



# Albany International Corp.

## Modern Slavery Report

2023

# Table of Contents

- 1. Introduction..... 2
- 2. Our Commitment ..... 3
- 3. Our Policies ..... 5
  - 3.1 Our Supply Chain ..... 5
- 4. Our Risk Assessment ..... 7
- 5. Education and Awareness ..... 8
- 6. Conclusion and Attestation ..... 9

# 1. Introduction

This Report describes the actions taken by Albany International Corp. and its covered subsidiaries (hereafter collectively referred to as “Albany”) from January 1, 2023 to December 31, 2023. The Report has been prepared in compliance with the requirements of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”).

Albany is a leading materials science and technology company, with a history of innovation spanning over 120 years. Albany is headquartered in Rochester, New Hampshire, operates 32 facilities in 14 countries, and employs approximately 5,600 people worldwide.

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, other military applications, 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 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, while acting ethically throughout our global business. In our sustainability reporting we seek to demonstrate our progress against these goals as well as our commitment to transparency and industry collaboration. As such, this Report serves to summarize the steps we have taken to prevent and reduce the risk of forced labor or child labor in our operations and supply chain.

Please see our [website](#) for further details on our sustainability reporting and policy library.

## 2. Our Commitment

At Albany, 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.

As described further in the following sections, Albany has taken the following steps to prevent and reduce the risk that forced labor or child labor is used at any step of the production of goods throughout our supply chain:

- Mapping our supply chain and our activities
- Conducting an internal assessment of risks of forced and/or child labor in our activities and supply chains
- Developing and implementing anti-forced and/or child labor contractual clauses, standards and codes of conduct
- Monitoring suppliers
- Developing and implementing grievance/reporting mechanisms
- Developing and implementing training and awareness materials on forced and/or child labor



## 3. Our Policies

To communicate expectations and emulate the high standard to which we hold ourselves we have adopted a broad and robust [Business Ethics Policy](#) 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 Business Ethics Policy applies to all employees and 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 child labor or forced labor, corruption, and wrongful conduct, such as abusive conduct, sexual harassment, and bribery.

To ensure the creation and maintenance of an ethical culture, the Business Ethics Policy is published in the local language of every country in which we operate. All parties 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.

Albany also has an [Anti-Slavery and Human Trafficking Policy](#), which applies to all Albany employees, managers, officers, contractors and consultants, including those Company subsidiaries where located. We have a zero tolerance policy with regard to modern slavery and human trafficking and seek to ensure there is no modern slavery, human trafficking, or other abuse of human rights in our business operations.

### 3.1 Our Supply Chain

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](#). Our Supplier Code of Conduct specifically prohibits the use of child labor and forced labor of any kind.

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.

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 congruent with our [Conflict Minerals Policy](#).



## 4. Our Risk Assessment

Supply chain management is a cornerstone of our Enterprise Risk Management ("ERM") strategy. Supply chain risks, including forced labor and child labor, are identified, assessed and managed within the broader context of our ERM strategy, ensuring a comprehensive approach to organizational risk. We incorporate supply chain risk assessments into our overall enterprise risk assessment process. This integration ensures that supply chain 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 an Enterprise Risk Management Committee, which is made up of representatives from our finance, legal, accounting, internal audit and global information systems functions, our business leaders and members of the Senior Leadership Team. It is led by our Chief Financial Officer and its actions are reported to our Board of Directors on a regular basis.

We also 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 preparing for increasing supplier engagement, due diligence, and reporting on sustainability topics from climate and emissions to human rights.

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.

In addition, Albany conducts a Corporate Compliance Risk Assessment on the following topics: Corruption, Human Rights, Conflicts of Interest, Money Laundering, Anti-Nepotism and Unfair Advantage, Anti-Trust Laws and Regulations, Sexual Harassment and Abusive Conduct, Political Contributions and Trade Associations and Conflict Minerals.



# 5. Education and Awareness

## 5.1 Training

All Albany employees receive mandatory, regular training on regulatory requirements, ethical practices, and our policies. All new employees are assigned a mandatory onboarding package which includes a review and acknowledgement of our [Business Ethics Policy](#). Additionally, employees are required to complete Business Ethics Policy training annually.

Albany employees involved in the procurement process complete training to promote best practices in procurement operations, to ensure our high standards are upheld by our suppliers.

## 5.2 Reporting Mechanisms

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.

## 5.3 Continuous Improvement

At the time of preparing this Report, Albany is not aware of any conduct that could be considered forced labor or child labor, or otherwise a violation of the Act.

An assessment of measures detailed in this Report will be conducted at the end of the next fiscal year to determine their effectiveness. This assessment will determine what future improvements are needed to enhance our commitment to preventing and reducing the risk of modern slavery in our supply chain.

## 6. Conclusion and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Albany International Corp. for the fiscal year ended December 31, 2023.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Albany International Corp.



Full Name: Gunnar Kleveland  
Title: President and Chief Executive Officer  
Date: 8 July 2024

I have the authority to bind Albany International Corp.



Full Name: John R. Scannell  
Title: Chairman of the Board  
Date: 8 July 2024