

# UN Global Compact

## *Communication on Progress 2020*



**ALBANY**  
INTERNATIONAL

*Over 125 years of engineered materials innovation  
with the highest ethical standards*

# UN Global Compact

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### Statement of Continuing Support



Albany International Corp. is a leading developer of highly engineered materials, components, and production processes that improve the efficiency, performance and sustainability of our customers' products and manufacturing processes. We serve our end-markets through two business segments: Machine Clothing and Albany Engineered Composites.

Machine Clothing is the world's leading producer of custom-designed process belts essential for the manufacture of all grades of paper products and engineered fabrics. Our belts are advanced textile materials that improve the quality, productivity, energy consumption, and water usage in the renewable-resource paper-making process.

Albany Engineered Composites is a rapidly growing supplier of highly engineered composite materials. We are the proprietary inventor of the next generation of composite materials—our 3D Woven Composite that is stronger and lighter than existing, traditional composites. Advanced composites provide significant weight savings and strength-to-weight benefits that lead to fuel efficiency and better performance in aircraft of all types, thus contributing to the improvement of fuel consumption, green-house gas emission, and aircraft engine and structure efficiency.

Since Albany International was organized in 1895, our policy has always been to comply with all laws and to adhere to the highest ethical standards as we do business around the world. For the 4,000 employees in the global Albany community, our core values of: Integrity, Respect, Accountability, Safety, Passion and Innovation are the pillars that support our vision and shape our culture and are a unifying force, no matter where we live and work. Our continued commitment to the UN Global Compact aligns with these core values.

Albany became a signatory to the United Nations Global Compact in 2019 and has worked to integrate the Ten Principles in the areas of human and labor rights, environment and anti-corruption, into our strategy, culture and day-to-day operations. In this year's Communication on Progress, we provide an overview of our framework, spotlight actions taken and highlight the progress made.

With warm regards,

A handwritten signature in dark blue ink that reads "Bill Higgins".

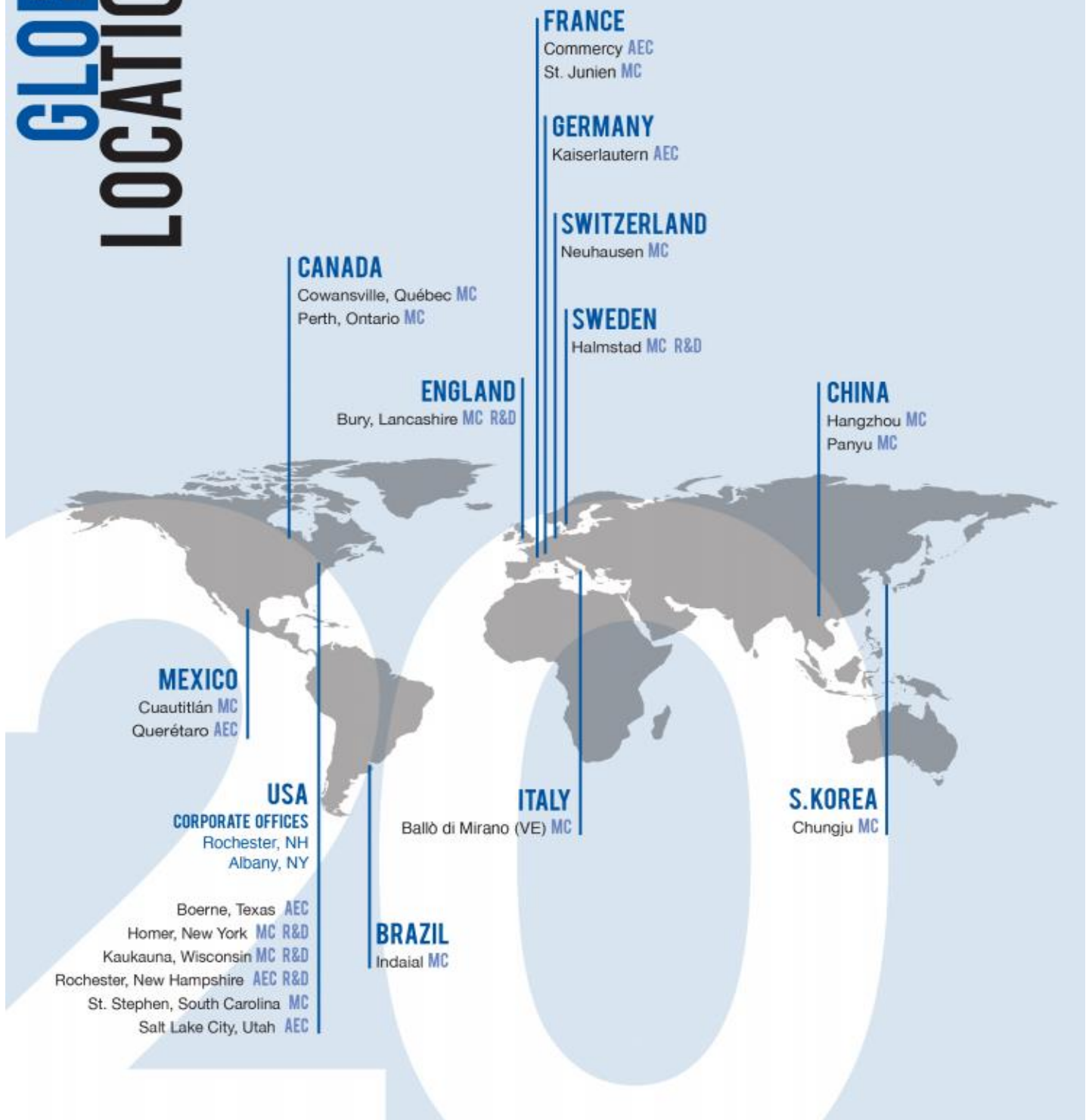
*Bill Higgins*  
*President and Chief Executive Officer*  
*Albany International Corp*



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### GLOBAL LOCATIONS



# UN Global Compact

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### Ten Principles of the UN Global Compact

#### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and  
Principle 2: make sure that they are not complicit in human rights abuses.

#### Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
Principle 4: the elimination of all forms of forced and compulsory labor;  
Principle 5: the effective abolition of child labor; and  
Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;  
Principle 8: undertake initiatives to promote greater environmental responsibility; and  
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



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### Human Rights

*Principles of the UN Global Compact: Businesses should support and respect the protection of internationally proclaimed human rights, and make sure that they are not complicit in human rights abuses.*

### Albany Spotlight – A Legacy of Human Rights and Safety First

Our employees safety, health and well-being is our first priority: When the COVID-19 pandemic started in early 2020, we took immediate action to ensure the health and safety of our employees. Learning early from our operations in China, we shared best practices globally, set up a centralized communications and decision-making structure—a Covid-19 Task Force—and immediately began reconfiguring our operations around the world. We adapted and improved as we went, redesigning work areas, using digital tools, working from home where possible, and exploiting our global footprint to shift production. Throughout the year, we constantly worked to further enhance safety and keep employees healthy as the pandemic evolved. Employees told us they felt safe coming to work at Albany and appreciated our focus on their safety, health, and well-being. We also made charitable contributions to homeless shelters, supported local communities, and donated food and supplies to those families most vulnerable during the pandemic.



### Albany Values

Human Rights and Albany's core value of Respect are embodied in our Business Ethics Policy ("BEP") and are reinforced through an Anti-Slavery & Human Trafficking Policy Statement that is published on our website. Our Ethics Policy sets expectations for how we conduct the business of the Company consistent with the highest ethical standards. Ethics training is required every year and applicable to all directors, officers and employees of the Company. We have a session that covers Human Rights and regular communications to ensure that all employees, visitors, contractors and others are aware of the Albany International Core Values. In Indaial, Brazil for example, we communicate and reinforce the Human Rights statement: "The Company supports global Human Rights and adheres strictly to the following: We do not employ child labor. We prohibit the use of any indentured or forced labor, slavery or servitude.

### Albany Initiatives

Albany hosted and celebrated an International Women's Day, Mother's Day and Breast Cancer Month and supported Junior Achievement, a worldwide organization dedicated to fostering entrepreneurship among grade school children in Brazil.

### Albany Business Ethics Policy

Albany adheres strictly to the following:

- We do not employ child labor.
- We prohibit practices that directly or indirectly support human trafficking, such as indentured or forced labor, slavery, or servitude against one's will.
- We provide pay and benefits that satisfy or exceed the local legal requirements.
- We are committed to practices that result in the inclusion of all employees and those that advance equal employment for qualified individuals.
- We strive to create and maintain an environment where all employees, regardless of cultural background, gender, race, color, religion, ethnicity, age, national origin, sexual orientation, gender identity, or disability, may reach their full potential with the Company.

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### Labor

*Principles of the UN Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.*

### Albany Spotlight – A Legacy of Labor Rights

Albany recognizes that its long, successful history and future opportunities are directly linked to dedicated, engaged and diverse employees. Albany currently employs over 4000 people, with significant operations in North America, South America, Europe and Asia. Wages and benefits are competitive with those of other manufactures in the geographic areas in which are facilities are located. A number of employees are members of various unions and work councils across our global operations. In the United States, Albany has been named to Forbes list of Best Midsize Employers in America.

### Albany Values

Labor Rights and our core value of Respect and Passion come to life in our HR Handbook and Business Ethics Policy. Harassment Prevention training is delivered on an annual basis to all employees globally and all leadership teams receive Diversity training.

### Albany Initiatives

Our Employee Value Proposition (“EVP”) enables us to create an outstanding Albany Employee Experience and to add value for our customers, stakeholders, and investors to enhance business success. EVP is the unique set of advantages that our employees receive for the value, knowledge, capabilities, and experience they bring to Albany’s success. Our Employee Value Proposition will help us with recruiting, developing and retaining our employee. We want everyone who works at Albany to understand the value they bring and the advantages of being a member of this great organization.

### Albany Business Ethics Policy

Albany is an equal opportunity employer. We will continue to be successful as people are treated fairly and allowed to advance and achieve their full potential. We are proud of the fact that we adhere to our policy to extend equal employment opportunities to all qualified employees and applicants for employment without regard to race, color, religion, sex, age, national origin, marital status, veteran status, sexual orientation, or disability, which if needing accommodation, may be reasonably accommodated as required by law. All phases of employment including, but not limited to, recruiting, hiring, selection for training, promotion, demotion, discipline, rates of pay or other compensation or benefits, transfer, layoff, termination, recall, use of all facilities and participation in all company-sponsored activities, will be administered so as to further the principle of equal employment opportunity.

### Politique de prévention du harcèlement

Mise à jour : 2018-12-02

#### PRÉAMBULE ET PRINCIPES

Albany International affirme que le respect et la dignité entre les personnes est une valeur fondamentale de l'entreprise et s'engage à maintenir un milieu de travail harmonieux de même qu'un environnement propice à sa mission.

Albany International considère que le harcèlement sous toutes ses formes porte atteinte à la dignité et à l'intégrité physique ou psychologique de la personne harcelée. Le harcèlement est prohibé, directement ou indirectement, par plusieurs instruments juridiques, notamment par la Charte des droits et libertés de la personne, par la Loi sur les normes du travail, par le Code civil du Québec et par la Loi sur la santé et la sécurité du travail.

En conséquence, toute manifestation de harcèlement à l'égard de nos employés, clients ou fournisseurs est inacceptable et sera sanctionnée. Chaque employé a donc la responsabilité de contribuer par sa conduite, à maintenir un climat de travail exempt de harcèlement psychologique. Albany s'engage à prendre toutes les mesures nécessaires pour prévenir et éviter de telles situations. De plus, elle s'engage à apporter, le cas échéant, les correctifs qui s'imposent afin de faire cesser tout harcèlement au travail et mettre fin à toute situation semblable qui pourrait exister au sein de l'entreprise.

### Discrimination Based on ...

**ALBANY INTERNATIONAL**

The diagram illustrates the concept of discrimination based on various factors. At the center is a group of diverse people, including individuals of different ages, ethnicities, and abilities (one person is in a wheelchair). Surrounding this central group are seven blue circles, each containing a factor of discrimination: Sexual Orientation, Race, Skin Color, National Origin, Gender, Age, and Religion. Arrows point from each of these circles towards the central group of people, indicating that these factors should not be used to discriminate against anyone.

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### Environment

*Principles of the UN Global Compact: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.*

### Albany Spotlight – A Legacy of Innovation & Technology Continues into the Future

Albany is an engineered materials company with a proud 125-year history of innovation. Energy efficiency is integral to the design and development of our products in both our business segments. In our aerospace composites business, the widespread adoption of lightweight composite materials has played an important role helping reduce fuel consumption and carbon emissions for all types of aircraft. Albany's unique and proprietary 3D Woven composite technology greatly expands the structural performance of composite materials and is currently helping make two of the most widely used aircraft, the Airbus A320neo and the Boeing 737 MAX, more efficient. For the next generation of aircraft, our 3D Woven composites can further enhance fuel efficiency by displacing heavier metallic structures in applications unsuitable for conventional composites. In our machine clothing business, we are the world leader in consumable belts used in the rigorous papermaking process. Our customers recognize the superior value our advanced belts can deliver in the papermaking process by reducing energy consumption and improving paper machine efficiencies—all beneficial in a world increasingly focused on the environment and sustainability.

### Albany Values

Environmental Responsibility and our core value of Innovation comes to life in our Environmental Standard. We take guidance from the International Standard for Environmental Management Systems, ISO 14001, as best practice.

### Albany Initiatives

Our location in Halmstad, Sweden, nearly achieved carbon neutrality, having 100% green electrical energy supplied to the plant. All electrical energy consumed in Sweden now has a zero CO2 emission impact, and is from 100% renewable sources like water, wind and sun (no fossil fuels or nuclear power). In Ballo di Mirano, Italy, production waste related to trimmed edges of felts (the biggest part of our production waste), the usage of which is 100% to produce energy. In Indaial, Brazil, 150,000 liters of rainwater collected in a tank was used as industrial water. In Homer, New York, USA, propane forklifts are limited to warehouse area only, while electric powered pallet jacks are used in production areas (unless a Non-Routine project requires a lift). In Cuautitlan, Mexico, as in other facilities, 90% of lighting is LED instead of traditional bulb. In Bury, England, zero waste goes to Landfill; 69% is recycled, 24% is used to generate energy, and 4% is categorized as hazardous.

### Albany Business Ethics Policy

Albany is committed to responsible stewardship of the environment through full compliance with environmental regulation, routine assessment of our environmental risks and reduction of our environmental impacts. We strive to implement best practices and policies for managing and improving our manufacturing processes, which are designed to limit the environmental footprint throughout the life cycle of the products we supply. In particular, Albany strives to:

- a. Reduce their impact on ecosystems and biodiversity.
- b. Optimize consumption of natural resources and energy.
- c. Reduce emissions of greenhouse gases, pollutants and volatile organic compounds.
- d. Reduce quantities of waste released and develop recycling and recovery solutions.



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### Anti-Corruption

*Principles of the UN Global Compact: Businesses should work against corruption in all its forms, including extortion and bribery.*

**Albany Spotlight** – *Integrity is one of Albany's Core Values, and we consider it integral to our business practices.*

We believe very strongly that working diligently to build and maintain a culture of ethics makes us a better Company. We are proud to be recognized as a world leader in innovation through our products. The integrity of our workforce is no less important. Albany employees understand our responsibilities and we ask questions if we don't understand. We never look the other way when we suspect wrongdoing may be occurring, rather we speak up and report. Albany utilizes EthicsPoint Helpline that is available in 26 countries and allows anyone to report actual or suspected violations of the BEP or any other compliance policy, actual or suspected questionable accounting or auditing matters, or concerns about internal controls. In the event of a report, the Ethics & Compliance Office works closely with our General Counsel to investigate thoroughly. The reports, together with the dispositioning thereof, are reported to the Audit Committee of the Board of Directors on a quarterly basis.

### Albany Values

Our core values of Integrity and Accountability come to life in our Ethics Absolutes and our BEP. Albany's Office of Ethics and Compliance is a global and company-wide function of the Legal Department and is led by the Global Director of Corporate Compliance who administers the BEP and also chairs the Corporate Policy Committee. Given the different cultures in each of the 12 countries where Albany operates, our employees have and will continue to encounter varying interpretations of business protocol. Albany provides employees with Business Ethics training to prepare them for any potential violations of our Business Ethics Policy and how to operate ethically. Ethics training is required every year and applicable to all directors, officers and employees of the Company.

### Albany Initiatives

Our CEO, CFO and Controller sign a Code of Ethics on an annual basis and through Ethics Absolutes, ongoing due diligence of sales agents via RiskRate and annual obtention of corporate integrity certifications, corruption risk is mitigated. Albany's position against corruption is not only the concern of our Ethics and Legal departments, but also our procurement and finance teams as well, comparing vendors' costs and financial data to discern manufacturing variances and to ensure fair competition.

### Albany Business Ethics Policy

The BEP is not a comprehensive rule book and does not address every situation that we may face. It provides the framework for ethical decision making and gives us the information we need to decide if, when, and how to seek help making an ethics decision. The BEP is available in 12 languages and is further enhanced and supplemented by an Invested in Ethics Practical Guide and over 20 policies supporting the Ten Principles. The table of contents of the BEP, along with a list of accompanying policies, is set forth in the Appendix.

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Ethics AiPortal

### EthicsAbsolutes

Home  
Ethics Absolutes  
Business Ethics Policy  
Practical Guide  
Letter from CEO  
Ethics and Compliance  
Training Center  
Report Wrongdoing



## Ethics Absolutes

You are already familiar with Albany's Safety Absolutes. Introduced and formalized by Russ Williams in 2012, this set of precise safety rules demonstrates Albany's unwavering commitment to Safety in a simple and clear format. The Safety Absolutes do not replace lengthier more detailed policies on safety, rather they highlight the major ideas in an easy-to-access format.

Albany's investment in Ethics is just as important as its commitment to Safety. Accordingly, we are proud to announce Albany's Ethics Absolutes. The Ethics Absolutes are based on our long-standing Business Ethics Policy and are designed to articulate the major rules clearly and succinctly.

Following these Ethics Absolutes is a condition of your employment with Albany. No matter where in the world you are doing business on our behalf, you are required to adhere to our BEP. These Ethics Absolutes are for your quick reference. Any violation of these Ethics Absolutes may result in disciplinary action up to and including termination.



If you have an ethics or compliance concern

# Speak Up!



1-888-291-7592 or

[www.ethicspoint.com](http://www.ethicspoint.com)

Ethics Point provides Albany International with a Helpline that allows you to report actual or suspected violations of our Business Ethics Policy. You can enter a report online or call the Helpline to report in your choice of languages. Your report is confidential and carries no risk of retaliation as long as it is made in good faith. International dialing instructions are available on the website: [www.ethicspoint.com](http://www.ethicspoint.com)



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### APPENDIX

#### BUSINESS ETHICS POLICY – *Weaving with Integrity*

##### Contents

1. Business Conduct
2. Accounting and Financial Reporting
3. Improper Pursuit of Personal Interest
4. Confidentiality and Inside Information
5. Health and Safety
6. Anti-Corruption
7. Anti-Money Laundering
8. Anti-Nepotism and Unfair Advantages
9. Payments or Gifts to and Interactions with Public Officials or Government Officials
10. Payments or Gifts to Non-Public Officials or Non-Governmental Officials
11. Trade Compliance and Export Control
12. Anti-Trust Laws and Regulations
13. Political Contributions
14. Human Rights and Respect for Employees
15. Sexual Harassment and Abusive Conduct
16. Environmental
17. Cyber Security and Social Engineering
18. Communication on Behalf of the Company
19. Compliance Monitoring, Investigations, and Disciplinary Actions
20. Advice with Respect to the Business Ethics Policy
21. Training Activities Associated with the Business Ethics Policy
22. Waivers of Compliance
23. Reporting Violations and the Whistleblowing Procedure
24. Company Contacts and Methods of Communication
25. European Addendum to the Whistleblowing Procedure

#### CORPORATE POLICY LIBRARY

[Business Ethics Policy Training](#)  
[Anti-Slavery & Human Trafficking Policy Statement](#)  
[Company Gifts](#)  
[Sexual Harassment Policy](#)  
[Abusive Conduct Prevention](#)  
[EEO Policy](#)  
[Employee Affirmative Action Plan](#)  
[Workplace Violence Policy](#)  
[Complaints and Concerns](#)  
[Anti-Retaliation Policy](#)  
[Employment at will Policy](#)  
[Workplace Investigations](#)  
[Third Party Due Diligence](#)  
[Conflict Minerals](#)  
[Global Trade Compliance](#)  
[Related Persons](#)  
[Health and Safety](#)  
[Environmental Standard](#)  
[Emergency Response](#)  
[Procurement Policy](#)