

# Report on German Supply Chain Due Diligence Act

2025



# Contents

Contents	2
Foreword	3
A- Strategy & Anchoring	4
A1- Monitoring of Risk Management & Responsibility of Management	5
A2- Policy Statement on the Human Rights Strategy	6
A3- Anchoring the Human Rights Strategy Within Your Organization	7
B- Risk Analysis and Preventive Measures	9
B1- Implementation, Procedure and Result of the Risk Analysis	10
B2- Preventative Measures in Your Own Business Operation	13
B3- Preventative Measures at Direct Suppliers	17
B4- Preventive Measures for Indirect Suppliers	20
B5- Communication of Results	21
B6 – Changes in risk disposition	21
C- Identification of violations and corrective measures	22
C1 – Changes in risk Situation	23
C2 – Identification of violations and corrective measures at direct suppliers	23
C3 – Identification of violations and corrective measures at indirect suppliers	24
D – Complaints procedure	25
D1 – Establishment of or participation in a complaints procedure	26
D2 – Requirements for the complaints procedure	29
D3 – Implementation of the complaints procedure	30
E – Risk management review	31
About this Report	34
Contact Persons:	34

# Foreword

Albany International recognizes the importance of maintaining value and quality throughout our supply chain. We conduct our business ethically, legally, and in an environmentally and socially responsible manner and we expect the same from our suppliers.

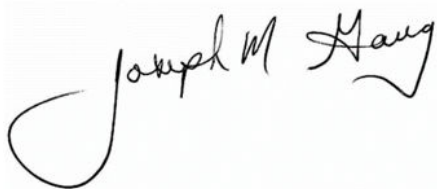
Sustainability is integral to how we operate and innovate. As we publish our first report under the German Supply Chain Due Diligence Act (LkSG), we reaffirm our commitment to ethical business practices and transparent supply chain management.

This report represents a significant milestone in our ongoing efforts to strengthen human rights and environmental protections across our value chain. It reflects our values and the systems, collaboration, and due diligence we have put in place to meet the requirements of the LkSG and uphold the standards our stakeholders expect.

We recognize that due diligence is not a one-time exercise, but a continuous process of learning, engagement, and improvement. Through collaboration with our suppliers, partners, and internal teams, we are building a resilient and responsible supply chain, one that supports long-term value creation and aligns with our values.

We will continue to build on this framework to ensure our supply chain remains resilient, transparent, and reflective of Albany International's commitment to responsible growth and continuous improvement.

Joseph Gaug  
General Counsel & Secretary



Luc Canon  
Vice President Manufacturing Eurasia (MC)





## A- Strategy & Anchoring



## A1- Monitoring of Risk Management & Responsibility of Management

### Q: What responsibilities for monitoring risk management were defined in the reporting period?

During the reporting period, the Board of Directors of Albany International assigned to the Audit Committee the responsibility of monitoring the Company's risk management processes, including those related to human rights in accordance with Section 4(3) of the German Supply Chain Due Diligence Act (LkSG). The Audit Committee also serves as the Company's Qualified Legal Compliance Committee and supports the Board in overseeing the implementation and effectiveness of risk management systems.

Risk assessments are conducted regularly by operational teams, with departmental reviews held quarterly to evaluate identified risks based on their impact, severity, and likelihood of occurrence. These review meetings are attended by the Chief Executive Officer, Chief Financial Officer, General Counsel, and segment Presidents, ensuring executive-level engagement. Material risks identified through this process are escalated to the Board and documented in the Enterprise Risk Management (ERM) system.

This process is cyclical and continuous, designed to ensure early identification of material risks and the development of appropriate mitigation strategies. The structure ensures that management is informed regularly at least annually about the status and effectiveness of risk management activities, in line with the requirements of Section 4(3) LkSG.

### Q: Has management established a reporting process to ensure that it is regularly - at least once a year - informed about the work of the person responsible for monitoring risk management?

Management has established a reporting process which, within the meaning of section 4 (3) of the SCDDA, ensures that the management is regularly - at least once a year - informed about the work of those responsible for monitoring risk management.

Confirmed

### Q: Describe the process for ensuring the reporting to the senior management at least annually or on a regular basis with respect to risk management

Albany International conducts regular risk analyses across its operations and value chain to identify material risks based on potential impact, likelihood of occurrence, and the Company's ability to influence them.

Operational teams perform ongoing assessments, with quarterly departmental reviews attended by the CEO and other executives to evaluate risk severity and likelihood. Material risks are escalated to the Board and recorded in the ERM system.

The Audit Committee informs the Board of Directors at least annually and additionally as needed ensuring compliance with Section 4(3) LkSG. This cyclical process supports early risk identification and timely mitigation.

## **A2- Policy Statement on the Human Rights Strategy**

**Q: Is there a policy statement that has been prepared or updated based on the risk analysis conducted during the reporting period?**

Yes. The policy statement has been published on the company website as a PDF document: <https://www.albint.com/media/bm2dhwd0/human-rights-policy.pdf>

**Q: Has the policy statement been communicated?**

We confirm that the policy statement has been communicated to employees, stakeholders and the general public and direct suppliers.

**Q: Please describe how the policy statement was communicated to the respective relevant target group**

The Audit Committee approved the publication of Albany International's human rights policy statement. It is made accessible to employees via the company intranet and to external stakeholders including suppliers, business partners, and the general public through the company website.

The intranet and company website also host supporting documents outlining principles on human rights, environmental responsibility, and expectations for employees, suppliers and partners.

**Q: What elements does the policy statement contain?**

- Child Labor
- Forced Labor and Human Trafficking
- Work Hours, Wages and Benefits
- Freedom of Association and Collective Bargaining
- Diversity and Inclusion
- Safe and Healthy Workplace
- Workplace Security
- Water Resources
- Our Suppliers
- Our Internal Accountability and Training
- Whistleblowing

## Q: Description of possible updates during the reporting period and reasons for them

The policy is reviewed annually to determine whether updates are necessary. During the reporting period, no substantive changes were made, as the existing policy remained aligned with current legal and operational requirements.

## A3- Anchoring the Human Rights Strategy Within Your Organization

### Q: In which relevant departments/business processes did you ensure the human rights strategy was anchored during the reporting period?

- Human Resources (HR)
- Procurement
- Sustainability
- Legal/Compliance
- Audit

### Q: Describe how the responsibility for implementing the strategy is distributed within the department/business processes.

Human rights risks are integrated into Albany International's ERM strategy, ensuring they are assessed and managed alongside operational, financial, and strategic risks. This holistic approach is overseen by the ERM Committee, led by the Chief Financial Officer and composed of representatives from Finance, Legal, Internal Audit, Global Information Systems, and business leadership. The Committee reports quarterly to the Board of Directors.

Operational teams conduct regular risk assessments, with quarterly departmental reviews attended by the CEO. Material risks are escalated to the Board and documented in the ERM system, supporting early identification and mitigation.

Responsibility for implementing the human rights strategy is shared across departments. The Audit Committee coordinates implementation in collaboration with relevant teams, including Occupational Health and Safety, Risk Management, and Legal. Both the Audit Committee and management oversee core due diligence elements as are related to the LkSG, including:

- Annual and event-driven risk analyses
- Preventive and corrective measures
- Complaints procedure
- Documentation and reporting processes

The Audit Committee receives regular updates on implementation, and Internal Audit reviews compliance as part of routine engagements.

## Q: Describe how the strategy is integrated into operational processes and procedures

Albany International integrates its human rights strategy into operational processes and procedures through a structured governance and risk management framework. The Audit Committee oversees the implementation of the human rights policy across all jurisdictions where Albany International operates, ensuring adherence to the guidelines of the LkSG risk management system.

Strategic management responsibilities are embedded within the core elements of corporate due diligence. This includes the delegation of tasks to operational functions, business units, within Albany International's own operations. Relevant departments such as Legal, Risk Management, Occupational Health and Safety, and sustainability collaborate to ensure that implementation aligns with local laws and ordinances.

Risk assessment within Albany International's own operations is conducted annually as part of the Enterprise Risk Assessment. The results of this assessment inform the ongoing development of processes in the respective departments.

For the supply chain, the supply chain management team performs continuous risk analysis at the supplier level. These results directly influence supplier selection and onboarding processes. Preventive measures are embedded not only in supplier selection and onboarding but also in the strategic positioning of our business units. Risks are prioritized based on their magnitude of impact and likelihood of occurrence. All suppliers are required to comply with Albany International's Supplier and Business Partner Code of Conduct and we work collaboratively to establish mutually agreeable terms and conditions of purchase.

## Q: Describe what resources and expertise are being provided for the implementation.

Albany International has allocated both internal and external resources to support the implementation of its human rights strategy. The Legal department leads efforts related to human rights and environmental risk management, supported by a cross-functional team from Environmental Health & Safety (EHS), Human Resources (HR), Supply Chain Management, and Sustainability. These teams contribute their expertise and operational capacity to due diligence processes.

External consultants are engaged as needed to support specific tasks such as risk analysis, training, and compliance assessments.

The Audit Committee oversees risk management and supports the Board of Management in fulfilling supervisory responsibilities. It also serves as the Qualified Legal Compliance Committee, ensuring adherence to legal and regulatory obligations.

A complaints procedure aligned with LkSG requirements is in place, with mechanisms for documentation and reporting to ensure transparency. Implementation progress is reported regularly to the Audit Committee and reviewed by Internal Audit as part of routine compliance checks.



## B- Risk Analysis and Preventive Measures



## B1- Implementation, Procedure and Result of the Risk Analysis

Q: Was regular (annual) risk analysis conducted during the reporting period to identify, weigh and prioritize human rights and environmental risks?

- Yes, for the company's own business area
- Yes, for direct suppliers

Q: Describe the period during which the annual risk analysis was conducted

The annual risk analysis was carried out for the 2024 financial year.

Q: Describe the risk analysis process

Human rights risks are identified, assessed and managed within the broader context of our ERM strategy, ensuring a comprehensive approach to organizational risk. We incorporate human rights risk assessments into our overall enterprise risk assessment process so that these risks are evaluated alongside operational, financial, and strategic risks, providing a holistic view of our risk landscape.

Our ERM strategy is overseen by an ERM 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 quarterly basis.

In addition to ERM integration, our supply chain risk management approach emphasizes preventive measures. All suppliers must comply with our Supplier and Business partner Code of Conduct, which set minimum standards on human rights, labor practices, and ethical conduct. Compliance to these codes of conduct is a prerequisite for doing business with Albany International. Where concerns arise, such as ethical issues or local non-compliance they are addressed promptly, and corrective actions are taken, including potential termination of the business relationship.

Q: Were event driven risk analysis also carried out during the reporting period?

No

Q: Give reason for your answer

No event-driven risk analyses were conducted for the 2024 reporting year. However, our regular risk analyses consistently cover Albany International's operations and the relevant value chain for each product category.

Q: Results of the risk identification process: what risks were identified in your own business operations as part of the risks analysis?

- Disregard for occupational safety and work-related health hazards
- Disregard of freedom of association – freedom of assembly and the right to collective bargaining
- Prohibition of withholding an appropriate wage
- Prohibition of forced labor and all forms of slavery
- Prohibition of child labor
- Prohibition of unequal treatment in employment

Q: Results of the risk identification process: What risks were identified for direct suppliers as part of the risk analysis?

- Disregard of occupational safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Disregard of freedom of association – freedom of assembly and the right to collective bargaining
- Unlawful violation of land rights
- Prohibition of withholding an appropriate wage
- Prohibition of child labor
- Prohibition of forced labor and all forms of slavery

Q: What risks were identified at indirect suppliers as part of the risk analysis?

None

Q: Were the risks identified during the reporting period weighted and prioritized and if so, on the basis of which appropriateness criteria?

- Yes, based on the expected severity of the violation by degree, number of persons affected and irreversibility
- Yes, based on the likelihood of occurrence
- Yes, based on the type of contribution to the cause
- Yes, on the basis of other factors: Impact on people, the environment and society

Q: Describe in more details how the weighting and where necessary, prioritization process was carried out and what considerations were made.

In the course of our risk analysis, all identified risks were systematically prioritized using a structured evaluation framework based on three key criteria:

- Severity of the potential impact
- Likelihood of occurrence
- Contribution to the cause

While the first two criteria - severity of the potential impact and likelihood of occurrence served as the primary criteria, contribution to the cause was considered as a secondary factor to refine prioritization where necessary.

#### Severity Assessment

Each identified risk was assigned an overall severity rating (high, medium, low) based on the following components:

- Level of impact: The intensity of the potential harm to affected rights holders.
- Scope of impact: The number of individuals or groups potentially affected.
- Irreversibility of impact: The extent to which the harm can be mitigated or reversed.

#### Likelihood Assessment

The likelihood of occurrence was also rated (high, medium, low) using three contextual factors:

- Local context: Socio-political, economic, and regulatory conditions in the region.
- Known incidents: Documented cases within the supply chain, sector, or local environment.
- Preventative measures: The existence and effectiveness of controls implemented by Albany International or its suppliers.

#### Contribution to the Cause

The contribution to the cause was evaluated to determine Albany International's level of involvement in the risk or impact:

- High: Direct causation by Albany International, with no intermediaries between the company and the affected rights holders.
- Medium: Indirect causation, where Albany International may enable the risk through its actions, but the impact is caused by a third party.
- Low: The risk is caused by a third party with whom Albany International has a business relationship, but the company's actions do not influence the impact.

#### Prioritization Process

Risks were prioritized by combining the ratings across the three criteria. Higher priority was given to risks with high severity and high likelihood, especially where Albany International had a direct or significant contribution to the cause. Additionally, suppliers with existing contractual relationships and larger order volumes were prioritized in the assessment, as these represent areas where Albany International has greater leverage and responsibility.

## B2- Preventative Measures in Your Own Business Operation

Q: Which risks were prioritized in your own business operation during the reporting period?

- Disregard of occupational safety and work-related health hazards
- Forced labor and human trafficking
- Prohibition of child labor

Q: What is the specific risk?

### **Disregard of occupational safety and work-related health hazards**

Within Albany International's operations, there is a potential risk that occupational safety and work-related health hazards may arise, particularly in manufacturing environments involving physical labor, and complex machinery. These risks are especially relevant where employees work with high-speed equipment, advanced materials, and industrial processes. If not properly managed, such conditions could lead to workplace accidents, injuries, or long-term health impacts. Albany International recognizes that maintaining a safe and healthy work environment is essential to both operational excellence and employee well-being, and has implemented comprehensive safety programs, trainings, and standards to proactively mitigate these risks.

Q: Where does the risk occur?

- China
- Brazil
- Mexico
- United States

Q: What specific risk is involved?

### **Forced Labor and Human Trafficking**

There is a potential risk that forced labor and human trafficking could occur within Albany International's operations or broader value chain, particularly in regions where labor rights enforcement may be limited. While this risk is considered low in our direct operations, we remain vigilant in addressing it across our global footprint. Albany International strictly prohibits all forms of forced labor including prison labor, bonded labor, indentured labor, military labor, and any form of modern slavery or human trafficking. We maintain a zero-tolerance policy and are committed to continuously strengthening our policies, due diligence processes, and training to help ensure that our operations and business relationships remain free from any form of forced labor or human rights abuse.

Q: Where does the risk occur?

- Brazil
- China
- Mexico
- United States



## Q: What specific risk is involved?

### Prohibition of child labor

There is a potential risk that child labor may occur within Albany International's global value chain, particularly in regions where labor protections are less robust. Such incidents would constitute a violation of internationally recognized human rights and the standards set forth by the German Supply Chain Due Diligence Act (LkSG). This risk is regularly evaluated through our ERM system, alongside other human rights and compliance-related risks. Albany International maintains a strict zero-tolerance policy toward child labor and is committed to continuously enhancing its policies, due diligence procedures, and training programs to help ensure that our operations and business relationships remain free from any form of child labor or human rights abuse.

## Q: Where does the risk occur?

- United States
- Brazil
- Mexico
- China

## Q: What preventative measures were implemented for the reporting period to prevent and minimize the priority risks in your own business area?

- Conducting comprehensive safety training programs tailored to specific job functions
- Implementation of training in relevant business areas, e.g. Business Ethics Policy Training
- Implementation of risk-based control measures
- Other/additional measures: Company guidelines

## Q: Describe the measures implemented and specify in particular the scope(e.g.,number, coverage/area of application).

To mitigate occupational safety and health risks, Albany International has implemented a comprehensive set of preventive measures across all global operations. These include:

- Role-specific safety training beginning at onboarding and continuing throughout employment, with periodic refreshers focused on high-risk activities.
- Regular risk assessments and audits of workstations, equipment, and operational processes.
- Mandatory use of personal protective equipment (PPE) and strict enforcement of safety protocols.
- Robust incident reporting systems including hazard identification and structured follow-up processes to drive continuous improvement.
- Health monitoring and ergonomic evaluations to reduce long-term health impacts.

#### Scope of Application:

These measures apply to all Albany International manufacturing and operational sites globally. Environmental, Health, and Safety (EHS) training begins during onboarding and continues throughout each employee's tenure. All employees receive initial and periodic refresher training on job-specific hazards, with a particular focus on high-risk activities.

In 2024, our Machine Clothing business launched a global Safety Leadership Certification Program for site safety leads. This initiative certified 11 individuals through an internal approval board after demonstrating advanced safety training and implementation at their facilities.

To support a culture of integrity and compliance, Albany International's Business Ethics Policy (BEP) is published in 11 languages and applies company-wide. All employees complete annual BEP training, and we conduct regular compliance risk assessments to identify areas where additional training or controls may be needed.

#### **Q: Describe the extent to which the trainings to prevent and minimize the priority risk is appropriate and effective.**

Albany International employs a continuous improvement approach to evaluate the effectiveness of its training programs in preventing and minimizing priority risks. This includes regular monitoring, feedback collection, and integration of lessons learned into updated training content.

All employees are required to complete mandatory training courses covering human rights, environmental responsibility, occupational safety, and ethical business conduct, including annual training on the Business Ethics Policy (BEP), which is available in 11 languages. These trainings are designed to raise awareness and promote risk-sensitive behavior across all levels of the organization.

Training completion is tracked through our employee evaluation management system and contributes to annual performance reviews. Managers are accountable for ensuring compliance within their teams. Training content is reviewed regularly to ensure it remains relevant, effective, and aligned with evolving risk profiles and regulatory requirements.

To further support occupational health and safety, Albany International partners with external experts such as Fit For Work, a U.S.-based leader in injury prevention. These consultants provide tailored services including early intervention, ergonomic assessments, employee testing, and industrial hygiene evaluations, ensuring that training and protective measures are both location- and task-specific.

Additionally, we conduct annual compliance risk assessments to identify residual risks and determine where enhanced training or additional controls may be necessary. These efforts collectively ensure that our training programs are not only comprehensive but also effective in addressing the specific risks present in our operations and supply chain.

#### **– Risk-based control measures**

## Q: Describe the measures implemented and specify in particular the scope (e.g., number, coverage/area of application).

Albany International has implemented a range of risk-based control measures to prevent and mitigate priority risks across its global operations. These measures are integrated into our ERM system and are applied company-wide, with a focus on manufacturing sites and high-risk operational areas.

Key control measures include:

- Stop-Call-Wait Program: All employees are trained and empowered to stop work if they perceive a safety risk. This initiative reinforces individual accountability and proactive risk management at every level of the organization.
- Regular audits and inspections: Health and safety programs are audited across all production sites. Findings are used to update risk assessments and inform corrective actions.
- Continuous improvement programs: Operational departments implement structured improvement initiatives based on incident analysis, employee feedback, and audit results.
- Environmental management system: Certified under ISO 14001, this system supports the identification and mitigation of environmental risks across all relevant sites.
- Codes of Conduct: Albany International's internal Code of Conduct, Human Rights Policy and Supplier and Business Partner Code of Conduct establish clear expectations for ethical behavior, human rights, and environmental responsibility. These are applicable to all employees and third-party partners globally.

The scope of these measures includes all manufacturing sites, key business units, and critical suppliers. Audit results and risk data are fed back into the ERM system to support dynamic risk prioritization and continuous refinement of controls.

As a signatory to the United Nations Global Compact, Albany International aligns its operations with internationally recognized principles on human rights, labor, and the environment, further reinforcing the scope and integrity of its risk-based control framework.

## Q: Describe the extent to which the measures to prevent and minimize the priority risks are appropriate and effective

Albany International has implemented a range of preventive measures to address priority risks, including internal guidelines, certified management systems, training programs, and continuous improvement programs. These measures are monitored regularly and adjusted as needed to ensure they remain relevant and effective.

Through our ERM system, risks are continuously reviewed and reassessed. Preventive actions are tailored to the nature and severity of identified risks.

The appropriateness of these measures is ensured by aligning them with internationally recognized standards (e.g., ISO 14001) and internal codes of conduct. Their effectiveness is evaluated through performance metrics, internal and external audit results, and structured feedback loops. These insights inform the ongoing refinement of policies, training programs, and operational controls, ensuring that our risk mitigation efforts remain suitable for evolving legal and operational requirements.

## B3- Preventative Measures at Direct Suppliers

Q: What Risks Were prioritized for direct suppliers during the reporting period?

- Disregard of occupational safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Disregard of freedom of association-freedom of assembly and the right to collective bargaining

Q: What is the specific risk?

### **Disregard of occupational safety and work-related health hazards**

There is a risk of potential disregard for occupational safety and work-related health standards within Albany International's value chain, particularly among direct suppliers operating in sectors such as transport, logistics, and manufacturing. Contributing factors may include physically demanding work, extreme working conditions, inadequate safety protocols, and exposure to hazardous materials.

Albany International collaborates with its suppliers to establish mutually agreeable terms and conditions of purchase including considerations related to human rights and ethical business practices. This serves as the foundation for doing business together.

Q: Where does the risk occur?

China  
Mexico  
Brazil

Q: What is the specific risk?

### **Destruction of the natural basis of life through the environmental pollution**

There is a potential risk of environmental pollution within Albany International's value chain, particularly among direct suppliers in manufacturing and industrial processing sectors. Contributing factors may include excessive water consumption, emissions of hazardous substances, improper waste disposal, and insufficient documentation of environmental management practices.

All suppliers are required to comply with our standard Code of Conduct, which sets minimum requirements for human rights, environmental stewardship and ethical business practices and serve as the foundation for doing business together. Compliance with these standards is a prerequisite for any supplier relationship. In addition, we maintain ongoing engagement with suppliers and align with international environmental standards, including ISO 14001, as part of our broader sustainability and risk management strategy.

### Q: Where does the risk occur?

- Brazil
- China
- Mexico

### Q: What is the specific risk?

#### **Disregard of freedom of association-freedom of assembly and the right to collective bargaining**

Within Albany International's supply chain, there is a risk that direct suppliers may fail to uphold workers' rights to freedom of association, assembly, and collective bargaining. This risk is particularly relevant in regions where trade union activity is legally restricted, poorly enforced, or discouraged in practice.

Albany International requires all suppliers and business partners to comply with our Supplier and Business Partner Code of Conduct, which establishes our minimum requirements regarding human rights and ethical business practices, including alignment with internationally recognized labor rights such as those set by the ILO particularly concerning freedom of association, freedom of assembly, and the right to collective bargaining. Compliance with these requirements is a non-negotiable prerequisite for establishing and maintaining any supplier relationship.

### Q: Where does the risk occur

- China
- Brazil
- Mexico

### Q: What preventive measures were implemented for the reporting period to prevent and minimize priority risks at direct suppliers?

- Development and implementation of appropriate procurement strategies and purchasing practices
- Integration of expectations into the supplier selection process
- Obtaining contractual assurance for compliance with and implementation of expectations throughout the supply chain
- Agreeing and implementing risk-based control measures

### Q: Category: Procurement strategy and Purchasing practices

Albany International has implemented a range of procurement-related measures to prevent and minimize priority risks within its supply chain. All suppliers and business partners are required to comply with the Supplier and Business Partner Code of Conduct, which outlines expectations related to human rights, fair labor practices, environmental responsibility, and ethical business conduct.

To ensure these standards are upheld:



- Our supplier terms and conditions is available on the website and communicates to both prospective and current suppliers, reinforcing our commitment to responsible sourcing.
- Suppliers are also subject to Albany International's Business Ethics Policy, and must comply with all applicable environmental laws, codes, and regulations relevant to their operations and products.

To support effective implementation:

- Employees involved in procurement operate under our Procurement Policy, which guides their activities and set minimum requirements for responsible sourcing.
- Strategically critical suppliers participate in regular performance reviews, which help monitor compliance and address emerging risks.

**Q: Describe the measures implemented and to what extent the determination of delivery times, of purchase price or the duration of contractual relationships have been adjusted.**

Albany International integrates human rights and environmental considerations into procurement practices. All suppliers and business partners are required to comply with our Supplier and Business Partner Code of Conduct, which sets clear expectations regarding human rights, labor practices, and environmental responsibility. These standards are reinforced through contractual clauses that require collaboration and disclosure in the event of violations or suspected shortcomings.

Albany International ensures consistency and reliability for all stakeholders while maintaining compliance with our ethical standards. We continuously monitor supplier performance and evaluate opportunities to strengthen alignment with sustainability objectives. Where necessary, we are prepared to explore mechanisms that support corrective actions and long-term improvements without compromising contractual obligations.

**Q: Describe how adjustments made in your own procurement strategy and purchasing practices will help to prevent and minimize the priority risks.**

Albany International strives to minimize human rights and environmental risks when working with suppliers using a strategy that integrates ethical standards, and risk-based supplier management. All suppliers are required to comply with our Supplier and Business Partner Code of Conduct, which sets binding expectations for respecting human rights and environmental regulations.

New suppliers undergo enhanced due diligence, including structured questionnaires to ensure alignment with Albany International's Supplier and Business Partner Code of Conduct. Procurement decisions are guided not only by commercial considerations but also by sustainability and human rights criteria as outlined in our policies.

Through ongoing engagement and periodic reviews, Albany International continuously monitors supplier performance and remains prepared to explore mechanisms that support corrective actions and long-term improvements without compromising contractual obligations.

– Other categories:

Selected:

- Integration of expectations into the supplier selection process
- Obtaining contractual assurance for compliance with and implementation of expectations throughout the supply chain
- Agreeing and implementing risk-based control measures

**Q: Describe how the measures to prevent and minimize the priority risks are appropriate and effective.**

All suppliers are required to accept and adhere to Albany International's Supplier and Business Partner Code of Conduct, which outlines binding expectations for ethical conduct, human rights, and environmental compliance. Through our ERM, we monitor the supply chain for potential violations, and for 2024, no specific violations have been identified, demonstrating the effectiveness of our preventive approach.

Supplier selection is a critical component of risk prevention. We collaborate with our suppliers to establish mutually agreeable terms and conditions of purchase including considerations related to human rights and ethical business practices while committing to fair, and ethical business conduct. These agreed-upon contractual requirements, combined with ongoing monitoring efforts, help ensure accountability and minimize risks before they materialize.

## **B4- Preventive Measures for Indirect Suppliers**

**Q: Which risks were prioritized in the reporting period based on the event-driven risk analysis for indirect suppliers?**

None

**If no risks have been selected, give reasons for your answer.**

During the current reporting period for the 2024 reporting year, Albany International did not identify any substantial risks or violations within the operations of its indirect suppliers. However, we continue to strengthen our supply chain engagement and monitoring efforts, including indirect suppliers, as new information becomes available.

**Q: What preventive measures were implemented for the reporting period to prevent and minimize priority risks at indirect suppliers?**

Other/additional measures: Binding Code of Conduct for Business Partners

**Q: Describe the implemented measures and specify in particular their scope (e.g., number, coverage/area of application).**

Our Business Partners and Supplier Code of Conduct is binding for all suppliers and business partners of Albany International. This code of conduct sets out our expectations and serves a guiding principle for all companies with whom Albany International do business.

The code of conduct includes clear and specific requirements for respect of human rights from our suppliers and explicitly requires all our business partners and suppliers to demand that their own suppliers uphold the same standards as a prerequisite for their contractual relationship with Albany International.

**Q: Describe how the measures to prevent and minimize the priority risks are appropriate and effective.**

Indirect suppliers were not the primary focus during the 2024 reporting year.

However, Albany International continues to apply its Supplier and Business Partner Code of Conduct as a guiding principle and binding document in all business relationships. The Code explicitly requires all suppliers and business partners to respect human rights and mandates that they hold their own suppliers to the same standards.

## **B5- Communication of Results**

**Q: Were the results of the risk analysis/analyses for the reporting period communicated internally to key decision-makers?**

The results of the risk analysis/analyses for the reporting period were communicated internally to key decision-makers, such as the Board of Directors, the management, or purchasing department, in accordance with section 5 (3) LkSG.

- Confirmed

## **B6 – Changes in risk disposition**

**Q: What changes have occurred in terms of priority risks compared to the previous reporting period?**

This question is not applicable to Albany International as this is the first report on Albany International's compliance with the due diligence obligations.

## C- Identification of violations and corrective measures



## **C1 – Changes in risk Situation**

**Q: Were there any violations identified in your own business operations during the reporting period?**

No

**Q: Describe the procedures that can be used to detect violations in your own business area.**

Risk analysis enables Albany International to identify potential violations within its operations. The Company has implemented comprehensive control measures to ensure compliance with human rights and environmental protection guidelines. These measures allow us to detect risks and violations at an early stage and mitigate them effectively.

Furthermore, Albany International has established a complaints procedure that provides all employees and stakeholders with free (anonymous) access to report potential violations through our complaints management system. This promotes a transparent and responsible corporate culture that prioritizes respect for human rights and environmental protection.

## **C2 – Identification of violations and corrective measures at direct suppliers**

**Q: Were any violations identified at direct suppliers during the reporting period?**

No

**Q: Describe the procedures used to identify violations at direct suppliers.**

Violations within the operations of direct suppliers are identified through risk assessments conducted by Albany International. In addition, our Supplier and Business Partner Code of Conduct serving as a binding agreement between Albany International and its suppliers explicitly outlines guidelines for reporting violations.

All violations of this Code can be reported either via email to the Compliance Department or through the EthicsPoint whistleblower helpline. This reporting mechanism is accessible to all suppliers and partners via the supplier section of our company website.

Albany International reserves the right to cancel outstanding orders, suspend future orders, or terminate business relationships with any supplier that is unwilling or unable to comply with the Code of Conduct.

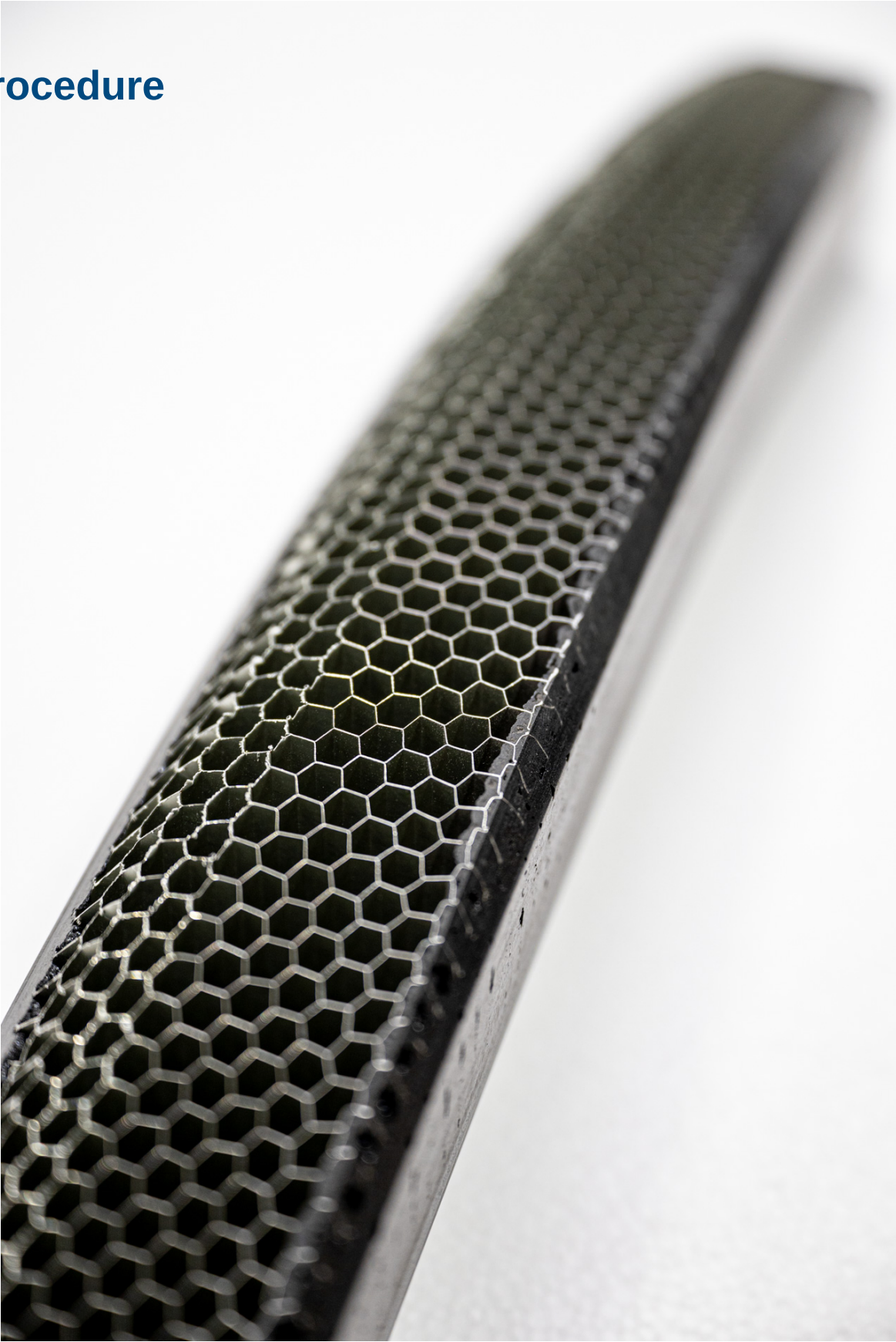


### **C3 – Identification of violations and corrective measures at indirect suppliers**

Q: Were any violations identified at indirect suppliers during the reporting period?

No

D – Complaints procedure



## D1 – Establishment of or participation in a complaints procedure

Q: In what form was a complaints procedure available during the reporting period?

In-house complaints procedure

Q: Describe your company's own process and/or the process in which your company participates.

Albany International takes all reports of misconduct and policy violations seriously and seeks to address any misconduct as early as possible and prevent the recurrence of future situations. To this end, a complaints and Concerns policy which serves as a guideline and sets the process and manner in which reported complaints and concerns are addressed has been developed and fully in effect.

The policy is designed to include a European Addendum to supplement the policy for directors, officers, and employees in the European Union ("European Personnel") only.

All reported concerns and violations are appropriately reviewed or investigate to ascertain all claims of misconduct or wrongdoing brought to its attention, regardless of the reporting channel. After a thorough investigation, and review, appropriate steps (disciplinary or otherwise) are taken to address the reported violations.

Reports can be made through:

- Dedicated phone lines to the Chairman of the Audit Committee, Chief Executive Officer or General Counsel.
- Written communication to Albany International Corporate Head Office
- Ethics Point (in one's preferred language and either anonymously or on a named basis) using [www.ethicspoint.com](http://www.ethicspoint.com) or calling a dedicated country number.

In addition, any employee of Albany International, or a subsidiary, who receives an oral or written report, including an anonymous report, shall promptly forward such written report or communicate such oral report to an appropriate Senior Supervisor, or one of the persons listed above.

Albany International has developed its own corporate complaints procedure, which also covers complaints in the context of the LkSG.

Our reporting system is available and accessible around the clock in various languages via different channels. Complaints or reports can be submitted by telephone via dedicated reporting telephone numbers. Our hotlines are managed by ethics and compliance experts who specialize in the risks including those associated with the Supply Chain Due Diligence Act. Complaints can also be submitted anonymously via an online reporting form (EthicsPoint). Both the reporting system and the hotlines can be contacted anonymously, provided this is permitted by local law.

The complaints procedure and relevant responsibilities are defined in our complaints and concerns policy. Another relevant policy that contains complaints and concerns reporting is our Supplier and Business Partner Code of Conduct.

Once a complaint or tip-off has been received, the person making the report usually receives an acknowledgement of receipt, as well as a contact person for further communication. The reported matter is forwarded to a team of experts in our Compliance department for further investigation. The team of experts conducts an initial preliminary investigation to determine whether there is sufficient evidence of an actual risk or violation. If necessary, the team of experts may request additional information from the reporting person. If the suspicions are confirmed, further investigation steps are initiated to clarify the facts. If an incident is confirmed, appropriate remedial and preventive measures are implemented. Once remedial measures have been taken, the whistleblower will generally be informed of the results within three months of confirmation of receipt (the duration of the investigation may vary from case to case). An explanation of the reasons why Albany International considers the complaint to be unfounded will not be provided if such disclosure is prohibited for legal, regulatory or practical reasons for the Compliance Department.

### Q: Which potentially affected parties have access to the complaints procedure?

- Own employees
- Communities in the vicinity of our own locations
- Employees at suppliers
- External stakeholders such as NGOs, trade unions, etc.
- Other: Customers

### Q: How is access to the complaints procedure ensured for the different groups of potentially affected parties?

- Publicly accessible rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process
- All information is clear and understandable
- All information is publicly accessible

### Q: Publicly accessible rules of procedure in text form (optional)

Yes

<https://www.albint.com/media/t0mjtttdi/complaints-and-concerns-policy.pdf>

<https://www.albint.com/media/2qdnkbta/ain-supplier-and-business-partner-code-of-conduct-jan-2025.pdf>

### Q: Information about accessibility (optional)

Yes

<https://www.albint.com/media/t0mjtttdi/complaints-and-concerns-policy.pdf>

<https://www.albint.com/media/2qdnkbta/ain-supplier-and-business-partner-code-of-conduct-jan-2025.pdf>

### Q: Information about responsibility (optional)

Yes

<https://www.albint.com/media/t0mjtttdi/complaints-and-concerns-policy.pdf>

<https://www.albint.com/media/2qdnkbta/ain-supplier-and-business-partner-code-of-conduct-jan-2025.pdf>

### Q: Information about the process (optional)

Yes

<https://www.albint.com/media/t0mjtttdi/complaints-and-concerns-policy.pdf>

<https://www.albint.com/media/2qdnkbta/ain-supplier-and-business-partner-code-of-conduct-jan-2025.pdf>

### Q: All information is clear and understandable (optional)

Yes

<https://www.albint.com/media/t0mjtttdi/complaints-and-concerns-policy.pdf>

<https://www.albint.com/media/2qdnkbta/ain-supplier-and-business-partner-code-of-conduct-jan-2025.pdf>

### Q: All information is publicly available (optional)

Yes

<https://www.albint.com/media/t0mjtttdi/complaints-and-concerns-policy.pdf>

<https://www.albint.com/media/2qdnkbta/ain-supplier-and-business-partner-code-of-conduct-jan-2025.pdf>

### Q: Were the rules of procedure publicly available for the reporting period?

Yes

<https://www.albint.com/media/t0mjtttdi/complaints-and-concerns-policy.pdf>

<https://www.albint.com/media/2qdnkbta/ain-supplier-and-business-partner-code-of-conduct-jan-2025.pdf>

## D2 – Requirements for the complaints procedure

Q: Indicate the person(s) responsible for the procedure and their function(s).

The responsibility for complaints and concerns procedure at Albany International is with the Compliance and Legal Team which reports to the Audit Committee of the Board.

Q: It is confirmed that the criteria for the responsible persons contained in section 8 (3) LkSG are fulfilled, i.e., that they offer the guarantee of impartial action, are independent and not bound by instructions, and are obliged to maintain confidentiality.

Confirmed

Q: It is confirmed that precautions were taken during the reporting period to protect potentially affected parties from being disadvantaged or penalized as a result of a complaint.

Confirmed

Q: Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.

All the submitted complaints are handled confidentially in accordance with the complaints and concerns policy which is based on the guiding principles of confidentiality, fair proceedings, the presumption of innocence, impartiality and protection against discrimination. In order to protect the whistleblower, confidential or personal data is only passed on if this is necessary for investigating the complaint or taking appropriate measures or if Albany International is obligated by law to inform authorities or regulatory institutions (need-to-know principle). Whistleblowers also have the option of submitting complaints anonymously.

All reports are treated as confidential and will carry no risk of retribution if made in good faith. Any Company personnel who take any action in retaliation against a person who, in good faith, makes a report will be subject to serious discipline. Nevertheless, any person may, if he or she prefers, make a report anonymously.

Q: Describe what precautions have been taken, in particular what other measures are in place to protect whistleblowers.

Albany International handles any submitted reports or complaints as strictly confidential throughout the entire procedure. Information and findings resulting from the handling of these complaints serve exclusively for investigative purposes and are only shared with selected



contacts within Albany International or with external authorities, such as law enforcement agencies, if this is necessary for the investigation or prescribed by law.

#### Our Complaints and Concerns Policy

- Persons who submit a complaint in good faith and not in an improper manner will be protected as best as possible at all times and at every stage of the complaints process. This also applies to persons involved in the investigation of the complaint.
- Discrimination, unequal treatment, intimidation or other negative effects that lie within the sphere of influence of Albany International due to the use of the complaints procedure by the whistle blower are not tolerated.
- Appropriate measures are taken by Albany International if it becomes aware of such an act. This protection – especially against retaliation such as termination, warnings or other forms of discrimination – also applies after the proceedings have been completed.
- Whistleblowers who submit a complaint are protected against any adverse effects by the confidential and impartial complaints procedure. In this context, the essential requirements for maintaining confidentiality and data protection are defined in, amongst other things, the existing rules of procedure.
- Complaints are handled based on the principles of fair proceedings and the presumption of innocence until proof of any violation or infringement has been established.

### D3 – Implementation of the complaints procedure

Q: Were there any reports received via the complaints procedure during the reporting period?

No

Q: Please provide further details on the number, content, duration and results of the procedures.

Q: On what topics have complaints been received?

Q: Describe what conclusions were drawn from the complaints/reports received and to what extent these findings led to adjustments in risk management.

## E – Risk management review



**Q: Is there a process in place to comprehensively review the appropriateness and effectiveness of the risk management system across your organization?**

Yes

**Q: In which of the following areas of risk management is appropriateness and effectiveness audited?**

- Resources & expertise
- Risk analysis and prioritization process
- Preventive measures
- Remedial measures
- Complaints procedure
- Documentation

**Q: Describe how this audit/review is carried out for the respective area and what results it has led to, particularly with regard to the prioritized risks.**

In keeping with our ERM system, each process units conduct a quarterly risk assessment and the results are shared with the Senior Leadership Team. After a thorough consideration of the likelihood of occurrence and the magnitude of impact for each identified risks, the prioritized risks which exceeds the threshold goes into the ERM and is communicated to the audit committee of the board.

With regard to human rights risks, an annual risk analysis is carried out to identify and prioritize human rights-related risks within Albany International. The results are forwarded to internal decision-makers, including the legal department, and discussed. Decisions on risk mitigation are discussed and documented as procedures. In general, Albany International's ERM process takes place annually to help us understand long-term risks in various areas, including sustainability issues.

The Audit Committee and the Board annually review the ERM analysis and the action plan to monitor and control these risks. In addition, the risk management system implemented to identify risks and breaches of human rights and environmental protection is closely monitored by our legal and compliance team and regularly reviewed for its effectiveness. A comprehensive review of the established processes will take place in the next risk review year to further optimize them and identify and eliminate potential weaknesses.

Q: Are there processes or measures in place to ensure that the establishment and implementation of the risk management adequately takes into account the interests of your employees, the employees within your supply chains and those who may be otherwise directly affected in a protected legal position by the economic activities of your company or by the economic activities of a company in your supply chains.?

Yes

Q: In which areas of risk management do processes or measures exist to take into account the interests of potentially affected parties?

- Preventive measures
- Remedial measures
- Complaints procedure
- Risk analysis and prioritization process

Q: Describe the processes and measures in place for the respective area of risk management.

The complaints procedure is available to both internal/employees who have complaints and external stakeholders who have complaints. Reports can be made anonymously or named. The appropriateness of the corrective and preventive measures as well as the complaints management is overseen by the compliance and legal department.

# About this Report

This report marks Albany International's first submission under the German Supply Chain Due Diligence Act (LkSG), in accordance with the requirements of the Federal Office for Economic Affairs and Export Control (BAFA).

With this report, we are laying the foundation for a structured and transparent approach to corporate due diligence. We are committed to continuously improving the underlying processes both proactively and in response to specific developments. Any changes or newly identified risks will be reflected in future reporting periods.

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