December 31, 2024. In accordance with IFRS 10, the accounts of the individual companies to be included in the consolidated financial statements were drawn up applying uniform accounting and measurement methods.

The acquisition costs of the individual consolidated companies are set off against the pro-rata share in the fair value of the equity of the companies concerned as of the date of acquisition according to the purchase method. Identifiable acquired assets and liabilities are also included in the consolidated statement of financial position at their fair values as of the acquisition date. Any remaining differences are shown as goodwill.

Inter-company profits and losses, sales, expenses and income and all receivables and payables between consolidated companies are eliminated. Deferred taxes are set up on consolidation transactions affecting net income.

Joint ventures and associated companies are consolidated using the equity method on the basis of financial statements drawn up in accordance with IFRS.

The differences arising from the acquisition of shareholdings in joint ventures and associated companies form part of the book value of the shareholding in the company concerned. Amortization is not recognized on goodwill in subsequent periods. An impairment test is carried out on the book value of the shareholding in the joint venture or associated company as a whole if there are indications that the carrying amount could be impaired.

Accounting and measurement principles

Acquired intangible assets are capitalized at acquisition cost and amortized on a systematic basis.

Systematic amortization is based on the following useful lives:

Software	3 to 8 years
Patents	10 to 12 years on average
Licenses	depending on contract term

Intangible assets with finite useful lives acquired in a business combination are amortized on a systematic basis over useful lives of up to 25 years.

An impairment test is carried out on goodwill at least once per year. For the impairment test, the goodwill acquired is allocated to the groups of cash-generating units expected to benefit from the business combination. In line with internal management reporting, the groups of cash-generating units are represented by the Business Groups. An impairment loss is recognized if the carrying amount of the group of cash-generating units is higher than its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the group of cash-generating units.

The value in use of the group of cash-generating units concerned is determined by the discounted cash flow method on the basis of a detailed planning period of five years. The fair value less costs of disposal is determined using an appropriate measurement model. This is based on measurement multipliers, discounted cash flow measurement models, prices quoted on exchanges or other indicators of fair value which are available. The discount rates used for the determination of the fair value are based on the weighted average cost of capital (hereafter WACC) determined separately for each group of cash-generating units.

Impairments of capitalized goodwill are shown under other expenses in the consolidated statement of profit or loss. Reversals of impairments are not recognized with respect to goodwill for which impairments have been recognized.

Impairment losses going beyond goodwill are recognized for individual assets of cash-generating units if the fair value less costs of disposal of such units or the value in use of such units has fallen below their carrying amount.

Provided that such assets meet the requirements of IAS 38, internally generated intangible assets are carried as assets at production cost and are amortized on a systematic basis over their useful lives, if their useful lives are finite.

If the useful life of intangible assets is not considered to be finite, no amortization is effected. An impairment test is carried out on such assets annually. An intangible asset may be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the Group.

Expenditure in connection with development projects is capitalized as intangible assets if, in addition to meeting the criteria of IAS 38, a Group threshold is exceeded. Otherwise, development expenditure is shown as expenses. Capitalized development expenditure is amortized on a straight-line basis over the underlying useful life of the product concerned. Amortization of capitalized development expenditure is normally recognized in research and development expenses.

Tangible assets are capitalized at acquisition or production cost. In the case of assets produced by Group companies, production cost also includes directly attributable cost as well as pro-rata overheads and depreciation.

Borrowing costs are capitalized as part of acquisition or production cost in the case of qualifying assets.

Expenditure for repairs and maintenance is generally shown as expenses. Such expenditure is only capitalized if future economic benefits in connection with such expenditure are probable and the acquisition or production cost can be reliably measured.

From the 2024 financial year onwards, taxable investment grants and tax-free investment subsidies, normally paid by public bodies, are chiefly recognized in the statement of financial position as deferred income

and are set off against acquisition or production cost only in exceptional cases.

Movable non-current assets and industrial buildings are depreciated over their useful lives, normally on a straight-line basis.

Systematic depreciation is determined on the basis of the following useful lives:

Buildings	max. 50 years
Machinery and equipment	5 to 20 years
Other fixtures, fittings and office equipment	3 to 20 years

An impairment test on tangible and intangible assets assigned to cash-generating units is always carried out if circumstances or changed conditions indicate that the carrying amount of such cash-generating units may not be recovered. The composition of the cash-generating units is determined at the divisional or regional level as a function of the business model and differs between Business Groups. If the impairment of an asset reflected by a write-down in the past is reduced or eliminated, the impairment loss is reversed. The amortized acquisition or production cost represents the upper limit of measurement in such cases.

Under IFRS 16, right-of-use assets and corresponding payment obligations are recognized for all leased assets. The right-of-use asset represents the lessee's right to use a leased asset (the underlying asset) for an agreed term in return for a charge. In accordance with the relief options allowed by IFRS 16, Freudenberg recognizes lease payments associated with underlying assets of low value as expenses on a straight-line basis in the statement of profit or loss. Assets of low value are identified on the basis of classes of assets. Leased assets in the classes of machinery and equipment, IT equipment and other fixtures, fittings and office equipment are classed as of low value. In the case of leased assets in the other classes of assets land and buildings, passenger cars, fork lift trucks and IT infrastructure, right-of-use assets and corresponding lease liabilities are recognized even if the term of the lease is short (less than 12 months). In the case of contracts which include a lease component and another non-lease component, such as a service

installment, Freudenberg recognizes such non-lease components as part of the lease in accordance with the practical expedient allowed by IFRS 16. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the term of the lease. In the event that the exercise of a purchase option is assessed as reasonably certain, the right-of-use asset is depreciated over the useful life of the underlying asset irrespective of the term of the lease.

Land and buildings held to earn rentals from third parties are dealt with as investment properties. Such properties are measured at acquisition cost. Investment properties are depreciated over their useful lives. This approach normally corresponds to straight-line depreciation. Systematic depreciation is calculated on the basis of a maximum useful life of 50 years. The fair value is determined by the discounted cash flow method.

Participations are shown at fair value. In some cases, amortized cost represents the best estimate of fair value.

Investments in joint ventures and associated companies are shown at acquisition cost on first-time consolidation and subsequently adjusted for changes in the share of the shareholder in the net assets of the company concerned. In the event that the losses of a joint venture or associated company attributable to Freudenberg exceed the value of the share in that company, no further impairment losses are recognized. If there is objective evidence of impairment or value recovery in the case of such participations, assumptions concerning future business developments must be made with a view to determining the recoverable amount.

Long-term loans are discounted if the amount of such discount is significant.

Inventories are shown at acquisition or production cost or at net realizable value, where this is lower. Inventories of raw materials and consumables and merchandise are measured by the weighted average cost method. Production cost includes directly attributable costs as well as production and material overheads and depreciation.

On first recognition, receivables and other financial assets are measured at fair value. Fair value normally corresponds to the consideration to be received for goods or services transferred to the customer. Subsequent measurements of such assets are effected at amortized cost using the effective interest method. Long-term receivables are only discounted if the amount of such discount is significant. A loss allowance is recognized on the basis of the expected loss model. Further information on the expected loss model is given under “Further notes”.

Contract assets, which are mainly the result of realization of revenue over time for customer-specific products and development contracts, are recognized at amortized cost. For determining impairment losses on contract assets, the simplified procedure for determining the expected credit losses is applied.

The other financial assets are classified and measured on the basis of the business model within which the financial assets are held and on the basis of contractual cash flows at the time of acquisition. There are differences between the treatment of equity and debt instruments. Investments in equity instruments which are held as long-term strategic participations, and which are not expected to be sold within the short- to medium-term future are measured in equity without effect on net income. Debt instruments with cash flows not consisting solely of interest payments and principal repayments, investments for which another measurement would result in an accounting mismatch and shares in partnerships are measured at fair value through profit or loss. An impairment test is carried out for debt instruments measured at amortized cost or at fair value through other comprehensive income.

Cash at bank or in hand is shown at its nominal value. Cash held in foreign currencies is converted using the exchange rate as of the statement of financial position date. The expected credit loss model is applied. Derivative financial instruments that do not meet the requirements for hedge accounting are measured at fair value through profit or loss.

Non-current assets and groups of assets held for sale are shown separately in the statement of financial position if they are available for immediate sale in their present condition and the sale of such assets is highly probable within the next 12 months. Such assets are

shown at the lower of fair value less costs to sell and book value. Systematic depreciation is not recognized on such assets from the date of reclassification. Liabilities included in a disposal group are shown separately under liabilities.

The requirement for the reversal of the impairment of assets has been complied with both for non-current and for current assets. Unless individual standards call for a different measurement, the amortized acquisition or production costs represent the upper limit of measurement in such cases.

Provisions for pensions and similar obligations are determined by the projected unit credit method using actuarial principles. Service cost and the net interest on the net defined benefit liability are recognized under personnel expenses with an impact on net income. Gains and losses from remeasurements of the net defined benefit liability are disclosed under other comprehensive income. Assets held to provide benefits for employees are measured at fair value.

Deferred taxes are calculated on temporary differences between the book values of assets and liabilities in the consolidated statement of financial position and their tax bases, taking into account the applicable national income tax rates valid on the date of realization and already in force on the statement of financial position date. In addition, deferred tax assets are recognized for tax losses carried forward if sufficient taxable income will be available in the future. Deferred tax assets and liabilities are only set off against each other in cases where the income taxes concerned are levied by the same tax authority and concern the same period. In the case of deferred tax assets which are not impaired following the offsetting, it is assumed that future taxable income will be sufficient to allow the realization of the deferred tax assets formed.

Other provisions allow for all recognizable risks and uncertain obligations towards third parties which will probably result in an outflow of resources which can be reliably estimated. Such provisions are recognized at their most probable settlement value and discounted if the amount of such discount is significant. Reimbursement rights in this connection are shown separately under other assets. In its contracts with customers, Freudenberg provides for warranty services for general repair obligations but does not provide for

any extended warranties. In accordance with IFRS 15, the existing warranties are mainly classified as assurance-type warranties and are recognized in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.

Liabilities are disclosed and measured in accordance with IFRS 9 except where another more specific standard is applicable. Liabilities are normally measured at fair value less transaction costs. Subsequent measurements of financial liabilities are normally effected in accordance with IFRS 9 at amortized cost using the effective interest method.

Contract liabilities relate to considerations received from customers in advance of performance under a contract. Contract liabilities are recognized as sales as soon as the promised goods or services have been transferred to the customer.

Lease liabilities include fixed payments defined in the lease (less any lease incentives to be provided by the lessor), variable lease payments that depend on an index or a rate and amounts expected to be payable by the lessee under residual value guarantees. In addition, payments on the basis of purchase or extension options must be taken into consideration if the lessee is reasonably certain to exercise that option. In the case of termination options, penalties for terminating the lease are only to be included if the lease term reflects the lessee exercising an option to terminate the lease. Lease payments must be discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate must be used. This is normally the case with Freudenberg. The specific incremental borrowing rate for a lease is determined on the basis of an interest matrix. This matrix is based on interbank rates and takes into consideration the term and currency of the lease as well as a risk premium.

Put options granted to the holders of non-controlling interests for the sale of their shares are recognized as forward purchases. The item recorded in equity for these shares is de-recognized and a liability measured at fair value, which corresponds to the net present value of the price at the time of exercise, is recognized. As at each statement of financial position date, the liability is remeasured. The remeasurement depends on exchange rate changes, adjustments to corporate

planning assumptions and the discount rate. Any resulting changes in book value are recognized with an effect on net income.

Sales are measured at the fair value of the consideration received or to be received. Sales are recognized when control of the promised good or service is transferred to the customer. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The delivery of goods normally represents a performance obligation that is satisfied at a specific point in time. In determining the timing of satisfaction, the transfer of control of the asset is taken as the main criterion. Normally, this is the time when the goods are physically delivered to the customer.

Sales from the delivery of customer-specific products are recognized over time, provided Freudenberg has an enforceable right to payment from the customer in an amount that at least compensates Freudenberg for the performance completed to date plus a reasonable profit margin. The amount of revenue is based on the progress towards complete satisfaction of a performance obligation and normally measured on the basis of the units produced.

Sales from the performance of services are recognized in the accounting period in which the services are performed. Revenue is recognized in the amount which Freudenberg has a right to invoice, as this amount of consideration corresponds directly to the value to the customer of Freudenberg's performance completed to date. Customers are normally invoiced monthly.

Sales in connection with customer-specific development projects are realized over time. In the case of fixed-price contracts, the amount of sales is measured based on the cost incurred to date related to the total expected cost to be incurred in connection with the full satisfaction of the performance obligation. In the case of customer-specific development projects for which Freudenberg has a right to consideration from a customer in an amount that corresponds directly to the value to the customer of Freudenberg's performance completed to date, sales are recognized as a practical expedient in the amount of the consideration which Freudenberg has a right to invoice.

Invoices are normally issued following the physical delivery of goods to the customer or the performance of the service promised in the contract. Payments by customers under fixed-price contracts are based on a contractually agreed payment plan. There are normally no contracts with customers under which the time between the transfer of a promised good or service and payment in connection with such transfer exceeds one year.

In the event that the service performed by Freudenberg exceeds the payments received or to be received by Freudenberg, a contract asset is recognized. As soon as the right to receive the consideration from the customer becomes unconditional, the contract asset is reclassified to trade receivables. If the payments received from the customer exceed the service performed by Freudenberg, a corresponding contract liability is recognized.

The performance obligations entered into by Freudenberg under contracts with customers normally have an expected original duration of one year or less. In the case of longer terms, Freudenberg is normally entitled to consideration corresponding directly to the performance of services completed to date. Accordingly, the performance obligations contracted but not yet (fully) fulfilled on the reporting date are not disclosed.

The consolidated statement of cash flows is broken down into cash flows from operating, investing and financing activities. Effects arising from changes in the consolidated group and the effects of exchange rate differences have been eliminated from the consolidated statement of cash flows. The influence of these effects on cash and cash equivalents is indicated separately. In the consolidated statement of cash flows, interest paid and interest received are allocated to cash flow from operating activities.

The exercise of judgment and estimates in the application of accounting and measurement methods

In some cases, it is necessary to apply accounting methods based on estimates or the exercise of discretion in connection with the establishment of the consolidated financial statements. Normally, these methods include complex, subjective assessments and the use of uncertain assumptions which may be subject to change. It is therefore conceivable that actual amounts in the future and future events may deviate from the forecasts made as estimates for the same reporting period could have been made differently for equally understandable reasons. Such accounting methods based on estimates and the exercise of discretion may therefore have a material impact on the net assets, financial position and results of operations in the consolidated financial statements and may also change over the course of time. The estimates used for the establishment of the consolidated financial statements and the underlying assumptions are regularly reviewed and any changes are taken into consideration as soon as better information is available.

The composition of a cash-generating unit and the determination of the recoverable amount for the performance of impairment tests is connected with assessments made by management concerning future developments and experience gained in the past. The cash flows predicted on the basis of these assessments may be affected by factors including volatility of capital markets, exchange rate fluctuations and expected economic development. The WACCs used for discounting take into account the market risk and the capital structure of companies comparable to the applicable group of cash-generating units. Changes in these factors may have significant impact on the existence or amount of a value impairment. Further details are given in note (1).

The actuarial assessments for the determination of provisions for pensions and similar obligations are based on major assumptions and estimates with respect to the discount rates used and expected future adjustments to salaries and pensions as well as life expectancy. All the parameters used are regularly reviewed as of the statement of financial position date. Any changes in the parameters used may lead to changes in statement of financial position values. Further details are given in note (11).

The determination of the settlement amount of provisions for guarantees and warranties, restructuring, environmental risks and litigation is normally connected with estimates and uncertainty. For the measurement of such values, the assessments of local independent experts are used in some cases. In the future, deviations between actual events and the assumptions made may necessitate adjustments to the Group's provisions. More detailed information on provisions is given in note (12).

The measurement of leases is based in part on estimates and assessments concerning the term of the lease. Extension and termination options must be taken into consideration in the determination of the term if it is reasonably certain that the lessee will exercise an extension option or not exercise a termination option. In assessing whether the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease, all relevant facts and circumstances that create an economic incentive for the lessee to exercise or not exercise the option concerned must be taken into consideration. Such aspects may include penalties, fixtures installed on the leased asset by the lessee and the opportunity cost of exercising or not exercising the option concerned. Information on leased assets is given in note (2).

The measurement of certain derivative financial instruments without an active market such as put or call options and earn-out clauses is based on probability predictions and the best possible estimates of the expected settlement amount, taking into consideration recognized mathematical finance methods. The same applies to the determination of expected credit losses recognized as loss allowances in connection with financial instruments measured at amortized cost. Further information on financial instruments is given in "Further notes".

When determining whether sufficient taxable income will be available in the future for assessing the value of deferred tax assets and the usability of losses carried forward, various estimates, including the development of tax planning strategies, must be made. Deviations between the actual results and the estimates made may have an effect on the assets, liabilities and earnings situation. Further details are given in note (26).

The determination of the amount and timing of revenue from contracts with customers is affected by a number of estimations. Sales are recognized in the amount of the consideration to which Freudenberg expects to be entitled. Especially in the case of the delivery of goods the amount of consideration may vary as a result of variable consideration. The amount of variable consideration is based on estimates and is determined upon the inception of the contract and reassessed at the end of each reporting period. The variable consideration is estimated either by using the expected value method or by using the most likely amount method. This depends on which method Freudenberg expects to better predict the amount of consideration to which it will be entitled. Sales are only recognized to the extent that it is highly probable that a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Amounts which have been received (or are to be received) and which will probably have to be refunded are recognized as refund liabilities and disclosed under other liabilities.

For the recognition of sales from customer-specific development projects, estimates need to be made concerning the degree of completion or the total cost of the contract. A change in these estimates may lead to an increase or reduction in sales in the reporting period.

Fair value is determined on the basis of input factors in three defined categories. Determination is based on estimates and assumptions associated with uncertainty. The following fair value measurement hierarchy is applied:

Level 1: Use of quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Determination of fair value using measurement procedures based on observed input factors for similar assets or liabilities in active markets or for identical assets or liabilities in markets that are not active.

Level 3: Measurement of assets and liabilities using measurement methods based on unobservable inputs as adequate observable market data are not available for the measurement of fair value.

Currency translations

The financial statements of almost all companies included in the consolidated financial statements which are not located in the eurozone are drawn up in the national currencies concerned. This is normally the currency of the primary economic environment in which the companies concerned operate (concept of functional currency).

In the accounts of individual companies, foreign-currency receivables and liabilities are translated at the exchange rates as of the date of the statement of financial position.

Goodwill created as a result of acquisitions on or after March 31, 2004, is carried as an asset of the economically independent foreign companies concerned in their respective functional currencies.

From the 2024 financial year onwards, the effects of currency translation are not netted out and disclosed under other income or other expenses but are disclosed in the appropriate income and expense items without offsetting.

In the consolidated financial statements, the financial statements of all companies not located in the euro-zone are translated in accordance with the following principles:

- Statement of financial position items are translated at the exchange rate as of the date of the statement of financial position.
- Statement of profit or loss items are translated at average annual exchange rates.
- Differences arising from the use of different exchange rates are recognized in equity without an effect on net income.
- The same principles are used in the case of investments in joint ventures and associated companies consolidated by the equity method.

As a result of the assessment that Argentina and Türkiye are hyperinflation countries, our activities in those countries have been reported in accordance with IAS 29, except in the case of functional activities transacted in a stable currency. Such reporting had no material impact on the net assets, financial position or results of operations of the Group as at December 31, 2024.

The exchange rates of currencies used for currency conversion which are material to the annual financial statements developed as follows:

Country	Currency	Closing rate		Average rate		
		1 euro =	Dec. 31,2023	Dec. 31,2024	2023	2024
Brazil	BRL		5.3618	6.4253	5.3940	5.8907
China	CNY		7.8509	7.5833	7.6839	7.7733
United Kingdom	GBP		0.8691	0.8292	0.8688	0.8450
India	INR		91.9045	88.9335	89.4343	90.5176
Japan	JPY		156.3300	163.0600	153.1760	164.0560
Mexico	MXN		18.7231	21.5504	19.0658	20.0134
USA	USD		1.1050	1.0389	1.0829	1.0808

Differences arising from the use of different exchange rates compared with the previous year are shown in the statement of changes in intangible and tangible assets with respect to non-current assets and in the consolidated statement of comprehensive income with respect to equity.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

Changes in intangible assets from January 1 to
December 31, 2023:

[€ million]	Internally generated software	Concessions, licenses and others ¹	Goodwill	Payments made on account	Intangible assets in course of construction	Total
ACQUISITION/PRODUCTION COST						
Status Jan. 1, 2023	4.8	2,082.1	2,133.2	2.4	1.8	4,224.3
Changes in consolidated group	0.0	22.6	40.3	0.2	0.0	63.1
Exchange rate differences	-0.2	-33.2	-30.6	0.0	0.0	-64.0
Additions	0.3	6.9	0.0	0.9	1.7	9.8
Disposals	0.0	-5.9	0.0	-0.1	0.0	-6.0
Reclassifications ²	0.1	3.3	0.0	-1.8	-1.0	0.6
Status Dec. 31, 2023	5.0	2,075.8	2,142.9	1.6	2.5	4,227.8
AMORTIZATION						
Status Jan. 1, 2023	4.1	1,239.7	236.8	0.0	0.0	1,480.6
Changes in consolidated group	0.0	1.6	0.0	0.0	0.0	1.6
Exchange rate differences	-0.1	-23.8	-11.5	0.0	0.0	-35.4
Additions - systematic	0.2	109.2	0.0	0.0	0.0	109.4
Impairment losses	0.0	40.1	0.0	0.0	0.0	40.1
Disposals	0.0	-5.3	0.0	0.0	0.0	-5.3
Reclassifications ²	0.1	-0.1	0.0	0.0	0.0	0.0
Status Dec. 31, 2023	4.3	1,361.4	225.3	0.0	0.0	1,591.0
Book value Dec. 31, 2022	0.7	714.4	1,917.6	1.6	2.5	2,636.8

¹Intangible assets identified in connection with purchase price allocations mainly concern customer lists/relations, technologies and know-how.

²The reclassifications also include transfers to other items in the statement of financial position.

Changes in intangible assets from January 1 to December 31, 2024:

[€ million]	Internally generated software	Concessions, licenses and others ¹	Goodwill	Payments made on account	Intangible assets in course of construction	Total
ACQUISITION/PRODUCTION COST						
Status Jan. 1, 2024	5.0	2,075.8	2,142.9	1.6	2.5	4,227.8
Changes in consolidated group	0.0	27.4	53.4	0.0	0.0	80.8
Exchange rate differences	0.3	17.7	30.8	0.0	-0.1	48.7
Additions	0.1	8.0	0.0	2.8	6.0	16.9
Disposals	-0.7	-5.5	0.0	0.0	-0.1	-6.3
Reclassifications ²	0.0	5.8	0.0	-0.7	-2.1	3.0
Status Dec. 31, 2024	4.7	2,129.2	2,227.1	3.7	6.2	4,370.9
AMORTIZATION						
Status Jan. 1, 2024	4.3	1,361.4	225.3	0.0	0.0	1,591.0
Changes in consolidated group	0.2	15.8	2.8	0.0	0.0	18.8
Exchange rate differences	0.1	103.7	0.0	0.0	0.0	103.8
Additions – systematic	0.0	11.8	0.0	0.0	0.0	11.8
Impairment losses	-0.7	-4.9	0.0	0.0	0.0	-5.6
Disposals	0.0	0.1	0.0	0.0	0.0	0.1
Reclassifications²	3.9	1,487.9	228.1	0.0	0.0	1,719.9
Status Dec. 31, 2024						
Book value, Dec. 31, 2024	0.8	641.3	1,999.0	3.7	6.2	2,651.0

¹ Intangible assets identified in connection with purchase price allocations mainly concern customer lists/relations, technologies and know-how.

² The reclassifications also include transfers to other items in the statement of financial position.

The impairment losses with respect to concessions, licenses and others recognized in the year under review chiefly concern customer lists and are included in selling expenses. They are the result of a revised assessment of the future usefulness of these assets.

Goodwill was subjected to an impairment test in the 2024 financial year. Apart from the expected developments in sales and profit as well as net investments of the Business Groups concerned, the basic assumptions used for determining the value in use of the groups of cash-generating units in the 2024 financial year included a growth rate ranging from 0.5 to 2.0 percent (previous year: 0.5 to 2.0 percent) and pre-tax WACCs ranging from 8.2 percent to 15.4 percent

(previous year: ranging from 8.8 percent to 14.6 percent). On this basis, it was not necessary to recognize any impairment of goodwill.

The five significant goodwill items are assigned to the groups of cash-generating units Vibraacoustic, Freudenberg Filtration Technologies, Freudenberg Chemical Specialities, Freudenberg Sealing Technologies and Freudenberg Performance Materials. The WACCs used for the impairment test were 11.0 percent (previous year: 11.8 percent) for Vibraacoustic, 10.2 percent (previous year: 10.8 percent) for Freudenberg Filtration Technologies, 12.7 percent (previous year: 12.7 percent) for Freudenberg Chemical Specialities, 12.1 percent (previous year: 12.7 percent) for Freudenberg

Sealing Technologies and 9.6 percent (previous year: 10.8 percent) for Freudenberg Performance Materials. The assumed sustainable growth rate was 1.5 percent (previous year: 2.0 percent) for Vibracoustic and 2.0 percent (previous year: 2.0 percent) for the other four groups of cash-generating units mentioned. The book values of these goodwill items are shown in the following table:

[€ million]	Goodwill	
	Dec. 31, 2023	Dec. 31, 2024
Vibracoustic	835.9	835.9
Freudenberg Filtration Technologies	247.4	259.9
Freudenberg Chemical Specialities	203.1	207.3
Freudenberg Sealing Technologies	181.9	205.1
Freudenberg Performance Materials	150.3	188.8

The sales of Vibracoustic fell slightly in 2024 compared with the previous year. The reason was a challenging market environment characterized by falling global vehicle production. It is expected that global light vehicle production will decline slightly in 2025 compared with the previous year. The annual planning for Vibracoustic assumes slight growth in sales in 2025.

Freudenberg Filtration Technologies recorded growth in sales in 2024 despite a market environment affected by different degrees of volatility in the various market sectors, inflation and geopolitical uncertainties. There were slight falls in sales in the field of indoor air filtration in the USA. These were offset by good sales growth in indoor air filtration in Asia, gas turbines and engineering applications. Operational planning for 2025 assumes growth in the sales of Freudenberg Filtration Technologies.

In 2024, Freudenberg Chemical Specialities was able to assert itself in a challenging economic environment and to meet expectations as regards sales growth and its other targets. The situation in international trading and raw material purchasing improved. In terms of the regions, there was particularly strong business growth in Asia and South America. Growth in European business was satisfactory, while North

America did not meet expectations. Freudenberg Chemical Specialities once again plans growth in sales in 2025.

Freudenberg Sealing Technologies closed the 2024 financial year with a slight fall in sales in the low single-digit percentage range. The main reasons for this development were poor economic development in Europe and China both in automobile markets and industrial segments. In contrast, business in India and Southeast Asia developed well. Acquisitions had further positive effects. Demand for high-quality sealing products and demanding component solutions developed positively, especially for applications connected with the energy transition and alternative drivetrains. In view of the political and economic conditions, slight growth is not expected until the second half of 2025.

In 2024, Freudenberg Performance Materials was able to record slight growth in sales compared with the previous year in a market characterized by geopolitical conflicts and uncertainties. In the year under review, business with coated technical textiles was strengthened through the acquisition of the Heytex Group. In 2024, the Business Group reported significantly higher year-on-year sales in the Asia-Pacific region. In contrast, there was a fall in sales in North America, South America and Europe. Freudenberg Performance Materials once again plans growth in sales in 2025.

No significant goodwill items are assigned to the group of cash-generating units of Freudenberg Flow Technologies created by combining the groups of cash-generating units of EagleBurgmann and Freudenberg Oil & Gas Technologies. In the reporting year, the impairment tests carried out did not indicate that it was necessary to recognize any impairment losses.

In the case of a variation in the WACC of up to +1.0 percentage points, a variation in the sustainable growth rate of up to -1.0 percentage points and a variation of up to -10 percent in other relevant inputs, it would have been necessary to recognize impairment in the amount of €23.7 million with respect to the group of cash-generating units of Freudenberg e-Power Systems. It would not have been necessary to recognize impairment of any of the other goodwill items.

(2) Tangible assets

Changes in tangible assets from January 1 to December 31, 2023:

[€ million]	Land and buildings	Machinery and equipment	Other fixtures, fittings and office equipment	Payments made on account	Construction in progress	Total
ACQUISITION/PRODUCTION COST						
Status Jan. 1, 2023	2,360.2	4,267.7	1,026.0	57.8	219.8	7,931.5
Changes in consolidated group	13.8	15.3	15.5	0.3	0.0	44.9
Exchange rate differences	-46.5	-89.3	-12.6	-1.5	-4.1	-154.0
Additions	83.0	100.1	91.8	52.5	227.2	554.6
Disposals	-46.8	-122.9	-61.9	-0.3	-5.1	-237.0
Reclassifications ¹	29.8	139.0	27.9	-38.4	-149.8	8.5
Status Dec. 31, 2023	2,393.5	4,309.9	1,086.7	70.4	288.0	8,148.5

DEPRECIATION						
Status Jan. 1, 2023	1,120.7	3,146.0	780.7	0.0	5.8	5,053.2
Changes in consolidated group	2.3	13.2	13.7	0.0	0.0	29.2
Exchange rate differences	-20.4	-67.9	-9.3	0.0	-0.3	-97.9
Addition – systematic	125.0	189.9	90.3	0.0	0.0	405.2
Addition - impairment	0.1	12.0	1.1	0.0	6.1	19.3
Write-ups	-35.8	-114.7	-57.4	0.0	0.0	-207.9
Disposals	4.1	5.7	-1.5	0.0	0.2	8.5
Reclassifications¹	1,196.0	3,184.2	817.6	0.0	11.8	5,209.6
Status Dec. 31, 2023						
Book value Dec. 31, 2023	1,197.5	1,125.7	269.1	70.4	276.2	2,938.9

¹ The reclassifications also include transfers to other items in the statement of financial position.

Changes in tangible assets from January 1 to December 31, 2024:

[€ million]	Land and buildings	Machinery and equipment	Other fixtures, fittings and office equipment	Payments made on account	Construction in progress	Total
ACQUISITION/PRODUCTION COST						
Status Jan. 1, 2024	2,393.5	4,309.9	1,086.7	70.4	288.0	8,148.5
Changes in consolidated group	24.2	1.1	1.5	0.0	1.2	28.0
Exchange rate differences	21.7	41.0	5.5	-0.4	7.3	75.1
Additions	101.9	107.0	94.6	44.6	240.5	588.6
Disposals	-40.1	-96.3	-74.5	-1.9	-9.6	-222.4
Reclassifications ¹	49.7	156.2	35.9	-56.1	-188.7	-3.0
Status Dec. 31, 2024	2,550.9	4,518.9	1,149.7	56.6	338.7	8,614.8

DEPRECIATION						
Status Jan. 1, 2024	1,196.0	3,184.2	817.6	0.0	11.8	5,209.6
Changes in consolidated group	0.0	-9.9	-2.9	0.0	0.0	-12.8
Exchange rate differences	12.1	23.6	4.5	0.0	0.3	40.5
Addition – systematic	126.8	203.6	96.0	0.0	0.0	426.4
Addition - impairment	3.3	8.5	2.6	0.0	0.8	15.2
Disposals	-33.4	-90.4	-70.4	0.0	-0.2	-194.4
Reclassifications ¹	-0.3	2.5	0.9	0.0	-3.1	0.0
Status Dec. 31, 2024	1,304.5	3,322.1	848.3	0.0	9.6	5,484.5
Book value, dec. 31, 2024	1,246.4	1,196.8	301.4	56.6	329.1	3,130.3

¹ The reclassifications also include transfers to other items in the statement of financial position.

For impairments of tangible assets, Freudenberg received compensation totaling €6.3 million (previous year: €6.0 million) in the year under review, which is recognized under other income. The impairments, which were recognized under other expenses, were largely due to natural catastrophes.

During the year under review, Freudenberg received government grants in the amount of €0.1 million (previous year: €0.9 million), which were included in the assets under property, plant, and equipment.

Additional disclosures on leased assets – right-of-use assets

As a result of the application of IFRS 16, Freudenberg recognizes right-of-use assets in respect of leased assets. The following amounts are recognized in the statement of changes in tangible assets under the category “Land and buildings” (land and buildings) or “Other fixtures, fittings and office equipment” (passenger cars, forklift trucks and IT infrastructure):

[€ million]	Land and buildings	Passenger cars	Forklift trucks	IT infrastructure	Total
Acquisition/Production cost	549.8	85.3	35.3	8.4	678.8
Of which: additions	61.9	29.8	7.3	0.3	99.3
Depreciation	257.5	45.9	20.8	5.7	329.9
Book Value Dec. 31, 2023	292.3	39.4	14.5	2.7	348.9

[€ million]	Land and buildings	Passenger cars	Forklift trucks	IT infrastructure	Total
Acquisition/Production cost	580.2	96.6	36.5	9.1	722.4
Of which: additions	62.2	30.9	7.8	2.7	103.6
Depreciation	307.0	51.5	21.3	5.9	385.7
Book Value Dec. 31, 2024	273.2	45.1	15.2	3.2	336.7

In the 2024 financial year, the interest expense for leased assets amounted to €10.8 million (previous year: €8.9 million). In addition, expenses for leased assets of low value and short-term leases were recognized in the statement of profit or loss in the amount of €27.7 million (previous year: €22.4 million). The total cash outflow for leasing in 2024 was €145.6 million (previous year: €138.9 million)

(3) Investment properties

Details of land and buildings held by Freudenberg as investment properties are shown in the table below:

[€ million]	2023	2024
Rent income	5.3	5.4

There were no significant direct operating expenses in the year under review or in the previous year.

There are no restrictions on the saleability of investment properties. There are no contractual obligations to purchase, build or develop investment properties. Furthermore, Freudenberg is not under any contractual obligations to repair or maintain such investment properties going beyond its statutory obligations.

Changes in investment properties from January 1 to December 31:

[€ million]	2023	2024
ACQUISITION/PRODUCTION COST		
Status Jan. 1	55.2	53.6
Reclassifications	-1.6	0.0
Status Dec. 31	53.6	53.6
DEPRECIATION		
Status Jan. 1	43.0	43.4
Additions - systematic	1.5	1.2
Reclassifications	-1.1	0.0
Status Dec. 31	43.4	44.6
Book value Dec. 31	10.2	9.0

The fair value of investment properties was €39.5 million (previous year: €38.0 million) and was calculated on the basis of discounted cash flows (level 3 inputs).

(4) Investments in joint ventures

The joint venture agreement with NOK Corporation, Tokyo, Japan, is of major importance for Freudenberg.

NOK-Freudenberg Singapore Pte. Ltd., Singapore, is a 50:50 joint venture between the Japanese NOK Corporation and Freudenberg SE with the objective of

serving the high-growth Chinese and Indian markets with locally-produced and imported sealing products.

The summarized financial information of this joint venture company is set out below:

[€ million]	NOK-Freudenberg Singapore Pte. Ltd.	
	Dec. 31,2023	Dec. 31,2024
Current assets	293.5	319.3
Of which: cash and cash equivalents	102.6	113.5
Non-current assets	276.4	296.1
Current liabilities	131.3	130.9
Of which: current financial liabilities	19.1	17.7
Non-current liabilities	16.9	34.2
Equity without non-controlling interests	421.7	450.3
Freudenberg share	50.0 %	50.0 %
Pro-rata share in equity	210.8	225.1
At-equity measurement	210.8	225.1

	2023	2024
Sales	483.4	496.5
Profit or loss from continuing operations	45.6	44.0
Other comprehensive income	-20.5	10.7
Total comprehensive income	25.1	54.7
Of which: depreciation and amortization	-29.0	-29.8
Of which: interest income	2.8	2.3
Of which: interest expenses	-1.3	-1.0
Of which: income tax expense or income	-12.7	-14.9

Freudenberg received a dividend amounting to €14.5 million (previous year: €31.0 million) from NOK-Freudenberg Singapore Pte. Ltd.

The total carrying amount of interests in all individual joint ventures which are not material was €6.5 million (previous year: €11.4 million).

The pro-rata share of the profit or loss from continuing operations of all individual joint ventures classed as not material was €1.1 million (previous year: €0.6 million) and the pro-rata share in other comprehensive income was €0.3 million (previous year: €-0.2 million).

(5) Investments in associated companies

For Freudenberg, its most important investment in associated companies is its participation in the Japanese company NOK Corporation with its registered office in Tokyo, Japan.

The NOK Group manufactures and supplies sealing products, flexible printed circuits, roll products for

office equipment and further products such as specialty lubricants.

This major associated company provided the following figures in its consolidated interim financial statements as at December 31:

[€ million]	NOK Corporation	
	Dec. 31, 2023	Dec. 31, 2024
Current assets	2,749.2	2,686.8
Non-current assets	3,179.5	3,041.0
Current liabilities	1,435.3	1,214.7
Non-current liabilities	685.9	606.6
Treasury shares	-81.4	-108.9
Non-controlling interests	321.6	276.4
Equity without treasury shares and non-controlling interests	3,567.3	3,739.0
Freudenberg share	25.1%	25.9%
Pro-rata share in equity	895.4	969.5
Effect from share buyback NOK	0.0	-28.3
Goodwill	7.1	7.1
At-equity measurement	902.5	948.3

	2023	2024
Sales	4,813.3	4,706.1
Profit or loss from continuing operations	161.9	270.3
Other comprehensive income	295.2	191.3
Total comprehensive income	457.1	461.6

The fall in the other comprehensive income of NOK Corporation is due to the negative developments in exchange rates, which were offset in part by developments in securities and actuarial gains.

Freudenberg received dividends in the amount of €26.5 million (previous year: €24.0 million) from NOK Corporation.

As at December 31, 2024, the market value of the shareholding in NOK Corporation was €659.9 million (¥107,600.8 million) (previous year: €523.0 million; ¥81,765.3 million).

The total carrying amount of interests in all associated companies classed as not material was €21.4 million (previous year: €28.7 million).

The pro-rata share in the profit or loss from continuing operations of all individual associated companies classed as not material was €1.0 million (previous year: €2.5 million) and the pro-rata share in the other comprehensive income of these companies was €-0.2 million (previous year: €-2.3 million). The pro-rata share in the total comprehensive income was therefore €0.8 million (previous year: €0.2 million).

(6) Inventories

Inventories break down as follows:

[€ million]	Dec. 31,2023	Dec. 31,2024
Raw materials and consumables	595.5	661.0
Work in progress	237.6	231.8
Finished goods and merchandise	808.7	910.6
Customer-specific tools in construction	82.3	77.2
Payments made on account	4.3	5.9
	1,728.4	1,886.5

Inventories rose by €158.1 million compared with the previous year. After eliminating the effects of changes in the consolidated group and exchange rate effects, inventories increased by about 7.5 percent.

Write-downs of inventories totaling €44.4 million (previous year: €49.2 million) were recognized as expenses in the reporting year.

Write-ups totaling €32.7 million (previous year: €31.9 million) were recognized in accordance with the requirement to reverse write-downs as the reason for the impairment losses concerned no longer existed.

The inventories shown are not subject to any significant restrictions on title or disposal.

(7) Receivables

[€ million]	Dec. 31,2023	Dec. 31,2024
Trade receivables	1,751.2	1,764.0
Of which: Residual term up to 1 year	1,751.2	1,764.0
Other assets	324.6	369.3
Of which: Residual term up to 1 year	257.3	313.1
Of which: Residual term more than 1 year	67.3	56.2

After adjustment for effects resulting from changes in the consolidated group and exchange rate effects, trade receivables fell by about 1 percent.

Contract assets have not been disclosed as a separate item but under other assets in the statement of financial position, because the amount concerned was not material. As at December 31, 2024, contract assets amounted to €12.7 million (previous year: €10.9 million). Changes in contract assets are mainly the result of the satisfaction of performance obligations laid down in contracts with customers. Contract assets are normally a result of contracts meeting the requirements for the realization of sales over time.

The other assets include pension plan assets in excess of the corresponding pension obligations amounting to €2.6 million (previous year: €10.8 million).

The other assets also include other tax receivables in the amount of €114.5 million (previous year: €98.0 million) and liability insurance claims totaling €3.9 million (previous year: €4.2 million).

The claims for reimbursement in connection with recognized provisions, which are included in other assets, are shown in the other provisions under note (12).

(8) Cash and cash equivalents

[€ million]	Dec. 31,2023	Dec. 31,2024
Securities	151.0	245.8
Checks and cash in hand	0.3	2.3
Cash at banks	2,086.1	2,352.4
	2,237.4	2,600.5

The securities are highly liquid investments with short terms.

The increase in liquidity is the result of higher cash at banks. Further information is given in the notes to the consolidated statement of cash flows.

(9) Assets and groups of assets held for sale

As at December 31, 2024 (as in the previous year), no assets or liabilities were classified as held for sale.

(10) Equity

The subscribed capital in the amount of €450.0 million (previous year: €450.0 million) consists of 450 million no-par-value registered shares. The sole shareholder of Freudenberg SE is Freudenberg & Co. Kommanditgesellschaft, Weinheim (hereafter: Freudenberg & Co. KG).

The reserves break down as follows:

【€ million】	Dec. 31,2023	Dec. 31,2024
Capital reserves	50.2	50.2
Retained earnings	6,615.9	7,228.0
	6,666.1	7,278.2

The capital reserves consist of contributions in kind made by the shareholder.

The retained earnings include net income earned by the Group in the past and not distributed as well as reserves of companies included in the consolidated financial statements including expenses and income recorded without effect on net income.

The profit distributed in the reporting year amounted to €133.9 million (previous year: €111.9 million). This corresponded to a profit per share of €0.30 (previous year: €0.25).

The Board of Management proposes that the 2024 net retained profit in the amount of €4,604.2 million (previous year: €4,153.0 million) should be carried forward to new account.

In the reporting year, income (+) and expenses (-) which had previously been recorded without an effect on net income with respect to the following components of other comprehensive income were reclassified to the statement of profit or loss:

【€ million】	Dec. 31,2023	Dec. 31,2024
Exchange rate differences	-0.7	-4.9
	-0.7	-4.9

In the 2024 financial year, tax effects (income (+) / expenses (-)) recorded without effect on net income are attributable to the various items of other comprehensive income as follows:

【€ million】	Dec. 31,2023	Dec. 31,2024
Remeasurement of defined benefit plans	17.7	-9.5
Securities and other items	2.9	-4.7
	20.6	-14.2

Non-controlling interests

The change in non-controlling interests in the equity of consolidated affiliated companies from €420.0 million to €404.7 million was mainly the result of the allocation of dividends paid, offset by the profit for the year and exchange rate differences.

In the case of the following affiliated company, the consolidated financial statements include significant non-controlling interests in the amount of 25 percent of the shares:

[€ million]		
Freudenberg-NOK General Partnership, Wilmington, Delaware, USA	Dec. 31,2023	Dec. 31,2024
Profit (+)/loss (-) attributable to non-controlling interests	25.6	25.9
Total amount of non-controlling interests	181.2	166.3

This affiliated company is included in the consolidated financial statements with the following values:

[€ million]		
Freudenberg-NOK General Partnership, Wilmington, Delaware, USA	Dec. 31,2023	Dec. 31,2024
Current assets	578.7	504.9
Non-current assets	297.8	329.4
Current liabilities	121.0	137.6
Non-current liabilities	27.7	30.4

	2023	2024
Sales	843.7	838.2
Profit (+)/loss (-)	124.9	120.9
Total comprehensive income	99.2	172.1

Freudenberg-NOK General Partnership, Wilmington, Delaware, USA, paid dividends in the amount of €58.4 million (previous year: €9.6 million) to the holder of the non-controlling interests.

Other non-controlling interests especially concern Freudenberg Flow Technologies, where they arise as a result of the contractual agreements with the partner Eagle Industry Co. Ltd., Tokyo, Japan.

(11) Provisions for pensions and similar obligations

The Freudenberg pension scheme consists of both defined contribution and defined benefit pension plans. Defined benefit plans include both fixed salary and final salary plans. The provisions for pensions and similar obligations include obligations arising from current pensions and future pension entitlements.

The pension plans at the Freudenberg Group mainly concern German, Japanese and British companies. The pension obligations of the German companies are commitments financed by provisions. These obligations are subject to the rules of the pension plan concerned and the applicable statutory provisions. The plans include benefit commitments dependent on service periods and on salaries and provide for disability benefits and benefits for surviving dependents as well as for retirement benefits.

The pension plans of British companies are managed by third party pension funds. The representatives of the pension funds are legally obliged to act in the interest of all participants in the plan. In cooperation with investment advisers, they are responsible for the development and regular review of investment strategies for the plan assets. Commitments based on age and years of service include both retirement benefits and certain forms of survivor benefits. Most of these plans are frozen and future entitlements can no longer be earned by plan participants. The pension obligations of these companies are mainly financed by plan assets, funded chiefly by employers' contributions.

The pension plans in Japan consist of benefit commitments based on age and years of service. These pension plans are managed by a third-party pension fund. The pension obligations of the Japanese companies are mainly financed by plan assets, funded solely by employers' contributions.

Apart from pension obligations, this item also includes obligations similar to pensions, such as amounts paid to employees upon the termination of their employment which do not constitute termination benefits. These benefits vary in accordance with the legal, tax and economic conditions in the countries concerned.

All defined benefit schemes of the Freudenberg Group are subject to typical actuarial risks, especially investment and interest risks.

Current service cost and net interest on the net defined benefit liability are disclosed in the statement of profit or loss under personnel expenses in the relevant functional areas.

In the case of the defined contribution plans, there are no additional obligations apart from the payment of contributions. Contributions paid are expensed under personnel expenses and amounted to €23.2 million in 2024 (previous year: €27.9 million).

The defined benefit obligations were calculated on actuarial principles by the projected unit credit method. The calculation was based on the following discount rates as major actuarial assumptions:

	Dec. 31, 2023	Dec. 31, 2024
Germany	3.20 %	3.40 %
Japan	1.37 %	1.68 %
United Kingdom	4.53 %	5.43 %

In the case of the other foreign companies, the discount rates ranged from 0.9 to 27.7 percent (previous year: 1.4 to 25.6 percent).

The Heubeck 2018 G actuarial tables were used in the case of the German companies. A uniform trend of 2.0 percent in pensions and 2.5 percent in salaries was defined for the relevant pension plans. As a result of the pension plan regulations, the assumed trend in salaries and pensions only has an effect on the value of pension obligations in exceptional cases.

Net obligations are shown in the following items of the statement of financial position:

[€ million]	Dec. 31,2023	Dec. 31,2024
Provisions for pensions and similar obligations	655.6	623.5
Other assets	10.8	2.6
	644.8	620.9

Net obligations are calculated as follows:

[€ million]	Dec. 31,2023	Dec. 31,2024
Present value of funded obligations	340.8	330.0
Fair value of plan assets	-340.8	-312.5
Surplus (-)/deficit (+)	0.0	17.5
Present value of unfunded obligations	644.8	603.4
	644.8	620.9

Defined benefit obligations developed as follows:

[€ million]	Germany	Japan	United Kingdom	Miscellaneous	2023
Present value of defined benefit obligations, Jan. 1, 2023	535.1	104.9	206.6	97.3	943.9
Current service cost	14.6	2.7	0.0	4.8	22.1
Interest cost	19.4	1.2	9.8	3.9	34.3
Gains (-) and losses (+) from remeasurement of defined benefit obligations	53.3	2.3	-0.5	-0.5	54.6
Gains (-) and losses (+) on settlements	0.0	0.0	0.0	0.0	0.0
Past service cost	0.0	-0.1	0.0	-0.7	-0.8
Contributions by plan participants	0.0	0.0	0.0	0.7	0.7
Liabilities extinguished on settlements	-16.1	0.0	0.0	0.2	-15.9
Benefits paid	-21.5	-5.4	-12.4	-8.0	-47.3
Changes in consolidated group	0.0	0.0	0.0	-0.8	-0.8
Other changes	0.6	0.5	0.0	-0.4	0.7
Exchange rate differences	0.0	-10.5	4.3	0.3	-5.9
Present value of defined benefit obligations, Dec. 31, 2023	585.4	95.6	207.8	96.8	985.6

[€ million]	Germany	Japan	United Kingdom	Miscellaneous	2024
Present value of defined benefit obligations, Jan. 1, 2024	585.4	95.6	207.8	96.8	985.6
Current service cost	9.7	2.5	0.0	5.4	17.6
Interest cost	20.5	1.2	9.5	4.1	35.3
Gains (-) and losses (+) from remeasurement of defined benefit obligations	-49.1	-4.4	-18.5	9.7	-62.3
Gains (-) and losses (+) on settlements	0.0	0.0	0.0	0.0	0.0
Past service cost	0.0	0.0	0.0	0.2	0.2
Contributions by plan participants	0.0	0.0	0.0	0.5	0.5
Liabilities extinguished on settlements	0.0	0.0	0.0	-16.3	-16.3
Benefits paid	-24.1	-5.2	-13.4	8.0	-34.7
Changes in consolidated group	0.2	0.0	0.0	2.0	2.2
Other changes	2.1	-2.8	0.1	0.4	-0.2
Exchange rate differences	0.0	-3.9	10.0	-0.6	5.5
Present value of defined benefit obligations, Dec. 31, 2024	544.7	83.0	195.5	110.2	933.4

The plan assets of funded pension plans developed as follows:

[€ million]	Japan	United Kingdom	Miscellaneous	2023
Fair value of plan assets, Jan. 1, 2023	98.1	211.6	37.1	346.8
Interest income	1.4	10.2	0.7	12.3
Gains (-) and losses (+) from remeasurement of plan assets	-2.1	-3.0	0.8	-4.3
Contributions by employer	4.2	3.7	3.5	11.4
Contributions by plan participants	0.0	0.0	0.7	0.7
Liabilities extinguished on settlements	0.0	0.0	0.0	0.0
Benefits paid	-5.0	-12.4	-3.5	-20.9
General plan administration costs	0.0	-0.2	0.0	-0.2
Changes in consolidated group	0.0	0.0	0.0	0.0
Other changes	0.5	0.0	0.0	0.5
Exchange rate differences	-9.8	4.4	-0.1	-5.5
Fair value of plan assets, Dec. 31, 2023	87.3	214.3	39.2	340.8

[€ million]	Japan	United Kingdom	Miscellaneous	2024
Fair value of plan assets, Jan. 1, 2024	87.3	214.3	39.2	340.8
Interest income	1.5	9.9	0.9	12.3
Gains (-) and losses (+) from remeasurement of plan assets	-4.9	-33.5	3.5	-34.9
Contributions by employer	3.7	2.9	2.9	9.5
Contributions by plan participants	0.0	0.0	0.5	0.5
Liabilities extinguished on settlements	0.0	0.0	0.2	0.2
Benefits paid	-5.2	-13.4	-4.3	-22.9
General plan administration costs	0.0	-0.2	0.0	-0.2
Changes in consolidated group	0.0	0.0	1.7	1.7
Other changes	-1.4	0.0	0.0	-1.4
Exchange rate differences	-3.6	10.3	0.2	6.9
Fair value of plan assets, Dec. 31, 2024	77.4	190.3	44.8	312.5

The fair value of plan assets with quoted prices in active markets was as follows:

[€ million]	Dec. 31,2023	Dec. 31,2024
Equity instruments	52.1	58.0
Interest-bearing securities	75.3	57.3
Other assets	190.6	171.4
	318.0	286.7

The fair value of plan assets without quoted prices in active markets was as follows:

[€ million]	Dec. 31,2023	Dec. 31,2024
Interest-bearing securities	1.1	1.8
Other assets	21.7	24.0
	22.8	25.8

In the following year, contributions in the amount of €10.4 million (previous year: €14.1 million) will probably be made to plan assets. The weighted average duration of defined benefit obligations as at the end of the reporting year was 12.6 years (previous year: 13.6 years).

As at the end of the financial year, expected non-discounted pension payments as a function of the due date were as follows.

[€ million]	Dec. 31,2024
2025	76.2
2026-2029	213.8
2030-2034	276.7

In the reporting year, gains and losses from the re-measurement of the defined benefit obligations and plan assets recognized in retained earnings developed as follows:

[€ million]	2023	2024
Gains (+) and losses (-) from remeasurement, Jan. 1	-173.7	-234.4
Gains (+) and losses (-) from remeasurement of defined benefit obligations	-54.6	62.3
Of which: as a result of changed financial assumptions	-47.7	64.2
Of which: as a result of changed demographic assumptions	1.6	-1.6
Of which: as a result of experience-based adjustments	-8.5	-0.3
Gains (+) and losses (-) from remeasurement of plan assets	-4.3	-34.9
Reclassifications/other changes	0.2	4.9
Exchange rate differences	-2.0	-2.8
Gains (+) and losses (-) from remeasurement, Dec. 31	-234.4	-204.9

The possible changes in the defined benefit obligation as a result of changes in the discount rate, a major actuarial assumption, were calculated on the basis of the projected unit credit method. If the discount rate as at the statement of financial position date had been 0.50 percentage points lower, the present value of defined benefit obligations as at the statement of financial position date would have been €57.6 million (previous year: €43.7 million) higher. If the discount rate as at the statement of financial position date had been 0.50 percentage points higher, the present value of defined benefit obligations as at the statement of financial position date would have been €54.5 million (previous year: €74.0 million) lower.

(12) Other provisions

[€ million]	Personnel obligations	Warranties and guarantees	Restructuring	Miscellaneous	Total
Status Jan. 1, 2024	500.9	89.4	45.4	295.1	930.8
Increases	359.5	28.8	69.9	211.9	670.1
Unwinding of discount and effect of change in discount rate	-0.1	0.0	0.0	-0.4	-0.5
Amounts used	-356.0	-14.8	-11.4	-130.6	-512.8
Reversal	-18.9	-22.7	-6.4	-42.4	-90.4
Exchange rate differences	3.7	0.1	0.0	-4.2	-0.4
Changes in consolidated group	2.0	0.0	0.0	3.1	5.1
Other changes	-0.2	0.2	-0.3	-0.6	-0.9
Status Dec. 31, 2024	490.9	81.0	97.2	331.9	1,001.0
Of which: long-term	73.9	15.4	7.4	40.7	137.4
Of which: short-term	417.0	65.6	89.8	291.2	863.6
Reimbursement claims connected with provisions and shown in the statement of financial position under other assets	0.3	0.0	0.0	0.0	0.3

The provisions for personnel obligations mainly include provisions for other short-term employee benefits such as bonuses and commissions, provisions for vacation not taken and other long-term employee benefits such as long-term remuneration components as well as provisions for partial early retirement and provisions for termination benefits.

The provisions for guarantees and warranties concern products supplied and services rendered. Provisions for restructuring are recognized if a detailed, formal restructuring plan has been prepared and communicated to the parties concerned. The provisions cover expenditure directly connected with the measures adopted.

The miscellaneous provisions include the following items:

[€ million]	Dec. 31, 2023	Dec. 31, 2024
Commissions	35.8	29.9
Onerous contracts	26.3	27.2
Environmental protection	20.8	23.1
Other	212.2	251.7
Total	295.1	331.9

The rise in the miscellaneous provisions is mainly due to other provisions, which include provisions for litigation risks, customer bonuses and construction and building management.

(13) Liabilities

[€ million]	Residual term		Dec. 31,2023	Residual term		Dec. 31,2024
	Short-term	Long-term		Short-term	Long-term	
Liabilities to banks (= financial debt)	55.3	337.5	392.8	197.2	163.6	360.8
Cash pool liabilities	143.2	0.0	143.2	164.5	0.0	164.5
Other financial debt	32.0	31.0	63.0	30.8	32.2	63.0
Lease liabilities	99.2	246.2	345.4	106.1	236.9	343.0
Shareholder's loans	422.0	300.0	722.0	439.0	300.0	739.0
Accounts of Freudenberg & Co. KG Partners	231.4	354.3	585.7	258.4	354.0	612.4
Financial debt	983.1	1,269.0	2,252.1	1,196.0	1,086.7	2,282.7
Trade payables	1,173.0	0.0	1,173.0	1,299.5	0.0	1,299.5
Contract liabilities	61.0	0.0	61.0	82.1	0.0	82.1
Miscellaneous liabilities	288.5	153.4	441.9	302.4	166.0	468.4
Other liabilities	349.5	153.4	502.9	384.5	166.0	550.5
	2,505.6	1,422.4	3,928.0	2,880.0	1,252.7	4,132.7

The average interest rate on long-term liabilities to banks is 1.86 percent (previous year: 1.97 percent). The other financial debt includes loans by third parties with an interest rate between 3.92 and 4.52 percent on the long-term portion.

The interest payable on the certificates of indebtedness included in the liabilities to banks is based on variable and fixed components. Cash flows for variable and fixed interest and repayment of principal will probably be as follows from 2025 to 2027:

[€ million]	Book value	Cash flows		
		Dec. 31,2024	2025	2026
Certificates of indebtedness	294.0	167.2	2.4	134.2

The certificates of indebtedness include compliance with normal market loan covenants. These were complied with during the period under review.

The cash pool liabilities are towards the parent company and its affiliates which are not included in the consolidated group of Freudenberg SE and are of a short-term nature.

Lease liabilities are recognized as a result of the application of IFRS 16. As at December 31, 2024, possible future cash outflows in the amount of €42.6 million (previous year: €29.1 million) were not included in lease liabilities because a lease had been concluded but not yet incepted as at the date of the statement of financial position or because it was not assessed as

reasonably certain that an extension option would be exercised.

The cash flows for the leasing liabilities shown in the statement of financial position break down as follows:[€ million]	Dec. 31,2024
2025	100.0
2026-2029	194.1
2030 ff.	85.0

The loans granted by the shareholder were extended during the reporting year. Interest is payable on these loans at rates between 2.34 and 3.95 percent (previous year: between 2.34 and 5.25 percent). The long-term portion of these loans consists of two tranches

of the same amount, one with a term of two years and one with a term of three years.

The interest rates applicable to deposits in accounts of Freudenberg & Co. KG Partners as at the date of the statement of financial position vary between 3.05 and 4.52 percent depending on the individual agreements (previous year: between 3.49 and 5.00 percent). The long-term portion of these accounts has a term of between one year and five years.

Miscellaneous liabilities include liabilities for other taxes, outstanding wages and salaries, holiday pay and special bonuses, as well as liabilities in connection with social security. The long-term portion of these miscellaneous liabilities, as in the case of the financial debt, chiefly has a term of less than five years.

Contingent liabilities and other financial obligations

[€ million]	Dec. 31,2023	Dec. 31,2024
CONTINGENT LIABILITIES		
Guarantees	14.6	16.8
Warranty agreements	0.3	0.2
Miscellaneous	3.6	2.9
	18.5	19.9
OTHER FINANCIAL COMMITMENTS		
Purchase commitments in connection with the delivery of goods and services	172.7	258.2
Purchase commitments in connection with tangible assets	94.9	77.1
Purchase commitments in connection with intangible assets	0.1	0.1
Miscellaneous	7.5	4.3
	275.2	339.7

In addition, the following contingent liabilities and other financial commitments concern joint ventures:

[€ million]	Dec. 31,2023	Dec. 31,2024
CONTINGENT LIABILITIES		
Warranty agreements	18.0	18.6
	18.0	18.6
OTHER FINANCIAL COMMITMENTS		
Purchase commitments in connection with the delivery of goods and services	0.8	1.0
	0.8	1.0

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(14) Sales

[€ million]	2023	2024
Sales from sales of goods	11,642.1	11,671.7
Sales from research and development / research and development licenses	113.6	96.1
Sales from services	33.7	36.6
Sales from production-related licenses	0.1	10.7
Other sales	113.3	132.4
	11,902.8	11,947.5

Other sales include, inter alia, sales from the sale of customer-specific tools, sales from rental and lease contracts and sales from support and supplementary operations. At Freudenberg, long-term performance obligations arise under rental and lease agreements. Further details are given in note (3).

The breakdown of sales by sectors is given below:

[€ million]	2023	2024
Automotive OEMs	4,997.6	4,908.5
Final users	1,378.2	1,476.7
Mechanical and plant engineering	1,175.1	1,083.2
Construction	655.9	693.5
Spare parts business	588.1	621.8
Medicine and pharmaceuticals	542.3	564.2
Energy and water	498.4	531.2
Textile and apparel	510.3	498.5
Chemical	269.5	268.5
Other industry sectors	1,287.4	1,301.4
	11,902.8	11,947.5

In the 2024 financial year, sales in the amount of 26.2 million (previous year: 41.0 million) were recorded which had been recognized as contract liabilities at the beginning of the financial year.

(15) Cost of sales

Cost of sales, amounting to €8,134.6 million (previous year: €8,195.2 million), indicates the cost of goods and services sold. Apart from individual directly attributable costs, such as personnel expenses and material expenses, overheads including depreciation/amortization as well as development expenses for customer-specific development projects are also shown under cost of sales.

(16) Selling expenses

Selling expenses, amounting to €1,679.1 million (previous year: €1,584.3 million), include all expenses incurred in the sales area, for example personnel, advertising, carriage and packaging expenses.

(17) Administrative expenses

In 2024, administrative expenses amounted to €755.6 million (previous year: €731.7 million). Administrative expenses include all expenses which cannot be allocated to production, sales or research and development and concern, inter alia, personnel expenses and miscellaneous administrative expenses.

(18) Research and development expenses

Apart from personnel and material expenses, research and development expenses chiefly include the cost of licenses and patents occurring in the course of development projects.

(19) Other income

[€ million]	2023	2024
Income from recharges	16.7	21.1
Income from disposals of long-term assets	3.2	6.1
Currency and exchange gains	0.0	106.7
Income from other secondary business	2.3	2.2
Government grants	27.1	21.0
Miscellaneous income	108.8	146.1
	158.1	303.2

The rise in other income is mainly due to the separate disclosure of currency and exchange gains. The other income also includes effects from reimbursements for damage which occurred in the year under review, the measurement of option rights, and the reimbursement of fees. In addition to these elements, miscellaneous other income includes a large number of individual items with low amounts such as rental income.

(20) Other expenses

[€ million]	2023	2024
Losses resulting from disposals of non-current assets	9.2	4.2
Exchange rate loss	17.2	89.2
Miscellaneous expenses	49.2	104.0
	75.6	197.4

The rise in other expenses was chiefly a result of the separate recognition of exchange rate losses. The measurement of option rights, donations and expenditure for one-off effects such as damage caused by natural catastrophes are also recognized in other expenses.

(21) Income from investments in joint ventures

The income from investments in joint ventures amounted to €23.1 million (previous year: €23.4 million).

(22) Income from investments in associated companies

The rise in income from investments in associated companies from €36.8 million to €63.3 million is a result of the higher pro-rata profit of the associated company NOK Corporation, Tokyo, Japan.

(23) Other investment result

The fall in other investment result from €57.0 million to €-2.5 million was chiefly a result of the decrease in investment income from shares in partnerships.

(24) Other interest and similar income

Other interest and similar income amounted to €176.8 million (previous year: €65.2 million). The increase is chiefly due to the separate recognition of income from currency conversion in connection with financing activities.

(25) Interest and similar expenses

In 2024, interest expenses amounted to €192.9 million (previous year: €108.2 million). The increase chiefly concerns the separate recognition of losses from currency conversion in connection with financing activities. Interest payable on shareholder's loans in the amount of €30.4 million (previous year: €26.7 million) and interest payable to the Partners of Freudenberg & Co. KG in the amount of €25.6 million (previous year: €25.1 million) are also recognized in interest and similar expenses.

(26) Income taxes

This item shows German corporation tax (plus solidarity surcharge) and municipal trade taxes as well as similar taxes on income payable in other countries.

The figure also includes deferred taxes on temporary differences between the tax balance sheets and commercial balance sheets of individual group companies, on adjustments to consistent measurement within the Freudenberg Group and on the consolidation procedure.

Deferred taxes are calculated at the tax rates applicable in the respective countries.

Income taxes break down as follows (expense (-) / income (+)):

[€ million]	2023	2024
Current taxes related to the reporting period	-280.2	-328.3
Current taxes related to prior periods	-25.9	-40.4
Deferred taxes	113.3	76.1
	-192.8	-292.6

The deferred tax expense related to changes in tax rates was €0.4 million (previous year: deferred tax income of €0.1 million). Deferred tax income includes income in the amount of €94.8 million (previous year: €137.5 million) resulting from the development or elimination of temporary differences. In the reporting year, impairment losses with respect to deferred tax assets on temporary differences were recognized in the amount of €6.6 million (previous year: €6.1 million).

In the reporting year, deferred taxes related to transactions recognized directly in equity resulted in a reduction in equity of €14.1 million (previous year: increase in equity €20.6 million).

As of December 31, 2024, tax losses carried forward amounted to €913.8 million (previous year: €932.2 million). Deferred tax assets were recognized in respect of tax losses carried forward totaling €170.8 million (previous year: €230.4 million). Deferred tax assets were not recognized in respect of tax losses carried forward with a total amount of €743.0 million (previous year: €701.8 million) as it is not expected that these losses will be usable. Of the tax losses carried forward, €20.7 million (previous year: €20.5 million) will be forfeited in the period up to 2034 if they are not used.

In the reporting year, tax losses carried forward totaling €3.7 million (previous year: €26.7 million), for which no deferred tax assets had been recognized, were used.

Deferred taxes concern temporary differences and tax losses carried forward in the following amounts:

[€ million]	Deferred tax assets Dec. 31,2023	Deferred tax liabilities Dec. 31,2023	Deferred tax assets Dec. 31,2024	Deferred tax liabilities Dec. 31,2024
Intangible assets	41.8	209.9	123.9	204.9
Tangible assets	42.7	145.4	30.8	151.2
Financial assets	1.6	0.8	1.3	1.1
Inventories	70.0	1.6	75.0	1.6
Receivables	21.1	20.7	23.2	23.9
Other assets	15.1	4.0	21.7	4.9
Provisions for pensions and similar obligations	90.6	0.7	79.6	0.3
Other provisions	91.1	7.2	100.0	9.8
Liabilities	116.9	16.3	121.8	23.7
Other liabilities	0.4	9.1	0.4	9.0
Tax losses carried forward	53.7	0.0	36.4	0.0
	545.0	415.7	614.1	430.4
Offsetting	-174.1	-174.1	-202.0	-202.0
Recognized in statement of financial position	370.9	241.6	412.1	228.4
thereof long term	178.2	233.8	189.1	219.8
thereof short term	192.7	7.8	223.0	8.6

No deferred tax liabilities were recognized in respect of the earnings of affiliated companies and shareholdings as it is intended to use these funds for maintaining the substance and expanding the business of the companies concerned.

No deferred tax items were set up on temporary differences arising from affiliates and shareholdings running into double digits in millions of euros as it is not expected that the temporary differences will be reversed in the foreseeable future.

Reconciliation of expected income tax with actual income tax expense

Freudenberg SE and its German subsidiaries are subject to corporation tax (plus solidarity surcharge) and the municipal trade tax. Income realized in other countries is taxed at the rates applicable in the respective countries. The tax rate of 30.0 percent (previous year: 30.0 percent) used for calculating the expected tax expense is based on the structure of Freudenberg relevant for taxation. It is calculated as the weighted average of the tax rates for the regions in which Freudenberg realized its main income. Non-taxable income includes, inter alia, the profit after tax of participations consolidated by the equity method, dividends received from non-consolidated companies and income from the remeasurement of financial assets measured at fair value through profit or loss.

[€ million]	2023	2024
Profit before income taxes	1,023.6	1,017.4
Expected income tax expense (-)/ income (+)	-307.1	-305.2
Different tax rates:		
In Germany	0.2	-0.3
In other countries	57.8	65.8
Tax portion of:		
Non-taxable income	66.2	38.7
Non-deductible expenses	-64.2	-72.9
Current taxes related to prior periods	-20.7	-26.3
Recognition of tax effects of previously unrecognized tax loss carryforwards	20.7	6.1
Tax portion of tax losses carried forward and used for which no deferred tax assets were recognized	4.9	0.7
Tax credits from grants and subsidies	37.1	21.4
Other taxation effects	12.3	-20.6
Actual income tax expense	-192.8	-292.6
Effective tax rate (percent)	18.8	28.8

OECD minimum taxation – Pillar Two Model Rules

The group is within the scope of the OECD Pillar Two Model Rules, and it applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The group may incur top-up taxes due to the Pillar Two legislation that became effective January 1st, 2024. Under the legislation, the group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15.0 percent minimum rate. During the initial three years, Transitional Safe Harbour rules apply which deem the top-up for a jurisdiction to be nil where any of three simplification tests are met for that jurisdiction.

The group has estimated that the Transitional Safe Harbour tests are met in all jurisdictions in which it operates, except for one jurisdiction. For this jurisdiction, which has an effective tax rate below 15 percent, an immaterial income tax expense was recognised and this is included in income taxes in the statement of profit or loss.

(27) Profit or loss attributable to non-controlling interests

[€ million]	2023	2024
Profit	80.5	100.2
Loss	-3.4	-4.3
	77.1	95.9

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(28) Cash flow from operating activities

The cash flow from operating activities takes into account dividends received from joint ventures totaling €16.0 million (previous year: €31.9 million) and dividends received from associated companies totaling €33.1 million (previous year: €28.6 million).

(29) Payments to shareholders/non-controlling interests

Payments to shareholders and non-controlling interests include dividends paid to the shareholder, to the Partners of Freudenberg & Co. KG and to holders of non-controlling interests in Group companies.

(30) Reconciliation of financial debt

The table below shows the reconciliation of financial debt:

[€ million]	2023	With effect on payments	Without effect on payments				2024
			Addition	Acquisitions / Disposals	Exchange rate effects	Others	
Liabilities to banks	392.8	-67.2	0.0	38.7	-3.5	0.0	360.8
Liabilities from cash pool	143.2	21.9	0.0	0.0	0.0	-0.6	164.5
Leasing liabilities	345.4	-105.8	94.8	5.5	3.4	-0.3	343.0
Other financial debt	63.0	1.8	0.0	1.3	-2.3	-0.8	63.0
Shareholder's loans	722.0	17.0	0.0	0.0	0.0	0.0	739.0
Accounts of Freudenberg & Co. KG Partners	585.7	26.7	0.0	0.0	0.0	0.0	612.4
Financial debt	2,252.1	-105.6	94.8	45.5	-2.4	-1.7	2,282.7

Cash inflows from interest received and cash outflows from interest paid are included in cash flow from operating activities and are shown separately in the consolidated statement of cash flows.

(31) Changes in cash and cash equivalents with effect on payments

Freudenberg recognizes checks, cash in hand, cash at bank and short-term securities with an original term of up to three months as cash and cash equivalents. Cash and cash equivalents include funds with an amount of €20.3 million (previous year: €21.8 million) subject to restrictions on use.

The funds subject to restrictions on use by Freudenberg largely concern cash and cash equivalents held by affiliates which can only be used by Freudenberg with restrictions as a result of exchange controls.

FURTHER NOTES

Material expenses

[€ million]	2023	2024
Raw materials, consumables and merchandise purchased	5,104.3	4,909.7
Services purchased	275.0	297.9
	5,379.3	5,207.6

Workforce and personnel expenses

In the year under review, an average of 51,974 (previous year: 52,035) persons were employed in the following functions:

2024	Germany	Other countries	Total
Production	7,028	27,047	34,075
Sales	2,287	6,815	9,102
Research and development	2,049	1,986	4,035
Administration	1,475	3,287	4,762
	12,839	39,135	51,974

[€ million]	2023	2024
Wages and salaries	2,617.4	2,737.9
Social security contributions and costs of pensions and assistance	624.2	657.0
Personnel expenses	3,241.6	3,394.9

Research and development

In the year under review, research and development activities amounting to €604.4 million (previous year: €603.6 million) were performed. The research and development activities also include development expenses for customer-specific development projects included in the cost of sales in the consolidated statement of profit or loss. Sales from research and development and research and development licenses amounted to €96.1 million (previous year: €113.6 million). In the reporting year, government grants for research and development projects totaling €11.7 million (previous year: €6.5 million) were received.

Financial instruments

The term “financial instrument” is used to refer to any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. A distinction is made between primary and derivative financial instruments. Primary financial instruments in the case of the purchase or sale of assets are recognized at the settlement date, i.e. the delivery of the asset concerned. Derivative financial instruments are recognized as of the trade date. In the event of loss of control over the contractually agreed rights to a financial asset, the asset concerned is derecognized. Financial liabilities are derecognized on the statement of financial position when the commitment is discharged or cancelled, or expires.

According to IFRS 9, financial assets are divided into the following categories:

- Measured at amortized cost

This category includes debt instruments with cash flows consisting solely of principal and interest payments. They are held by Freudenberg in a business model whose objective is achieved by collecting the contractual cash flows.

- Measured at fair value through other comprehensive income

This category includes both debt and equity instruments. Debt instruments are to be included in this category if the cash flows associated with these instruments consist solely of principal and interest payments and the business model has the objective of both collecting contractual cash flows and selling financial assets.

Amounts recognized in other comprehensive income for those debt instruments are reclassified to the statement of profit or loss upon the later disposal of such instruments. Equity instruments not held for trading may be assigned to this category. The amounts recognized in other comprehensive income

for those equity instruments are not reclassified to the statement of profit or loss in the event of the later disposal of such instruments.

- Measured at fair value through profit or loss

This category includes both debt and equity instruments. Debt instruments are to be assigned to this category in the event that the cash flows associated with such instruments do not consist solely of principal and interest payments or if the business model is based mainly on short-term trading intentions. Equity instruments must also be assigned to this category if there are trading intentions. If there are no trading intentions, there is an option to classify equity instruments as measured at fair value through profit or loss. In addition, both debt and equity instruments are classified in this category if such classification prevents an accounting mismatch between assets and liabilities. The same applies to partnership shares. Those shares are not considered to be equity instruments and also do not meet the condition that the cash flows associated with them consist solely of principal and interest payments. Derivative financial instruments that do not meet the requirements for hedge accounting are also measured at fair value through profit or loss.

In accordance with IFRS 9, financial liabilities are, as a general principle, measured at amortized cost. In such cases, the liabilities concerned are initially recognized at fair value less transaction costs. In accordance with IFRS 9, subsequent measurements are effected at amortized cost using the effective interest method. Only liabilities held for trading purposes are measured at fair value through profit or loss.

Financial instruments are assigned to categories on the basis of the relevant items in the statement of financial position. The allocation to the categories unambiguously defines the accounting and measurement of the financial assets and liabilities.

[€ million]	At amortized cost	At fair value through other comprehensive income	At fair value through profit or loss	Book value Dec. 31, 2023
ASSETS				
Other financial assets	4.4	49.6	76.2	130.2
Trade receivables	1,751.2			1,751.2
Other assets	131.5		6.0	137.5
Securities and cash at bank and in hand	2,237.4			2,237.4
	4,124.5	49.6	82.2	4,256.3

LIABILITIES				
Financial debts ¹	2,252.1			2,252.1
Trade payables	1,173.0			1,173.0
Other liabilities	290.3		1.8	292.1
	3,715.4		1.8	3,717.2

[€ million]	At amortized cost	At fair value through other comprehensive income	At fair value through profit or loss	Book value Dec. 31, 2024
ASSETS				
Other financial assets	6.1	56.4	93.3	155.8
Trade receivables	1,764.0			1,764.0
Other assets	163.6		4.0	167.6
Securities and cash at bank and in hand	2,600.5			2,600.5
	4,534.2	56.4	97.3	4,687.9

LIABILITIES				
Financial debts ¹	2,282.7			2,282.7
Trade payables	1,299.5			1,299.5
Other liabilities	301.5		1.0	302.5
	3,883.7		1.0	3,884.7

¹ The financial debts include lease liabilities in the amount of €343.0 million (previous year: €345.4 million) although these are not included in the scope of IFRS 9.

Certain other assets and other liabilities are shown on the statement of financial position but are not included in the table concerning financial instruments because they cannot be categorized as financial instruments in accordance with IFRS 9 or are subject to the special recognition and measurement principles applicable to hedge accounting (see information on hedging transactions). The other current and non-current assets shown in the statement of financial

position, amounting to €201.6 million (previous year: €187.1 million), mainly concern reimbursement claims with respect to other taxes, advance payments made and contract assets. Further details are given in note (7). The other current and non-current liabilities shown in the statement of financial position in the amount of €248.0 million (previous year: €210.8 million) chiefly concern liabilities with respect to other taxes, contract liabilities and other reimbursement

liabilities. Further details are given in note (13). Loans, receivables and debts are measured at amortized cost. The cash flows arising from these financial assets consist solely of principal and interest payments. These loans, receivables and debts are held by Freudenberg within a business model whose objective is achieved by collecting the contractual cash flows. The fair values of financial assets and financial liabilities measured at amortized cost are approximately equal to the carrying amounts of such assets and liabilities.

The other financial assets measured at fair value through other comprehensive income as at the statement of financial position date consist solely of equity instruments not held for trading purposes. The greater part of these financial instruments, in the amount of €53.2 million (previous year: €44.9 million) were measured on the basis of active markets for identical assets (level 1 inputs). For the remaining equity instruments, in the amount of €3.2 million (previous year: €4.7 million), the amortized cost represents the best estimate of the fair value. The amounts recognized in other comprehensive income for equity instruments are not reclassified to the statement of profit or loss upon the later disposal of such instruments. In the reporting year, the total amount of other financial assets recognized in other comprehensive income was €7.6 million (previous year €10.8 million). This amount recognized in other comprehensive income in the year under review includes effects resulting from disposals of financial instruments in this category in the amount of €0.9 million.

The other financial instruments measured at fair value through profit or loss are debt instruments with an amount of €2.5 million (previous year: €2.7 million) with cash flows not consisting solely of principal and interest payments. In addition, these financial instruments include investments that do not meet the requirements for measurement at fair value through other comprehensive income and with cash flows not consisting solely of principal and interest payments in the amount of €15.0 million (previous year: €12.0 million). The other financial assets also include shares in partnerships with an amount of €75.9 million (previous year: €61.4 million). These shares are measured on the basis of observed input factors for similar assets or liabilities in active markets or for identical assets or liabilities in markets that are not active (level 2 inputs). The other financial instruments measured at fair value through profit or loss are measured on the basis

of values observed on active markets for identical assets (level 1 inputs). In the reporting year, the total effect of the re-measurement of such financial instruments on the statement of profit or loss was insignificant. The other assets in this category solely include derivative financial instruments. These chiefly concern option rights for the acquisition of shares in companies with a value of €0.0 million (previous year: €1.3 million). The change in the value of these option rights, amounting to €-1.3 million, is mainly the result of the acquisition of shares in the reporting year. The fair value of these assets is measured on the basis of developed, unobservable inputs (level 3 inputs). The fair value determined would rise or fall depending on the development of future corporate planning data of the companies concerned. The other assets and other liabilities include derivative financial instruments used for hedging currency risks that do not meet the requirements for hedge accounting. Such derivatives are measured at fair value through profit or loss (see information on hedging transactions). The other liabilities also include put options granted to holders of non-controlling interests for the sale of their shares in the amount of €156.9 million (previous year: €158.3 million), which are recognized as forward purchases.

Freudenberg does not hold any financial assets or liabilities for short-term trading purposes.

Offsetting of financial assets and financial liabilities is not effected to any material extent in the statement of financial position and there is no potential for offsetting.

Risks in connection with financial instruments

Freudenberg is exposed to risks resulting from changes in exchange rates and interest rates and, as a general principle, uses conventional derivative instruments such as interest rate swaps, caps and currency futures to hedge risks in connection with business operations and financing to a limited extent (see information on hedging transactions).

The risks arising in connection with financial instruments are chiefly as follows:

Interest rate risk:

In the case of fixed-interest loans or investments, there is a risk that changes in the market interest rate will affect the market value of the item concerned (market value risk contingent on interest rates). In contrast, variable interest loans and investments are not subject to this risk as the interest rate is adjusted to reflect changes in the market situation with a very short delay. However, there is a risk with respect to future interest payments as a result of short-term fluctuations in market interest rates (cash flow risk contingent on interest rates). Risks associated with interest rate changes mainly affect long-term items. If market interest rates had been 1.0 percentage points higher or lower, on average, as of December 31, 2024, this would have had only an insignificant impact on net income.

Currency risk:

The primary financial instruments are chiefly held in the functional currency. Exchange rate differences caused by the conversion of financial statements into the Group currency are not taken into consideration. If the value of the euro against major currencies held at the date of the statement of financial position (USD, GBP and JPY) had been 10 percent higher as at December 31, 2024, the profit before income taxes would have been €12.4 million (previous year: €12.3 million) lower. If the value of the euro against major currencies held (USD, GBP and JPY) had been 10 percent lower as at December 31, 2024, the profit before

income taxes would have been €15.1 million (previous year: €15.1 million) higher.

Liquidity risk:

Risks connected with cash flow fluctuations are identified by the cash flow planning system already existing. As a result of the good rating ("A3") of Freudenberg SE and the credit lines granted by banks on a binding basis, Freudenberg can access ample sources of funds at all times. Further information is given in the Report on Opportunities and Risks (section: Financial risks) in the Combined Management Report.

Credit risk:

A credit risk is the risk that Freudenberg will incur a financial loss as a result of the other party to a financial instrument failing to discharge its obligation. Credit risks may be of a variety of types. For example, they may be a result of the investment of liquid funds or the granting of payment deadlines in connection with the supply of goods and services. As a general principle, credit risks arise in connection with all agreements which need to be fulfilled by the counterparty in the future.

In accordance with IFRS 9, expected credit losses are the key factor in calculating loss allowances using the expected loss model. Impairment losses are recognized in accordance with IFRS 9 for all financial assets measured at amortized cost, for debt instruments measured at fair value without effect on net income, and for contract assets. IFRS 9 provides for a three-stage procedure. Loss allowances are measured either on the basis of the 12-month expected credit loss (stage 1) or on the basis of the lifetime expected credit loss if there has been a significant increase in credit risk since initial recognition (stage 2) or a credit impairment has been identified (stage 3).

Securities and cash at bank and in hand are debt instruments that are measured at amortized cost. Such assets held by Freudenberg mainly have a low credit risk and are due in the short-term. Such assets must therefore be assigned to stage 1 of the impairment model. The loss allowance for these assets as at the date of the statement of financial position was €1.6 million (previous year: €1.6 million).

For trade receivables, the simplified approach in accordance with IFRS 9 is adopted. In this approach, the loss allowance is always calculated on the basis of the lifetime expected credit losses. In order to determine the expected credit losses, trade receivables are assigned to groups with similar credit risks. In the case of appropriate individual circumstances and risk indications, individual impairment losses are recognized. Information related to the past and to the future is taken into consideration in the measurement of impairment losses.

In order to determine the expected credit losses for a group of receivables, Freudenberg applies two factors. The first factor takes the country risk into account and the second factor accounts for the customer-specific default risk.

The centrally defined country risk factor covers factors such as transfer or convertibility risks, moratoriums, and capital or currency regulations which would prevent a company from converting its local currency into a foreign currency and/or transferring foreign currency to creditors in other countries. This specifically includes circumstances such as war, confiscation, revolution, insurrections, flooding and earthquakes. In addition, the model considers forward looking information regarding the financial and economic situation. The financial information includes medium-term financial solvency indicators such as overall foreign debt and total payments in connection with external debts. These figures are typically connected with indicators such as the gross domestic product and/or foreign exchange revenues. Economic information includes long-term structural indicators that measure the growth potential such as income levels, savings rates or economic growth rates achieved as well as export diversification, dependence on subsidies or the size of economies.

The customer-specific risk is based on shared credit risk characteristics of receivable groups. It takes into consideration specific business models, customer experience, differences in local payment cultures and market knowledge. If there is a major difference between different due date ranges, impairment loss rates are calculated separately for the different due date ranges.

To a large extent, trade receivables are covered by credit insurance. Credit insurance is taken into account in the calculation of the impairment losses. Otherwise, the carrying amount represents the maximum credit risk.

Trade receivables are de-recognized if, on the basis of an appropriate estimate, it is not to be expected that the receivable may be realized in full or in part. In this context, the information concerned must indicate that a debtor has financial problems and that there is no realistic prospect of the receipt of payments, for example if a debtor has been placed under liquidation or is subject to insolvency proceedings. As at the statement of financial position date, derecognized receivables in the amount of €0.8 million (previous year: €0.8 million) were still subject to enforcement activity.

In the year under review and the comparison period, loss allowances for financial assets other than those mentioned above were not material. This is also a result of the risk management system implemented by Freudenberg, which aims, inter alia, to minimize the credit risk. Freudenberg only concludes derivative financial instruments with national and international banks of investment grade rating. Credit risks are largely limited by distributing between several banks and a policy of applying caps to individual banks.

The risk profile of trade receivables is summarized in the table below:

[€ million]	Gross carrying amount Dec. 31, 2023	Weighted average loss rate ¹	Loss allowance
Current (not past due)	1,514.8	0%	6.0
1 – 60 days past due	192.5	3%	6.1
61 – 180 days past due	40.8	21%	8.4
181 – 360 days past due	15.6	31%	4.9
More than 360 days past due	14.1	67%	9.5

¹ The weighted average loss rate was rounded to full percentage values.

[€ million]	Gross carrying amount Dec. 31, 2024	Weighted average loss rate ¹	Loss allowance
Current (not past due)	1,450.7	0%	6.5
1 – 60 days past due	253.0	3%	7.8
61 – 180 days past due	54.7	21%	11.5
181 – 360 days past due	17.9	25%	4.5
More than 360 days past due	14.0	61%	8.6

¹ The weighted average loss rate was rounded to full percentage values.

The loss allowance for trade receivables developed as follows:

[€ million]	2023	2024
Loss allowance Jan. 1	34.6	34.9
Changes in consolidated group	0.1	0.4
Exchange rate differences	-0.4	-0.7
Additions (expenses for loss allowance)	14.8	19.8
Amounts used	-2.2	-2.2
Reversals (write-ups)	-12.0	-13.3
Loss allowance Dec. 31	34.9	38.9

As at the statement of financial position date, the loss allowance for other assets amounted to €0.6 million (previous year: €0.3 million). No significant impairment losses to contract assets were recognized in the year under review.

Hedging transactions

Freudenberg SE is responsible for all financing activities and also operates the cash management system for the entire group of companies. Group companies obtain the financing they require via cash pools or internal loans or, in some countries, in the form of bank loans guaranteed by Freudenberg SE.

The limits of action, responsibilities and control procedures in connection with derivative financial instruments are laid down in a binding form in internal directives for Group companies. Compliance with these directives and the proper handling and measurement of transactions are regularly verified, observing the principle of separation of functions. Furthermore, risk management for financial instruments is integrated in the Freudenberg Group risk management system. Freudenberg does not expose itself to additional financial risks through speculation with derivative financial instruments but uses such instruments only for hedging purposes and therefore reducing risks in connection with transactions (see information on risks in connection with financial instruments). Future transactions are only hedged if there is a high probability of occurrence. As a general principle Freudenberg uses derivative financial instruments for hedging interest rates and foreign exchange risks. Open risk items are primarily hedged via transactions within the Group. External hedging transactions are only concluded after consultation with the responsible corporate function.

The interest rate risk represents the risk that the fair value or future cash flows of financial instruments may fluctuate as a result of changes in market interest rates. As in the previous year, there were no derivatives entered into for the purpose of interest rate hedging as at December 31, 2024.

Freudenberg is active internationally and is subject to exchange rate risks resulting from transactions in foreign currencies. Currency risks arise from future business transactions and recognized assets and liabilities concluded in a currency which is not the functional currency of the relevant Group company. The objective of hedging transactions is to reduce the volatility resulting from foreign currencies. For this purpose, currency futures and currency swaps are concluded.

Derivative financial instruments for hedging recognized assets or liabilities (fair value hedges) are shown in the statement of financial position at fair value. Changes in the fair value are recorded in the statement of profit or loss.

Financial instruments for hedging future cash flows (cash flow hedges) are also included in the statement of financial position at fair value, but changes in the fair value of such instruments are recognized without effect on net income under retained earnings, taking into consideration the applicable income taxes and recognized in the statement of profit or loss when future cash flows are realized. Ineffective portions of hedge transactions are always recognized in the statement of profit or loss. The effectiveness of hedging transactions is determined regularly by prospective assessment upon the inception of the transaction. For hedging currency risks, the main hedging transactions concluded are based on contract terms that are congruent with the underlying transaction. Ineffectiveness may arise if parameters such as the timing of a planned transaction change compared with the original estimate.

Derivatives not covered by hedge accounting, are measured at fair value through profit or loss.

As at December 31, 2024, the Group held the following currency futures:

[€ million]	Dec. 31, 2023	Dec. 31, 2024
DERIVATIVE FINANCIAL INSTRUMENTS - CASH FLOW HEDGES		
Other liabilities - book value (liabilities)	0.0	0.1
Notional amount	4.3	5.8
Maturity date	1/2024-10/2024	1/2025-10/2025
Hedge ratio	1:1	1:1
Change in exchange rate of outstanding hedging instruments	0.0	-0.1
DERIVATIVE FINANCIAL INSTRUMENTS WITHOUT HEDGE ACCOUNTING		
Other assets - book value (assets)	4.6	4.0
Other liabilities - book value (liabilities)	1.8	1.0
Notional amount	305.5	237.8
Maturity date	1/2024-03/2025	1/2025-05/2026

As at the date of the statement of financial position, Freudenberg, as in the previous year, did not hold any fair value hedges.

In the reporting year, value changes in the case of currency futures (cash flow hedges) are recognized in equity in the amount of €0.2 million (previous year: less than €0.0 million).

The fair values of currency futures were determined on the basis of the quoted currency future prices for similar financial instruments (level 2 inputs). As a result of the very high effectiveness of the hedges, the fluctuations in the values of cash flows from the hedged underlying transactions correspond to the fluctuations in the value of the hedges.

Derivatives to hedge currency risks in connection with the US dollar represent a large part of the notional amount.

[€ million]	Dec. 31, 2023	Dec. 31, 2024
Notional amount currency pair USD/EUR	153.2	76.5
Weighted average hedged rate for the year USD/EUR	1.10	1.10

Related party disclosure

Relations with related parties concern the parent company Freudenberg & Co. KG, joint ventures, associated companies and other related parties.

Other related parties include other participations of the parent company and companies that are not included in the consolidated financial statements for reasons of materiality. Transactions with these parties in the course of the company's ordinary business are effected at normal market conditions and were as follows:

[€ million]	Sales 2023	Receivables			Payables ¹		
		Residual term up to 1 year	Residual term more than 1 year	Dec. 31,2023	Residual term up to 1 year	Residual term more than 1 year	Dec. 31,2023
Parent company	3.5	1.4	0.0	1.4	532.1	300.0	832.1
Joint ventures	44.7	20.8	0.0	20.8	5.3	2.1	7.4
Associated companies	16.1	4.9	0.0	4.9	6.5	0.0	6.5
Other related parties	5.6	2.0	0.0	2.0	54.4	0.0	54.4
	69.9	29.1	0.0	29.1	598.3	302.1	900.4

[€ million]	Sales 2024	Receivables			Payables ¹		
		Residual term up to 1 year	Residual term more than 1 year	Dec. 31,2024	Residual term up to 1 year	Residual term more than 1 year	Dec. 31,2024
Parent company	3.9	1.9	0.0	1.9	568.0	300.0	868.0
Joint ventures	42.9	17.4	0.0	17.4	4.9	1.1	6.0
Associated companies	16.2	4.7	0.0	4.7	7.5	0.0	7.5
Other related parties	4.1	0.6	0.0	0.6	58.6	0.0	58.6
	67.1	24.6	0.0	24.6	639.0	301.1	940.1

¹ Details of liabilities to the parent company are presented in the information on liabilities in note (13).

Related parties also include the members of the Board of Management and the Supervisory Board. The members of these bodies are listed under “Company Boards”.

The remuneration of members of the Board of Management includes fixed and variable components. The variable remuneration is based on the short-term and long-term targets of the Group with the operating result and sales as the main factors in the determination of variable remuneration.

The total remuneration of members of the Board of Management, including expenditure for bonuses with a short-term basis amounted to €9.9 million (previous year: €10.6 million) as well as €1.0 million (previous year: €0.0 million) for bonuses with a long-term basis.

Expenses of €0.8 million (previous year: €1.0 million) were incurred for defined-benefit and defined-contribution pension commitments with respect to company pensions for Board of Management members.

As at the statement of financial position date, the Group recognized obligations outstanding to Board of Management Members under bonus programs with a short-term and long-term basis as well as pension obligations in the amount of €34.6 million (previous year: €46.6 million).

The total remuneration of former members of the Board of Management and their surviving dependents amounted to €1.2 million (previous year: €0.7 million).

An amount of €33.4 million (previous year: €17.3 million) was assigned to provisions for pension obligations to former members of the Board of Management.

Under a service agreement, Freudenberg SE paid an amount of €1.5 million (previous year: €1.2 million) to its parent company for the performance of key management functions.

Fees of the Auditor

The auditor, PriceWaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, performed the following services in the 2024 financial year:

[€ million]	2024
Auditing services	3.0
Tax services	0.1
Other assurance services	0.1
Other services	0.1
	3.3

Major events after the date of the statement of financial position

There were no events of major significance for the net assets, financial position and results of operation of the group of companies up to March 18, 2025, the date when these consolidated financial statements were approved for publication by the Supervisory Board.

Weinheim, March 18, 2025

Freudenberg SE

The Board of Management

SHAREHOLDINGS

AS AT DECEMBER 31, 2024

Company	Location	Country/Region	Share of capital [%]
Freudenberg SE	Weinheim	Germany	-

I. AFFILIATED COMPANIES

Germany

Blaesus Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG	Mainz	Germany	88.12
Burgmann International GmbH¹	Wolfratshausen	Germany	100.00
Capol GmbH¹	Elmshorn	Germany	100.00
Carl Freudenberg KG	Weinheim	Germany	100.00
Chem-Trend (Deutschland) GmbH¹	Maisach	Germany	100.00
Corteco GmbH¹	Weinheim	Germany	100.00
CT Beteiligungs-GmbH¹	Munich	Germany	100.00
Dosortia Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG	Mainz	Germany	94.00
EagleBurgmann Atlantic GmbH	Wolfratshausen	Germany	75.00
EagleBurgmann Espey GmbH¹	Moers	Germany	75.00
EagleBurgmann Germany GmbH & Co. KG¹	Wolfratshausen	Germany	75.00
EagleBurgmann Germany Verwaltungs-GmbH	Wolfratshausen	Germany	75.00
EagleBurgmann Middle-East GmbH	Wolfratshausen	Germany	60.00
Externa Handels- und Beteiligungsgesellschaft mit beschränkter Haftung¹	Weinheim	Germany	100.00
FHP Export GmbH¹	Weinheim	Germany	100.00
Freudenberg Chemical Specialities GmbH¹	Weinheim	Germany	100.00
Freudenberg e-Power Systems GmbH¹	Munich	Germany	100.00
Freudenberg Filtration Technologies GmbH & Co. KG¹	Weinheim	Germany	100.00
Freudenberg Flow Technologies GmbH¹	Weinheim	Germany	100.00
Freudenberg FST GmbH¹	Weinheim	Germany	100.00
Freudenberg FT GmbH¹	Weinheim	Germany	100.00
Freudenberg Haushaltsprodukte Augsburg GmbH¹	Augsburg	Germany	100.00
Freudenberg Home and Cleaning Solutions GmbH¹	Weinheim	Germany	100.00
Freudenberg Industrial Services GmbH¹	Hamburg	Germany	100.00
Freudenberg Medical Europe GmbH¹	Kaiserslautern	Germany	100.00
Freudenberg Performance Materials Apparel GmbH & Co. KG¹	Weinheim	Germany	100.00
Freudenberg Performance Materials GmbH & Co. KG¹	Weinheim	Germany	100.00
Freudenberg Performance Materials Holding GmbH¹	Weinheim	Germany	100.00
Freudenberg Performance Materials Service GmbH¹	Weinheim	Germany	100.00
Freudenberg Process Seals GmbH & Co. KG¹	Weinheim	Germany	100.00
Freudenberg Real Estate GmbH¹	Weinheim	Germany	100.00
Freudenberg Sealing Technologies GmbH¹	Hamburg	Germany	100.00
Freudenberg Technology Innovation SE & Co. KG¹	Weinheim	Germany	100.00
Freudenberg Verwaltungs- und Beteiligungs-GmbH¹	Weinheim	Germany	100.00
Freudenberg Wohnbauhilfe GmbH	Weinheim	Germany	100.00
Hemoteq AG¹	Würselen	Germany	93.74
Heytex Bramsche GmbH¹	Bramsche	Germany	100.00

Consolidated Financial Statement – Shareholdings

Company	Location	Country/Region	Share of capital [%]
Heytex Corporate Services GmbH ¹	Bramsche	Germany	100.00
Heytex Holding GmbH ¹	Bramsche	Germany	100.00
Heytex Neugersdorf GmbH ¹	Ebersbach-Neugersdorf	Germany	100.00
Integral Accumulator GmbH ¹	Weinheim	Germany	100.00
Kaul GmbH	Elmshorn	Germany	100.00
Klüber Lubrication Deutschland GmbH & Co. KG ¹	Munich	Germany	100.00
Klüber Lubrication GmbH ¹	Weinheim	Germany	100.00
Klüber Lubrication München GmbH & Co. KG ¹	Munich	Germany	100.00
Lederer GmbH ¹	Öhringen	Germany	100.00
Mehler Texnologies GmbH ¹	Fulda	Germany	100.00
Mehler Texnologies Logistics GmbH ¹	Fulda	Germany	100.00
OKS Spezialschmierstoffe GmbH ¹	Maisach	Germany	100.00
omniTECHNIK Mikroverkapselungs GmbH ¹	Munich	Germany	100.00
PTFE Compounds Germany GmbH ¹	Bördeland	Germany	100.00
Stella MidCo GmbH ¹	Bramsche	Germany	100.00
SurTec Deutschland GmbH ¹	Zwingenberg	Germany	100.00
SurTec International GmbH ¹	Bensheim	Germany	100.00
VERMOP GmbH ¹	Gilching	Germany	100.00
VIAM Europe GmbH	Meuselwitz	Germany	75.00
Vibracoustic Aftermarket GmbH ¹	Weinheim	Germany	100.00
Vibracoustic Asia Holding GmbH	Weinheim	Germany	100.00
Vibracoustic CV Air Springs GmbH	Hamburg	Germany	65.07
Vibracoustic Europe GmbH ¹	Weinheim	Germany	100.00
Vibracoustic SE & Co. KG ¹	Weinheim	Germany	100.00
Vibracoustic SE ¹	Hamburg	Germany	100.00
Vileda Gesellschaft mit beschränkter Haftung ¹	Weinheim	Germany	100.00
Other countries			
Freudenberg S.A. Telas sin Tejer	Buenos Aires	Argentina	100.00
Klüber Lubrication Argentina S.A.	Buenos Aires	Argentina	100.00
Chem-Trend Australia Pty Ltd	Thomastown	Australia	100.00
EagleBurgmann Australasia Pty. Ltd.	Ingleburn	Australia	25.00
Freudenberg Filtration Technologies (Aust) Pty. Ltd.	Braeside	Australia	100.00
Freudenberg Home and Cleaning Solutions Pty. Ltd.	Broadmeadows	Australia	100.00
Freudenberg Sealing Technologies Pty. Ltd.	Brendale	Australia	100.00
Klüber Lubrication Australia Pty. Ltd.	Thomastown	Australia	100.00
EagleBurgmann Belgium BV	Sint-Job-in-'t-Goor	Belgium	75.00
Freudenberg Home & Cleaning Solutions S.A.	Barchon	Belgium	100.00
Klüber Lubrication Belgium Netherlands S.A.	Dottignies	Belgium	100.00
Klüber Lubrication Benelux S.A./N.V.	Dottignies	Belgium	100.00
Chem-Trend Industria e Comercio de Produtos Quimicos Ltda.	Valinhos	Brazil	100.00
EagleBurgmann do Brasil Vedacoes Ltda.	Macuco Valinhos	Brazil	75.00
Freudenberg Nao-Tecidos Ltda.	São José dos Campos	Brazil	100.00
Freudenberg-NOK-Componentes Brasil Ltda.	São Paulo	Brazil	75.00
Klüber Lubrication Lubrificantes Especiais Ltda.	Barueri	Brazil	100.00
SurTec do Brasil Ltda.	Valinhos	Brazil	100.00
Vibracoustic South America Ltda.	Taubaté	Brazil	100.00
Freudenberg Productos del Hogar Ltda.	Santiago de Chile	Chile	100.00

Company	Location	Country/Region	Share of capital [%]
Klüber Lubrication Chile Ltda.	Santiago de Chile	Chile	100.00
Changchun Integral Accumulator Co., Ltd.	Changchun	China	100.00
Chem-Trend (Shanghai) Trading Co. Ltd.	Shanghai	China	100.00
Chem-Trend Chemicals (Shanghai) Co., Ltd.	Shanghai	China	100.00
Dichtomatik (China) Co., Ltd.	Shanghai	China	100.00
EagleBurgmann Dalian Co. Ltd.	Dalian	China	40.00
EagleBurgmann Shanghai Co., Ltd.	Shanghai	China	40.00
EagleBurgmann Technology (Shanghai) Co., Ltd.	Shanghai	China	50.00
Freudenberg & Vilene Interlinings (Nantong) Co. Ltd.	Nantong	China	87.50
Freudenberg & Vilene International Trading (Shanghai) Co., Ltd.	Shanghai	China	87.50
Freudenberg & Vilene Nonwovens (Suzhou) Co. Ltd.	Suzhou	China	87.50
Freudenberg Apollo Filtration Technologies Co., Ltd.	Foshan	China	75.00
Freudenberg Home and Cleaning Solutions (Ningbo) Co., Ltd.	Ningbo	China	100.00
Freudenberg Home and Cleaning Solutions (Shanghai) Co., Ltd.	Shanghai	China	100.00
Freudenberg Management (Shanghai) Co. Ltd.	Shanghai	China	100.00
Freudenberg Medical Plastic & Metal Manufacturing (Shenzhen) Co., Ltd.	Shenzhen	China	100.00
Freudenberg Performance Materials (Changzhou) Company Limited	Changzhou	China	100.00
Freudenberg Politex Ltd.	Shanghai	China	100.00
Freudenberg Real Estate (Yantai) Co. Ltd.	Yantai	China	100.00
Freudenberg Spunweb (Shanghai) Trading Co., Ltd.	Shanghai	China	67.69
Freudenberg Vilene Filter (Chengdu) Co. Ltd.	Chengdu	China	87.50
Heytex Technical Textiles (Zhangjiagang) Co. Ltd.	Zhangjiagang	China	100.00
Klüber Lubrication (Shanghai) Co., Ltd.	Shanghai	China	100.00
Klüber Lubrication Industries (Shanghai) Co., Ltd.	Shanghai	China	100.00
SurTec Metal Surface Treatment Technology (Hangzhou) Co. Ltd.	Hangzhou	China	100.00
Tianjin VIAM Co., Ltd.	Tianjin	China	75.00
Traxit (Huzhou) Lubrication Co. Ltd.	Huzhou	China	100.00
Traxit (Tianjin) Chemical Co. Ltd.	Tianjin	China	100.00
Trelleborg Automotive Design (Shanghai) Co. Ltd.	Shanghai	China	100.00
Vibracoustic (Chongqing) Co. Ltd.	Chongqing	China	100.00
Vibracoustic (Shanghai) Sales & Trading Co., Ltd.	Shanghai	China	100.00
Vibracoustic (Wuxi) Vibration Isolators Co., Ltd.	Wuxi	China	100.00
Vibracoustic (Yantai) Co., Ltd.	Yantai	China	100.00
Vibracoustic CV Air Springs (Yantai) Co., Ltd.	Yantai	China	65.07
Freudenberg Medical srl.	San José	Costa Rica	100.00
Chem-Trend A/S	Søborg	Denmark	100.00
EagleBurgmann KE A/S	Ringkøbing	Denmark	75.00
Klüber Lubrication Nordic A/S	Skovlunde	Denmark	100.00
SurTec Scandinavia ApS	Copenhagen	Denmark	100.00
VERMOP Danmark ApS	Ballerup	Denmark	100.00
Freudenberg Sealing Technologies OÜ	Mullutu	Estonia	100.00
Freudenberg Filtration Technologies Finland Oy	Tampere	Finland	100.00
Freudenberg Home and Cleaning Solutions Oy	Espoo	Finland	100.00
Chem-Trend France S.A.S.U.	Entzheim	France	100.00
Corteco SAS	Nantiat	France	100.00
EagleBurgmann France S.A.S.	Neuville sur Oise	France	75.00
FHP Vileda S.A.S.	Asnières Sur Seine	France	100.00
Freudenberg Filtration Technologies SAS	Nanterre	France	100.00

Consolidated Financial Statement – Shareholdings

Company	Location	Country/Region	Share of capital [%]
Freudenberg Immobilier SAS	Chamborêt	France	100.00
Freudenberg Joints Plats SAS	Chamborêt	France	100.00
Freudenberg Performance Materials S.A.S.	Colmar	France	100.00
Freudenberg Sealing Technologies SAS	Langres	France	100.00
Klüber Lubrication France S.A.S.	Valence	France	100.00
Low & Bonar Paris SARL	Paris	France	100.00
Mehler Texnologies France SARL	Francheville	France	100.00
SurTec France S.A.S.	Toulouse	France	100.00
Vibracoustic France SAS	Carquefou	France	100.00
Vibracoustic Nantes SAS	Carquefou	France	100.00
FHP Hellas S.A.	Kifissia, Athens	Greece	100.00
Aquabio Ltd.	Worcester	United Kingdom	100.00
Bonar International Holdings Limited	Edinburgh	United Kingdom	100.00
Bonar Rotaform Limited	Leicester	United Kingdom	100.00
Bonar Silver Limited	Leicester	United Kingdom	100.00
Capol (U.K.) Limited	Huddersfield	United Kingdom	100.00
Chem-Trend (UK) Ltd.	Huddersfield	United Kingdom	100.00
EagleBurgmann Industries UK Ltd.	Warwick	United Kingdom	75.00
Filtamark Ltd.	Crewe	United Kingdom	100.00
Freudenberg Filtration Technologies UK Limited	Crewe	United Kingdom	100.00
Freudenberg Flow Technologies Limited	Port Talbot	United Kingdom	100.00
Freudenberg Home and Cleaning Solutions Limited	Rochdale	United Kingdom	100.00
Freudenberg Household Products LP	Rochdale	United Kingdom	100.00
Freudenberg Limited	Littleborough	United Kingdom	100.00
Freudenberg Performance Materials LP	Littleborough	United Kingdom	100.00
Freudenberg Sealing Technologies Limited	Leicester	United Kingdom	100.00
Freudenberg Technical Products Pension Trust Company Limited	North Shields	United Kingdom	100.00
KE-Burgmann UK Ltd.	Congleton	United Kingdom	75.00
Klüber Lubrication Great Britain Ltd.	Huddersfield	United Kingdom	100.00
Low & Bonar Euro Holdings Limited	Leicester	United Kingdom	100.00
Low & Bonar Limited	Edinburgh	United Kingdom	100.00
Low & Bonar Pension Trustees Limited	Edinburgh	United Kingdom	100.00
Mehler Texnologies Ltd.	Leicester	United Kingdom	100.00
Techlok Limited	Port Talbot	United Kingdom	100.00
VERMOP UK Ltd.	Purley	United Kingdom	100.00
Freudenberg Textile Technologies, S.A.	Guatemala City	Guatemala	100.00
APEC (Asia) Limited	Hong Kong	Hong Kong	100.00
Freudenberg & Vilene Int. Ltd.	Hong Kong	Hong Kong	87.50
Freudenberg Household Products Ltd.	Hong Kong	Hong Kong	100.00
Freudenberg Trading (Hongkong) Ltd.	Hong Kong	Hong Kong	100.00
Japan Vilene (Hong Kong) Ltd.	Hong Kong	Hong Kong	75.00
Klüber Lubrication China Ltd.	Hong Kong	Hong Kong	100.00
Vibracoustic Hong Kong Holdings Ltd.	Hong Kong	Hong Kong	100.00
Chem-Trend Chemicals Co. Pvt. Ltd.	Bangalore	India	100.00
EagleBurgmann India Pvt. Ltd.	Pune	India	50.00
EagleBurgmann KE Pvt. Ltd.	Chennai	India	75.00
Freudenberg Filtration Technologies India Private Limited	Pune	India	100.00
Freudenberg Gala Household Product Pvt. Ltd.	Mumbai	India	60.00

Company	Location	Country/Region	Share of capital [%]
Freudenberg Performance Materials India Pvt. Ltd.	Chennai	India	100.00
Freudenberg Regional Corporate Center India Pvt. Ltd.	Bangalore	India	100.00
Gimi India Pvt. Ltd.	Bangalore	India	100.00
Klüber Lubrication India Pvt. Ltd.	Bangalore	India	100.00
SurTec Chemicals India Pvt. Ltd.	Bangalore	India	100.00
Vibracoustic India Pvt. Ltd.	Mohali	India	100.00
PT EagleBurgmann Indonesia	Cikarang Selatan	Indonesia	24.98
PT Klüber Lubrication Indonesia	Jakarta	Indonesia	100.00
Cambus Teoranta	Spiddal	Ireland	94.91
VistaMed Ltd.	Carrick-on-Shannon	Ireland	100.00
Chem-Trend Italy S.a.s. di Externa Holding S.r.l.	Milan	Italy	100.00
Corteco S.r.l. (a socio unico)	Pinerolo	Italy	100.00
EagleBurgmann Italia S.r.l.	Vimercate	Italy	75.00
Externa Holding S.r.l.	Milan	Italy	100.00
Externa Italia S.r.l.	Pinerolo	Italy	100.00
FHP di R. Freudenberg S.A.S.	Milan	Italy	100.00
Freudenberg Italia S.a.s. di Freudenberg S.r.l.	Milan	Italy	100.00
Freudenberg Performance Materials Apparel S.a.s. di Externa Holding S.r.l.	Milan	Italy	100.00
Freudenberg S.r.l.	Milan	Italy	100.00
Freudenberg Sealing Technologies S.a.s. di Externa Italia S.r.l.u.	Pinerolo	Italy	100.00
Freudenberg Tecnologie di Filtrazione S.a.s. di Externa Holding S.r.l.	Milan	Italy	100.00
Hänsel Textil Italia S.a.s. di Externa Holding S.r.l.	Rho	Italy	100.00
Klüber Lubrication Italia S.a.s. di Externa Holding S.r.l.	Milan	Italy	100.00
Mehler Technologies S.r.l.	Settimo Milanese	Italy	100.00
Politex S.a.s. di Freudenberg Politex s.r.l.	Milan	Italy	100.00
SurTec Italia SAS di Externa Holding Srl	Milan	Italy	100.00
Vermop Italia S.R.L.	Assago	Italy	100.00
Chem-Trend Japan K.K.	Kobe	Japan	100.00
EagleBurgmann Japan Co., Ltd.	Tokyo	Japan	25.00
Freudenberg Spunweb Japan Company, Ltd.	Osaka	Japan	67.69
Japan VIAM Co., Ltd.	Moriyama	Japan	75.00
Japan Vilene Company Ltd.	Tokyo	Japan	75.00
Oshitari Laboratory, Inc.	Sayama	Japan	75.00
Oyama Chemical Co., Ltd.	Oyama	Japan	75.00
SurTec MMC Japan KK	Tokyo	Japan	56.00
Vibracoustic Japan KK	Yokohama	Japan	100.00
Vilene Create Co., Ltd.	Tokyo	Japan	75.00
Freudenberg Vileda Jordan Ltd.	Amman	Jordan	51.00
Capol Inc.	Saint-Hubert	Canada	100.00
EagleBurgmann Canada Inc.	Milton	Canada	75.00
Freudenberg Filtration Technologies Inc.	London	Canada	100.00
Freudenberg Flow Technologies Inc.	Nisku	Canada	100.00
Freudenberg Household Products Inc.	Laval	Canada	100.00
Freudenberg-NOK Inc.	Tillsonburg	Canada	75.00
EagleBurgmann Colombia, S.A.S.	Bogotá	Colombia	75.00
Bonar International Sarl	Luxembourg	Luxembourg	100.00
EagleBurgmann (Malaysia) SDN. BHD.	Shah Alam	Malaysia	25.00
Freudenberg Flow Technologies Sdn. Bhd.	Kuala Lumpur	Malaysia	100.00

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Company	Location	Country/Region	Share of capital [%]
Freudenberg-NOK St Malaysia Sdn. Bhd.	Petaling Jaya	Malaysia	75.00
Klubber Lubrication (Malaysia) Sdn. Bhd.	Shah Alam	Malaysia	100.00
United Lubricants Industries (S.E.A) Sdn. Bhd.	Cheras	Malaysia	100.00
Chem-Trend Comercial, S.A. de C.V.	Querétaro	Mexico	100.00
EagleBurgmann Mexico S.A. de C.V.	Querétaro	Mexico	75.00
Freudenberg Filtration Technologies, S.A. de C.V.	Silao	Mexico	100.00
Freudenberg Productos del Hogar, S.A. de C.V.	Tultitlan	Mexico	100.00
Freudenberg-NOK Sealing Technologies de Mexico, S.A. de C.V.	Cuautla	Mexico	75.00
Klüber Lubricacion Mexicana S.A. de C.V.	Querétaro	Mexico	100.00
VIAM Manufacturing Mexico S.A. de C.V.	Aguascalientes	Mexico	75.00
Vibracoustic de México, S.A. de C.V.	Lerma	Mexico	100.00
Vibracoustic Toluca, S.A. de C.V.	Toluca	Mexico	100.00
Vitechmex Nonwovens S.A. de C.V.	Aguascalientes	Mexico	75.00
EagleBurgmann Netherlands B.V.	Veenendaal	Netherlands	75.00
Freudenberg Household Products B.V.	Arnhem	Netherlands	100.00
Freudenberg Industrial Services B.V.	Zwolle	Netherlands	100.00
Freudenberg Performance Materials B.V.	Arnhem	Netherlands	100.00
Low & Bonar Technical Textiles Holding B.V.	Arnhem	Netherlands	100.00
SurTec Benelux B.V.	Reuver	Netherlands	100.00
EagleBurgmann Norway AS	Gardermoen	Norway	75.00
Freudenberg Flow Technologies AS	Sandnes	Norway	100.00
Freudenberg Home and Cleaning Solutions AS	Gardermoen	Norway	100.00
Deurowood GmbH	Hard	Austria	100.00
EagleBurgmann Austria GmbH	Judenburg	Austria	75.00
Freudenberg Austria GmbH	Kufstein	Austria	100.00
Freudenberg Sealing Technologies Austria GmbH & Co. KG	Kufstein	Austria	100.00
Klüber Lubrication Austria Ges.m.b.H.	Salzburg	Austria	100.00
SurTec Produkte und Systeme für die Oberflächenbehandlung GesmbH	Salzburg	Austria	100.00
Trygonal GmbH	Klagenfurt	Austria	100.00
Trygonal Kunststoffinnovationen GmbH	Bruck an der Mur	Austria	100.00
VERMOP Österreich GmbH	Langenzersdorf	Austria	100.00
EagleBurgmann Philippines, Inc.	Dasmarias, Cavite	Philippines	25.00
Chem-Trend Polska Sp. z o.o.	Kobylnica	Poland	100.00
Chem-Trend Polska sp. z o.o. spółka komandytowa	Kobylnica	Poland	100.00
EagleBurgmann Poland sp. z o.o.	Warsaw	Poland	75.00
FHP Vileda Sp. z o.o.	Warsaw	Poland	100.00
FIM Polska Sp. z o.o.	Środa Śląska	Poland	100.00
Freudenberg Sealing Technologies Sp. z o.o.	Śnieciska	Poland	100.00
Freudenberg Vilene Sp. z o.o.	Lodz	Poland	100.00
Klüber Lubrication Polska Sp. z o.o.	Kobylnica	Poland	100.00
Mehler Technologies Sp. z o.o.	Sosnowiec	Poland	100.00
SurTec Polska Sp. z o.o.	Kobylnica	Poland	100.00
VERMOP Polska Sp. Z o.o.	Będzin	Poland	100.00
Vibracoustic Polska Sp. z o.o.	Środa Śląska	Poland	100.00
ST Ibérica Sociedade Unipessoal, LDA	Albergaria-a-Velha	Portugal	100.00
Chem-Trend Romania s.r.l.	Sibiu	Romania	100.00
Freudenberg Performance Materials Apparel srl	Bukarest	Romania	100.00
Freudenberg Performance Materials SRL	Braşov	Romania	100.00

Company	Location	Country/Region	Share of capital [%]
Klueber Lubrication Romania s.r.l.	Sibiu	Romania	100.00
Mehler Texnologies Romania S.R.L.	Stefanestii de Jos	Romania	100.00
SurTec Romania s.r.l.	Sibiu	Romania	100.00
Vermop RO S.R.L	Cluj-Napoca	Romania	100.00
Vibracoustic Romania SRL	Dej	Romania	100.00
Freudenberg Household Products Eastern Europe OOO	St. Petersburg	Russian Federation	70.00
Freudenberg Politex OOO	Zavolzhye	Russian Federation	100.00
AlMozn National Co. For Home Appliances Limited	Jeddah	Saudi Arabia	75.00
EagleBurgmann Saudi Arabia Ltd.	Al-Khobar	Saudi Arabia	51.00
EagleBurgmann Sweden AB	Norrköping	Sweden	75.00
Freudenberg Home and Cleaning Solutions AB	Norrköping	Sweden	100.00
Freudenberg Sealing Technologies AB	Landskrona	Sweden	100.00
Vibracoustic China Holding AB	Forsheda	Sweden	100.00
Vibracoustic Forsheda AB	Forsheda	Sweden	100.00
Vibracoustic Sweden Holding AB	Forsheda	Sweden	100.00
Vibracoustic Wuxi Holding AB	Forsheda	Sweden	100.00
EagleBurgmann (Switzerland) AG	Höri	Switzerland	75.00
Freudenberg Sealing Technologies AG	Zurich	Switzerland	100.00
Klüber Lubrication AG (Schweiz)	Zurich	Switzerland	100.00
Trygonal Schweiz AG	Rüti	Switzerland	100.00
SurTec Cacak d.o.o.	Čačak	Serbia	100.00
Chem-Trend Singapore Pte. Ltd.	Singapore	Singapore	100.00
EagleBurgmann KE Pte. Ltd.	Singapore	Singapore	75.00
EagleBurgmann Singapore Pte. Ltd.	Singapore	Singapore	25.00
EBI Asia Pacific Pte. Ltd.	Singapore	Singapore	25.00
EBI Asia Pte. Ltd.	Singapore	Singapore	50.00
Freudenberg Flow Technologies Pte. Ltd.	Singapore	Singapore	100.00
Klüber Lubrication South East Asia Pte. Ltd.	Singapore	Singapore	100.00
Freudenberg Filtration Technologies Slovensko, s.r.o.	Potvorice	Slovakia	100.00
Freudenberg Immobilienmanagement Slovakia, s.r.o	Potvorice	Slovakia	100.00
Klüber Lubrication Slovensko s.r.o.	Vráble	Slovakia	100.00
SurTec SK s.r.o.	Vráble	Slovakia	100.00
FILC tovarna filca d.o.o.	Škofja Loka	Slovenia	100.00
Freudenberg Gospodinjski Proizvodi d.o.o.	Limbuš	Slovenia	100.00
SurTec Adria d.o.o.	Ljubljana	Slovenia	100.00
EagleBurgmann Ibérica S.A.	Villaviciosa de Odón	Spain	75.00
Freudenberg Espana S.A.	Parets del Vallès	Spain	100.00
Freudenberg Home and Cleaning Solutions Iberica, S.L.U.	Parets del Vallès	Spain	100.00
Freudenberg Performance Materials Spain, S.L.	Parets del Vallès	Spain	100.00
Freudenberg Sealing Technologies, S.L.U.	Parets del Vallès	Spain	100.00
Klüber Lubrication GmbH Ibérica S.en C.	Parets del Vallès	Spain	100.00
Trygonal Iberia SL	Andoain	Spain	100.00
Vibracoustic Cascante S.A.U.	Cascante	Spain	100.00
Vibracoustic Spain Holding S.L.U.	Martorell	Spain	100.00
Vibracoustic Spain S.A.U.	Martorell	Spain	100.00
Freudenberg Apparel Lanka (Pvt) Ltd.	Colombo	Sri Lanka	87.50
EagleBurgmann Seals South Africa (Pty) Ltd.	Modderfontein/ Johannesburg	South Africa	55.50
Freudenberg Filtration Technologies (Pty) Ltd.	Cape Town	South Africa	100.00

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Company	Location	Country/Region	Share of capital [%]
Freudenberg Nonwovens (Pty.) Ltd.	Cape Town	South Africa	100.00
Klüber Lubrication (Pty.) Ltd.	Alrode Alberton	South Africa	100.00
SurTec South Africa Pty. Ltd.	Alrode Alberton	South Africa	100.00
Chem-Trend Korea Ltd.	Anseong-si	South Korea	100.00
EagleBurgmann Korea Co., Ltd.	Osan	South Korea	25.00
Freudenberg Vilene Filtration Technologies Korea Co., Ltd.	Pyeongtaek-si	South Korea	87.50
Korea Vilene Co., Ltd.	Pyeongtaek-si	South Korea	87.50
Eagle Technology Taiwan Co. Ltd	Kaohsiung	Taiwan	25.00
EagleBurgmann Taiwan Co., Ltd.	Kaohsiung	Taiwan	25.00
Freudenberg & Vilene Nonwovens (Taiwan) Co. Ltd.	Taoyuan	Taiwan	87.50
Freudenberg Far Eastern Spunweb Comp. Ltd.	Taoyuan	Taiwan	67.69
Chem-Trend Trading (Thailand) Co. Ltd.	Bangkok	Thailand	100.00
EagleBurgmann (Thailand) Co., Ltd.	Rayong	Thailand	25.00
Freudenberg & Vilene Filter (Thailand) Co. Ltd.	Chonburi	Thailand	87.50
Freudenberg Home and Cleaning Solutions (Thailand) Co.,Ltd.	Nonthaburi	Thailand	100.00
Klüber Lubrication (Thailand) Co., Ltd.	Bangkok	Thailand	100.00
VIAM Manufacturing (Thailand) Co., Ltd.	Prachin Buri	Thailand	75.00
Vibracoustic (Thailand) Ltd.	Sriracha	Thailand	100.00
Accu-Tech s.r.o.	Chrastava	Czech Republic	100.00
Chem-Trend CZ s.r.o.	Prague	Czech Republic	100.00
EagleBurgmann Czech s.r.o.	Prague	Czech Republic	75.00
Freudenberg Home and Cleaning Solutions s.r.o.	Prague	Czech Republic	100.00
Freudenberg Sealing Technologies s.r.o.	Opatovice nad Labem	Czech Republic	100.00
Klüber Lubrication CZ, s.r.o.	Prague	Czech Republic	100.00
Mehler Texnologies s.r.o.	Lomnice nad Popelkou	Czech Republic	100.00
SurTec CR s.r.o.	Prague	Czech Republic	100.00
TPE správní s.r.o.	Melnik	Czech Republic	100.00
Vibracoustic CZ s.r.o.	Melnik	Czech Republic	100.00
Beltan Vibracoustic Titresim Elemanlari Sanayi ve Ticaret A.S.	Bursa	Türkiye	100.00
Eagle Burgmann Endüstriyel Sızdırmazlık Sanayi ve Ticaret Limited Şirketi	Istanbul	Türkiye	75.00
Freudenberg Household Products Evici Kullanım Araçları Sanayi ve Ticaret A.S.	Istanbul	Türkiye	100.00
Freudenberg Sealing Technologies Sanayi ve Ticaret A.S.	Bursa	Türkiye	100.00
Freudenberg Vilene Tela Sanayi ve Ticaret A.S.	Istanbul	Türkiye	100.00
Klüber Lubrication Yağlama Ürünleri Sanayi ve Ticaret A.S.	Istanbul	Türkiye	100.00
Mehler Texnologies Teknik Tekstil Ticaret Limited Sirketi	Istanbul	Türkiye	100.00
Vibracoustic Çerkezköy Oto Parçaları Dış Ticaret A.S.	Çerkezköy	Türkiye	100.00
Vibracoustic Çerkezköy Otomotiv Sanayi ve Ticaret A.S.	Çerkezköy	Türkiye	100.00
Vibracoustic CV Air Springs Otomotiv Sanayi ve Ticaret A.S.	Gemlik	Türkiye	65.07
Vibracoustic CVAS Turkey Trading Otomotiv A.S.	Bursa	Türkiye	65.07
EagleBurgmann Hungaria Kft.	Budapest	Hungary	75.00
Freudenberg Háztartási Cikkek Kereskedelmi BT	Budapest	Hungary	100.00
Freudenberg Sealing Technologies Kft.	Kecskemét	Hungary	100.00
Klüber Lubrication Hungaria Kft.	Budapest	Hungary	100.00
Vibracoustic CV Air Springs Magyarország Kft.	Nyiregyháza	Hungary	65.07
Capol LLC	Wilmington	USA	100.00
Chem-Trend Limited Partnership	Lansing	USA	100.00
CTM Enterprises, Inc.	Carson City	USA	100.00
EagleBurgmann Industries Inc.	Wilmington	USA	75.00

Company	Location	Country/Region	Share of capital [%]
EagleBurgmann Industries LP	Wilmington	USA	75.00
Filters Now, LLC	Wilmington	USA	100.00
Freudenberg Battery Power Systems, LLC	Wilmington	USA	100.00
Freudenberg Filtration Technologies LP	Wilmington	USA	100.00
Freudenberg Flow Technologies, LLC	Wilmington	USA	100.00
Freudenberg Household Products Inc.	Wilmington	USA	100.00
Freudenberg Household Products LP	Wilmington	USA	100.00
Freudenberg Medical, LLC	Wilmington	USA	100.00
Freudenberg North America Limited Partnership	Wilmington	USA	100.00
Freudenberg Performance Materials LP	Wilmington	USA	100.00
Freudenberg Real Estate LP	Wilmington	USA	100.00
Freudenberg Texbond L.P.	Peachtree Corners	USA	100.00
Freudenberg-NOK General Partnership	Wilmington	USA	75.00
Freudenberg-NOK Holdings, Inc.	Wilmington	USA	75.00
Intpacor Inc.	Wilmington	USA	100.00
Klüber Lubrication NA LP	Wilmington	USA	100.00
Mehler Texnologies Inc.	Richmond	USA	100.00
Pellon Corporation	Carson City	USA	100.00
PPA Holdings, Inc.	Indianapolis	USA	100.00
PPA Industries, Inc.	Indianapolis	USA	100.00
Precote USA LLC	East Lansing	USA	100.00
Protect Plus Holdings Corp.	Indianapolis	USA	100.00
Seal Aftermarket Products DISC, Inc.	Tallahassee	USA	75.00
Seal Aftermarket Products, LLC	Weston	USA	75.00
SurTec, Inc.	Upper Arlington	USA	100.00
Tobul Accumulator Incorporated	West Columbia	USA	100.00
Toledo Driveline, LLC	Toledo	USA	75.00
Traxit North America, LLC	Wilmington	USA	100.00
TTKKE Holdings, LLC	Dover	USA	75.00
Upper Bristol Ramp, LLC	Wilmington	USA	75.00
VIAM Holding, Inc.	Sacramento	USA	75.00
VIAM Manufacturing, Inc.	Nashville	USA	75.00
Vibracoustic CV Air Springs USA, Inc.	Wilmington	USA	65.07
Vibracoustic North America Holdings, Inc.	Wilmington	USA	100.00
Vibracoustic North America LP	Wilmington	USA	100.00
Vibracoustic USA, Inc.	East Lansing	USA	100.00
VICAM Inc.	Nashville	USA	75.00
VITECH Manufacturing, Inc.	Wilmington	USA	75.00
XALT Energy MI, LLC	Wilmington	USA	100.00
XALT Energy, LLC	Wilmington	USA	100.00
EagleBurgmann Gulf Mechanical LLC	Abu Dhabi	UAE	29.40
EagleBurgmann Middle East FZE	Dubai	UAE	60.00
Freudenberg Flow Technologies FZE	Dubai	UAE	100.00
Mehler Texnologies Middle East Trading L.L.C.	Dubai	UAE	100.00
Chem-Trend Vietnam Company Limited	Ho Chi Minh City	Vietnam	100.00
EagleBurgmann Vietnam Company Limited	Ho Chi Minh City	Vietnam	25.00
Freudenberg & Vilene International Vietnam Co. Ltd.	Ho Chi Minh City	Vietnam	87.50
SurTec Viet Nam Co., Ltd.	Ho Chi Minh City	Vietnam	100.00

Company	Location	Country/Region	Share of capital [%]
II. INVESTMENTS IN JOINT VENTURES (CONSOLIDATED BY EQUITY METHOD)			
Germany			
CPW GmbH	Wuppertal	Germany	50.00
Other countries			
Corfina s.r.l.	Pinerolo	Italy	50.00
NOK-Freudenberg Singapore Pte. Ltd. ²	Singapore	Singapore	50.00
III. INVESTMENTS IN ASSOCIATED COMPANIES (CONSOLIDATED BY EQUITY METHOD)			
Other countries			
Yihua Bonar Yarns & Fabric Co. Ltd.	Yangzhou	China	60.00
Hikotomi Industrial Co., Ltd.	Hikone	Japan	24.98
NOK Corporation	Tokyo	Japan	25.93
NOK Klüber Co., Ltd.	Tokyo	Japan	49.00
Shinwa Products Co., Ltd.	Tsuzuranuki	Japan	34.09
Klüber Lubrication Korea Ltd.	Seoul	South Korea	48.00
Dawson Manufacturing Company	Plymouth	USA	45.00
SurTec Middle East (L.L.C.)	Sharjah	UAE	35.00
EagleBurgmann Venezuela, C.A.	Caracas	Venezuela	41.25

¹ Application of Sec. 264 (3), HGB (Handelsgesetzbuch, "German Commercial Code") and Sec. 264b, HGB

² Consolidated financial statements including
 Changchun NOK-Freudenberg Oilseal Co., Ltd., Changchun, China
 Corteco China Co. Ltd., Shanghai, China
 Freudenberg-NOK Pvt. Ltd., Chennai, India
 NOK-Freudenberg Group Sales (China) Co., Ltd., Shanghai, China
 NOK-Freudenberg Group Trading (China) Co., Ltd., Shanghai, China
 NOK-Freudenberg Hong Kong Ltd., Hong Kong, Hong Kong
 PT NOK Freudenberg Sealing Technologies, Kota Batam, Indonesia
 Taicang NOK-Freudenberg Sealing Products Co., Ltd., Taicang, China
 Wuxi NOK-Freudenberg Oilseal Co., Ltd., Wuxi, China

INDEPENDENT AUDITOR'S REPORT

To Freudenberg SE, Weinheim

Audit Opinions

We have audited the consolidated financial statements of Freudenberg SE, Weinheim, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Freudenberg SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information.

The other information comprises the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures

(systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group

audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main, 18 March 2025

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

Michael Conrad

Diana Plaum

Wirtschaftsprüfer

Wirtschaftsprüfer

[German Public Auditor]

[German Public Auditor]

EDITORIAL INFORMATION:

Freudenberg Group
Hoehnerweg 2–4
69469 Weinheim, Germany

PUBLISHED BY:

Freudenberg & Co. Kommanditgesellschaft
Corporate Communications
Phone: +49 6201 80-0
corporate.communications@freudenberg.com
www.freudenberg.com

March 2025

Item No. FRE1069EN

PROJECT TEAM:

Corporate Communications:
Michael Scheuer (Lead)
Andreas Baldauf
Sonja Drefs
Angela Gerhardt
Katrin Jacobi

Corporate Controlling and Accounting:

Dr. Jan Haaß (Lead)
Simon Beßler
Claudia Böttner
Philip Hasselmann
Anja Killian
André Krahn
Verena Kuhn
Lucia Mugner
Dr. Frank Multerer
Giuseppe Porco
Frank Raetzer
Johannes Teschke
Define Yalcinkaya

DESIGN:

GreenwoodFinch
Corporate Communications
Elmstein, Germany

PRODUCTION:

ABT Print und Medien GmbH
Weinheim, Germany

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To improve the readability of this Annual Report, the language forms male, female, diverse (m/f/d) are not used simultaneously. All references to persons apply equally to all genders.

Registered trademarks are omitted in the Annual Report, also to improve readability.

