



2023

AMANN SUSTAINABILITY REPORT

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OUR MISSION

"The **expanded international perspective** of our company regarding sustainability should have **clear effects** for how we deal with our **customers**, our **employees**, our **suppliers and** our **environment** and stay **ahead of the applicable law at all times**.

For the company, this results in an **expanded responsibility** for the future, from development to production and sales, which finds its expression in a changing **work culture in sustainable interaction between nature, people and profitability**."

Katja Pielenz

Director of the Hanns A. Pielenz Foundation and shareholder of Amann & Söhne GmbH & Co. KG
February 2023





MESSAGE FROM THE BOARD

Dear readers,

The world is changing. Both the economy and society are facing existential challenges. We are already seeing the effects of advancing climate change and growing resource conflicts. As an international family-owned company, we are facing up to these challenges and are taking responsibility - ecologically, socially and economically. We see this not only as a duty, but also as an opportunity for our company to contribute to climate protection through successful and innovative solutions. We are firmly convinced that our long-term and value-orientated approach is the key to economic success. Our customers can be assured that they will continue to receive sewing threads of the highest quality in the future.

The past financial year was once again characterised by challenging geopolitical events, which also had an impact on our company. The world is changing rapidly, which is why it is all the more important to press ahead with the subject of sustainability in these times. In this respect, 2023 was a groundbreaking year for us. We created the AMANN Group's first corporate carbon footprint and derived ambitious climate protection targets from it in order to achieve the goal of net-zero CO₂ emissions by 2050.

We have set a milestone with the commissioning of our first production site in India: The plant is state-of-the-art and can produce almost climate-neutrally. This standard will be the future for AMANN! And we are particularly proud that the plant has already been awarded the CITI Textile Sustainability Award 2024 for 'Best Sustainable Retail Practices'.

The commitment of our employees is crucial to the sustainable transformation of our company. Thanks to their commitment and support, we have achieved a lot so far. However, we also know that there is still a lot to do. We want to report transparently on our journey.

Courage and optimism are needed to drive positive change together. We are ready!

With best regards



Wolfgang Findeis
CFO



Ivo Herzog
CSIO



Peter Morgalla
COO



Arved Westerkamp
CSO



CONTINUITY SINCE 1854 THE BASIS FOR SUSTAINABILITY

For 170 years, AMANN has stood for pioneering spirit and innovation. These qualities have made the company what it is today and continue to set the standards for the future.

"For the purpose of manufacturing twisted and dyed silks", Alois Amann and Imanuel Böhringer founded the company Amann & Böhringer in 1854. Even then, the company was a pioneer in Europe. The professional processing of silk yarns was considered an elaborate art that hardly anyone had dared to try before.

Today, the AMANN Group is one of the world market leaders of sewing and embroidery threads. From universal sewing threads to highly technical special yarns, we offer a wide range of products for numerous different applications.

AMANN produces high-quality sewing and embroidery threads for apparel, shoes & accessories, home interior, automotive, techtext and consumer. The production in our own production facilities in Europe and Asia ensures sustainable and fair production processes with state-of-the-art technology.

The non-profit Hanns A. Pielenz Foundation is a shareholder of the AMANN Group alongside the Pielenz family and supports projects in the fields of art and culture, science and research as well as education and training.

SUSTAINABILITY AMANN MILESTONES

2000

ISO 14001
Environmental
management



2000

2019

Joining
UN Global
Compact



2020

2020

Participation in the
UN Climate Leaders
campaign

2022

Expansion of the
Management
Board to include
the area of
"Sustainability &
Innovation"

2023

First Corporate
Carbon Footprint
(CCF)



GREENHOUSE
GAS PROTOCOL

2010

2009

First Recycled product range



2020

First Cradle to Cradle Certified®
Lifecycle product range



2022

The Circle is Blue®
our overarching claim for sustainable action



**THE CIRCLE
IS BLUE®**

INTERNATIONAL PRESENCE OF THE AMANN GROUP



**The AMANN Group
employs approx. 2,500
people of 35 different
nationalities in
20 countries worldwide.**

At all our locations, we rely
on sustainable, fair and safe
production processes and
working conditions.

LEGEND:



PRODUCTION SITES

- Germany (Augsburg)
- Great Britain (Manchester)
- Romania (Braşov)
- Czech Republic (Chřibská)
- China (Yancheng)
- Bangladesh (Mawna)
- Vietnam (Tam Kỳ)
- India (Ranipet)

AMANN GROUP 2023 AT A GLANCE



*For a detailed list, see page 56 onwards



CONNECTING TRANSFORMATION



THE AMANN WAY OF SUSTAINABILITY

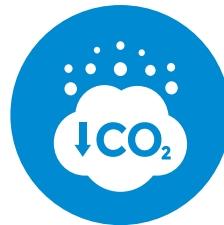
If nothing changes, everything will change. Those who do not operate sustainably today will have no future tomorrow. Based on this knowledge, sustainability concepts define the orientation framework for our business activities worldwide. Economic success must be harmonised with ecological and social responsibility. Sustainability must be considered across all processes and products. That is our aspiration. This report documents the progress we made in many fields of sustainability in 2023. For a responsible interaction with our blue planet.

SUSTAINABILITY: ON THE RIGHT TRACK ALONG THE VALUE CHAIN

For AMANN, sustainability is a vision for the future and a guiding framework for responsible business.

We consider all areas of our value chain – from resource extraction to production to delivery, and ultimately the use of our products by our customers and consumers. Our aim is to ensure that our quality products are manufactured in an environmentally and socially responsible manner.

STRATEGIC MILESTONES. WHAT WE ACHIEVED IN 2023:



Implementation of the Corporate Carbon Footprint (CCF)



Introduction of the Climate Protection Roadmap



Future-proof raw materials strategy

“We are committed to change so that sustainable growth, innovation and social benefit continue to characterise our company's fortunes in the future. In the spirit of the Hanns A. Pielenz Foundation, we see a particular responsibility to actively shape change. 2023 was a real milestone in this respect. As a key result, we created the first CCF (Corporate Carbon Footprint) for the entire Group, thereby creating an important basis for our future decisions. I am more than proud of what we have achieved so far.”

Ivo Herzog

CSIO AMANN Group



We together for a sustainable future

With our claim **THE CIRCLE IS BLUE**, we express our understanding of a sustainable future. With a clear message, both internally and externally, this is how we communicate our central promise for a responsible interaction with our blue planet:

- We are committed to combining economic success with ecological and social responsibility.
- We address the environmental and social impact of our business activities.
- We embed sustainability holistically in our products and processes.

We are a strong team. And we are committed to the circular economy as the business model of the future. This is also what THE CIRCLE IS BLUE stands for.



OUR SUSTAINABILITY STRATEGY: FOCUSSING ON THE ESSENTIALS

Our sustainability strategy is the basis for our commitment to sustainability. The goals set out in this strategy provide the initial framework for action - understood as a process that we constantly scrutinise, refine and, if necessary, expand.

We want to be a driving force and pioneer in terms of sustainability. In 2023, we therefore began to revise our Sustainability Strategy 2025 and align it even more stringently and focussed on the three fields of action economy, ecology and social affairs. Derived from this, the social strategy 'Shaping community' and the environmental strategy form key components. The topics of climate, water and waste have been prioritised first. As a company, we can make a particularly relevant contribution here in the short and mid-term. The Sustainable Development Goals (SDGs) form the guideline for our corporate actions.



COMPASS OF SUSTAINABLE DEVELOPMENT: SUSTAINABLE DEVELOPMENT GOALS

Creating value together. For the sustainable development of the AMANN Group worldwide, we align our actions with internationally applicable sustainability goals and principles:

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The SDGs of the United Nations set the framework for our corporate governance. The 17 goals with 169 corresponding sub-goals are the core of the

Agenda 2030 of the United Nations; the action plan for a liveable future worldwide.

For AMANN, the SDGs are the international compass that guides our actions. They are an important basis for the strategic consideration and further development of our specific sustainability goals. AMANN has a very diverse impact on the UN's 17 SDGs. In particular, the focus is on 9 goals to which we as a company can make a relevant contribution.

UN GLOBAL COMPACT

AMANN already joined the UN Global Compact, the world's largest and most important initiative for responsible corporate governance, in 2019. The UN Global Compact Network Germany (UN GCD) with 1,050 participants from business, civil society and politics supports companies in strategically anchoring sustainability on the basis of 10 universal principles and contributing to the implementation of the Sustainable Development Goals*.



*The AMANN Group is a signatory to the UN Global Compact. An explanatory table of our allocation to the 10 principles can be found on page 55.

GREENHOUSE GAS PROTOCOL (GHGP) SCOPE 1, 2 AND 3

The central basis for achieving the net-zero target in 2050 and active climate management is knowing your own greenhouse gas balance.

AMANN uses the Greenhouse Gas Protocol (GHG Protocol), divided into the emission categories Scope 1, 2 and 3, as the basis for determining Group-wide greenhouse gas emissions.

Our Corporate Carbon Footprint (CCF) ensures transparency and traceability across all relevant categories.

SCOPE 1



DIRECT OWN EMISSIONS

Includes **direct** emissions from facilities at the AMANN sites e.g. from fuels in energy plants or vehicles, or also volatile gases.

SCOPE 2



INDIRECT ENERGY EMISSIONS

Includes **indirect** emissions at AMANN locations, e.g. from purchased energy such as electricity, heat and steam

SCOPE 3 Upstream



EMISSIONS ALONG THE SUPPLY CHAIN

Includes significant **upstream** emissions along the AMANN value chain, e.g. through purchased goods and services, logistics, business travel, waste and water.

SCOPE 3 Downstream

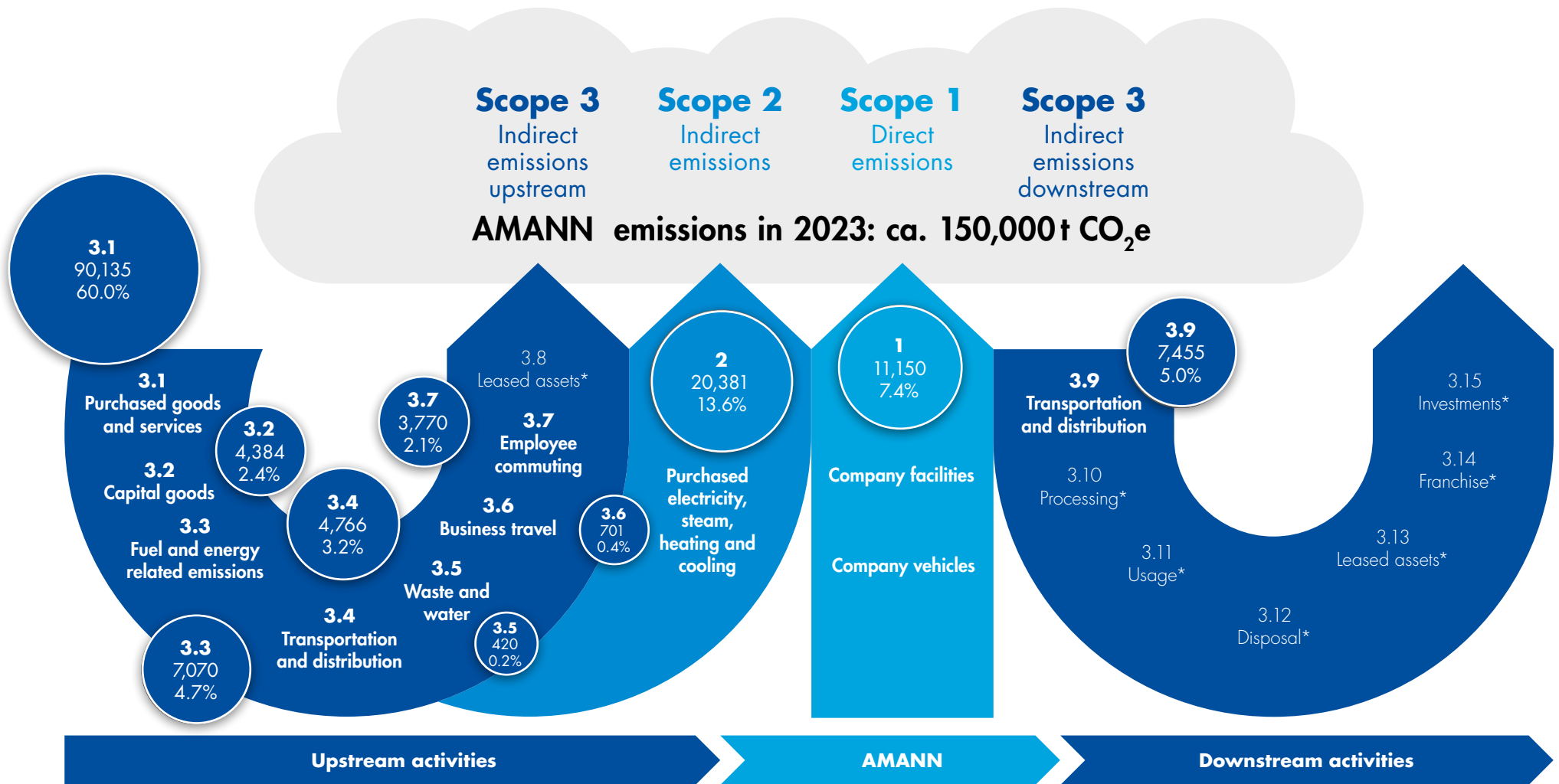


EMISSIONS IN THE PRODUCT USE PHASE

Includes significant **downstream** emissions along the AMANN value chain, e.g. through the transport of finished goods

OUR FOOTPRINT

GREENHOUSE GAS BALANCE OF THE AMANN GROUP



2022 is our base year with approx. 183,000 t CO₂e. Further details on page 59 onwards. The explanations for the reduction in 2023 can also be found here.

*In the materiality analysis, categories 3.8 and 3.10 to 3.15 were identified as not relevant for AMANN.

CLIMATE PROTECTION ROADMAP

OUR TARGETS ARE AMBITIOUS

We want to reduce our CO2 emissions across the three scopes by at least 30% by 2030 and achieve net zero by 2050.

TRANSFORMATION TO A CIRCULAR ECONOMY

We see the next development boost for CO2-neutral production in the shift towards a circular economy. Together with our customers and partners, we want

to drive this change forward. Innovations are the key to greater sustainability.

By 2027

Scope 1+2 reduction by 50%*
Scope 3 reduction by 10%*

By 2030

Scope 1+2 reduction in total by 60%*
Scope 3 reduction in total by 20%*

30% **absolute** reduction*
(Target for the reduction of greenhouse gas emissions – all scopes)

By 2050

0 NET ZERO

2027 2030

2050

* Reduction compared to base year 2022. See also the ecological key figures on page 59 onward.

RAW MATERIALS AND RESOURCES SAFE. RESPONSIBLE. SUSTAINABLE.

The CO₂ emissions along our supply chain are primarily caused by purchased goods – in particular the materials we use to manufacture our products. Reducing these emissions is therefore a crucial part of our Net Zero target.

To achieve its goals, the AMANN Group has defined a forward-looking raw materials roadmap for 2023. This takes into account ecological, economic and social aspects in terms of sustainable development and is of central importance in order to ensure the long-term competitiveness and resilience of our company in a dynamic and volatile market environment. Closely linked to this are the subjects of security of supply, risk management and cost efficiency, which have the highest priority for AMANN alongside the requirements for sustainable procurement.

OUR RAW MATERIALS ROADMAP 2030

With our raw materials roadmap, we are committed to the responsible extraction and efficient use of raw materials in line with the principles of the 2030 Agenda for Sustainable Development (SDGs). We have set ourselves ambitious targets for the reduction of raw material-related CO₂ emissions by 2030:

MILESTONE 2027:

Convert the proportion of PET to 50% recycled PET (rPET).
Replacing PET with rPET is a first step for us and a bridging technology.

TARGET 2030:

- Use of sustainable raw materials such as biopolymers
- Replacement of environmentally harmful polyester and polyamide fibres with recyclable alternatives
- New, circular approach to the recycling and reuse of the materials currently used

TURBO FOR CHANGE TRANSPARENCY. OPENNESS. PARTICIPATION.

Sustainability concerns us all! In this sustainability report, we also repeatedly talk about shared responsibility, global responsibility and employee involvement. This requires an open mindset and the involvement of employee representatives in all sustainability projects. Sustainable transformation only works from the inside out and not from top to bottom.

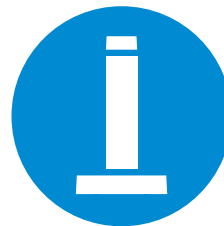
Steering committees and working groups with the participation of employee representatives are therefore the central decision-making bodies for all sustainability topics at the AMANN Group. The 'Climate Protection' steering committee was set up in 2023. In trusting cooperation with the management, the employee committee defined specific measures to achieve the climate protection targets and formulated important components of the final direction.

AMANN is committed to a lively management culture. To this end, we create an environment of trust in our company that is open to ideas and innovations and empowers people to make decisions. This is our way of successfully meeting the challenges and changes in society, business and politics and driving forward our dynamic development.

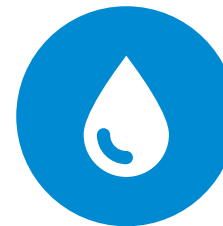
TOPICS WITHIN THE AMANN STEERING COMMITTEES AND WORKING GROUPS:



Partnership-based
supplier development



Sustainable thread
carriers



Optimised water
management



Advanced chemical
management



Raw materials and
product portfolio

WE TOGETHER FOR A SUSTAINABLE FUTURE

Change only works together. For the necessary change, we need partnerships that are open to innovation and broadly based in upstream and downstream stages of the value chain and a strong, highly qualified AMANN team across all locations.

Sustainability is a joint endeavour that requires consistency and perseverance. Only together with our partners and all 2,500 employees worldwide can we meet this challenge and make an effective contribution to a more environmentally friendly, socially responsible and market-adequate economy.


The joint effort is crucial to drive sustainable development. It brings together the necessary resources, perspectives and activities and pools forces to shape the necessary change. To achieve this, we need to create the necessary global awareness and promote mindful and attentive behaviour.





PEOPLE & COMMUNITY





"An open corporate culture is an essential success factor for greater social sustainability in a globalised world - fair, safe and appreciative. We need different voices, perspectives and ways of thinking to continue driving change - especially in challenging times."

Wolfgang Findeis
CFO AMANN Group

OUR SUSTAINABILITY GOALS 2025

PEOPLE & COMMUNITY

EDUCATION AND TRAINING

GOAL:

Further development of the ‘AMANN Learning Hub’ as an internal training and further education programme.

PERFORMANCE 2023:

By 2024, regional training coordinators and technical trainers will be trained at all AMANN production sites worldwide. The foundation for this further development was laid in 2022.

GENDER EQUALITY

GOAL:

Gender equality in the workplace is important to us. A balanced gender quota, particularly in the representation of women and men in management positions, is our goal. Cultural diversity is also important to us. In total, employees from 35 nations work for us.

PERFORMANCE 2023:

Employees by gender 47% women, 53% men.

ACCIDENTS

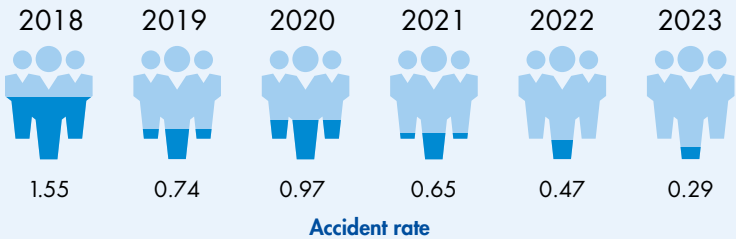
GOAL:

‘zero accidents’ - risk sensitisation for occupational accidents and a preventive accident culture, accompanied by faster and more targeted remedial measures and improved reporting.

PERFORMANCE 2023:

Continued positive development of the accident rate. The measures taken in 2021 are effective.

Accident rate per 100 employees 2018 – 2023



EMPLOYMENT AND SOCIAL COMMITMENT

Worldwide, more than 2,500 employees in 20 countries with 35 different nationalities ensure our joint success every day.

Diversity, Equity & Inclusion (DE&I) are central elements of our corporate culture. We are convinced that respect and commitment to DE&I are the cornerstones of open and equal co-operation in the workplace. We respect the importance of local cultures and values and integrate them into our corporate culture. We ensure compliance with the ILO (International Labour Organization) conventions at all locations.

The 'AMANN Code of Conduct' forms the basis for our cooperation. It formulates our ethical expectations and defines the position of the AMANN Group worldwide. Our managers act as role models in this respect. We reject forced and child labour and condemn human trafficking. The dignity of each individual employee is respected, whistleblowers are protected, and employees who raise problems are heard openly.



PERSONNEL DEVELOPMENT

By 2024, we will train regional training coordinators and technical trainers at all AMANN production sites worldwide.

The competency model developed on the basis of our corporate strategy forms the foundation for a corporate culture in which employees demonstrate entrepreneurial spirit and initiative, think proactively, demonstrate team spirit and take responsibility - regardless of whether they lead a team or are part of a team. The model forms the basis of our diverse personnel and organisational development measures.

Regular and transparent feedback on performance and potential serves as a starting point for career and personal development plans. They support our organisation in targeted succession planning processes and the targeted promotion and further development of talents.

Dual training models in cooperation with universities and schools, internal training and induction programmes and the 'AMANN Training Programme' form the basis of professional personnel development. Time off work for personal development is supported both financially and in terms of time wherever possible. Our tried-and-tested digital learning platform, the 'AMANN Learning Hub', trains many employees worldwide. The platform offers videos, presentations and online training for professional and personal development.

EQUAL OPPORTUNITIES

AMANN values the diversity of thought, experience and lifestyles of its employees. We are convinced that different perspectives, training, cultural backgrounds and personal characteristics often lead to better results in teams. The mutual appreciation of all employees promotes a good working atmosphere. We want to create equal opportunities and achieve gender parity when filling management positions.

We continue to strive to enable women and men to achieve a better balance between career and personal life planning. This includes mobile working, part-time work and flexible working hours. A modern culture that enables parents to take on family commitments without disadvantages at work is becoming more and more prevalent in many country organisations and is specifically supported by AMANN. We ensure equal pay for women and men in comparable job roles.



HIGH-POTENTIAL PROGRAMME

Innovation and creativity are stimulated through continuous learning. Our high-potential programme promotes the AMANN managers of tomorrow. In particular, it aims to develop new competences and skills that will optimally prepare our employees for future global challenges.

At the kick-off event in July 2023 at our site in Vietnam, 14 AMANN employees from seven countries came together. In addition to preparing individual development plans, they also worked together on international projects. Each of these projects runs for 12 months and is supported by a member of the Management Board.

The high-potential programme promotes the AMANN managers of tomorrow and takes different regional and cultural aspects into account.

HEALTH CARE

The well-being of our employees is our top priority. Measures to protect and promote health and create a safe working environment are of the utmost importance. We rely on uniform health protection standards worldwide and offer numerous preventive healthcare programmes. AMANN cooperates with local doctors and clinics for this purpose. In this way, we ensure a high level of preventive healthcare in all countries.

The 'Wellbeing Team' at the UK site, for example, meets once a month to discuss measures for physical and mental health. In 2023, the focus was on the 'healthy mind' and all employees were sensitised to the topic of 'mental health'. A total of 11 team members were trained as 'Mental Health First Aiders'.

Further concrete measures in 2023:

- Introduction of health days for our employees worldwide
- Nutritional counselling and coaching for a healthy lifestyle
- Free or heavily subsidised catering at AMANN locations
- Provision of clean drinking water from water dispensers
- Company sports programmes and participation in local sporting events
- Training of 'first aid' teams to provide first aid directly on site in an emergency



OCCUPATIONAL SAFETY

As part of our occupational safety programme, we continuously check all locations and processes for potential accident hazards. Strict safety regulations apply, particularly in the production area, with specific instructions on handling machines and on the use of personal protective equipment. Our occupational safety officers regularly check the various work areas for potential risks and implement improvements. In this regard, AMANN follows the same high standard worldwide.

ONE MILLION ACCIDENT-FREE WORKING HOURS

The construction of our new AMANN India production facility in Ranipet was realised accident-free with far more than 1,000,000 working hours.

This success was made possible by the implementation of a comprehensive safety management system. Key components include training, regular inspec-

tions, clear communication channels, appropriate personal protective equipment and strict compliance with regulations.

An open working environment in which employees can make suggestions for improvement is crucial.



"Routine tasks must regularly be reviewed, with the focus on people. Through individual or group observations in everyday work processes, combined with prompt feedback, we improve safety, reduce the risks and encourage employees to evaluate their behaviour proactively. This benefits both the employees and the company."

Neil Ravenscroft

HSE-Manager, AMANN UK



SOLIDARITY & EMPOWERMENT

International Women's Day is celebrated at several AMANN locations. It is important for us to recognise the progress made in terms of equal rights for women, but also to point out that there is still a lot to be done to create a world in which women and men have equal rights. It is about raising awareness, solidarity and empowerment. AMANN is playing its part.

INTERCULTURAL TRAINING

In order to meet the challenges of intercultural teams, we offer intercultural training and workshops. In this way, we sharpen our awareness of different value systems and their influence on daily behaviour. In order to create the best possible starting conditions for the new production site in India, intercultural training courses were held in Germany at the end of 2023, with training courses in India to follow.

CORPORATE CITIZENSHIP

Voluntary social commitment - also known as corporate citizenship - is an integral part of our corporate culture and is also reflected in our corporate purpose. As a corporate foundation, the Hanns A. Pielenz Foundation fulfils its social responsibility, which is reflected in the AMANN Group's sustainability strategy.

Through the foundation's commitment, we make a contribution to securing the future viability of our society. Our activities empower people through education. They are taught skills and competencies that lead to innovative ideas, sustainable behaviour and new digital solutions, and enable them to master future challenges and take advantage of opportunities.

FOUNDATION HIGHLIGHTS OF THE YEAR 2023

SCHOLARSHIP PROGRAMME

In cooperation with the Niederrhein University of Applied Sciences, the foundation has been supporting students from Bangladesh since 2018. The involvement of the scholarship holders in everyday working life at AMANN ensures practical relevance. The foundation also provides support for life away from home. The aim of the funding is to support an academic career that many families would not be able to achieve on their own without support. With their in-depth education, which is recognised on the international labour market, the scholarship holders will be in a position to contribute to the transformation to fair and sustainable working conditions in their home countries. Two scholarship holders were supported in 2023.

FUTURE CHANGES WILL COME FROM YOUNG PEOPLE

Currently, more than half of the people on our planet are under 30 years old. We want to help equip young people with the relevant skills and impart knowledge and expertise related to the SDGs and

the technologies of the future. The SDG Youth Summit, which took place on 19th and 20th July 2023 at the Bildungscampus (education campus) in Heilbronn, was therefore supported for the second time. Under the motto 'Discovering the future - shaping the future', the focus was on the priority goals SDG 2, SDG 6, SDG 11 and SDG 12.

MOON

The MOON project, organised by Gherzi Germany and funded by the Hanns A. Pielenz Foundation, provides companies in the textile industry with a toolkit for actively shaping transformation in the face of current developments. The continuation of the project, called MOON 2, started in 2023 and is being funded again. The focus is on perpetuating the MOON idea, which aims to achieve a sustainable, circular and CO₂-optimised transformation of the European textile industry in order to have a positive impact on both the industry and society.

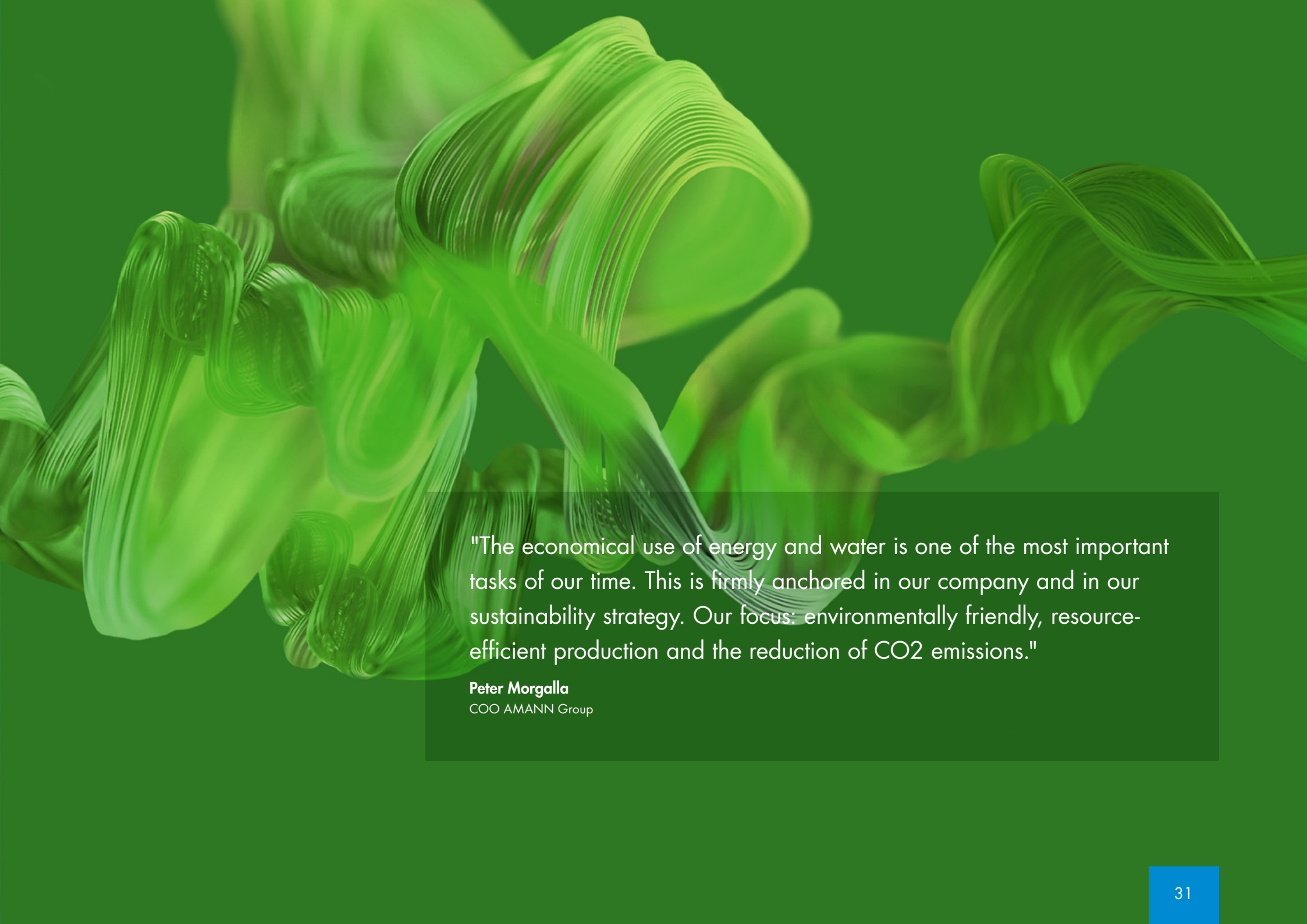
The MOON study can be downloaded at www.afbw.eu/projekte/moon.





CLIMATE & ENVIRONMENT





"The economical use of energy and water is one of the most important tasks of our time. This is firmly anchored in our company and in our sustainability strategy. Our focus: environmentally friendly, resource-efficient production and the reduction of CO2 emissions."

Peter Morgalla
COO AMANN Group

OUR SUSTAINABILITY GOALS 2025*

CLIMATE & ENVIRONMENT

CO₂ EMISSIONS

GOAL:

Reduce CO₂ emissions by 30% per kilogramme produced.

PERFORMANCE 2023:

Unfortunately, we were unable to maintain and further improve the very good result from 2022. The purchased energy mix developed contrary to our targets at some locations.

ENERGY / POWER CONSUMPTION

GOAL:

Reduce electricity consumption per kilogramme produced by 25%.

PERFORMANCE 2023:

We were able to achieve further improvement through many individual measures at all locations. This also includes simple solutions such as switching to LED lighting.

WATER CONSUMPTION

GOAL:

Reduce water consumption by 25% per kilogramme produced.

PERFORMANCE 2023:

In particular, process optimisation in the dyeing plant and a further stage of wastewater treatment plant optimisation enabled a further improvement in water consumption.

WASTE

GOAL:

No waste disposal in landfills.

PERFORMANCE 2023:

Over 88% of waste is already recycled / thermally utilised, and only 12% is disposed of in landfills.

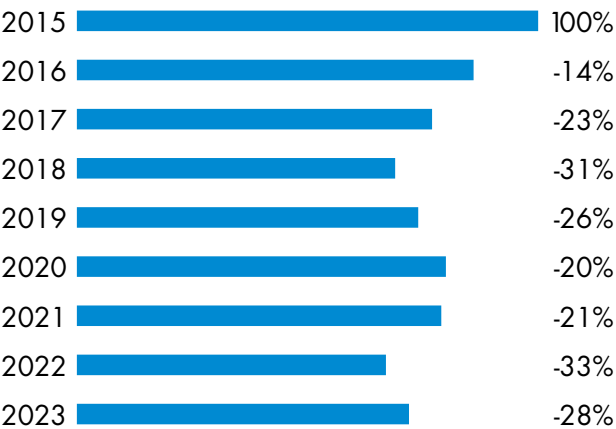
*Only Scopes 1 and 2 were taken into account in the 2025 sustainability target.

KEY PERFORMANCE INDICATORS 2015 – 2023

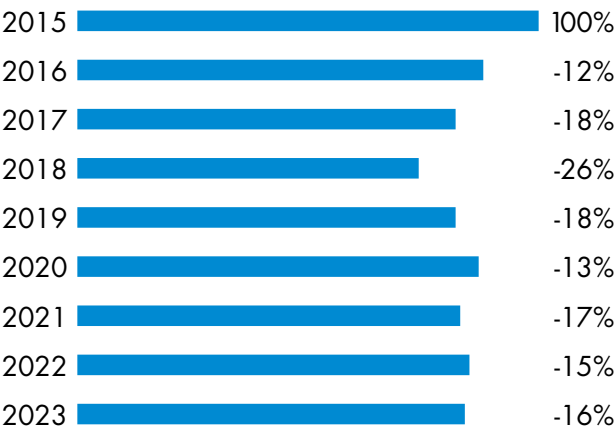
Significant savings were achieved compared to the base year 2015*:



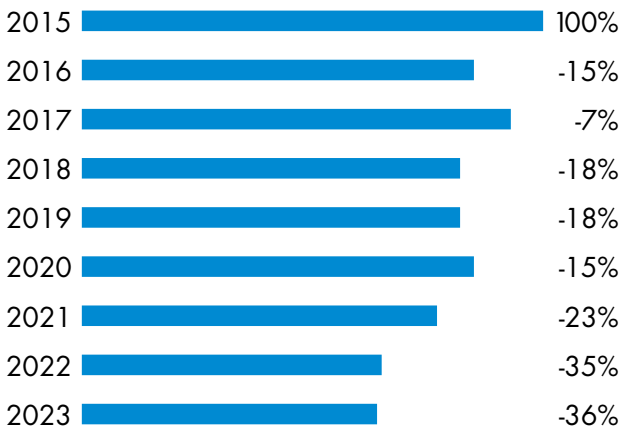
Reduction of CO₂ emissions per kg produced.



Reduction in electricity consumption per kg produced.



Reduction of water consumption per kg produced.



*For better comparability, a standardised percentage form of presentation was chosen. The presentation only shows the internal processes. From 2024, we will also show the upstream and downstream stages.

ENVIRONMENTAL AND CLIMATE MANAGEMENT

Active environmental management is a central component of AMANN's sustainability strategy and is currently focussed on energy, water, chemicals and waste management. Our CO2 reduction targets are clearly defined: We scrutinise and optimise processes, increase energy efficiency and raise the proportion of renewable energies.

In addition to avoiding and reducing emissions, we also want to use water as efficiently as possible and avoid waste wherever possible or recycle it. Chemical management is another focus of our proactive environmental management, which ensures uniform, environmentally friendly production processes worldwide in order to harmonise our quality standards - regardless of location.

Thanks to our globally harmonised production standards, we often go above and beyond local regulations for climate and environmental management. Our environmental management system has been certified to ISO 14001 since 2000 at the German production site, and since 2020 in China. Our plant in Romania will also be certified in 2024. Other locations will follow soon.

Sustainability also means celebrating small successes. Despite the hectic day-to-day business, we are constantly discovering new levers. This realisation illustrates how important it is to question the everyday in order to achieve a more sustainable design.

WASTE PREVENTION BEFORE DISPOSAL

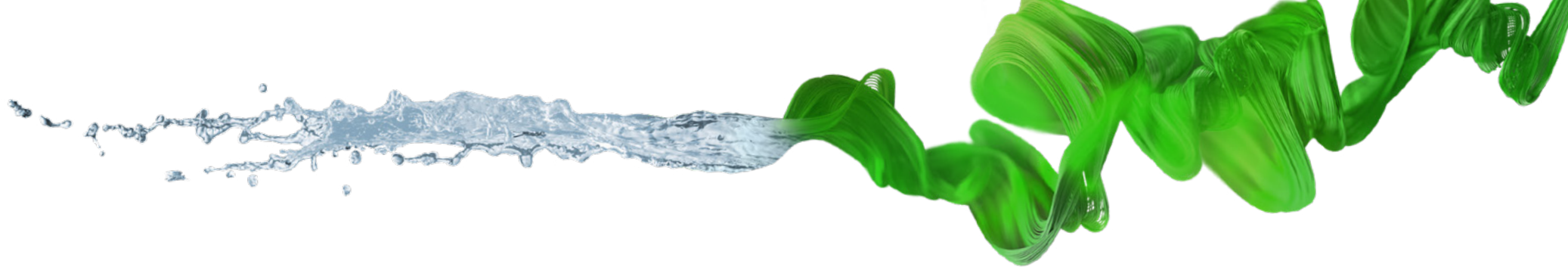
Waste is generated throughout AMANN's entire value chain. Our aim is to further reduce the amount of waste we produce and to transfer unavoidable waste to resource-saving recycling processes. Although the economical use of resources is practised equally at all our AMANN locations, waste disposal requires adaptation to the respective local

conditions. The various regional approaches aim to avoid thermal utilisation and landfill. New concepts are being worked on intensively at all locations in order to continuously improve waste avoidance and increase the reuse rate.

SPECIFICALLY IN 2023:

- The 'Green Team' in the UK was set up specifically to improve our environmental and sustainability targets locally. One important project was the review of the various types of waste. This enabled us to optimise waste separation and reduce the volume flows.
- Many different cores are used in our production process. The recycling potential is huge – and we





utilise it. Dyeing tubes are recycled and reused as make-up tubes, whereby 100% of them are currently recycled at our site in Bangladesh. The cores are recycled elsewhere in the production process and thus kept in the internal cycle, as is the case with AMANN Vietnam, for example.

- Optimised maintenance and servicing also play a role. Our site in Romania was able to reduce technical waste by 3% compared to the previous year.
- In the previous year, it was still possible to recycle almost 100% of fibre-based production waste at the Augsburg site and no longer use it for thermal recycling. This rate could not be maintained in 2023, as no suitable buyers were found despite all efforts. 23 tonnes could therefore not be recycled in a qualified manner.

WATER – OUR KEY RESOURCE

It is important that we use resources intelligently and operate efficiently. The production of our sewing and embroidery threads consumes a lot of water - especially in the dyeing process. We focus on counteracting the increasing scarcity of water. The careful use

of water as a resource is therefore a high priority for AMANN.

We are constantly optimising our processes so that we need less fresh water and can minimise the extraction of groundwater. We recycle water and reuse it in our own process. In future, we want to keep even more water in our own cycle and thus drastically reduce fresh water extraction. At the same time, we are working intensively on the further development of water-free dyeing technologies.

SPECIFICALLY IN 2023:

- We are continuously increasing the 'right first time' rate in dyeing, thus reducing additional optimisation dyeing and saving water.
- Partial loading of the static dyeing kettles and family dyeing (dyeing several tickets of the same substrate) can reduce water and energy consumption per kilogramme of sewing thread used. These process changes require increased organisational effort. However, they save resources and are environmentally friendly.
- Water consumption in the dyeing process was reduced by optimising and reusing the water used.

In the Sustainability Report 2022, we reported on the new RO (reverse osmosis) plant in Romania. By using membrane units such as ultrafiltration and reverse osmosis filters, up to 50% of the wastewater is to be treated and reused in the company's own process (use of recycled water). In 2022, there were fluctuations in the proportion of recycled water due to the introduction phase. At the beginning of 2023, a constant 35% could already be achieved. In the course of 2023, there were repeated problems with the filters, as process-related changes were made in an aerobic tank. On a positive note, we found that, in contrast to conventional processes, the RO system achieves more stable dyeing results and significantly better water quality. On the other hand, the RO system requires an increased use of chemicals and more energy (approx. 35% additional expenditure).

SAVE ENERGY REDUCE EMISSIONS

Our main energy consumption lies in the use of electricity and gas in production. Gas is used in particular to generate steam, for example in the dyeing process, while electricity is used in all production processes and in our administrative buildings. We use energy controlling and monitoring systems to optimise and reduce the consumption of electricity and gas. Our aim is to continuously make our energy mix more sustainable. Day by day, we are working innovatively towards this goal in various areas. By 2030, we aim to reduce our Scope 2 emissions from electricity procurement to zero. To this end, we reviewed the energy mix at all locations in 2023.

SPECIFICALLY IN 2023:

- In a pilot project at the UK site, 80 energy sensors were installed on equipment with high energy consumption, in order to identify potential energy savings and process improvements. Inefficient machines and systems were eliminated and replaced accordingly. Various process improvements were

carried out and led to a direct savings result of 5%. We will identify further potential and share the ideas, so that other AMANN locations benefit from them.

- Sometimes even seemingly simple measures can be very effective. AMANN Romania was able to save steam and reduce energy losses by installing additional insulation.
- By reducing the steam pressure, savings of up to 5% could be realised in the steam pipe network. This prevented radiation losses. Pioneer Augsburg shared this idea with the other AMANN locations – and Bangladesh, Romania and the UK followed accordingly.

ENERGY FROM THE SUN

To make our production more climate-friendly, we also rely on solar energy from our own photovoltaic systems. The Erligheim site already has a photovoltaic system that could cover 63% of daily electricity requirements on site in 2023. The electric charging infrastructure, which promotes the e-mobility of our employees, is also sustainably powered in this way. In 2022, it was still 70%. However, the yield was lower in 2023 due to fewer hours of sunshine.

"Thanks to process changes, such as lowering the operating pressure in the steam boilers and reducing heat losses in the pipes, AMANN Czech Republic was able to achieve significant savings. Many individual measures have a major impact overall."

Tomas Grimm

Managing Director, AMANN Czech Republic

ENERGY-EFFICIENT LIGHTING

We have already switched to LED lighting at most of our locations. In the Czech Republic, for example, electricity consumption has been reduced by 93 MWh/year and in China by 83 MWh/year.

ELECTROMOBILITY

We are not only focussing on electromobility in Germany, but also in China, for example. 14,400 litres of fuel were saved as a result.

GO-LIVE S/4HANA

SAP S/4HANA is an enterprise resource planning (ERP) software solution from SAP - developed specifically for in-memory database technology. In order to be even more effectively equipped for the future, the entire AMANN Group has been preparing itself for the software changeover over the past 3.5 years. The go-live was successfully mastered worldwide at the turn of the year 2023 / 2024. Overall, the switch to SAP S/4HANA will help our company to operate more sustainably by optimising processes, using resources more efficiently and making environmentally friendly decisions more quickly. For us as a medium-sized company, this complex and demanding task could only be realised with careful planning and resource allocation. This requires committed employees, passion and co-operation. We are proud of this smooth implementation – globally at all locations!



OUR NEW, SUSTAINABLE PRODUCTION SITE IN INDIA



Since 2007, AMANN has been represented in India with sales offices in Chennai, Bangalore and Gurgaon. Now we have gone one step further and started manufacturing our high-quality sewing and embroidery threads in India for the Indian leather and apparel market. The new production site in India is our most sustainable production facility, equipped with the latest technology to protect the environment.

KEY FIGURES ABOUT THE NEW PLANT:

- Location: Ranipet/Vellore in Tamil Nadu within the "leather belt"
- Product scope: high-quality sewing and embroidery threads for the leather and apparel industry
- Production site space: 32,000 square metres
- Employees: 200

SUSTAINABILITY PROFILE

OF THE NEW PRODUCTION SITE:

The investment in the new production site reflects our serious commitment to the environment.

- Through the use of Zero Liquid Discharge (ZLD) the entire production water remains in a closed recirculation system. Only 9% of the water must be replenished due to evaporation.
- The majority of the energy requirement is covered by our own photovoltaic system. The additional demand is covered by a nearby wind and solar park.
- The boiler for steam generation – important for the dyeing process – is fueled by biomass.





BLUEPRINT FOR SUSTAINABLE PRODUCTION

The production site sets new standards, particularly in terms of sustainability:

- Increased efficiency thanks to modern technologies
- Reduced operating costs
- Minimal emissions
- Avoidance of environmental pollution

India thus serves as a model for future planning.

The new plant is state-of-the-art in terms of resource conservation and sustainable processes. In addition to our technological focus on sustainable production, we consider our social responsibility towards our employees to be just as important. In this context, we focus particularly on offering women the opportunity to combine family and career.

The investment in the state-of-the-art production site reflects AMANN's serious commitment to the Indian market and its customers.

"Success is always the result of a trusting co-operation. Our global and Indian customers are the key to our success. We are very grateful for our long-standing relationships that have formed the basis for our current role as a quality and innovation leader in the Indian sewing thread industry."


Sanjeev Grewal

Regional Business Director for SW Asia & ME and Country Managing Director AMANN India



PRODUCT & ECONOMICS





"Customer orientation and the guarantee of the highest quality in compliance with all standards, employee orientation and sustainable behaviour form the basis of our daily activities. A key component is the ecological footprint, which is also becoming increasingly important for our customers. That's why the sustainability strategy is important to us."

Arved Westerkamp
CSO AMANN Group

OUR SUSTAINABILITY GOALS 2025

PRODUCT & ECONOMICS

RAW MATERIALS STRATEGY

GOAL:

Expansion of sustainable product lines with increasing utilisation of circular raw materials.

PERFORMANCE 2023:

Initiation of a sustainable raw materials strategy.

SUPPLIER RESPONSIBILITY

GOAL:

Implement the rules set out in the Supplier Code of Conduct and conduct appropriate supplier audits on site.

PERFORMANCE 2023:

The AMANN Supplier Code of Conduct was revised in 2022 and published in 2023. In particular, new regulations relating to the German LkSG (the Act on Corporate Due Diligence Obligations in Supply Chains) and whistleblower protection were included.

RISK MINIMISATION

In the coming years, we consider it an essential task of corporate management to prudently anticipate sustainability regulations at an early stage. In this way, we want to optimally prepare our company to achieve overarching social goals. The trends and changes that have an indirect impact on our business include, in particular, the challenges facing the textile industry.

THE PATH TO A CIRCULAR ECONOMY VALUABLE ECOSYSTEMS AT A GLANCE

A secure raw materials strategy is crucial to ensure the long-term competitiveness and resilience of a company in a dynamic and volatile market environment.

In addition to security of supply and cost efficiency, aspects of sustainable management are becoming increasingly important within traditional risk management as we move towards a circular economy. A new, forward-looking raw materials strategy was therefore developed for the AMANN Group in 2023.

Innovations are an important key to greater sustainability. Biopolymers, for example, contribute to the development of a more sustainable and environmentally friendly industry and offer opportunities for innovation and progress. They are made from renewable resources, are biodegradable and versatile. When it comes to innovation, we also rely on this new source of raw materials - for a better tomorrow!

RAW MATERIALS ROADMAP AND INNOVATION

With our Raw Materials Roadmap 2030, we have defined two important milestones on the way to achieving our emissions targets:

BY 2027:

At least 50% conversion of the polyester content (PET) to recycled PET (rPET). Replacing PET with rPET is a first step for us and a bridging technology.

BY 2030:

- Use of sustainable raw materials such as biopolymers
- Replacement of environmentally harmful polyester and polyamide fibres with recyclable alternatives
- New, circular approach to recycling and recirculating the materials currently used

OUTLOOK:



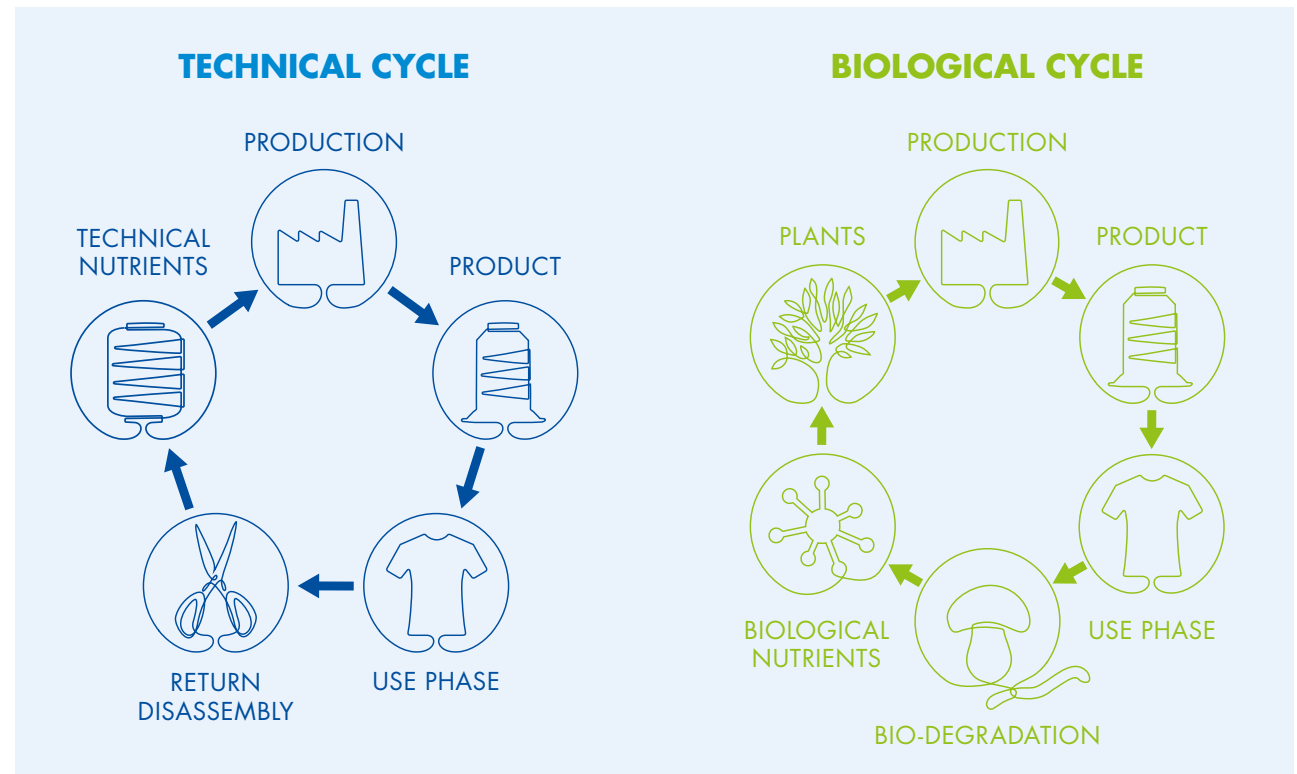
**Product carbon footprints (PCFs)
available from mid 2024**

ANOTHER KEY TO SUSTAINABILITY CONSISTENT CIRCULAR ECONOMY

In comparison to the linear economy, in which new resources have to be continuously added, with Cradle to Cradle the raw materials circulate in biological and technical cycles.

In this way, optimally resource-efficient and innovative production processes and products can be set up for the benefit of people and the environment. With our Lifecycle product line, we cover both the technical and biological cycles. AMANN Lifecycle sewing and embroidery threads can either be 100% composted or 100% reused. These sewing threads therefore fulfil the highest requirements for a resource-efficient and closed-loop circular economy.

Cradle to Cradle is a crucial concept for sustainable business and environmental protection, as it changes the traditional linear model.



LIFECYCLE POLYAMIDE

Especially for the technical cycle, we have developed a sewing thread made from recycled polyamide 6. It is made from textile waste and has excellent strength and colour fastness properties.

LIFECYCLE COTTON


The sewing thread for the biological cycle is made from extra-long staple organic cotton and dyed exclusively with compostable dyes.

RESPONSIBLE USE OF RAW MATERIALS


LIFECYCLE COTTON

Cradle to Cradle Certified® products are tested and certified in five critical areas of sustainability: Material health, circularity, air pollution control and climate protection, responsible use of water and soil, and social justice. The certificate is awarded in levels: Basic, Bronze, Silver, Gold and Platinum.

We are proud that our product Lifecycle Cotton is Cradle to Cradle Certified® Gold. We have even achieved Platinum for the Material Health area.

	AMANN Lifecycle Cotton AMANN & Söhne GmbH & Co. KG				
	BASIC	BRONZE	SILVER	GOLD	PLATINUM
MATERIAL HEALTH					●
PRODUCT CIRCULARITY				●	
CLEAN AIR & CLIMATE PROTECTION				●	
WATER & SOIL STEWARDSHIP				●	
SOCIAL FAIRNESS				●	

LIFECYCLE Cotton



- mercerised spun, 100% organic
- specially developed for the biological cycle
- optimal dyeing properties if using as a garment dyeing thread
- the ideal choice for manufacturing sustainable products
- dyed only with compostable dyes



CREATING SUSTAINABLE VALUES

Material conversions to recycled or bio-based materials are designed to reduce emissions. They make an important contribution to achieving our emissions targets. With circular products and environmentally friendly, resource-efficient production, we are continuously working towards a sustainable future worldwide. Innovation is part of our DNA, which drives us every day to achieve our ambitious sustainability goals. The increasing customer demand for these products reinforces our chosen path.

UNIFORM STANDARDS THROUGH IN-HOUSE PRODUCTION

AMANN manufactures exclusively in its own production facilities. This means that uniform process standards are firmly established at all production sites. This is reflected in the certification of our quality management system in accordance with ISO 9001 at all locations and the environmental management system in accordance with ISO 14001 for the Augsburg and Yancheng (China) locations. Brasov (Romania) will follow in 2024. The site in Manchester (UK) is currently being prepared for ISO 14001 certification. Furthermore, all production sites with an automotive product range are certified in accordance with IATF 16949.

CERTIFIED ACCORDING TO THE GLOBAL RECYCLED STANDARD (GRS)

The locations where our Recycled product lines are manufactured are certified in accordance with the Global Recycled Standard (GRS). This guarantees the complete traceability of the recycled raw materials used along the entire production chain and also documents the fulfilment of all requirements for social and environmental practices as well as chemical restrictions.



Five of our eight production sites are now GRS certified and more will follow.



HIGG INDEX

With the Higg Facility Environmental Module (Higg FEM) and the Higg Factory Social & Labour Module (Higg FSLM), the environmental performance and social labour performance of individual factories can be measured in a standardised way. We at AMANN are proud that we already use Higg instruments at three of our sites: AMANN Sewing Threads China - Higg FEM and Higg FSLM, AMANN Bangladesh - Higg FEM. The assessment of the Vietnam site will follow in 2024. The reports and results can be found on the following websites: [Cascale.org](https://cascale.org) or www.worldly.io.

REACH AND OEKO-TEX

Our sewing and embroidery threads fulfil the requirements of the European Union's REACH regulation, particularly with regard to substances of very high concern. This includes the current candidate list

(SVHC) of the ECHA (European Chemicals Agency) as well as the requirements of Annex XVII (for explanation: Annex XVII is a specific part of the REACH regulation that regulates the restriction of certain hazardous substances in articles and their use. The requirements of Annex XVII are binding). To ensure occupational safety and environmental protection, all dyes and auxiliaries used in our production are recorded internally and subjected to a risk assessment.

In addition, our products are tested for harmful substances by Hohenstein Laboratories in accordance with the OEKO-TEX® STANDARD 100 for textile products and certified by OEKO-TEX® / Switzerland. The majority of our products even fulfil the stricter criteria of Annex 6, which is based on Greenpeace's Detox campaign.

ROAD TO ZERO

Our production guidelines are aligned with the 'Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List, ZDHC MRSL', which is the result of the Detox campaign. The ZDHC (Zero Discharge of Hazardous Chemicals), an association of over 160 international textile companies and organisations, pursues the goal of eliminating hazardous chemicals from the global fashion value chain through the Roadmap to Zero programme. We support this initiative with our AMANN Road to Zero programme by proactively tackling potentially harmful substances and complying with the highest standards for sustainable chemical management. Accordingly, we purchase our raw materials only from ecologically progressive and approved suppliers and have managed to eliminate almost all listed substances since 2020.



SUSTAINABLE PACKAGING SOLUTIONS

An important focus is on perfluorinated and polyfluorinated alkyl compounds (PFAS), which are used in many products due to their water and dirt-repellent properties. Due to the longevity of these compounds ('perpetual chemicals'), these substances, once released, remain in the environment for a very long time without degrading. Various studies have been carried out, and the results show that this can have an adverse effect on human health. As things stand today, the ban on PFAS chemicals is due to come into force in 2026. By the end of 2024, AMANN will have converted all water-repellent articles to a completely PFAS-free finish.

Packaging is necessary to protect products during storage and transport. The reduction and optimisation of packaging material is a high priority for us and is a key component of our sustainability strategy. As part of the circular economy, we are continuously working to increase the proportion of recycled thread carriers and minimise the use of outer packaging. The thread carriers of our Recycled product line are already made exclusively from recycled granulate. This is to become the standard for all products. When it comes to packaging, we rely on unprinted cardboard material that comes exclusively from recycled sources. We also use FSC-certified cardboard packaging for the Mettler brand. So far, the Mettler kits offers have been delivered accordingly.

TRANSPORT AND LOGISTICS

As a production company, we are on the one hand dependent on the supply of raw materials. On the other hand, the finished products have to find their way from our production facilities to our customers. Air, ship and lorry transport are used for this. As the area of logistics and transport has a major impact on our corporate carbon footprint, we are consistently working on realising optimisation potential. For example, our Manchester site has succeeded in optimising delivery concepts in close cooperation with our customers, so that CO₂e emissions per kg of thread shipped have been reduced from 1,648 kg CO₂ to 1,142 kg CO₂.

A summary of the standards and certifications can be found on page 58 of this report.

OUR SERVICES: QUALITY, SUSTAINABILITY AND EXPERTISE

WITH INDIVIDUAL APPLICATION ADVICE FOR MORE SUSTAINABILITY

We not only offer products of the highest quality, but also practical application advice worldwide to provide the best possible support for our customers. For example, our international **Technical Advisory Services** team supports our customers in choosing the right sewing and embroidery thread. In this way, we not only improve the product quality of our customers, but also make a valuable contribution to sustainability. The right choice of thread extends the service life of the products. With support in the production sites, work processes can be optimised. And our sewing thread requirement analysis helps to ensure that the right quantities are ordered. This reduces waste and excess stock. With our comprehensive knowledge, we help our customers to achieve their sustainability goals.

THE FULL POTENTIAL OF COLOURS - WITH RESOURCE SAVINGS!

Colour matching processes are very time-consuming and cost-intensive. The individual development of special colours also consumes valuable resources such as water, dyes and chemicals in addition to the thread raw material. AMANN is a pioneer in digital colour matching, as we started our collaboration with ColorDigital as early as 2020.

DMLx by Color Digital transforms workflows along the textile value chain and enables brands and

suppliers to fully utilise all relevant assets: from the design process through the sample phase to production. By using DMLx, colour matching processes can be digitalised and thus made more sustainable. Conventional, physical colour matching processes therefore become redundant. The digital transformation of the textile industry is revolutionising efficiency along the entire textile value chain.



B2C - SUSTAINABLE SEWING IN THE CONSUMER SECTOR

With our Mettler consumer brand, we also have a global presence in the consumer sector. Self-sewing is a sustainable practice per se, as it promotes a more conscious understanding of clothing and consumption, which conserves resources and also helps to reduce waste. We want to support this with our products and also offer high-quality and sustainable sewing threads in this segment. Different thread constructions with different haptics, looks and in a variety of colours – each sewing thread is the result of high-quality manufacturing using state-of-the-art production facilities and has excellent sewability. And the end consumer product Seracycle is supplied directly on a thread carrier made from 100% recycled polystyrene (PS), which can be disposed of in recycling bins. The film banderole has also been removed from our small spool formats. Another small but important step on our sustainability journey.



RESILIENCE IN THE VALUE CHAIN – ENVIRONMENTALLY FRIENDLY RAW MATERIAL PARTNERSHIPS

As a globally active family business, we see ourselves as a 'good corporate citizen' that is aware of its social responsibility and acts accordingly.

We do this by improving working and production conditions along our supply chain. We want to contribute to the preservation of valuable ecosystems and conserve natural resources. This is the only way we can ensure the long-term quality of our products and the success of our company. We not only focus on raw materials and the associated supply chains, but also on our packaging materials.

As more than 60% of our carbon footprint is generated in Scope 3 - i.e. the upstream and downstream activities along the value chain - our decisions when selecting purchased raw materials in cooperation with our suppliers are a key part of our strategy to optimise our carbon footprint.

More than 60% of our carbon footprint is generated along our supply chains.

Our actions are based on the ethical principles of the United Nations Global Compact. When selecting our suppliers, we therefore not only attach importance to compliance with legal regulations, but also to adherence to these ethical principles of

behaviour. Integrity and honesty, and reliability and fairness must be guaranteed.

SHORT PATHS:

As part of our cluster sourcing strategy, we aim to keep supply chains as short as possible by selecting local suppliers in order to minimise CO₂ emissions.

SHORT PATHS: ACHIEVING GOALS TOGETHER WITH OUR SUPPLIERS - THAT'S HOW IT WORKS:



Decarbonisation of our suppliers



Green energy



Recycled materials



Local sourcing



Focus on the supply chain



Supplier monitoring

SUPPLIER RESPONSIBILITY AT A GLANCE

AMANN stands for transparency, partnership and social and ecological responsibility in the supply chain.

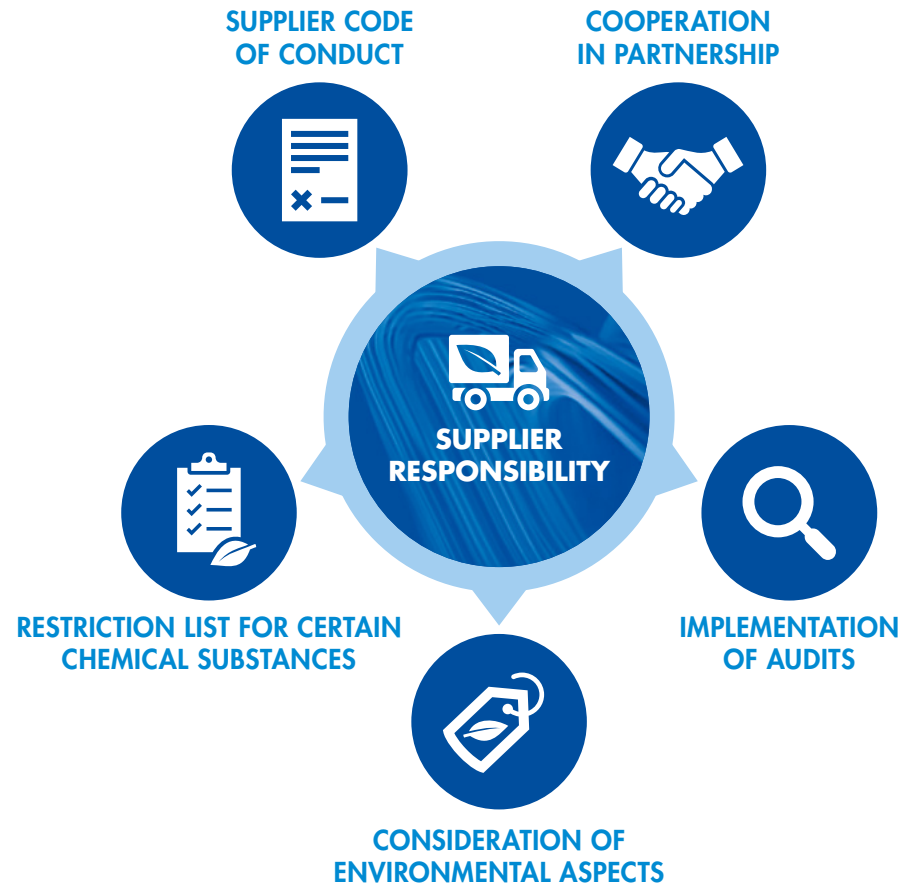
We therefore select our sales partners and suppliers very carefully. In addition to the legal requirements, we always ensure compliance with our own ethical principles of behaviour as well as the environmental standards and criteria of our Supplier Code of Conduct and check these as part of on-site audits of suppliers.

PROCUREMENT SECURITY IN VOLATILE MARKETS

We focus intensively on our supplier and raw materials management. Trade policy aspects play a key role in procurement, particularly in terms of security and stability. In a volatile environment, it is important to develop robust procurement channels on the one hand, but also to maintain the ability to react flexibly to changing conditions on the other.

This may require the identification of alternative sources of supply and the formation of partnerships with a broader supplier base. Our cluster sourcing strategy enables us to improve our resilience with

regard to trade policy developments, market fluctuations and geopolitical events. These aspects are also taken into account in regular supplier evaluations.



SUSTAINABLE PROCUREMENT

Our global procurement policy emphasises the importance of adhering to high ethical standards and strict compliance regulations along the entire supply chain. It emphasises our commitment to reducing the environmental impact of our procurement activities.

Our aim is to do business ethically in accordance with the United Nations Global Compact. Integrity is an indispensable prerequisite for this, and in this context it means above all compliance with the law, honesty, reliability and fairness.

PARTNERSHIP FOR MORE ENVIRONMENTALLY FRIENDLY RAW MATERIALS

We also expect integrity from our sales partners and suppliers, whom we treat with courtesy and respect. We also attach great importance to ensuring that decisions are made and passed on transparently and comprehensibly in our exchanges with these partners.

We align our production, supported by proactive chemical management, with the 'Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List'.

This list, provided by the 'Zero Discharge of Hazardous Chemicals' initiative of the same name, currently lists over 20 groups of substances that should be banned from the textile industry. Accordingly, we only purchase our raw materials from ecologically progressive and approved suppliers and have managed to eliminate almost all listed substances since 2020.

We procure only from suppliers with an ecologically progressive portfolio and have a clear focus on shortening the delivery routes from the supplier to our production sites (Cluster Sourcing Strategy).

A final focus is on perfluorinated and polyfluorinated alkyl compounds (PFAS), which are used in many products due to their water and dirt-repellent properties. Once released, these persistent substances remain in the environment for a long time and lead to irreversible environmental exposure and accumulation, which is a cause for great concern. We already comply with the impending restrictions and ban on PFAS. All water-repellent articles will be converted to a completely PFAS-free finish by the end of 2024.

We will therefore continue our AMANN Road to Zero mission in 2024 and continue to drive towards zero harmful substances in the future.



THE AMANN SUPPLIER CODE OF CONDUCT

Our AMANN Supplier Code of Conduct, which must be signed by all suppliers, forms the basis for our day-to-day work. It includes key points for us:

- Anti-corruption
- Fair competition
- Restrictions under foreign trade law
- Protection of data and business information
- Avoidance of conflicts of interest
- Environmental protection and economical use of natural resources
- Fair working conditions
- Responsible procurement of raw materials
- Anti-discrimination and a respectful working environment
- Occupational health and safety
- Respect for labour rights
- Exclusion of forced and child labour
- Complaints mechanism and protection of whistleblowers

Since 2020, all of AMANN's key strategic suppliers have signed the Code without exception or have been able to provide evidence of their own comparable code.

The AMANN Supplier Code of Conduct was revised in 2022 and then published at the beginning of 2023. With the revision, in particular the regulations on the German LkSG (the Act on Corporate Due Diligence Obligations in Supply Chains) were newly integrated.

In order to monitor compliance with the standards set out in our Supplier Code of Conduct, we regularly conduct compliance audits at our suppliers' premises. We expect our partners to be open-minded in this regard. We reserve the right to take legal action if violations are discovered. In the event of serious violations, ongoing contractual relationships may also be terminated without notice.

We regularly check compliance with our Supplier Code of Conduct by auditing our suppliers on site.

"We are not subject to the Supply Chain Due Diligence Act. Nevertheless, we see it as our responsibility to identify potential risks at an early stage and to consistently eliminate them. It is also important for us to support our customers in implementing this legislation smoothly."

Judith Thaler

Head of Legal Department

Two on-site compliance audits were carried out at third-party suppliers in 2023. The implementation of the action plans agreed with suppliers in the previous year following on-site compliance audits was also reviewed.

CUSTOMER AUDITS

In addition, 10 customer audits were carried out at various plants and 142 customer self-assessments were conducted at various production sites by well-known international customers from the automotive and apparel sectors on the topics of quality, environment and sustainability, with positive results.

TEN PRINCIPLES OF THE UN GLOBAL COMPACT AND PAGE REFERENCES

The AMANN Group is a signatory to the United Nations Global Compact. The table explains the allocation of the Ten Principles.

WE SUPPORT



Principle		Page
HUMAN RIGHTS		
1	Respect for international human rights	20-29, 40-52, 57
2	Avoidance of human rights violations	40-52
WORK STANDARDS		
3	Upholding freedom of association and collective bargaining	40-52
4	Elimination of forced labour	40-52
5	Abolition of child labour	40-52
6	Elimination of discrimination	40-52, 57
ENVIRONMENT AND CLIMATE		
7	Precautionary approach to dealing with environmental problems	30-39, 40-52, 57
8	Promotion of environmental awareness	30-39, 57
9	Environmentally friendly technologies	30-39, 40-52
PREVENTION OF CORRUPTION		
10	Fight against corruption	54

KEY FIGURES FROM SUSTAINABILITY MANAGEMENT 2023

Company profile

Legal form: Limited partnership

Owner: 43% Verwaltungsgesellschaft Amann & Söhne mbH, 57% Family Ownership

Fields of application: Automotive, apparel industry, TechTex and consumer

Key company data

Group turnover: approx. EUR 230 million

Subsidiaries in 19 countries

Production sites in 8 countries

Quantity produced: approx. 10,000 tonnes

Key data on employees

Employees approx. 2,500 worldwide

Distribution of women / men with a ratio of 47% to 53% worldwide.

Filling of positions with personnel responsibility (women / men) with a ratio of 32% to 68% worldwide.

AMANN Code of Conduct - is adhered to by all employees worldwide.

Hazardous Substances

Product orientation according to Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances: We purchase our raw materials only from ecologically progressive and approved suppliers and have managed to eliminate almost all listed substances since 2020.

The REACH Regulation (Annexes XIV and XVII) of the European Union is complied with.

PFAS / PFC-containing finishes (water-repellent finish) have been replaced by a PFAS-free finish.

Key figures for supplier / supply chain management

AMANN Supplier Code of Conduct: Since 2020, all of AMANN's strategic key suppliers have signed the Code without exception or have been able to provide evidence of their own comparable code. The Code was revised in 2022 and published in 2023. In particular, regulations on the German LkSG (the Act on Corporate Due Diligence Obligations in Supply Chains) and whistleblower protection were newly included.

Audits: In 2023, compliance audits were carried out at two main supplier plants.

Ethical recruitment

We are committed to ethical recruitment and ensure this through transparent procedures, equal treatment and regular employee training. We promote a diverse and inclusive working environment.

Rights of minorities and indigenous peoples

The AMANN Group is committed to fully respecting, protecting and promoting the rights of minorities and indigenous peoples both within our organisation and in local communities.

Human rights risk

Corporate governance goes beyond mere framework guidelines. We see ourselves as a responsible company that acts consistently in line with our governance strategy. Our commitment to society is the driving factor behind our management principles. This requires greater identification and involvement of our stakeholders, responsible management of the supply chain, respect for human rights, promotion of diversity, equality and inclusion, and strengthening corporate governance.

By working with stakeholders, local communities and the public, we are committed to promoting human rights and taking responsibility for our supply chain. We do not tolerate any form of discrimination or unfair practices at our sites worldwide.

Use of private and public security personnel

As a rule, the AMANN Group provides the security service itself. Otherwise, private security personnel are deployed, but not public security personnel. In general, our organisation deploys private security staff in a transparent and responsible manner. The safety of our employees, facilities and communities is guaranteed. The security personnel we employ is trained, regularly checked and monitored. In this way, we ensure that human rights are respected and implemented correctly.

Land, forest and water rights, and forced evictions

The AMANN Group strives to respect the land, forest and water rights of communities, to avoid forced evictions and to work fairly and transparently with the parties concerned in a dialogue based on partnership. In doing so, we respect local conditions and legal regulations.

Animal welfare, soil quality, noise emissions

The increasing expansion of companies into sensitive ecosystems jeopardises biodiversity and accelerates deforestation, which has a long-term negative impact on the environment. We take this responsibility seriously and take appropriate measures.

Animal welfare is also an ethical obligation for us. We respect the welfare of all animals, regardless of their species or habitat. This involves protection against cruelty to animals, the promotion of species-appropriate husbandry, and sensitisation to the needs of animals.

CERTIFIED WORLDWIDE: PRODUCT CERTIFICATIONS, QUALITY AND ENVIRONMENTAL MANAGEMENT

Certification		Augsburg, Germany	Braşov, Romania	Chřibská, Czech Republic	Manchester, Great Britain	Yancheng, China	Mawna, Bangladesh	Tam Kỳ, Vietnam
ISO 9001	Quality management system	✓	✓	✓	✓	✓	✓	✓
IATF 16949	Automotive quality management system	✓	✓		✓	✓		2025
ISO 14001	Environmental management system	✓	2024		2025	✓		
GRS	Global recycled standard	✓ [*]	✓			✓	✓	✓
Higg Index FEM (I)	Higg Index Facility Environmental Module					✓	✓	2024
Higg Index FSLM (II)	Higg Index Facility Social & Labor Module					✓	✓	2024
C2C Cradle to Cradle	Cradle to Cradle	✓	✓	✓		✓		
OEKO-TEX® STANDARD 100	OEKO-TEX® STANDARD 100	✓	✓	✓	✓	✓	✓	✓
Sedex	Supplier Ethical Data Exchange						✓	

*Augsburg is GRS certified as a central function.

ECOLOGICAL KEY FIGURES

CO₂ FOOTPRINT – CCF OF THE AMANN GROUP

	2022 (Base year)	2023	2023 – Share of total emissions	Difference 2023 -2022	Milestone 2027	Targets 2030	Net zero by 2050
Scope 1	11,967 t CO ₂ e	11,150 t CO ₂ e	7.40%	-6.8%	Scope 1+2 reduction by 50%*	Scope 1+2 reduction by a further 10%*	
Scope 2	23,147 t CO ₂ e	20,381 t CO ₂ e	13.60%	-12.0%			
Scope 3 – Categories:					Scope 3 reduction by 10%*	Scope 3 reduction by a further 10%*	
3.1 Purchased goods and services	114,725 t CO ₂ e	90,135 t CO ₂ e	60.0%	-21.4%**			
3.2 Capital goods	4,384 t CO ₂ e	4,384 t CO ₂ e	2.9%	0.0%			
3.3 Energy-related upstream chain	7,936 t CO ₂ e	7,070 t CO ₂ e	4.7%	-10.9%			
3.4 Logistics (upstream)	7,641 t CO ₂ e	4,766 t CO ₂ e	3.2%	-37.6%**			
3.5 Waste and waste water	420 t CO ₂ e	420 t CO ₂ e	0.3%	0.0%			
3.6 Business trips	701 t CO ₂ e	701 t CO ₂ e	0.5%	0.0%			
3.7 Commuting of employees	3,770 t CO ₂ e	3,770 t CO ₂ e	2.5%	0.0%			
3.9 Logistics (downstream)	8,059 t CO ₂ e	7,455 t CO ₂ e	5.0%	-7.5%			
Scope 3 - Total:	147,636 t CO ₂ e	118,701 t CO ₂ e	79.0%	-19.6%			
Total	182,749 t CO ₂ e	150,231 t CO ₂ e	100%	-17.80%	30% absolute reduction*		

* Reduction compared to the base year 2022.

** The quantity produced has fallen compared to 2022 and 2023. This affects the reductions and changes year-on-year. Inventories of purchased raw and auxiliary materials (category 3.1) were compre-

hensively reduced in 2023. In addition to the lower production volume, this led to a further reduction in purchasing volumes and thus to a disproportionately large reduction in emissions. Changes in category

3.4 were influenced by the maximum avoidance of air transport. Only the reduction of air transport brings effective CO₂ savings.

CCF DECLARATION

In 2023, we prepared a CO₂e balance sheet (CCF - Corporate Carbon Footprint) for the entire AMANN Group for the first time for the previous year - not only for the production sites but also for all branches and sales offices. This first balance sheet (CCF 2022) was created with the support of an external management consultancy. The AMANN-centred calculation tool was purchased and the CCF 2023 was then created in-house.

The CCF 2022 is our base year. Targets and measures in the area of climate protection were defined on this basis. We have set ambitious milestones for 2027 and further specific targets for 2030 (see also page 16 of this report). Our Group-wide key figures create transparency and help us to identify opportunities for improvement, manage measures and monitor target achievement. The progress made in the areas of emissions reduction and controlling is summarised below. In this figure-based progress report, we focus on the publication of key indicators.

- At the beginning of the accounting process, the seven Scope 3 categories 8 and 10-15 were identified as not essential for AMANN in the materiality analysis.

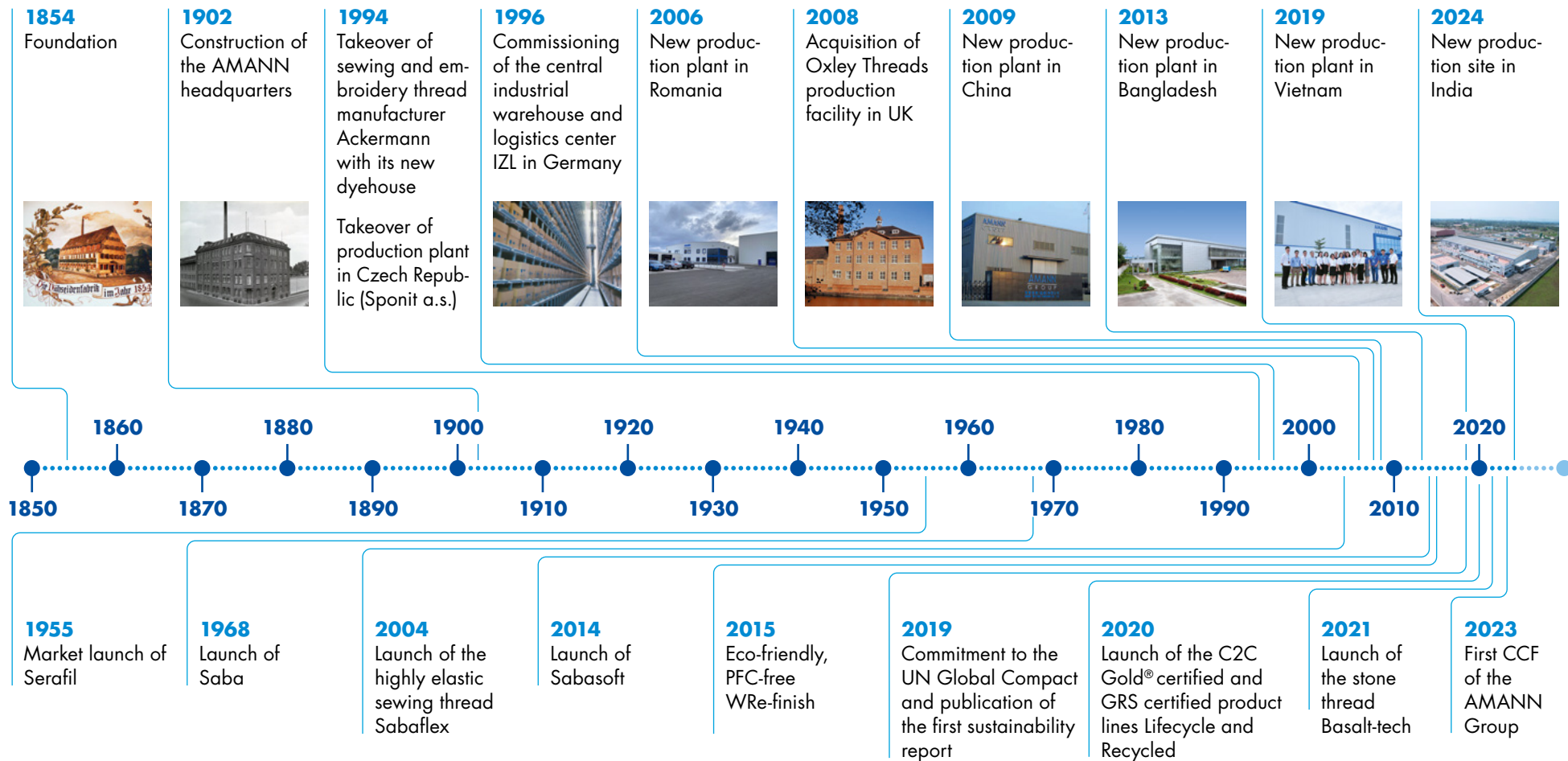
- All emissions are determined on the basis of the best available data sources. This is done using recorded activity data, recognised emission factors and other GHG-compliant approaches (if necessary also on the basis of research or our own internal data determination).
- Energy and material-related emissions were determined using country-specific emission factors, where available, and allocated to the respective locations.
- Transport-related and other emissions are allocated to the receiving or dispatching locations according to the 'polluter pays' principle..
- All values are rounded for better readability.
- We are aware that it will be necessary to continuously develop the data collection, calculation methods and assumptions made.

- It is important to us to organise climate protection measures sensibly, efficiently and economically. For this reason, we have also decided to extend the data collection interval appropriately for less significant emission volumes. We realise that this may result in us reporting higher emission values than actually exist.

In addition to continuously improving the retrospective determination of emissions using CCF, we also work on designing tools for forecasting and simulating future emissions in order to significantly support activities to reduce emissions.

AMANN's greenhouse gas accounting is based on the principles of the Greenhouse Gas (GHG) Protocol, which is the result of an initiative by various private organisations and global companies. It sets globally recognised standards for recording greenhouse gas emissions (GHG emissions). The GHG Protocol divides the GHG emissions generated by all business activities into three 'scopes' (see also the diagram and explanation on page 14 of this report). AMANN reports on the mandatory Scopes 1 and 2 as well as the categories identified as significant in Scope 3.

AMANN GROUP TIMELINE



NOTE

In this sustainability report, the AMANN Group informs its stakeholders about the sustainability strategy and sustainability activities for 2023. The document is available in German, English and Chinese and essentially relates to the period from 1 January - 31 December 2023. All forward-looking statements in this report are based on the assumptions valid at the time of going to press. The editorial deadline for this report was 30 April 2024.

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