

Governance – Product Quality, Albany Engineered Composites

Overview

A rigorous and effective commitment to product quality assurance is an imperative of Albany International's Albany Engineered Composites (AEC) business.

To effectively compete and serve its customers AEC must

- be certified to meet and exceed rigorous aerospace industry quality and process standards,
- meet and exceed the unique quality and process control expectations of each of our customers, and
- execute our internal AEC Quality Policy designed to continually improve our quality management system and its processes.

Accredited To Rigorous Industry Quality Standards

Fundamental to all participants engaged in aerospace and defense manufacturing is the requirement to meet, and maintain **continuous independent certification**, to certain international industry standards.

AS9100/EN9100 Independent Certification

As a manufacturer of highly-engineered composite components and assemblies for a wide variety of commercial and military aerospace platforms all AEC facilities must undergo and pass periodic, detailed, independent audits of our quality systems to be certified as meeting the standards of AS/EN9100 Quality Management System – Requirements for Aviation, Space and Defense Organizations.

Nadcap Special Processes Accreditation

Because of the nature of composite manufacturing processes, AEC special processes undergo additional independent accreditation to help ensure those processes conform to our customers' and industry requirements. All AEC facilities maintain the Nadcap certifications relevant to the special processes performed at that site.

The Nadcap Special Processes accreditation program is administered by the Performance Review Institute (PRI) that conducts periodic, rigorous, standard-specific audits. These audits conduct extensive reviews of criteria-specific practices, personnel qualifications, approved equipment, and verification of defined procedures.

Partnering With Customers to Meet/Exceed Their Unique Expectations

We work intimately with our customers to meet and exceed their own quality and process control standards that supplement AS/EN9100 and Nadcap standards.

These standards tailored to the specific program we supply, the specific components we build, and specific processes we perform. These expectations will often include additional customer-conducted and government-conducted audits of our quality management system and processes.

Execution of the Albany Engineered Composites Quality Policy

AEC is committed to improving the value we provide to our stakeholders by:

- **Engaging AEC associates to perform the right work in the right way, with our core values in the forefront**
- **Utilizing our Quality Management System (QMS) to ensure compliance by continually improving system effectiveness**
- **Monitoring our processes and performance to key objectives**

The lynchpin of our quality success are our highly trained production and production support employees. **Each employee attends ongoing quality and continuous improvement training** tailored to their position and role. Our employee engagement efforts are designed to attract, train, engage and develop the talent needed by keeping our core values (Safety, Accountability, Integrity, Respect, Passion and Innovation) in the forefront.

Integral to our quality management system are our **comprehensive efforts to measure and track our performance** over time (KPIs) on a number of fronts to produce highest quality products, the first time, on time.

- Tool and equipment calibration
- Production monitoring (Statistical Process Control, First Pass Yield, Scrap, Rework)
- Non-destructive inspection & testing
- Root-cause analysis to address quality improvement opportunities at their source
- On-time delivery
- Customer feedback
- Comprehensive Internal Verification & Audit Programs

Our continuous improvement strategy is aimed at proactively improving system effectiveness across a spectrum of our business activities aimed at

- further advancing production quality,
- further enhancing employee engagement, job satisfaction and development,
- furthering productivity through Lean / 6-Sigma waste reduction techniques and automation,
- furthering efficient use of the company's financial resources.

SASB Product Safety Disclosures:

Albany International is categorized in the Industrial Machinery & Goods industry under the SASB's Sustainable Industry Classification System® (SICS®) and discloses information and data to that standard. Given the company's significant aerospace composites business, the company has elected to supplement its disclosure by reporting certain relevant Sustainability Disclosure Topics and Accounting Metrics contained in the SASB Aerospace & Defense standard. The reporting boundaries for the disclosure below include all parent and consolidated subordinate entities of Albany International Corp.

PRODUCT SAFETY						
SASB CODE	ACCOUNTING METRIC	CATERGORY	UNIT OR MEASURE	DISCLOSURE		
				2021	2020	2019
RT-AE-250a.1	Number of recalls issued, total units recalled	Quantitative	Whole number	Within our Engineered Composites Segment, we do not have the authority to issue a product recall. We have not been notified, nor are we aware of, a recall for parts or components manufactured by Albany.		
RT-AE-250a.2	Number of counterfeit parts detected, total units affected	Quantitative	Whole number	Not Applicable. Albany International Corp. does not purchase or produce any electronic components for the products we manufacture or assemble. All Albany International Corp. products are custom-produced or tailored for specific customer applications and are sold directly to our customers. As such, we do not believe counterfeit parts pose a material risk to our operations.		
RT-AE-250a.3	Number of Airworthiness Directives received, total units affected	Quantitative	Whole number	Not Applicable. As a supplier, our Albany Engineered Composites segment does not receive Airworthiness Directives. We are not aware of any Airworthiness Directive that has implicated Albany manufactured parts or components.		
RT-AE-250a.4	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	U.S. \$ x 1,000	None	None	None