



ALBANY
INTERNATIONAL

Sustainability Report

March 2024

2023

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About this Report

This 2023 Sustainability Report contains disclosure of environmental, social, and governance metrics relevant to Albany’s business, of interest to our stakeholders, as well as those aligned with the Sustainability Accounting Standards Board (SASB) standards for the Industrial Machinery & Goods industry. Given our significant aerospace composites business, we have elected to supplement this disclosure by reporting on certain relevant metrics from the SASB Aerospace & Defense industry standards. The reporting boundaries for the disclosure metrics include all parent and consolidated subordinate entities of Albany International Corp. This report covers sustainability disclosures for Albany International Corp. for the period of January 1, 2023 through December 31, 2023, unless otherwise noted. Please also see [Disclaimers](#) at the end of this report.

Albany International Corp. (Albany) is a leading materials science and technology company, with a history of innovation spanning over 120 years. We develop and manufacture highly engineered components, using advanced materials processing and automation capabilities, within two core businesses.

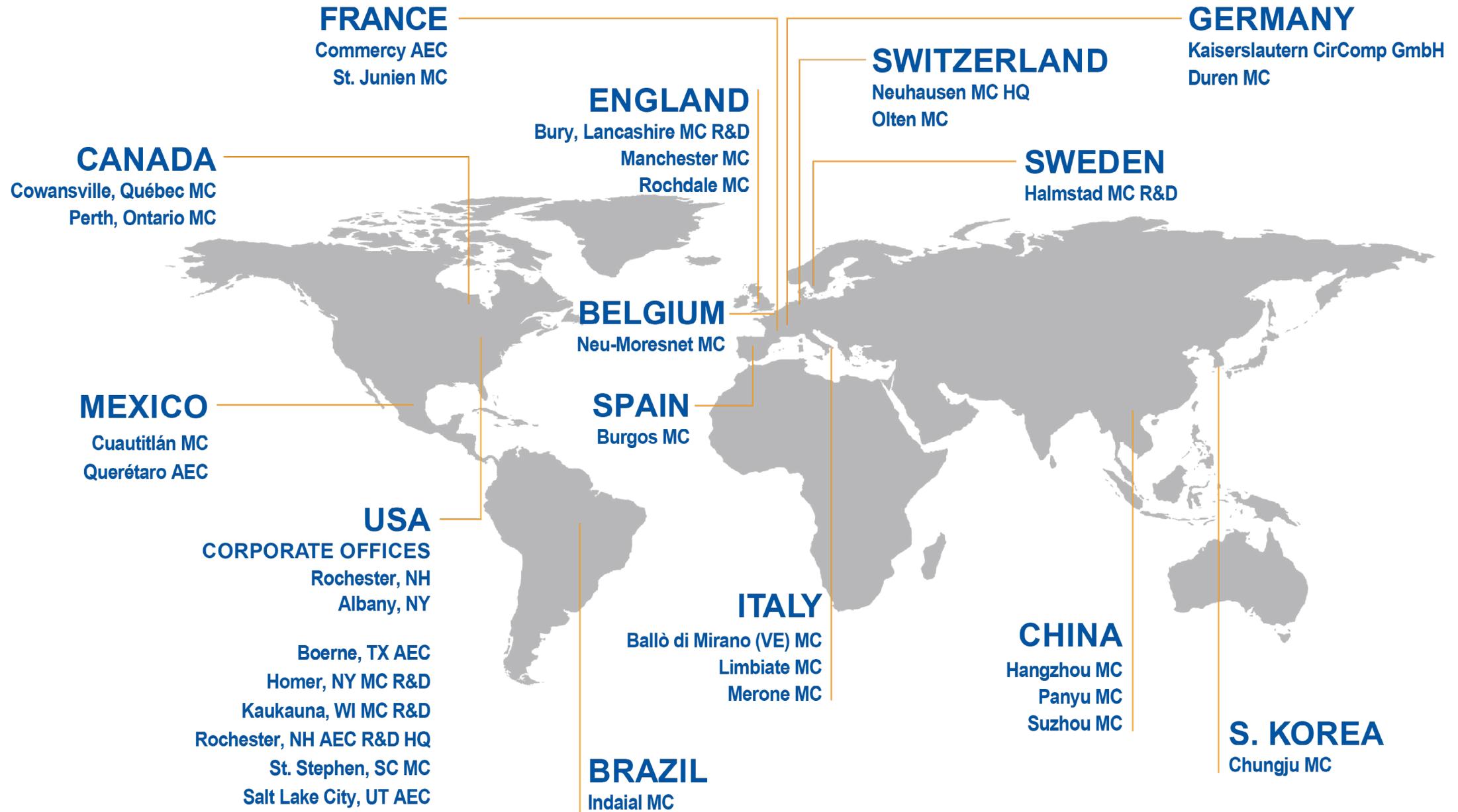
Machine Clothing (MC) is the world's leading producer of custom-designed, consumable fabrics and process belts essential for the manufacture of all grades of paper products. MC also supplies engineered process belts to industries including pulp and corrugator, building products and fiber cement, and textiles.

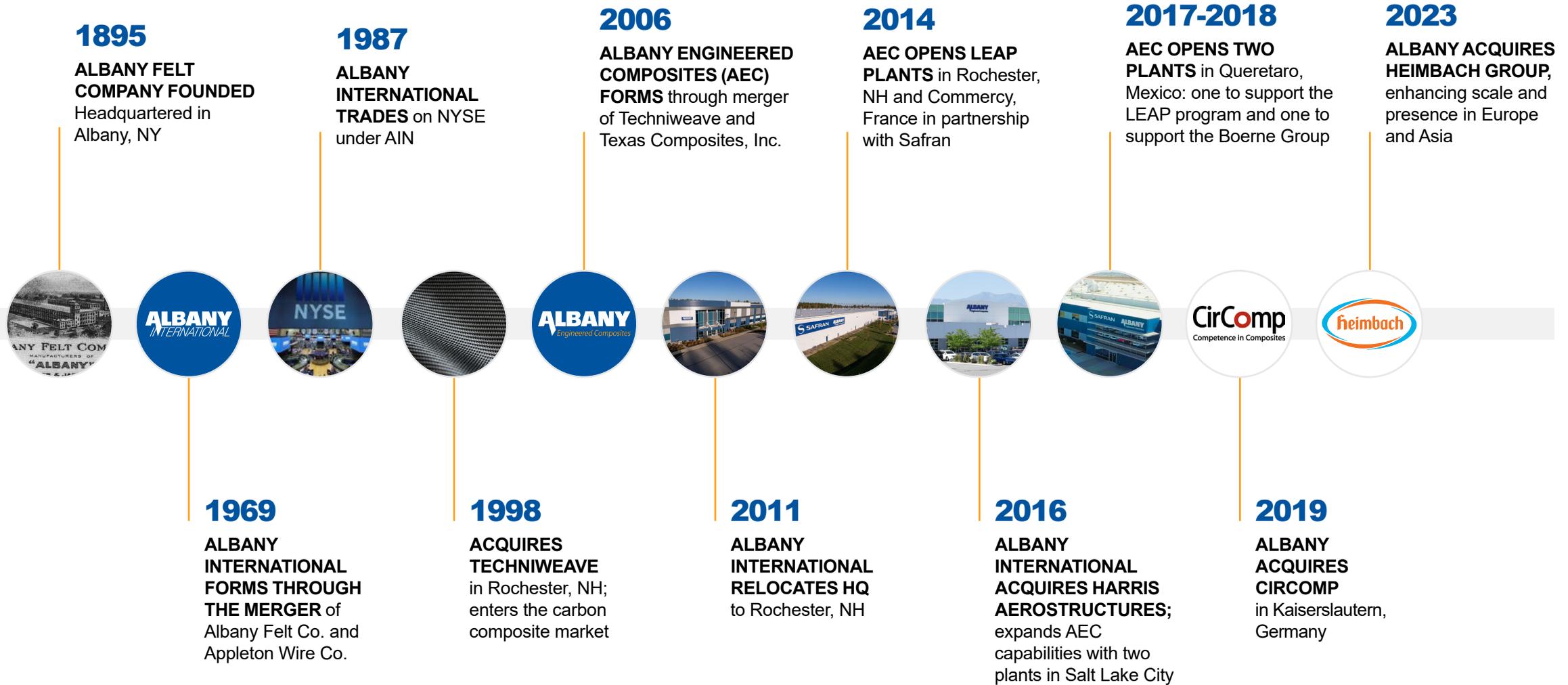
Albany Engineered Composites (AEC) is a growing designer and manufacturer of advanced engineered composite components for engine and airframe applications for commercial and military aircraft, missiles and unmanned vehicles, and for renewable energy creation and distribution.

Through these two businesses, we support our customers by creating more sustainable processes and end products by reducing energy and water consumption, enhancing resource efficiency, and improving fuel efficiency. We leverage innovation leadership, operational excellence, and the expertise of our skilled and engaged global team to drive consistently positive results for our company and our stakeholders.

We are committed to continuous innovation and science-based solutions to enable a transition to a more sustainable global economy. In our sustainability reporting we seek to demonstrate our progress against these goals as well as our commitment to transparency and industry collaboration.

Albany is headquartered in Rochester, New Hampshire, operates 32 facilities in 14 countries, and employs approximately 5,600 people worldwide.





**Message from
Gunnar Kleveland,
President & CEO,
Albany International
Corp.**

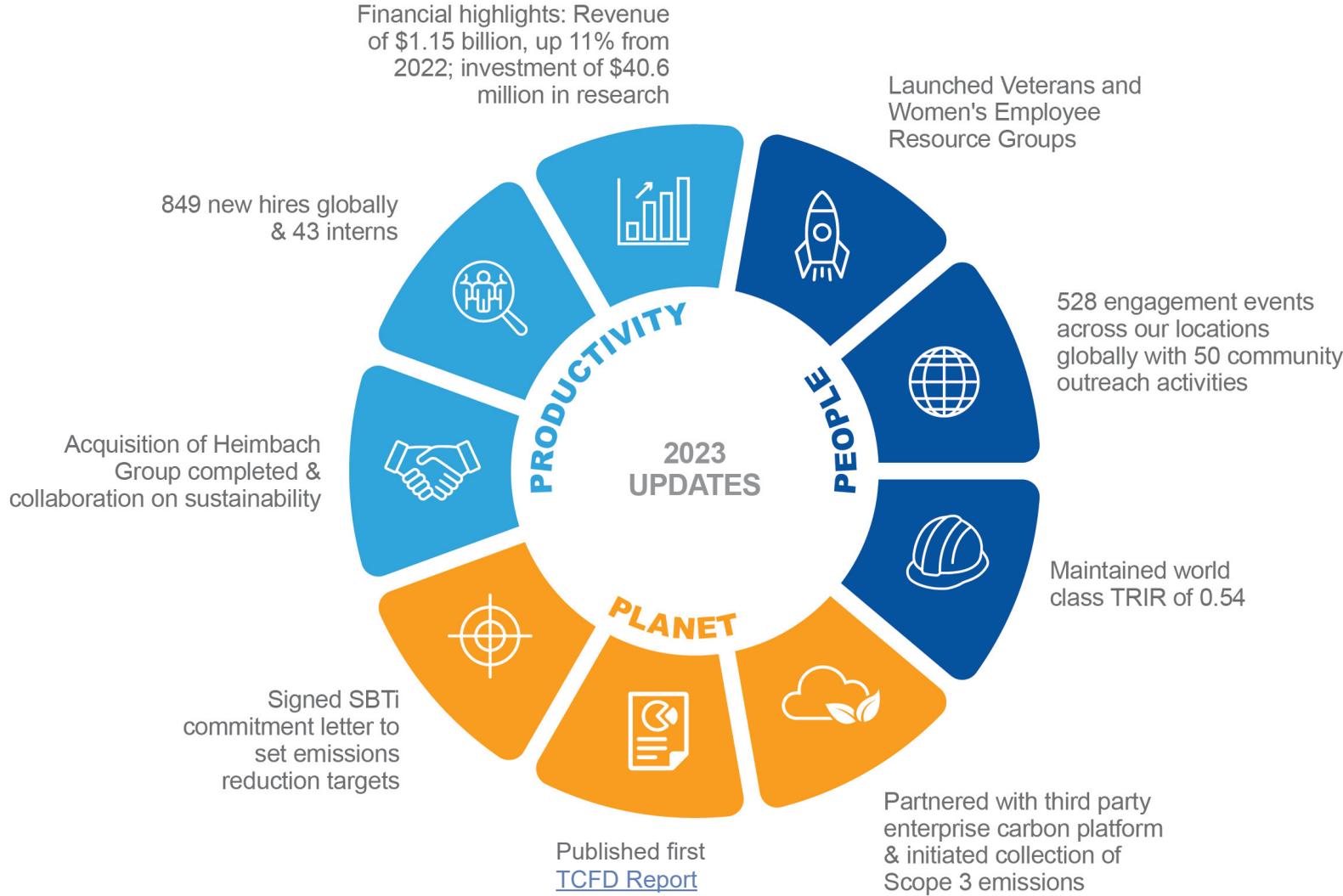
As a corporation with many facilities around the globe, we have a tremendous responsibility to ensure that we operate responsibly and continue to reduce our environmental impact. Product lifecycle, from the development of raw material to what happens to our products at end-of-life, are all part of our efforts. We are also developing technology and components to help our customers reduce their products' impact on the environment. And, when we are recognized by Newsweek as one of America's Most Responsible Companies 2024, I know we are on the right path.

This only happens because we work hard to improve in all aspects of our company. Continuous improvement is core to Albany, and it is also how we will reach our sustainability goals. In 2023, we started collection of Scope 3 emissions, committed to setting near term emissions reduction targets aligned with the Science Based Targets initiative (SBTi), and launched work on lifecycle assessment and product carbon footprint, to mention a few of our initiatives.

Central to our approach is not only that we become a more sustainable business and that we are a great and safe place to work, but that we continue to be strong, profitable, and successful. This happens when a great team works together, listens to each other, and has a relentless focus on results.

I am proud to have become a part of this team.





We are committed to sustainable practices in our business, work environment, and communities, and we focus on maximizing productivity and value for our people and the planet. That said, we do understand the value to our stakeholders of external ratings, and we use external frameworks and feedback from those such as CDP, EcoVadis, MSCI, Sustainalytics and others to build on our continuous improvement and learning focus when it comes to sustainability.



SILVER in 2023



'A' in 2023



'STRONG ESG MANAGEMENT'



2023 DISCLOSER



America's **MOST RESPONSIBLE** Companies 2024

Macro Trends | Driving Our Strategy

Carbon is the currency of our business - it is the primary component of the core raw materials for both our MC and AEC segments: petroleum-based polyethylene terephthalate (PET) and carbon fiber, respectively. Carbon also happens to be the driver of our most pressing global environmental challenges.

But at Albany, responding to and thriving amongst complexity is one of our greatest strengths. We help customers in demanding, constantly evolving industries to solve complex challenges with our innovative products and technologies. We also recognize our place in the resource-intensive manufacturing sector. We are committed to doing our part to contribute to the goals and objectives of the Paris Climate Agreement, which necessitates a wholesale transition in our energy economy, as well as measures to mitigate both atmospheric carbon and the associated effects of climate change.

The transition to a more sustainable global economy will require a reimagining of the industrial economy, from 'brown to green.' Notoriously hard to abate industrial sectors, such as aviation, will likely come under increasing scrutiny from both governments and customers to adopt more sustainable practices. The trend towards circularity is also gaining momentum, reducing reliance on fossil-based and virgin materials, particularly when vast quantities of materials are required to fuel the energy transition. The linear, extractive economy will need to give way to a more circular model, driving innovation and creativity - one example being new technologies to create carbon fiber from methane, a potent greenhouse gas and a by-product of oil and gas production, as well as other non-petroleum feedstocks.

Another notable trend of importance to our MC business is that of changing consumer preferences and demographics. Growing awareness of environmental challenges and younger, more environmentally conscious generations gaining purchasing power is leading to an increasing desire to replace plastic with more renewable, recyclable, and compostable alternatives, which bodes well for our customers in the paper and packaging industry.

Ongoing supply chain challenges and geopolitical conflict have led to increases in the cost of energy. This, combined with the significant investment needed in clean energy¹, presents opportunity for our technology and our capacity for innovation, and as such we expect to build on our product partnerships with the renewable energy sector. Geopolitical conflict also tends to drive defense spending, which is another important market for us in AEC.

As economies continue to recover from the pandemic, we expect to see airline traffic surpass pre-pandemic levels, as well as a concerted effort from the industry to reduce emissions.² Our technology, particularly our proprietary 3D woven technology, is well positioned for next generation aircraft both for general aviation and the rapidly evolving eVTOL market.

While as a global economy we have many challenges to address, at Albany we view these macro trends as opportunities. Our advanced materials technology and relentless pursuit of technological advancement and innovation fuels our business to stay ahead of regulatory and customer demands, continuing to provide industry-leading performance across our products, health and safety record, and the environment.



¹An estimated \$4 trillion in clean energy investment will be needed each year between now and 2030 to reach net-zero emissions by 2050, according to the [International Energy Agency](#).

²[IATA Commitment to Fly Net Zero by 2050](#)

Creating Business Value

CAPITAL INPUTS

SOCIAL & INTELLECTUAL CAPITAL

People: skills, knowledge, intellectual property

Research & technology

Collaboration with customers, partners, suppliers, industry associations & academia

Engagement with our communities

NATURAL CAPITAL

Raw materials: carbon fiber, resin, PET, etc.

Energy

Water

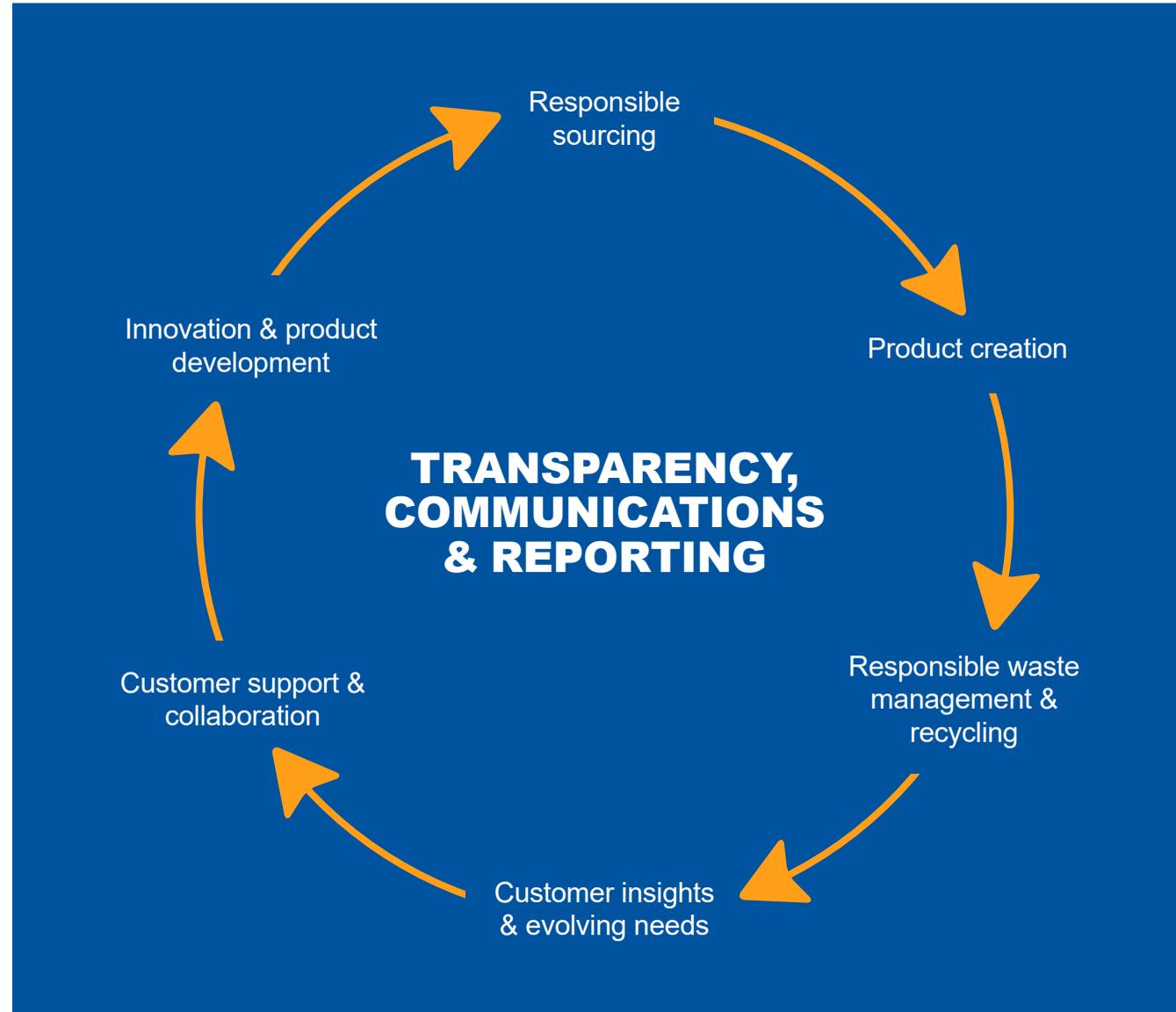
BUSINESS CAPITAL

Infrastructure & technology

Financial assets/access to capital

Governance & accountability

- Policies & procedures
- Internal controls
- Enterprise risk management



BUSINESS OUTPUTS & IMPACTS

PEOPLE

Health & safety

Employment & skills

Innovation & opportunity

Community engagement

PLANET

Product quality & stewardship

Carbon footprint

Water & waste

Supply chain footprint

PRODUCTIVITY

Innovation & product development

Shareholder value

Business growth & resilience

Continuous improvement

Our business is centered around driving success for our customers. Our products are designed for performance and quality, while enabling our customers to improve their environmental footprint through more sustainable and efficient processes and end products.

Machine Clothing

Our paper machine clothing products enable our paper-making customers to reduce their own environmental footprint by reducing their energy and water consumption, improving resource efficiency, and helping maintain water quality.

Energy is one of the top three cost components in the paper making process. Our machine clothing solutions use innovative technologies to reduce the amount of heat energy required for paper production. We continue to innovate and remain focused on developing and bringing to market proprietary products aimed at improving the energy and resource efficiency needed for our customers' products and their production processes.

Highlights include:

- Our products are able to reduce energy consumption of paper making machines by allowing the machines to operate at the same speed and performance while consuming 10% to 15% less energy.
- Our products support our customers in the shift to less resource intensive packaging and lighter weight paper grades while maintaining all of the necessary physical properties for packaging transport and use. This results in a more efficient utilization of wood fiber, and also less energy needed to transport products throughout the supply chain.
- Our products reduce belt contamination, which results in fewer required cleanings and therefore lower water consumption, and often less use of cleaning agents.
- Significant R&D efforts including those targeting thermoplastic structures, which can be recycled.

Albany Engineered Composites

In aerospace, weight savings that drive fuel efficiency are essential for meeting industry goals for sustainable aviation. This fundamental design goal has driven the increased use of lightweight composite structures in an ever-broadening sphere of aerospace applications.

We have applied learnings from our 128+ years of experience manufacturing Machine Clothing to pioneer 3D weaving technologies to manufacture our composite material. The process involves layering and interweaving fibers in a precise, computer-controlled process to create complex, high-strength parts that allow for the production of lightweight and strong composite parts with high-performance properties, and complex geometries. The high strength, stiffness and resistance to impact and fatigue make these products well-suited for use in aerospace, defense and industrial applications. These structurally demanding applications have historically been served by heavier, metallic structures, and traditional laminated composites do not possess the required structural characteristics that 3D woven can offer.

“Advances in digitalization together with composite manufacturing innovations are demonstrating cost effective and higher-rate processes with reduced waste and energy consumption to produce next generation sustainable and lightweight composites products.”

**BRENT STEVENSON,
AEC'S SVP OF RESEARCH AND TECHNOLOGY**

As such, our proprietary 3D woven technology expands the role that lightweight composites can serve as the next generation of aircraft is designed and built:

- Albany's advanced 3D woven wing rib technology demonstration article is focused on reducing aviation emissions and demonstrating the importance of large-scale industry collaboration to achieve that goal.
- Albany's proprietary 3D woven composite technology helps make the CFM International LEAP turbofan engine significantly lighter and more durable resulting in ~15% better fuel efficiency.
- The use of composite parts in the Sikorsky CH-53K heavy-lift helicopter for the U.S. Marine Corps improves fuel efficiency and extends the aircraft range.

Our AEC business also develops solutions that champion sustainable energy. Through innovative composite technologies and advanced manufacturing processes, we contribute to the creation of energy-efficient components, reducing the environmental footprint and supporting the renewable energy sector.

Lifecycle Assessment

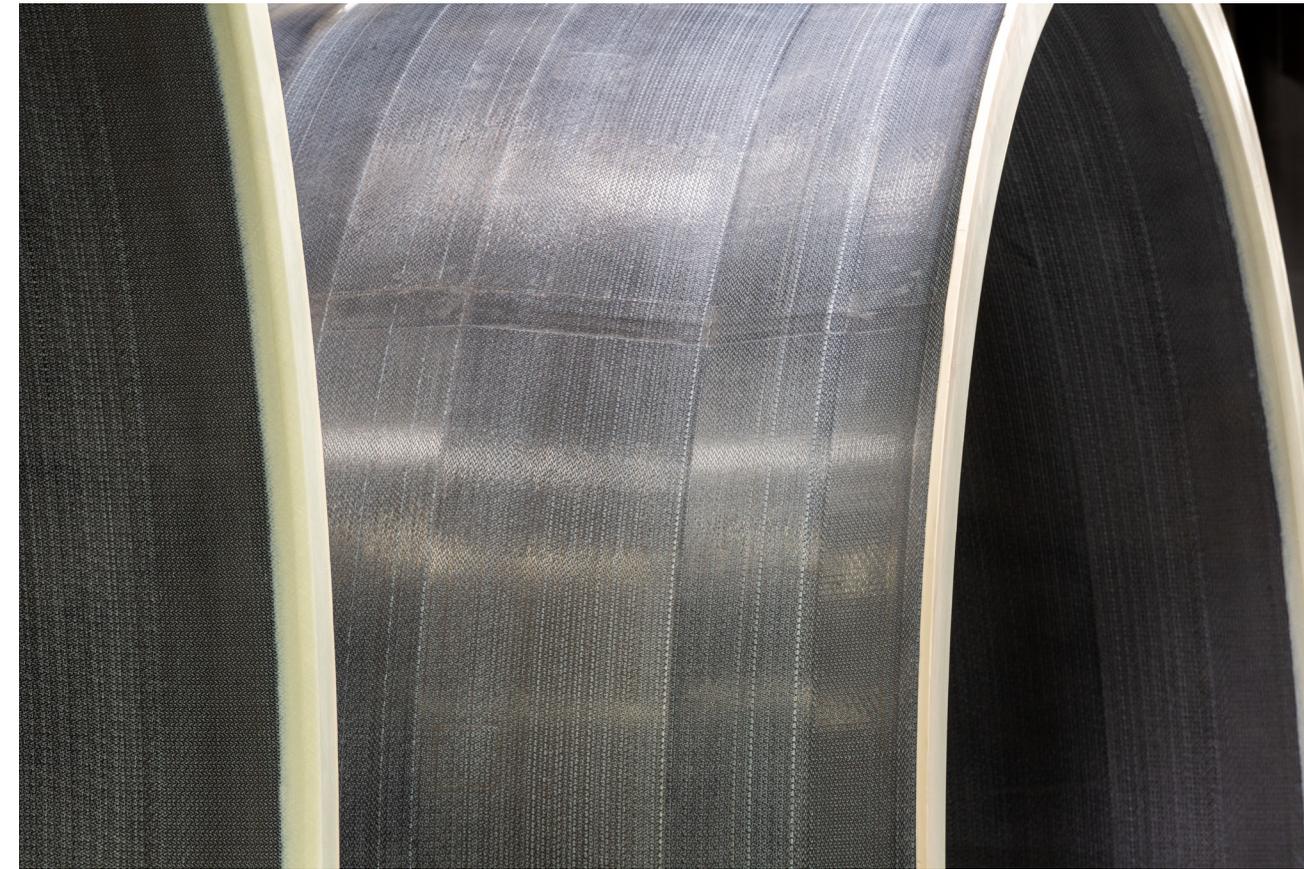
In 2023, we partnered with Northeastern University for a Lifecycle Assessment (LCA) on the CFM International LEAP engine fan blade. The main objective of the study was to compare and analyze the impacts of using carbon fiber composite versus the more traditional titanium as the raw material for the engine fan blade. The scope of the study was 'cradle to gate,' i.e., it did not include the use phase or end of life of the fan blade due to time and data constraints. However, Albany plans to continue this project to include the use and end of life phases.

Key findings were that polyacrylonitrile (PAN), the precursor to carbon fiber, and electricity consumption were the highest contributors to the environmental impact of manufacturing a single carbon composite fan blade. Therefore, the use of renewable energy in the manufacturing process and investigating alternatives to PAN, such as recycled carbon fiber or carbon fiber from alternative sources, such as a bio-based feedstock, could substantially reduce the environmental impact of the manufacturing phase.

The study also found that the global warming potential of the 3D woven carbon fiber fan blade was significantly less than the global warming potential of an equivalent titanium fan blade (83 kg CO₂e/fan blade versus 349 kg CO₂e/fan blade).

However, the biggest impact of an aircraft's lifecycle emissions occurs during its use phase, therefore any weight savings that can reduce emissions during the use phase will be beneficial to the overall lifecycle emissions of an aircraft. The estimated fuel efficiency (~15%) gained through the use of Albany's 3D woven carbon fiber for the LEAP engine fan blade is therefore a significant environmental advantage throughout the use phase, as compared with titanium.

The LCA has provided new insights into how we can prioritize initiatives to reduce the environmental impact of the manufacturing phase, as well as collaborate with our partners and customers, and we look forward to continuing this work.



Product Quality and Continuous Improvement

We are continuously advancing our technology through both evolutionary and revolutionary product engineering, saving time and resources and fostering new product concepts to benefit our customers. In 2023, we invested \$40.6 million in research, or 3% of total company net revenues.

Particularly with our ongoing integration with Heimbach Group, we are seizing the opportunity to identify and implement best practices across the two businesses.

We have a rigorous commitment and effective approach to product quality assurance and are committed to providing innovative, quality products and services that are delivered on time to meet our customers' needs.

Machine Clothing

The Albany MC business is committed to ensuring customer satisfaction and market leadership by:

- Meeting and exceeding international industry quality standards and certification requirements.
- Meeting and exceeding our customers' unique product and service expectations.
- Executing the MC Quality Policy and continuously improving the MC Quality Management System.

International industry quality standards provide assurance to our customers and additional stakeholders that each element of the quality system meets or exceeds expectations and is continuously improving.

All MC manufacturing facilities maintain ISO 9001:2015 Quality Management System certification by undergoing regular and periodic internal and external audits to confirm requirements, identify opportunities, and verify continuous improvement of the quality system. Our MC business continuously improves the effectiveness of the quality management system through the use of policies, objectives, audit results, analysis of data, corrective and preventive actions, continuous improvement routines, and management reviews.

All MC employees and contractors engaged in any aspect of the production process attend ongoing training, tailored to their position and role, to improve the overall effectiveness of the MC Quality Management System. Best practices are shared and implementation tracked to accelerate improvement activity across the global organization, while continuous improvement routines sustain the results.

Albany Engineered Composites

To effectively serve our customers and remain competitive, our AEC business 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.
- Execute our internal AEC Quality Policy designed to continually improve our quality management system and processes.

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

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/EN 9100 Quality Management System – Requirements for Aviation, Space and Defense Organizations.

Because of the nature of composite manufacturing processes, AEC special processes undergo additional independent accreditation to ensure those processes conform to our customers' and industry requirements. All AEC facilities maintain the Nadcap certifications³ relevant to the special processes performed at that facility, which includes third-party audits of practices, procedures, and personnel qualifications, in addition to other requirements.

The cornerstone of our quality success is our highly trained production and production support employees. Each employee attends ongoing quality and continuous improvement training tailored to their position and their evolving roles and responsibilities.

³The 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.

Integral to our quality management system are our comprehensive efforts to measure and track performance over time through a set of key performance indicators to produce the highest quality products, the first time and on time, such as:

- Tool and equipment calibration.
- Production monitoring (statistical process control, first pass yield, scrap, rework).
- Non-destructive inspection and testing.
- Root-cause analysis to address quality improvement opportunities at their source.
- Customer feedback.
- Comprehensive internal verification and audit programs.

Our continuous improvement strategy is a key part of our culture and is aimed at proactively improving system effectiveness across the spectrum of our business activities by:

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

IN 2023, OUR AEC BUSINESS COMPLETED:

10,218
SOLVE-ITS*

228
CONTINUOUS
IMPROVEMENT
EVENTS

FACILITATED
\$8.8M
IN PROCESS
PRODUCTIVITY
IMPROVEMENTS

*Employee suggestions to improve procedures, larger processes, or products

IN 2023, OUR MC BUSINESS COMPLETED:

150 4-STEP CONTINUOUS
IMPROVEMENT
PROGRAM
CERTIFICATIONS



The health and safety of our employees is our highest priority, and drives the successful execution of our business. In 2023 our TRIR was 0.54. This achievement in a year where we onboarded 849 new employees is demonstrative of how fundamental safety is to our global culture. Our objective is always zero injuries at work, and our entire organization from the Board of Directors to our teams on the shop floor work together towards this goal.

Our culture of safety is defined by our Board of Directors, which reviews safety at the start of every quarterly meeting, and is further reinforced by our CEO and Business Segment Presidents at every opportunity. Safety results and areas of focus are discussed in quarterly ‘Town Hall’ briefings for all employees. Further, the Board of Directors has tied a portion of each Executive Officer’s compensation to the achievement of TRIR goals across the entire company.

As in previous years, in 2023, an independent third-party performed comprehensive safety audits at several facilities, which served to enhance our overall safety through increased visibility, knowledge, and compliance. In 2023, we launched our Human Factors Safety Program which aims to build strategies and interventions that reduce and mitigate human errors by developing an awareness of the individual factors that can impact human performance and lead to errors, near misses or incidents.

	2023	2022	2021	2020	2019
Total Recordable Incident Rate	0.54	0.48	0.68	0.84	1.40
Proactive Safety Actions	17,304	18,098	16,500	11,825	7,031

Albany Safety Absolutes

Always follow lockout/tagout procedures.

Always operate powered equipment with proper training, license or certification.

Always operate equipment with guards and safety devices in place.

Always stay away from possible impact areas from suspended loads and overhead work.

Always report all accidents immediately.

Health and Safety Management System

Health and safety training begins in the onboarding process and continues throughout each employee's career at Albany. All employees receive initial training and periodic refresher training on hazards that apply to their work, with a focus on high-risk activities. Training programs are typically created through a collaboration of environmental, health and safety (EHS) professionals, engineers, supervisors, and employee content experts.

We use a variety of occupational health services at our global facilities. Our facilities have either an occupational health nurse on-site, employed or contracted, or a contractual arrangement with a local occupational health clinic. We regularly utilize outside consultants and contracted services for industrial hygiene evaluations and improvements specific to the location and the nature of its work. One of these consultants in the U.S. is Fit For Work, a nationwide leader in injury prevention and workplace safety. Fit For Work provides customizable injury prevention and safety solutions to prevent employee injuries through a combination of early intervention, ergonomics, employee testing, and safety compliance. At the two Albany sites where Fit For Work was piloted, they completed 1,226 interventions and interactions in 2023.

Our safety management system was developed based on regulations in the global locations in which we operate. Our system goes beyond compliance and incorporates industry expert advice, global best practices, and internal risk analysis. It covers all employees and supervised contractors in all locations and is supplemented by a detailed and robust [Contractor Safety Program](#).

Health and safety is led by our EHS leaders in each business, in coordination with corporate EHS and sustainability, all of whom work closely with a dedicated team of EHS professionals across our global locations.

Risk Management

We believe every employee has accountability for safety, and we expect all employees to actively participate in our culture of safety with incident reporting, analysis, and improvement activity.

All employees are trained to stop work whenever they are uncertain about their safety or the safety of others via a process called Stop-Call-Wait. We do not tolerate any reprisals for stopping work or reporting a hazard concern.

Health and safety committees provide a structured process for employees to raise safety concerns, propose improvements, and provide input on proposed changes. Health and safety committees are comprised of employees, managers, and safety professionals and are operated in accordance with local regulations.

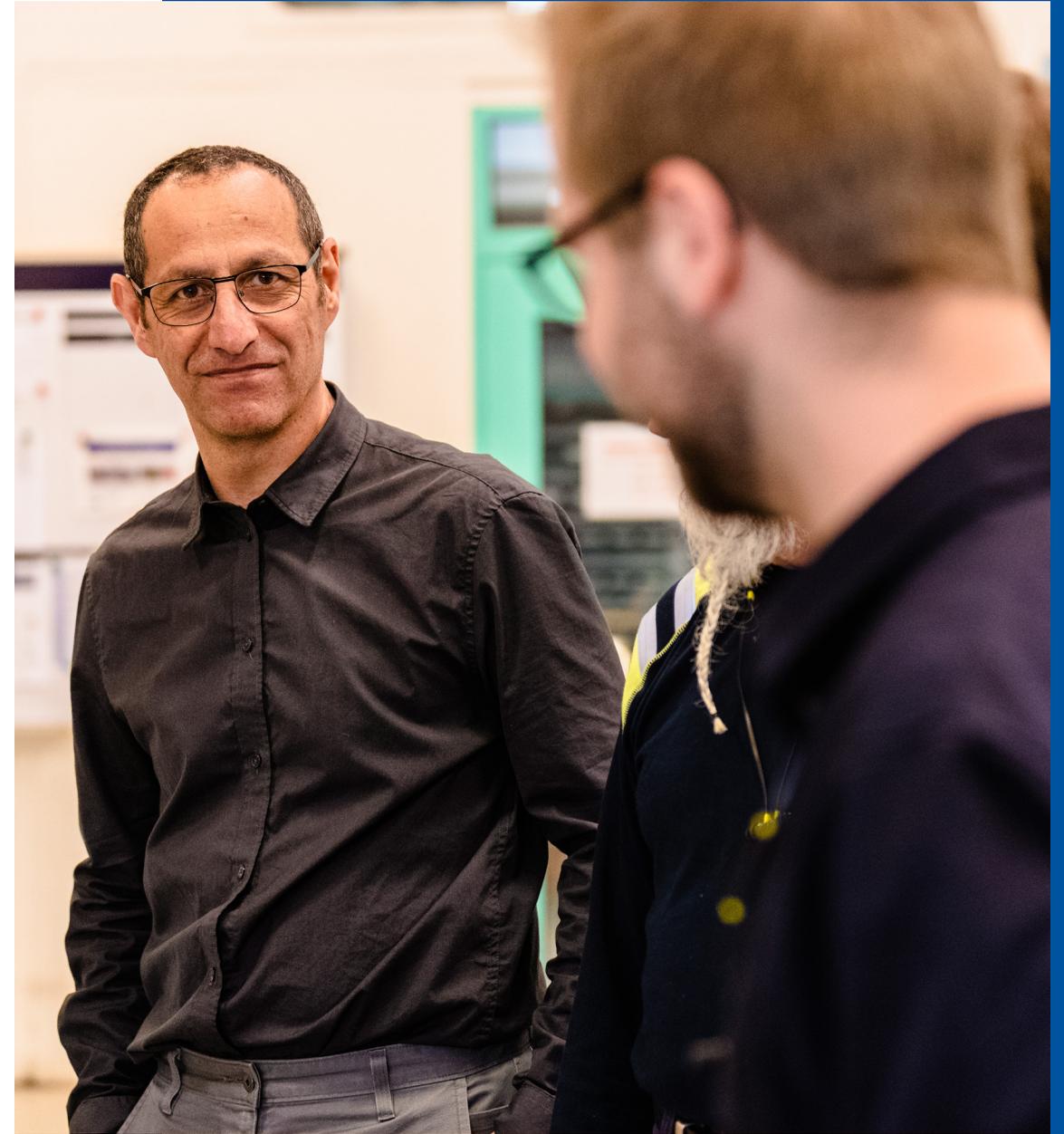
When an incident occurs, we use teams with diverse skillsets and perspectives to investigate and identify learnings and improvements, including safety professionals, process engineers, maintenance engineers, area managers, and employees experienced in performing the relevant tasks.

Customer Facilities and Contractors

Our field engineers, who routinely work at customer facilities, receive similar training to our manufacturing employees and are required to follow all Albany safety expectations. Additionally, field engineers receive training from, and are expected to follow all safety expectations of, the customers they support.

Albany has a Contractor Safety Program to ensure that contractors understand and comply with the Albany safety expectations and policies. This includes our Contractor Safety Standard which entails, but is not limited to, screening and pre-qualification; contracting process; training and induction of workers; job/project safety planning; daily work plan and safety brief; job/project walkthroughs and work observations; site management oversight; and project closure, acceptance and hand-off.

In 2023 we initiated a partnership with a third party to manage the pre-approval process for all of our contractors and vendors who perform work on site, and we are preparing to roll out this program to all contractors and vendors.





Albany is committed to responsible stewardship of the environment, which includes full compliance with environmental regulation everywhere we operate. And we are committed to going beyond regulatory requirements, implementing responsible and intentional strategies to continually minimize our environmental impact.

Each facility has an EHS lead who works closely with the business EHS leaders and the corporate EHS and sustainability team. The business EHS leaders have overall responsibility for environmental regulatory compliance.

Energy and Greenhouse Gas (GHG) Emissions

In 2022, we completed efforts to gather, aggregate, and report comprehensive and comparable information on the energy use and emissions across the 23 Albany facilities in the 11 countries where we have historically operated, in accordance with the GHG Protocol for Scope 1 and Scope 2. We also developed and integrated a global environmental dashboard to assist with tracking and monitoring emissions across the entire company.

In 2023, Albany partnered with an independent third-party enterprise climate platform to enhance measurement, reporting, and reduction of our carbon emissions. This work sets the foundation for calculating Scope 3 emissions and, importantly, developing a climate transition plan to address both our products and services as well as our company operations and manufacturing footprint.

We also signed a commitment letter with the Science Based Targets Initiative (SBTi) that commits us to establishing near-term Science-Based Targets. The SBTi's goal is to accelerate companies across the world to support the global economy to halve emissions before 2030 and achieve net-zero before 2050.

Now committed to SBTi, we will set formal emissions reduction targets and goals aligned with the Paris Agreement's ambition of limiting global temperature rise to 1.5°C.

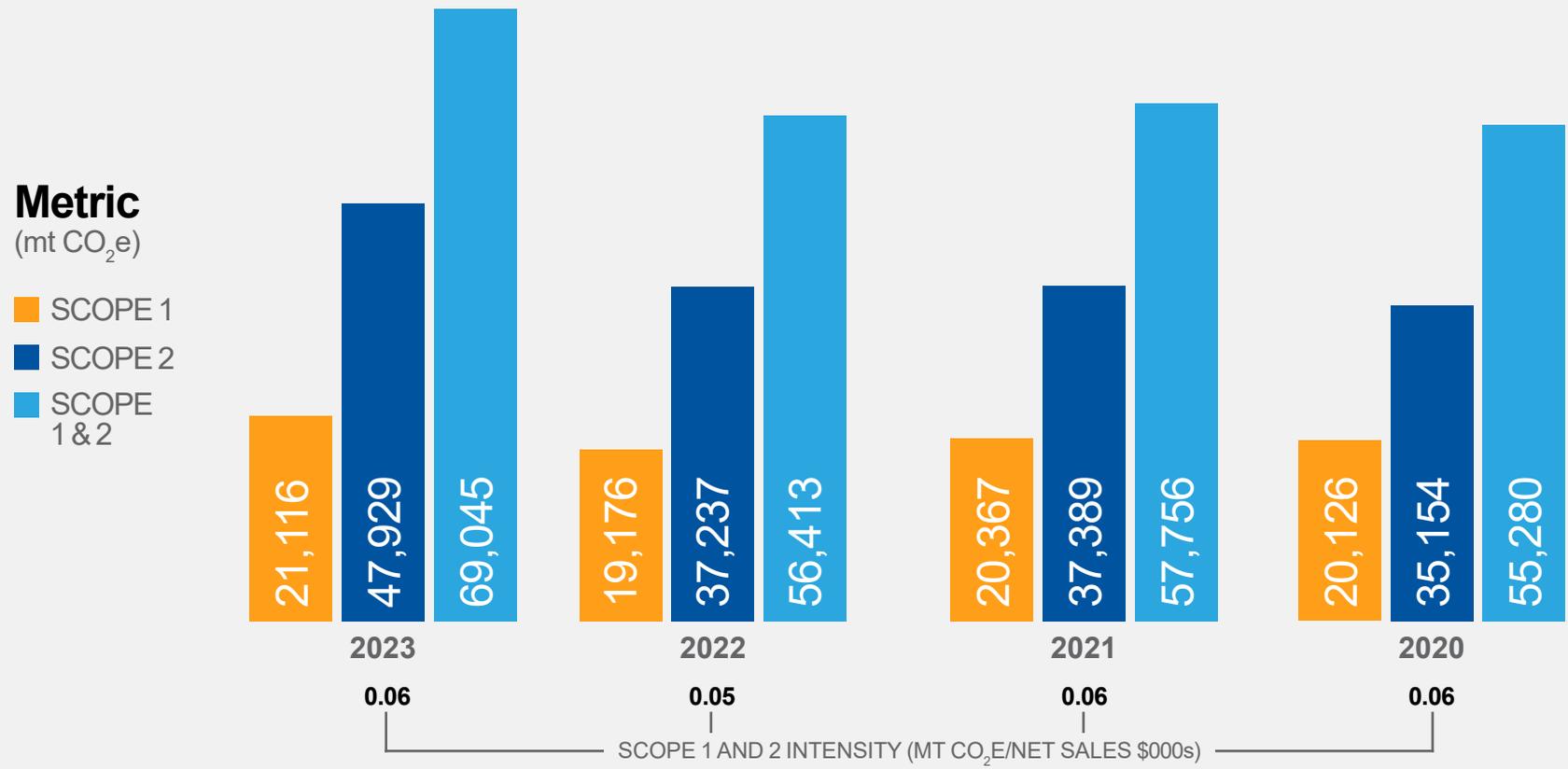
This commitment has the full support of our Board of Directors and Senior Leadership Team, and we look forward to developing these science-based targets along with a comprehensive emissions reduction strategy and tracking and reporting progress at least annually, while continuing to accelerate progress on our energy initiatives across our global portfolio.

In 2023, we continued to focus on the impact of our own operations by evaluating our risks and identifying actionable opportunities to drive meaningful improvement in our energy and GHG emissions intensity, as well as our products' environmental impact. We also increased transparency with our first global response to CDP and our first [TCFD Report](#).

As part of our focus on continuous improvement and sustainability, we continue to actively reduce energy use and increase our overall energy efficiency. In 2023, our global initiative to replace existing lighting across shop floors and office spaces with more energy efficient LEDs was largely complete. Other initiatives include upgrading equipment to more energy efficient models, and evolving processes to conserve energy such as lowering process temperatures and engineering equipment to reduce heat loss.

While two of our sites already source 100% renewable energy from the grid, we have also continued our feasibility studies for solar PV energy across our sites, and we aim to implement in 2024 where practicable.

	2023	2022	2021	2020
Total Energy Consumed (GJ)	930,830	811,306	836,639	796,024
Energy Intensity (GJ/\$Net Sales \$000s)	0.81	0.78	0.90	0.88



*In reporting its GHG emissions, Albany complies with the guidelines set out in the GHG Protocol. Reported Scope 1 and Scope 2 data rely on third party data providers and include a degree of extrapolation to reach 100% coverage.

Waste and Recycling

We are committed to reducing waste, both from our own operations as well as our customers', and we continue to look for opportunities to reduce waste generated across our operations and our products.

As a global company, Albany operates in 14 countries with varying options available for waste and recycling. As a first step, we separate our waste streams across our operations including general waste, hazardous waste, electronic waste, and carbon fiber/raw material waste. Waste streams are collected via appropriate third parties, with the objective of optimizing reuse and minimizing waste to landfill. For example, at one of our facilities we have achieved zero waste to landfill since 2022, primarily through recycling and converting waste to energy sources.

In our AEC business, Albany works with a third party specialist carbon fiber recycling company to recycle 3D woven fibers, water jet cut off carbon fibers, and long tow carbon fibers. These materials are recycled and reused in applications such as thermoplastic (which can be recycled) and thermoset products, 3D printing, fiber reinforced concrete, textile yarn, and friction materials.

In our MC business, we work with a third party specialist that collects scrap PET and converts it into plastic furniture. As recycling technology advances, there are increasing opportunities to use recycled raw materials, such as PET, in some of our manufacturing processes. We continue to explore and trial various options and are pleased to have identified several recycled materials that meet our rigorous requirements, and which we will be using from 2024.

Examples from across our facilities of some of our other continuous improvement projects with sustainability benefits include:

- Reducing loom widths to reduce raw material waste.
- Pilot study on shipping material (e.g., boxes, pipes) reuse.
- New routines in key process areas to reduce waste by up to 45%.
- Production waste disposal service with 100% waste to energy.



Innovation and Partnerships

In addition to the LCA project in partnership with Northeastern University, which is described [above](#), we have also partnered with the University of Strathclyde in Scotland through the Sustainable Composites program of the Lightweight Manufacturing Centre (LMC) for a project developing Stable Yarns from recycled materials. The LMC is at the forefront of research into processing both end of life composites and in-process composite waste conversion into economically and mechanically viable second life materials. One of the key capabilities that the LMC has acquired is yarn spinning, and this capability will be directly applied to AEC's research.

Our MC business also works in partnership with third-parties on key environmental projects including chemical recycling of regenerated fibers, developing innovative fiber blends, yarn spinning techniques, and mechanical textile recycling.

Water

We assess and monitor risks associated with water scarcity. We also track our water usage and have been implementing water saving initiatives such as installing a rainwater harvesting system and a water recirculation system.

Biodiversity

Biodiversity is increasingly recognized as a key environmental and climate consideration. At Albany, our biodiversity impact is primarily through our GHG emissions and water usage, both of which we are tracking with increasing rigor.

In 2023, we updated our Business Ethics Policy to specifically address biodiversity in recognition of its increasing importance. New facility projects will include an evaluation of critical habitats and potential impacts to biodiversity.

Certifications

We used guidance from ISO 14001:2015 Environmental Management Systems to create our [Environmental Policy and Standard](#). While all of our facilities incorporate key elements of the ISO 14001 standard, four of our facilities are also ISO 14001:2015 certified.

Sustainable Procurement

Albany recognizes the importance of maintaining value and quality throughout our supply chain. We conduct our business ethically, legally, environmentally, and socially responsibly, and we expect the same from our suppliers. Accordingly, we require our global suppliers to respect human rights, employ fair labor practices, and conduct business ethically, as outlined in our [Supplier Code of Conduct](#).

We have aligned our policies and procedures with the United Nations Global Compact and the Universal Declaration of Human Rights, among others. In 2023, we issued a standalone [Human Rights Policy](#) to further affirm our commitment to human rights throughout our value chain.

To ensure protection of human rights throughout our supply chain, we screen suppliers during our initial procurement process. We also proactively communicate our human rights and business ethics expectations to prospective and current suppliers. In addition to the expectations set out in our Supplier Code of Conduct, all suppliers are subject to our [Business Ethics Policy](#) and must meet all mandatory environmental standards under the laws, codes, and regulations applicable to the workplace, products manufactured, and the manufacturing methods used in the jurisdictions in which they operate. To ensure these standards are upheld by our suppliers, Albany employees involved in the procurement process complete training to promote best practices in procurement operations.

We have a formalized risk assessment process for our supply chain, which includes scorecards, business reviews, and criticality assessments. All suppliers undergo periodic review to confirm they continue to meet the standards required as an approved supplier. We are committed to ethical business practices and will take corrective action if a vendor fails to meet the requirements of our Supplier Code of Conduct, including removing noncompliant suppliers from our supply chain.

To facilitate our supplier due diligence and oversight, in 2023, we onboarded an enterprise platform to enhance contractor risk management and compliance. We are also working closely with the Heimbach team to leverage best practices related to supply chain and are preparing for increasing engagement, due diligence and reporting on sustainability topics from climate and emissions to human rights.

In 2023, Albany began evaluating climate-related risks and opportunities in our value chain, including creating the following initiatives:

- Engaging with suppliers to understand their carbon footprints.
- Partnering with an independent third-party to comprehensively map and understand supply chain, and full value chain, risks and opportunities.
- Initiating external partnerships to work on product level carbon footprint and lifecycle assessments.

In 2024, we will be further engaging with top suppliers regarding their climate impact and encouraging them to set science-based emissions reduction targets.

Also highly relevant to our business is the goal of reducing the use of harmful chemicals in our value chain, and increasing supply chain transparency. At Albany we welcome these shifts and have been diligent about staying ahead of regulatory and customer requirements and phasing out certain compounds from our manufacturing processes and consumables.

To support our global operations, Albany contracts with approximately 8,000 vendors to source raw and intermediate materials, supplies, and services. We require all suppliers of metals used in the manufacture of our products to demonstrate that they understand ethical sourcing requirements and the laws and regulations surrounding conflict minerals, ensuring they are aligned with our [Conflict Minerals Policy](#).

Certain suppliers that are strategically critical to the success of the business participate in regular, periodic reviews of performance to manage and mitigate supplier risks that may arise. On-facility supplier audits are conducted on an as-needed basis. Suppliers of raw and intermediate materials incorporated into AEC products must be ISO 9001 Quality Management Systems or AS/EN9100 certified.

Suppliers providing products and services to U.S. Government contracts follow similar qualification and review standards to assure compliance with Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement requirements. Additional supplier quality requirements are detailed on the [Supplier Portal](#) of our website.

Logistics and Scope 3 Emissions

Scope 3 emissions are defined by the GHG Protocol as indirect emissions from value chain activities. As we progress our Scope 3 emissions calculation and understanding, we can further identify strategies for emissions reduction initiatives.

Our global logistics team has already progressed a number of initiatives to date which drive efficiency in our value chain as well as reduction of emissions. Highlights include:

- Implemented a 'milk run' format for shipments, significantly reducing the number of separate deliveries through consolidation of cargo.
- 'Hub and spoke' transportation network which provides the opportunity to consolidate cargo and shipments. We also use a specialized carrier partner with an optimized fleet of crane trailers that allow for efficient loading and stacking of cargo while avoiding damage.
- Optimization of container packing when shipping raw materials, reducing the number of required deliveries.
- Sourcing raw materials closer to the manufacturing site to reduce emissions associated with shipping. With our integration with Heimbach Group we are investigating further consolidation opportunities.
- New partnerships with specialized logistics platforms to facilitate shipment consolidation as well as calculation of emissions.





At Albany our talented and innovative people are truly our greatest advantage. We are unwavering in our commitment to nurture a thriving people-first, inclusive, and high-engagement workplace culture defined by mutual respect. We believe that an inclusion-based culture has the power to enhance innovation, nurture an environment where our people can reach their highest potential, and deliver the best solutions to our customers. We believe in the power of open and transparent communication throughout the organization and endeavor to ensure our employees' voices are heard.

The Company's Chief Human Resources Officer (CHRO) meets regularly with the Chief Executive Officer (CEO) and the Senior Leadership Team to align People strategy, plan and initiatives with business strategy and goals.

Albany's People Strategy ensures that we provide the greatest possible employee experience across the company. We focus on continuously enhancing our people initiatives, with a strong emphasis on employee development and well-being, supported by action plans and leading indicators, to promote an emotionally and physically safe and inclusive working environment.

Talent Recruitment and Retention

Our talent management strategy focuses on a three-pronged approach: developing and growing our internal people, hiring the best from the market, and leveraging our internship program to identify and build the next generation of talent. We focus on identifying opportunities for career growth and development within the organization.

Our robust succession planning includes identifying potential internal candidates. For 90% of our critical roles⁴ we have identified successors that are ready now or within three years.

Internship Program

Our Albany Internship Program is a key component of our talent management and recruitment pipeline across the globe. Through this program we aim to further strengthen our talent bench, while developing a future generation of workers. This program provides opportunities for students to gain work experience, network with experts, and obtain industry knowledge that will help them further their career paths.

Since the implementation of our internship program, we have been able to convert or return 73% of our interns. Some of the highlights of this program that we are particularly proud of include:

- One-on-one coaching by Albany subject matter experts.
- Invitation to monthly career development trainings led by the CHRO and top leaders.

⁴Critical roles are those which we have identified as requiring highly specialized skills, would be difficult to fill, or where our business would be negatively impacted if the role was left unfilled.

Our employee engagement strategy rests on four pillars:

1. Leadership and Culture

Leadership can influence organizational culture by living the values, promoting continuous learning, and modeling desired behaviors. We strive to nurture an inclusive and equitable culture where diversity of experience, background and skills are valued, respected, and celebrated.

2. Employee Value Proposition

The unique set of advantages that our employees receive for the value, knowledge, capabilities, and experience they bring to Albany's success.

3. Growth and Development

Strategic programs that enable employees to achieve their personal and professional goals and develop themselves to their greatest potential.

4. Work Satisfaction and Teamwork

We strive for our employees to be excited to come to work and feel like they are making a difference as an integral part of the team.

Employee Engagement

Ongoing engagement is part of our culture. Engaged employees contribute to a high-performance culture, grow profitability, boost productivity, and generate greater customer satisfaction and stakeholder value. Most importantly, engaged employees are happier and more fulfilled by their work.

Each Albany location creates and deploys an engagement plan based on our four pillars and incorporating local customs and cultural norms. Our facilities have engagement teams and champions who lead their activities. In 2023, we had approximately 530 engagement events and 50 community events across our locations globally. These activities can be as simple as donating to a local food pantry or as elaborate as the "Summer Olympics" games that we host every summer for our employees.

Albany's unique technology sets us apart from our competitors, and we understand our employees are our best sources of ideas, so we leverage our continuous improvement mindset to optimize our processes, products, and technology. We recognize achievements with quarterly and annual continuous improvement awards.

In addition, we also have a formal patent recognition program called Albany Technology Heroes to recognize the inventor's work on a company scale and support with patent applications. Throughout the year, our inventors who have filed patents are recognized for their valuable contributions with a stipend when the patent application is filed in the U.S., and a plaque and further stipend when the patent is granted. Our active portfolio currently contains over 2,300 patents, and approximately 100 new patents are typically granted each year.

Learning and Development

We are committed to elevating the employee experience, which includes consistent learning and development to support our employees as they enhance their knowledge, realize their full potential and reach their career aspirations. We have defined curricula by disciplines and functions. We also provide a variety of continuous learning opportunities through on-the-job training, virtual training, instructor-led training, and external learning opportunities.

Our learning management system provides our employees with over 8,000 courses to choose from, in a flexible format, allowing them to participate in regular training programs appropriate for their responsibilities. Extensive optional training programs have also been developed for those who seek additional professional and personal growth opportunities. These training programs also include specific on-the-job training programs and leadership development programs (such as Albany Leadership Excellence Program, Albany Leadership Program, Leading at the Front Program, Empowering Women Leadership Network, and Supervisory Training Program), in which 219 leaders participated in 2023. All employees are required to participate in mandatory trainings such as safety; diversity, equity and inclusion (DE&I); ethics; and compliance training on a regular basis.

Compensation and Benefits

Our Employee Value Proposition enables us to ensure that all employees receive competitive compensation and benefits for their critical contributions at Albany.

We offer a comprehensive benefits package globally for all full-time Albany employees. For the U.S., this includes a generous 401(k) match, paid time off, personal days off, health and dental insurance, reward and recognition programs, and a strong commitment to employee well-being and work/life balance.

- **Parental Leave:** In the U.S., Albany offers four weeks of fully paid parental leave for both birth and non-birth parents. This benefit applies to all parents with a new child, including through adoption, or foster placement. In 2023, 29 employees leveraged our parental leave benefit.
- **Paid Leave:** All employees are expected to take time off from work to relax, rejuvenate, and reconnect. We offer full-time employees vacation and paid time-off (PTO).
- **Employee Assistance Program:** In the U.S., Albany offers a comprehensive Employee Assistance Program that provides our employees a range of support, from guidance with financial or legal issues to dealing with stress both professional and personal.
- **Educational Assistance Program:** We recognize that the knowledge and skills of our employees are critical to the success of the organization. The Educational Assistance Program encourages personal development through educational courses typically through a college or university so that employees can maintain and improve job-related skills or enhance their ability to compete for other jobs within the company. The program reimburses employees up to 75% of the cost of tuition, fees and books upon successful completion of the course.

Diversity, Equity, and Inclusion (DE&I)

We strive to foster an inclusive and equitable culture where diversity of experiences, backgrounds, and skills are valued, respected, and celebrated to promote a sense of belonging.

To further our DE&I impact, we formed a DE&I Council sponsored by the CEO and led by members of the Senior Leadership Team, including our CHRO, and representation from all business and functional units. The Council meets at least quarterly, and business and local DE&I teams meet more often to work on priority projects.

The DE&I Council has prioritized four areas:

- Communicating to employees about DE&I efforts.
- Making DE&I a consistent topic in our external social media presence.
- Creating an internal social network focused on DE&I.
- Supporting and sponsoring local DE&I champions and community activities.

We identified four DE&I principles that guide us as we seek to further embed DE&I in the fabric of how we operate and interact with our people, our work environment, and our communities:

1. **Nurture inclusion:** Create an environment where all of our people are - and feel - valued, and can contribute and unlock their full potential to achieve better business results.
2. **Seek diversity:** Leverage new talent acquisition and retention strategies to attract diverse background, experience, skills, and expertise to create a high-performance organization.
3. **Amplify innovation:** Promote a culture of shared ideas where everyone is open-minded and collaborative, and leverage diverse teams to develop breakthrough solutions in our products, operations, and customer service.
4. **Empower champions:** Our employees are our best DE&I ambassadors - we provide programs and initiatives that encourage employees at all levels of our organization and across all roles to champion DE&I.

Nurturing Inclusion Through Training

As part of our DE&I strategy, employees attend an annual DE&I training session to understand and create awareness of the importance of DE&I as part of Albany's culture. Further, we ensure DE&I training is fully integrated into our continuous learning culture. As new employees join the company we ensure that we convey the importance of inclusiveness and sense of belonging as part of our culture.

Our Diverse Hiring Strategies

We value and promote a diverse workforce. Through our recruiting and hiring strategy, we specifically seek job candidates from a broad range of hiring sources that target candidates with diverse backgrounds and skills to fill open positions at Albany. We have a systematic and standardized hiring process to ensure fairness and unbiased hiring practices for all applicants.

WORKFORCE METRICS

Overall Workforce



30% of Mfg. Women Workforce, World Mfg. Foundation
20.5% Minority Representation, US Bureau of Labor Statistics

Albany International Leaders**



*U.S. Only, Albany International uses the EEO definition of minority.
**Leaders is defined as all Management positions and positions with direct reports.

New Hires 2023



Employee Resource Groups (ERGs)

One way we encourage employees across the organization to champion DE&I and foster an inclusive environment is through the establishment of ERGs.

So far at Albany, we have established ERGs in the form of veterans groups and are in the process of launching an Albany Women’s Network, based on the successful Empowering Women Leadership Network program that has just graduated its first group of participants. These women expressed an interest to continue supporting each other as well as other women within Albany.

Building on this success we have two active Veterans ERGs in our Boerne, Texas and Salt Lake City, Utah locations.

ERG initiatives are supported and promoted by our Board of Directors and Senior Leadership Team.

In 2024, we plan to launch additional ERGs, based on additional areas of interest from our global employee base.

	2023	2022	2021
OVERALL WORKFORCE WOMEN	27.0%	26.3%	25.3%
U.S. MINORITY	30.0%	25.8%	23.6%
WOMEN LEADERS	17.0%	15.7%	14.6%
U.S. MINORITY LEADERS	15.0%	15.5%	12.6%

	GLOBAL HIRES	% OF WOMEN HIRED (GLOBAL)	U.S. HIRES	% OF US MINORITIES HIRED (U.S.)
2023	849	31%	573	38%
2022	976	29%	653	37%
2021	505	34%	244	30%

Community Outreach

While Albany has a global footprint, we recognize that our local teams are in the best position to identify the most effective methods to strengthen their communities and, in turn, create a fulfilling and attractive environment in which they live and work.

This approach is being bolstered in 2024 with the launch of our new Albany Community Outreach Council which will oversee Albany’s high level charitable giving and encourage decentralization of giving so that the greatest impact is where Albany employees live and work. Importantly, this Council has been formed to fund charitable endeavors that are in addition to, and not instead of local charitable efforts. Having a Corporate level giving team will allow us to fund donations using a consistent set of guidelines and a common process. In addition, the Council will be looking at boosting volunteerism and developing a strategy and process for an Albany Volunteer Program.

Our community efforts are focused on three main initiatives with a few examples below:

Educational Programs

The Monarch School of New England (MSNE) in Rochester, NH celebrated Literacy Month as part of their partnership with UNC Chapel Hill’s Center for Literacy Studies and Disability. Their goal is to help students develop reading, writing and communication skills.

In 2023, representatives from Albany visited the school to serve as volunteer readers as part of the program, and students shared how they could relate to the stories from their own life experiences. In September, the Albany Rochester facility also ran a supply drive to support MSNE with school and personal items.

In November, students from MSNE visited for a tour of Plant 1 in Rochester, NH, as part of their program on “Career Exploration,” which included a unit focused on Manufacturing. Our Operations Manager gave the students a tour so they could see manufacturing in action and understand what working at Albany might be like.

MSNE is a nonprofit day school for students 5-22 years of age with significant disabilities. The school supports students with special needs to reach their greatest potential, through a comprehensive approach which integrates both education and therapy, ensuring successful transitions to school and the community.



Our Indaial, Brazil facility participated in a project called World of Work, which is carried out by Create Educacional - dedicated to the professional and personal development of teenagers. The purpose of the project was to prepare teenagers for the job market by conducting mock interviews and spending time in a professional setting.

Our facilities in Indaial, Brazil and Hangzhou, China also organized open days with university students to educate them on the career opportunities in our industry. Hangzhou hosted Textile Engineering-major students from a local university, and Indaial hosted students from the Technical Course in Pulp and Paper at a local university.



Community Service

In September, our AEC facility in Salt Lake City, Utah held the Albany 24th Annual Charity Golf Tournament at the Eaglewood Golf Course in North Salt Lake. A total of 72 employees, 21 guests, and 51 suppliers participated.

Held for the first time since COVID, this annual charity golf tournament raised over \$15,000 for the Intermountain Foundation Primary Children's Hospital. Primary Children's Hospital is the only Level 1 pediatric Trauma center serving a five-state region. Primary Children's is ranked as one of the nation's best children's hospitals in 7 out of 10 pediatric specialties in the 2023 - 24 Best Children's Hospital survey by U.S. News & World Report. Primary Children's is driven by the dedication to put The Child First and Always: everything is about what's best for the child, now, and forever.

Our MC facility in Cuautitlán, Mexico launched a campaign to help individuals affected by Hurricane Otis in Acapulco Guerrero, which was a category 5 hurricane that severely impacted the population. Albany employees collected over 2,200 water bottles to donate to people in need of fresh water.

Economic Social Assistance

- Employees from our AEC facility in Querétaro, Mexico supported Foundation Pingüi with a food drive. Foundation Pingüi is a civil association that helps families of children with cancer free of charge to obtain medicines at a lower cost, fulfill wishes of children, support with medical assistance, and more.
- In another community outreach event from our AEC facility in Querétaro, employees joined together to help Pedro Escobedo kindergarten in El Gallo, Mexico, with some hands-on painting to refresh the look and feel of the building.
- Employees from our Albany Safran Composites facility in Querétaro visited the shelter home "La Alegría de los Niños" to provide personal care products for the children residing there. This shelter, dedicated to children from newborn to age eleven, aims to secure permanent homes for them while offering educational, emotional, psychological and health support.
- Employees from our MC facility in Cuautitlán, Mexico launched a campaign called 'Heroes contra el Hambre' to collect food for donation to a local food bank. With a great response, Albany collected over 300kg of food, which will help to feed around 300 low income families.

HIGHLIGHTS FROM 2023

Independent Oversight

Majority independent

Non-executive Chairman

All independent committees

All members of the Audit Committee are financially literate and a majority are financial experts

Private executive session for all independent Directors during each regularly scheduled Board meeting

Accountability

Annual Election of all Directors

Annual Board and Committee self-evaluations

Annual advisory vote on executive compensation

Stock ownership and retention guidelines

Prohibition on hedging, pledging and other transactions

Corporate Governance Guidelines with overboarding policy

DIRECTOR DEMOGRAPHICS

6.5

YEARS AVERAGE TENURE

63.5

AVERAGE AGE

27.3%

FEMALE

9.1%

U.S. MINORITY*

*U.S. only, Albany International uses the EEO definition of minority.

Good governance practices build trust, and we maintain that trust by following rigorous processes and policies, ensuring effective communications internally and externally to all of our stakeholders, and developing training so that all employees understand what is expected of them. We are committed to maintaining best corporate governance practices, conducting our business with integrity and according to the highest ethical standards, in accordance with the laws and regulations to which our activities are subject.

We believe good corporate governance creates long-term value for our stockholders and strengthens our relationships with other stakeholders. In that regard, our corporate governance practices are dynamic and reflect the Board of Directors' continuous review of emerging best practices and their impact and effectiveness.

Sustainability Oversight at Albany

Sustainability Council

Implementation of Albany's sustainability strategy is led by the Sustainability Council, which reports to the Governance Committee of the Board of Directors at least twice per year. The mission of the Sustainability Council is to guide development of Albany's strategy as it relates to sustainability, providing technical input and advice to the Senior Leadership Team. The Sustainability Council meets at least quarterly and has the following core responsibilities:

- Collecting and managing sustainability and climate-related data for company operations and products.
- Setting climate-related corporate targets.
- Advising on setting and/or managing major capital and/or operational expenditures related to low-carbon products or services (including R&D).
- Assessing climate-related risks and opportunities.

The Sustainability Council is comprised of cross functional leaders from across the company, including finance, legal, human resources, technology, EHS and sustainability, procurement, and business unit representatives. The Sustainability Council monitors climate-related issues through the Enterprise Risk Management system.

Executive Committee

The CEO and Senior Leadership Team have overall responsibility for Albany's business strategy, which includes sustainability risks and opportunities. The Senior Leadership Team has ownership and accountability for how sustainability-related risks and opportunities guide, and are integrated with, business strategy, and ensures that initiatives, commitment and investments are aligned and integrated into the overall company strategy and practices.



Board Leadership

Albany's Board of Directors plays a role in the oversight of sustainability, including how sustainability and climate-related risks and opportunities inform overall business strategy and enterprise risk management.

The Governance Committee specifically has oversight of sustainability, including climate-related risks and opportunities. The Committee receives biannual updates from the Sustainability Council. The Committee's responsibilities include:

- Review and discuss with management Albany's sustainability and climate strategy, initiatives, and policies.
- Review and monitor the operational, regulatory, and reputational risks and impacts of sustainability on the company and provide oversight with respect to Albany's management of such risks and impacts.
- Review and discuss reports from management regarding Albany's progress toward its key sustainability objectives.

The Audit Committee has oversight over legal, regulatory and compliance, including disclosure consideration of sustainability-related risks, once signed off by the Disclosure Committee.

Please see our 2022 [TCFD Report](#) for further discussion on sustainability and climate-related risks and opportunities. For more information on corporate governance please see [Governance Documents and Charters](#).



Business Ethics

At Albany, we embrace uncompromising honesty. We are unwavering in our commitment to following the laws, regulations, standards, and ethical practices everywhere we do business. Ethics and compliance play an integral part in our decision making and business operations, which is why we are a signatory of the United Nations Global Compact. In 2023, our CEO again reaffirmed our commitment to the ten principles of the United Nations Global Compact with our annual Communication on Progress.

To communicate expectations and emulate the high standard to which we hold ourselves we have adopted a broad and robust [Business Ethics Policy](#), as well as 30 other policies, with oversight from the Audit Committee of our Board of Directors. This policy contains our Ethics Absolutes—statements designed to articulate the major rules contained in the Business Ethics Policy clearly and succinctly.

OUR ETHICS ABSOLUTES

Don't steal from the Company.

Don't break the law.

Don't distort or hide information.

Don't exchange competitive information with the competition.

Don't take advantage of your position at Albany to get personal favors or advantages.

Don't mix business with politics.

Don't give away our confidential or inside information.

Keep our information systems secure.

Don't bribe and don't take bribes.

Don't look the other way.



Our Business Ethics Policy applies to all employees, our Board of Directors, and company subsidiaries, as well as all third-party representatives such as sales agents, distributors, independent contractors, and subcontractors. The policy, along with our core values, form the foundation of ethical performance and guides how we conduct our business by addressing issues such as lavish gift giving and potential conflicts of interest. It also expressly prohibits wrongful conduct, such as abusive conduct, sexual harassment, bribery, and corruption. To ensure the creation and maintenance of an ethical culture, the Business Ethics Policy is published in 12 different languages. All parties are required to complete annual training and are tested on the contents of the Policy. Further, each year we conduct both a fraud risk assessment and compliance risk assessment to identify residual risk where more training and controls may be warranted.

EthicsPoint Helpline

Our Business Ethics Policy, as well as other corporate policies, encourages, and at times requires, the reporting of any suspected wrongdoing. To facilitate such reporting, we have established and communicated several options for the filing of reports. In addition to the option of directing communications to senior leadership or the Board of Directors, we have implemented an online reporting platform, EthicsPoint Helpline, maintained by an independent third party and available 24/7, whereby reports may be made anonymously by phone or online. All reports are investigated by either the Office of Ethics and Compliance within the Legal Department, or a third party at the direction of the Audit Committee of the Board of Directors, and corrective and/or disciplinary action is taken as appropriate.

Data Security and Privacy

Our business relationships are built on our stakeholders' confidence in our data security and privacy policies. We take very seriously the task of protecting the personal and confidential information of our customers, employees, vendors, partners, and others, so that all of our stakeholders feel safe to do business with us.

Our data security strategy is built around four core pillars:

- Cybersecurity governance and accountability.
- Industry best practices.
- Technological standards and framework.
- Awareness and training.

Our policies are embedded at the core levels of our corporate structure to ensure accountability and efficient, fast processes. Together, these pillars enable us to continuously improve our practices of collecting, storing, processing, and distributing data safely, consistent with the regulations of the countries in which we do business. By deeply embedding our data security and privacy strategy within our organization and establishing reporting lines and accountability at the leadership level, we ensure our data security and privacy strategy always remains a priority.

Cybersecurity Governance and Accountability

Cybersecurity risk management is a cornerstone of our Enterprise Risk Management (ERM) strategy, and we are committed to protecting our digital assets and sustaining stakeholder confidence. Cybersecurity risks we face include data breaches, operational disruptions, reputational harm, and regulatory fines. These risks are identified, assessed and managed within the broader context of our ERM strategy, ensuring a comprehensive approach to organizational risk. We incorporate cybersecurity risk assessments into our overall enterprise risk assessment process. This integration ensures that cyber risks are evaluated and managed alongside other operational, financial, and strategic risks, offering a holistic view of our risk landscape. Our ERM strategy is overseen by the Enterprise Risk Committee, which consists of representatives from our finance, legal, accounting, internal audit, EHS and sustainability, and global information systems functions, our business leaders and members of the Senior Leadership Team.

Our Chief Information Officer and Director, Information Security, along with members of their respective teams, are responsible for identifying and managing cybersecurity risk. The Senior Leadership Team, the Board of Directors and the Board's Audit Committee receive regular updates and engage in regular strategic discussions relating to cybersecurity risk management as part of their overall oversight of risk management.

Cybersecurity Standards and Frameworks

Our cybersecurity framework leverages internationally recognized standards, including the CIS 20 and NIST SP 800-171 frameworks, and is required to comply with the Department of Defense Cybersecurity Maturity Model Certification. The Cybersecurity Maturity Model Certification program gives the Defense Department a mechanism to verify the readiness of defense contractors. We have policies and procedures in place designed to maintain compliance with relevant cybersecurity and data privacy laws and regulations in the jurisdictions in which we operate, such as the European Union General Data Protection Regulation and the California Consumer Privacy Act.

Applying Cybersecurity Best Practices

Our cybersecurity strategy includes policies, procedures, and technology that proactively safeguard our operations against cybersecurity threats. Internal teams and external experts regularly conduct risk assessments and audits to identify cybersecurity threats, ensure regulatory compliance, and adhere to control process best practices. Continuous monitoring of our networks and systems for threats and vulnerabilities is a key component of our strategy, supported by the analysis of threat intelligence from external sources. This multi-layered approach enables early detection and facilitates prompt response to potential cybersecurity threats.

We regularly review and update our cybersecurity strategies, policies and procedures, taking into consideration the latest advancements in cybersecurity practices and changes to the threat landscape.

Cyber Incident Response Team

We have a cybersecurity incident response and crisis management plan in place, which incorporates regular training and simulation exercises, including with senior leadership, to ensure readiness and efficacy in responding to cybersecurity incidents. Our incident response and crisis management plan coordinate the activities we will take to prepare for, detect, respond to and recover from cybersecurity incidents, which include processes to triage, assess severity, escalate, contain, investigate, and remediate the incident, as well as to comply with potentially applicable legal obligations and mitigate reputational damage.

If the Cyber Incident Response Team identifies a reportable or impactful security incident, a rapid summary of the situation is provided directly to senior leadership including the Chief Information Officer and General Counsel, who make determinations about impact and required communications to internal stakeholders, as well as external parties such as customers, vendors, and law enforcement.

Cybersecurity Awareness and Training

Supporting enterprise cybersecurity efforts is a comprehensive suite of cybersecurity, data protection, and privacy training conducted annually for all employees and consultants. The objective of the Enterprise Cybersecurity Security Awareness and Education Program is to increase the overall security knowledge of the end user, reduce high-risk activities through education, highlight security policies, develop up-to-date training, and provide notification of current threats.

Our training is continuously adapted to the evolving risks and regulations of our global markets. It includes internal “phishing” testing and training for “clickers,” requires mandatory security training for all new hires, and we publish periodic cybersecurity newsletters to highlight any emerging or urgent security threats. We also carry insurance that provides protection against the potential losses arising from cybersecurity incidents.

We engage qualified third-party cybersecurity experts for in-depth cyber risk assessments, penetration tests, and compliance audits, which provides impartial perspective and insight into our cybersecurity posture. Consultants are leveraged for the development and refinement of our cybersecurity strategy and maturity, drawing upon industry best practices and regulatory knowledge. These collaborations also include the refinement of our incident response and crisis management plan and employee training, emphasizing the transfer of knowledge for sustainable in-house capabilities.

Our cybersecurity risk management processes extend to the oversight and identification of threats associated with our use of third-party service providers. We set clear objectives for third-party service providers, and we assess cybersecurity practices and any history of security incidents before engaging any potential service providers. Our contracts explicitly include requirements relating to cybersecurity, including adherence to certain standards, to ensure compliance with our security protocols. Once engaged, we regularly monitor the cybersecurity posture of these providers through surveys and reports, audits, and performance reviews.

Our business strategy, operational results, and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previous cybersecurity incidents. Based on our review of past cybersecurity incidents, we believe that all such incidents were addressed promptly and effectively. In the last fiscal three years, we have not experienced any material information cybersecurity incidents and the expenses we have incurred from any cybersecurity incidents were immaterial.



Activity Metrics

Metric	2023	2022	2021
Number of units produced by product category <i>RT-IG-000.A</i> <i>RT-AE-000.A</i>	The nature of the company's products does not lend itself to reporting units of production in a meaningful aggregation. As an alternative, and in an effort to be responsive to the spirit of the disclosure, the company uses Net Sales (in US\$) and categorizes those sales according to the company's reported businesses.		
Albany International Corp Net Sales (\$000s)	\$1,147,909	\$1,034,887	\$929,240
Machine Clothing Net Sales	\$670,768	\$609,461	\$619,015
Albany Engineered Composite Net Sales	\$477,141	\$425,426	\$310,225
Number of employees:			
(1) MC business	(1) 3,625	(1) 2,611	(1) 2,626
(2) AEC business	(2) 1,850	(2) 1,696	(2) 1,408
(3) Total Albany International Corp.	(3) 5,595	(3) 4,255	(3) 4,144
<i>RT-IG-000.B</i> <i>RT-AE-000.B</i>			

Accounting Metrics

Industrial Machinery & Goods

Topic	Metric	2023	2022	2021
Energy Management⁵	(1) Total Energy Consumed (GJ)	(1) 930,830	(1) 811,306	(1) 836,639
	(2) Percentage grid electricity	(2) 53.58%	(2) 55.44%	(2) 53.13%
	(3) Percentage renewable	(3) 6.60%	(3) 8.87%	(3) 9.21%
	<i>RT-IG-130a.1</i> <i>RT-AE-103a.1</i>			
Employee Health & Safety	(1) Total Recordable Incident Rate (TRIR)	(1) 0.54	(1) 0.48	(1) 0.68
	(2) Fatality rate	(2) 0.00	(2) 0.02	(2) 0.00
	<i>RT-IG-320a.1</i>			
Fuel Economy & Emissions in Use-Phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles			
	<i>RT-IG-410a.1</i>			
	Sales-weighted fuel efficiency for non-road equipment			
	<i>RT-IG-410a.2</i>			
	Sales-weighted fuel efficiency for stationary generators			
	<i>RT-IG-410a.3</i>			
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines			
	<i>RT-IG-410a.4</i>			

As a company that manufactures engineered components, these metrics are not applicable to our products.

⁵In reporting its energy management data, Albany relies on third party data providers which includes a degree of extrapolation to reach 100% coverage.

Accounting Metrics

Industrial Machinery & Goods

Topic	Metric	2023	2022	2021
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Please see our Material Sourcing Statement .		
	<i>RT-IG-440a.1</i> <i>RT-AE-440a.1</i>			
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	We do not remanufacture products or services.		
	<i>RT-IG-440b.1</i>			

Accounting Metrics

Aerospace & Defense

Topic	Metric	2023	2022	2021
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled <i>RT-AE-150a.1</i>	Not disclosed.		
	Number and aggregate quantity of reportable spills, quantity recovered <i>RT-AE-150a.2</i>	Not disclosed.		
Data Security	(1) Number of data breaches (2) Percentage involving confidential information <i>RT-AE-230a.1</i>	(1) 0 (2) 0%	(1) 0 (2) 0%	(1) 0 (2) 0%
	Description of approach to identifying and addressing data security risks in (1) company operations (2) products <i>RT-AE-230a.2</i>	To protect our company and customer data, we employ industry best practices and adhere to the CIS 20 and NIST SP 800-171 cybersecurity frameworks. We do not produce or sell products containing any data collection or processing capability. For more information, please see Data Security and Privacy section .		
Product Safety	Number of recalls issued, total units recalled <i>RT-AE-250a.1</i>	This metric is not relevant for our MC business. Within AEC, 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 International.		

Accounting Metrics

Aerospace & Defense

Topic	Metric	2023	2022	2021
Product Safety	Number of counterfeit parts detected, percentage avoided <i>RT-AE-250a.2</i>	Not Applicable. We do not purchase or produce any electronic components for the products we manufacture or assemble. All Albany International 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.		
	Number of Airworthiness Directives received, total units affected <i>RT-AE-250a.3</i>	Not Applicable. As a supplier, our AEC business does not receive Airworthiness Directives. We are not aware of any Airworthiness Directive that has implicated Albany International manufactured parts or components.		
	Total amount of monetary losses as a result of legal proceedings associated with product safety <i>RT-AE-250a.4</i>	\$0	\$0	\$0
Fuel Economy & Emissions in Use-phase	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products <i>RT-AE-410a.2</i>	Please see Product Sustainability section .		
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade <i>RT-AE-510a.1</i>	\$0	\$0	\$0
	Discussion of processes to manage business ethics risks throughout the value chain <i>RT-AE-510a.3</i>	For more information, please see Business Ethics section .		

This Sustainability Report and the documents incorporated or deemed to be incorporated by reference therein contain statements concerning our future results and performance and other matters that are “forward-looking” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are intended to provide management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements may be identified by the use of terminology such as “believe,” “expect,” “anticipate,” “intend,” “seek,” “target,” “approximately,” “estimate,” “plan,” “project,” “may,” “will,” “would,” “should,” “could,” or the negative of such words or other comparable terminology in connection with a discussion of future operating or financial performance. The discussion of financial outlook, trends, strategy, plans, assumptions, or intentions may also include forward-looking statements. Readers should not place undue reliance on forward-looking statements, such as financial performance forecasts, which speak only as of the date they are first made. Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements.

The inclusion or absence of information in Albany International’s Sustainability Statements should not be construed to represent any belief regarding the materiality or financial impact of that information.

Sustainability Statements may be based on expectations and assumptions that are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many sustainability matters. Calculations, statistics, and certain facts included in Sustainability Statements may be based on third-party information, current estimates, assumptions and projections and therefore subject to change. Albany International’s Sustainability Statements have not been externally assured or verified by independent third parties.

Albany International’s Sustainability Statements may contain links to other internet sites or references to third parties. Such links or references are not incorporated by reference into the applicable Sustainability Statement and Albany International cannot provide any assurance as to their accuracy. These Sustainability Statements represent current Albany International policy and intent and are not intended to create legal rights or obligations.

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