



## Forced Labour Report: Freudenberg

### 1. Introduction

This is a joint report submitted by CAPOL Inc., CAPOL, LLC, Chem-Trend Limited Partnership ("Chem-Trend"), EagleBurgmann Canada Inc., Freudenberg Filtration Technologies, Inc. ("FFT"), Freudenberg Household Products, Inc. Canada ("FHP"), Freudenberg Medical, LLC ("FM"), Freudenberg-NOK Inc. DBA Freudenberg-NOK Sealing Technologies (together, "Freudenberg NOK"), Freudenberg Flow Technologies, Inc. ("FFLTech"), Klüber Lubrication NA LP ("Klüber"), and Traxit North America, LLC ("Traxit") (collectively, the "Companies", "we", or "our"), each of which are subsidiaries of the Freudenberg Group, in compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").<sup>1</sup> This report describes the measures taken by the Companies to monitor and address forced and child labour in their supply chains and covers the period January 1, 2024 to December 31, 2024.

### 2. About the Companies and Their Supply Chains

Freudenberg Group is a global technology company headquartered in Weinheim, Germany. It employs almost 50,000 people from 136 nations, operating at sites in 60 countries.

Freudenberg Group products are sold and distributed all over Canada across a wide range of groceries, hardware shops, mass merchants, specialist cleaning outlets and wholesale distributors. These business activities are carried out by the Companies as described below.

The Freudenberg Group rejects child labour and any form of forced labour. We respect trade unions and their principal right to form associations. We also respect, where applicable, workers' council organizations (democratically elected by associates) and strive for constructive cooperation with workers' and union representatives.

#### (a) CAPOL Group

In accordance with Freudenberg's Business and Guiding Principles, CAPOL Inc. in St. Hubert, QC, and CAPOL LLC in Deerfield, IL, are committed to complying with the principles of the UN Global Compact.

CAPOL Inc. is a manufacturer which both sells directly to its own clients in North American markets, and to CAPOL LLC, an affiliated US distribution company for further sales concentrating in the US market. We operate in the market of food ingredients. CAPOL Inc.'s functions cover R&D, procurement, production, quality control to sales, after sales services and technical consulting on application of ingredients. It is the technical know-how owner of vivapigments, food industry applicable natural colors and flavors.

Currently, CAPOL Inc. offers natural pigments for use in confections, pastry fillings, snack bars, and other food products.<sup>2</sup> It also provides tablet form vitamins and food supplements.

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<sup>1</sup> Freudenberg Flow Technologies, Freudenberg Filtration Technologies, Inc., and Traxit are voluntarily reporting despite not being reporting entities under the Act.

<sup>2</sup> Its product portfolio covers Anti-Sticking Agents, Sealing Solutions, Chocolate Polish, Sugar polish, Release Agents, Colors, Vivapigments, and Flavors.

CAPOL Inc. primarily serves customers in Canada and the USA. Among our product portfolio, we procure food industry used materials covering raw materials and semi-finished products ranging from color, flavor to oil and gum.

CAPOL LLC is a Freudenberg Group company within Freudenberg Chemical Specialties. Operating as the North American distributor of CAPOL, CAPOLEX, and CAPOLan confectionery surface treatments, CAPOL LLC operates under the leadership of CAPOL GmbH (Germany), with CAPOL GmbH and CAPOL Inc. as suppliers. CAPOL LLC serves clients in both the United States and Canada. It is a non-resident importer into Canada.

We are dedicated to responsibly procuring raw materials. Our efforts to do so in our day-to-day engagements within our supply chain include:

- Risk analysis of suppliers and raw materials by categorizing them as high, medium, or low risk for forced labour based on the botanical source and geographic origin of raw materials, and geographic location of our suppliers and their manufacturing facilities.
- Review and verification of supplier forced labour attestations, questionnaires, and certifications. Upon necessity, supplier visits or third-party audits have/would be conducted to confirm compliance with forced labour programs.
- Participation in third party compliance customs/government programs, including:
  - CTPAT (Customs Trade Partnership Against Terrorism) (US)
  - UFLPA Compliance (US)
  - Fighting Against Forced Labour and Child Labour in Supply Chains Act (CA)
  - PEP (Partners en Protection) (CA)
  - AEO
  - German Supply Chain Act
  - Registrations and certifications, such as: RSPO (Round Table for Sustainable Palm Oil); SEDEX; and IRC (Initiative for Responsible Carnauba).
- Engagement with Integrity Next, a leading sustainability management software encompassing over 40 environmental, social and governance topics to minimize risk and maximize continuity and compliance.

In 2024, CAPOL Inc. and CAPOL LLC engaged with 61 suppliers from six countries: Canada, USA, Germany, China, Peru and Brazil. Most of our supplies are Canadian, providing colour, flavour, oil, juice, and protein products. US suppliers supplement our supply with similar raw materials when needed. In addition, CAPOL Inc. purchases gum and oil for coating and glazing products from our parent company in Germany, CAPOL GmbH. Occasionally CAPOL Inc. purchases small amounts of certain plant-based color concentration from China and Peru, and wax from Brazil to support its production schedules.

(b) Chem-Trend

Chem-Trend is a global leader in the design, development, and manufacturing of high-performance release agents, purging compounds, paper impregnation chemicals, and other specialty process chemicals. Headquartered in Howell, Michigan, Chem-Trend operates through a globally integrated network of production and technical experts, with offices and support teams across North America, South America, Asia, and Europe.

Our state-of-the-art R&D facilities enable localized innovation and support across a wide range of industries. Chem-Trend is part of Freudenberg Chemical Specialties GmbH, a division of the Freudenberg Group.

We serve multiple industries under the Chem-Trend® brand, including die casting, polyurethane, tire manufacturing, and wood composites. Our core product lines include Chemlease®, Deurowood®, Mono-Coat®, Lusin®, Ultra Purge™, Surface Enhancer 360°, and Zyxav®.

Chem-Trend sources a wide array of materials—including raw ingredients, packaging, and toll-manufactured goods—from a diverse global supplier base. This includes over 600 raw material and packaging suppliers across North America, Europe, Africa, Asia Pacific, and Canada. Our supplier base includes major multinational companies such as Dow, Wacker, and Schuetz, as well as local partners in each region. We maintain a mix of sole-sourced and single-sourced materials to ensure both product quality and supply chain agility.

(c) EagleBurgmann Canada Inc.

EagleBurgmann Canada is a reliable and expert partner in the sealing technology industry, offering customer-centric and efficient solutions through its strategically located facilities. With a manufacturing facility in Halifax and Sales and Service Centers in Milton and Edmonton, we ensure fast, localized support tailored to industry demands.

Backed by local manufacturing, engineering excellence, administrative expertise, and dedicated service teams, we deliver comprehensive sealing solutions that enhance operational reliability. Our mechanical seals are engineered to withstand diverse media, extreme pressures, and fluctuating temperatures, providing customized solutions for even the most challenging applications.

EagleBurgmann sources high-quality raw materials, complete seals, and components from Europe, Germany, Mexico, and China. Within our Canadian manufacturing facility, we conduct or source all machining and finishing processes locally, ensuring high standards of precision and craftsmanship.

We are deeply committed to ethical sourcing. Our vendor screening process is designed to mitigate risks associated with child or forced labor, safeguarding our supply chain integrity. Through rigorous denied party screening solutions, we ensure that we do not engage with entities suspected of profiting from illicit labor practices.

(d) FFT

FFT is a Freudenberg Group company within Freudenberg Filtration. FFT distributes air and liquid filtration products across Canada for industrial applications. FFT's customer base is made up of automotive OEMs, hospitals, power generators, and schools, among others.

FFT imports Freudenberg filtration products from Freudenberg production sites around the globe. The majority of this product is imported from Freudenberg's US operations, as well as German, Italy and India production sites. FFT also sources a limited number of products from a few Canadian and US suppliers.

We have implemented a supplier self-assessment process based on our global Guideline for Suppliers document to ensure our suppliers are meeting Freudenberg's ethical and social standards.

(e) FHP

FHP is a Freudenberg Group company within the Business Group Freudenberg Home and Cleaning Solutions ("FHCS") that distributes branded cleaning products and systems (primarily under the Vileda® brand). FHP's products include floor cleaning systems, household cloths, cleaning articles, household gloves, laundry care products such as ironing boards and clothes dryers, cleaning systems for professional applications, facemasks, and trolleys.

The selection and management of offshore suppliers is managed by the international procurement and quality team of the Freudenberg Group in Europe. FHP also manages a small number of local Canadian suppliers. FHP has over twenty first tier suppliers, with our main suppliers located in the USA (sister company), Mexico (sister company), China (sister company), Italy (sister company), Czech Republic (sister company), Germany (sister company) and Canada. All suppliers are required to undertake a self-assessment with regards to meeting the Freudenberg ethical and social standards.

(f) Freudenberg Medical LLC

Freudenberg Medical, LLC (Freudenberg Medical) is a leading contract manufacturer for medical devices serving OEM's around the world. Freudenberg Medical is headquartered in Beverly, Massachusetts.

Freudenberg Medical manufactures medical devices such as voice prothesis, heat & moisture exchange cartridges and ENT specialty products. In addition to sourcing from sister Freudenberg Group companies, we source products from external partners such as Cytophil (Renu brand), Smith & Nephew (Wipes), and Romet (Electrolarynx).

Freudenberg Medical also maintains a strategic business unit, InHealth Technologies (IHT), which manages international demand for its products, sourced from within the Freudenberg Medical Group and other reputable external suppliers, from one major distribution warehouse in Carpinteria. Approximately 90% of InHealth products are sourced from Freudenberg's own factories, primarily located in Carpinteria and Costa Rica. IHT has a direct market approach in Canada and the Canadian market is served and operated utilizing a reputable third-party logistics provider in Sherbrooke, Canada.

(g) Freudenberg-NOK Inc. DBA Freudenberg-NOK Sealing Technologies

We are a division of Freudenberg-NOK General Partnership based in Plymouth, Michigan USA. Freudenberg Sealing Technologies is a proven supplier for demanding products and applications, and a development and service partner to customers in the automotive, aerospace, electrical and general industries.

Established in 1976, we have grown to build our team of 215 employees. Freudenberg NOK

is a QS9000 and ISO9001 certified manufacturer of silicone rubber products. We design and manufacture seals and gaskets for the automotive, aerospace, electrical, and general industries.

Freudenberg NOK imports raw materials for the manufacturing of silicones, glass fabrics, fabrics and some metal components from the USA. We additionally import a few products from the EU. Coating and various other processes are completed in Canada and the US.

Our vendors are subject to our screening processes in our Global Trade System (SAP), using the Reguvis software and Embargo screening to prevent and reduce the risk that child or forced labour is a part of the organization's supply chain. Our denied party screening solutions help ensure that we are not unwittingly working with those suspected of profiting from illicit labour practices.

(h) FFLTech

FFLTech has two sites in Canada. One is in the Leduc County business park, known as Nisku, Alberta, and the other, BlueSky Products, is based in Stoney Creek, Ontario. Both sites are a division of Freudenberg Flow Technologies LLC, based in Houston, TX, USA.

The Nisku facility is a custom seal solution provider for the oil and gas industry, manufacturing elastomeric sealing products in accordance with customer specifications. Our products and designs, mould and die design, are proprietary technologies used in our manufacturing processes.

Our Stoney Creek location designs and manufactures our proprietary dynamic ball joint and pipe connector products and technologies, including reliable, easy-to-assemble, metal-to-metal sealed connectors designed for use in piping systems which require high integrity seals in applications involving corrosive, erosive, high temperature, high pressure, and cyclic conditions. These products are engineered and used within pressure vessel nozzles and closures, process piping, compressors, pumps, manifolds, and valves among other piping applications.

FFLTech imports raw material elastomers, some metal tooling (moulds) and phenolic components from the US, some metal and ceramic components from China, and our stainless steel springs are manufactured in the UK. All manufacturing and machining of the finished products are completed locally. The BlueSky facility only imports US or European Steel for our products. All machining and various other processes are done exclusively in Canada.

Our vendors are subject to go through our screening process, Descartes Visual Compliance, to prevent and reduce the risk that child or forced labour was part of the organization's supply chain. Our denied party screening solutions through Descartes Visual Compliance can help to ensure that we are not working with those suspected of profiting from illicit labour practices.

As part of our due diligence process, FFLTech uses a secondary screening system Dow Jones - AEB - to comply with indirect provisions, partnering with Integrity Next for supplier management and Control of Sustainability Assessment Process. This compliance analysis includes:

- Human Rights & Labour
- Supply Chain Responsibility

- Environmental Protection
- Health & Safety
- Quality Management
- Conflict Minerals
- REACH
- RoHS

FFLTECH is committed to upholding the United Nations Global Compact's ten principles relating to human rights, labour, the environment, and combating corruption. FFLTech expects all its suppliers to act with the same integrity, fairness, responsibility, honesty, and commitment.

FFLTech has an appropriate and effective risk management system based on an annual risk analysis of the risks in the company's own business area or at direct suppliers.

We have in place a Supplier Management and Control of Sustainability Assessment Process through Integrity Next covering screening, monitoring, qualifying, risk analysis, actions, and reports.

(i) Klüber

Klüber Lubrication is a local operating company within the Freudenberg Chemical Specialities Business Group, which also includes Traxit and the Klueber Group. The Klueber Group is a globally recognized manufacturer of specialty lubricants, headquartered in Munich, Germany. It produces an extensive portfolio of over 2,000 products and maintains a strong international presence with 40 branch offices and production facilities spread across 30 countries. In the United States, Klüber has established operations in Londonderry, New Hampshire, and Tyler, Texas. For the 2024 year, these two locations collectively support a dedicated workforce of 211 employees who are involved in the production, packaging, and global distribution of specialty lubricants.

Klüber primarily relies on local suppliers for sourcing its products, which include raw materials, processed ingredients, packaging components, and contract-manufactured goods. However, in specific cases where local sourcing is not feasible or optimal, these items may also be imported from affiliated companies within the group or from trusted global suppliers.

(j) Traxit

Traxit is based in Lyon, Mississippi and is wholly-owned by Klüber Lubrication USA under the Freudenberg Chemical Specialties Business Group. Traxit manufactures dry lubricants and precoats for the wire drawing industry. Traxit also imports products from KLGmbH (formerly Traxit International), which is headquartered in Schwelm, Germany and is a subsidiary of Klüber Lubrication München GmbH & Co. KG. Traxit's business activities include sales and product support services to customers in North and South America, including several customers in Canada.

Traxit purchases all raw materials and packaging supplies from US companies with which long-term and stable relationships have been established. KLGmbH sources raw materials and packaging supplies similarly from vetted long-term suppliers.

### 3. The Companies' Supply Chains

As detailed above, the Companies procure a wide range of products and inputs from many

suppliers. These products include food industry items, chemicals, filtration products, cleaning products, medical devices, and products used in the oil and gas industry.

Freudenberg is a manufacturing company which strictly monitors and audits compliance with laws regulations and Freudenberg Standards which are often stricter than the local laws. A significant portion of the consumer goods is sourced from Freudenberg Group's own factories, most prominently those in Ningbo, China, Augsburg, Germany, and Lazne Belohrad, Czechia. Similarly, most of the commercial products are manufactured by Freudenberg plants in Europe, Asia, and North America. This in-house manufacturing capacity is augmented by products sourced from our trusted supplier network. Understanding the risks inherent in complex supply chains and with mind to mitigating such risks, the Companies liaise with the Freudenberg Group's international procurement and quality team on the selection of audited offshore suppliers for various goods they source. The Companies also source inputs through local suppliers.

#### 4. Steps Taken to Prevent and Reduce Forced and Child Labour

The Companies are guided by the Freudenberg Group's values and subject to its policies and procedures when choosing and managing their supplier relationships and evaluating their supply chains. These values and policies/procedures are described below.

##### (a) Freudenberg Group Values

As a family-owned, values-based technology group, success for Freudenberg is fulfilling the company's responsibility for society as well as financial success. The two goals have been inextricably linked since the company's founding.

Strong company values are the yardstick for how we think and act. They guide our daily interactions and also define the values we use when dealing with customers, business partners, neighbours, and the environment. This commitment to values makes us a reliable partner globally.

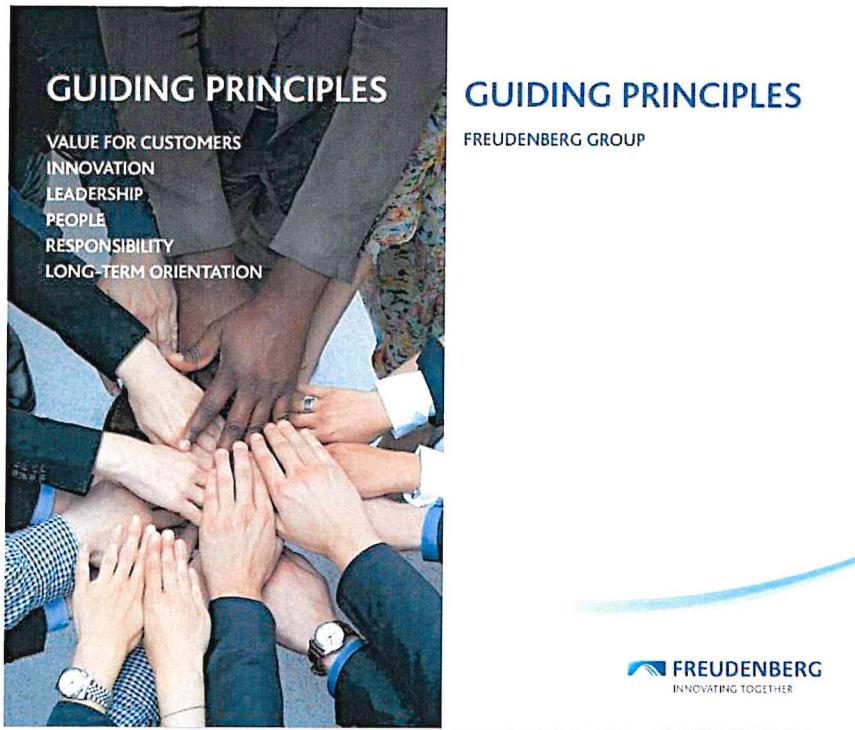
The Freudenberg Group is still family-owned, making it independent, long-term oriented and responsible in its actions. What guided our company founder Carl Johann Freudenberg still applies today. His "Allgemeinen Betrachtungen" (General Observations) from 1887 are the inspiration for our current Business Principles, built firmly upon the guiding principles. Every employee is an ambassador for these values and pledges to uphold an internal Code of Conduct, specifying practical workplace issues, including compliance, workplace safety, health, and environmental protection.



Reflecting the foundational values of the Freudenberg Group, the Freudenberg Guiding Principles balance the upholding of long-term profitability with achieving other goals in a wider social context and to assure sustainability. This wider social context includes social responsibility in all countries and communities in which we do business and a requirement that fairness and integrity guide our conduct amongst ourselves, our business partners, and the public.<sup>3</sup>

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<sup>3</sup> For more information, see Freudenberg Group's corporate responsibility [website](#).



Freudenberg Group complies with internationally recognized Human Rights and fundamental freedoms in accordance with the principles of the UN Global Compact.

(b) Freudenberg Group Code of Conduct

Freudenberg Group maintains a Code of Conduct that clearly communicates that the Freudenberg Group oppose child labour and any form of forced labour or slavery.<sup>4</sup> This Code of Conduct applies to all Freudenberg Group entities, including the Companies.

(c) Ethical Sourcing Policies and Practices

Freudenberg Group and the Companies individually maintain ethical sourcing policies and comply with ethical sourcing practices. These policies require suppliers, whether of finished products, semi-finished products, raw materials, or packaging materials, to comply with ethical standards and practices such as the UN Global Compact, International Labour Standards, and local laws and regulations ensuring:

- No child labour;
- No forced workers;
- No discrimination against employees;
- Treating employees with dignity and respect;
- Allowing freedom of association; and

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<sup>4</sup> See our [Code of Conduct](#).

- Appropriate compensation in terms of wages and working hours.

Several of the Companies have also implemented codes of conduct for suppliers that are tailored to their businesses and supply chains. These policies further reinforce the expectation that the Companies share: that all suppliers act with the same integrity, fairness, responsibility, honesty and commitment to sustainability. Principles formulated in these codes of conduct form an important part of supplier selection and evaluation for various Companies.

#### (d) Monitoring & Due Diligence

The Companies implement monitoring and due diligence measures that include:

- Requiring new direct suppliers to self-assess against Freudenberg Group's supplier codes of conduct and ethical sourcing policies;
- Assessing direct suppliers periodically, including through its Quality and Procurement teams for compliance with ethical sourcing requirements; and
- Requiring direct suppliers to document any non-compliance during on-site assessment and monitor and enforce compliance at the sub-supplier levels.

The Companies also use various screening processes and risk intelligence platforms that are tailored to identify specific supply chain risks applicable to their businesses. These include risk intelligence platforms and systems such as Descartes Visual Compliance, Prewave, AEB, Global Trade System (SAP), and IntegrityNext.

At the Freudenberg Group level, a cyclical reassessment program and close relationship with suppliers means Freudenberg Group is well-placed to monitor the effectiveness of its

modern slavery risk prevention and mitigation actions. Every year, Freudenberg Group's Quality and Procurement teams establish an audit plan based on importance of the suppliers, turnover, quality status, and supplier risk. Comprehensive Ethical Trade Assessment Reports are prepared as a consequence of on-site visits and comprehensive review undertaken by independent specialists such as EcoVadis. The in-depth reporting covers supplier factory conditions, on-site living arrangements and workplace welfare.

Freudenberg Group aligns itself with suppliers that are already supplying high quality brands to global retailers, allowing them to leverage other systems and process to ensure modern slavery breaches have minimal risk.

#### (e) Reporting Mechanisms

The Ethics Offices are an important part of Freudenberg Group's compliance management system. The Ethics Offices are available around the globe as a contact for both Freudenberg Group employees and third parties (such as suppliers or customers) for reporting an actual or imminent violation of the law or one of Freudenberg Group's Guiding Principles. The opportunity to confidentially and proactively report compliance violations or impending violations in a confidential environment helps create a culture of trust and protects Freudenberg Group's internal values and principles.

Freudenberg Group investigates all good faith complaints and resolves them in collaboration with local management.

Freudenberg Group's internal values and principles.

Freudenberg Group investigates all good faith complaints and resolves them in collaboration with local management.

## 5. Training

Freudenberg Group employees are expected to participate in the training offered by Freudenberg Group, contribute to the ongoing risk analysis in respect of human rights and environmental risks and the implementation of control measures to ensure compliance with the principles contained in its Code of Conduct.

Certain Companies also provide specific training programs that address forced labour, child labour, and supply chain risks. These include mandatory training modules through an LMS training system, webinars, seminars and conferences. Other Companies that do not currently provide employee training specific to forced labour have requested that their respective supply chain teams conduct such training in 2025.

## 6. Addressing and Remediating Forced Labour or Child Labour in our Supply Chains

As of December 31, 2024, the Companies have not faced situations of forced labour or child labour in their direct supply chains. As such, no Company has had to remedy and rectify such situations.

## 7. Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



MONICA NAVARRO

Secretary

May, 2025

I have the authority to bind CAPOL Inc., CAPOL, LLC, Chem-Trend Limited Partnership, EagleBurgmann Canada Inc., Freudenberg Filtration Technologies, Inc., Freudenberg Household Products, Inc., Freudenberg-NOK Inc. DBA Freudenberg-NOK Sealing Technologies, Freudenberg Medical, LLC, Freudenberg Flow Technologies, Inc., Klüber Lubrication NA LP, and Traxit North America, LLC