



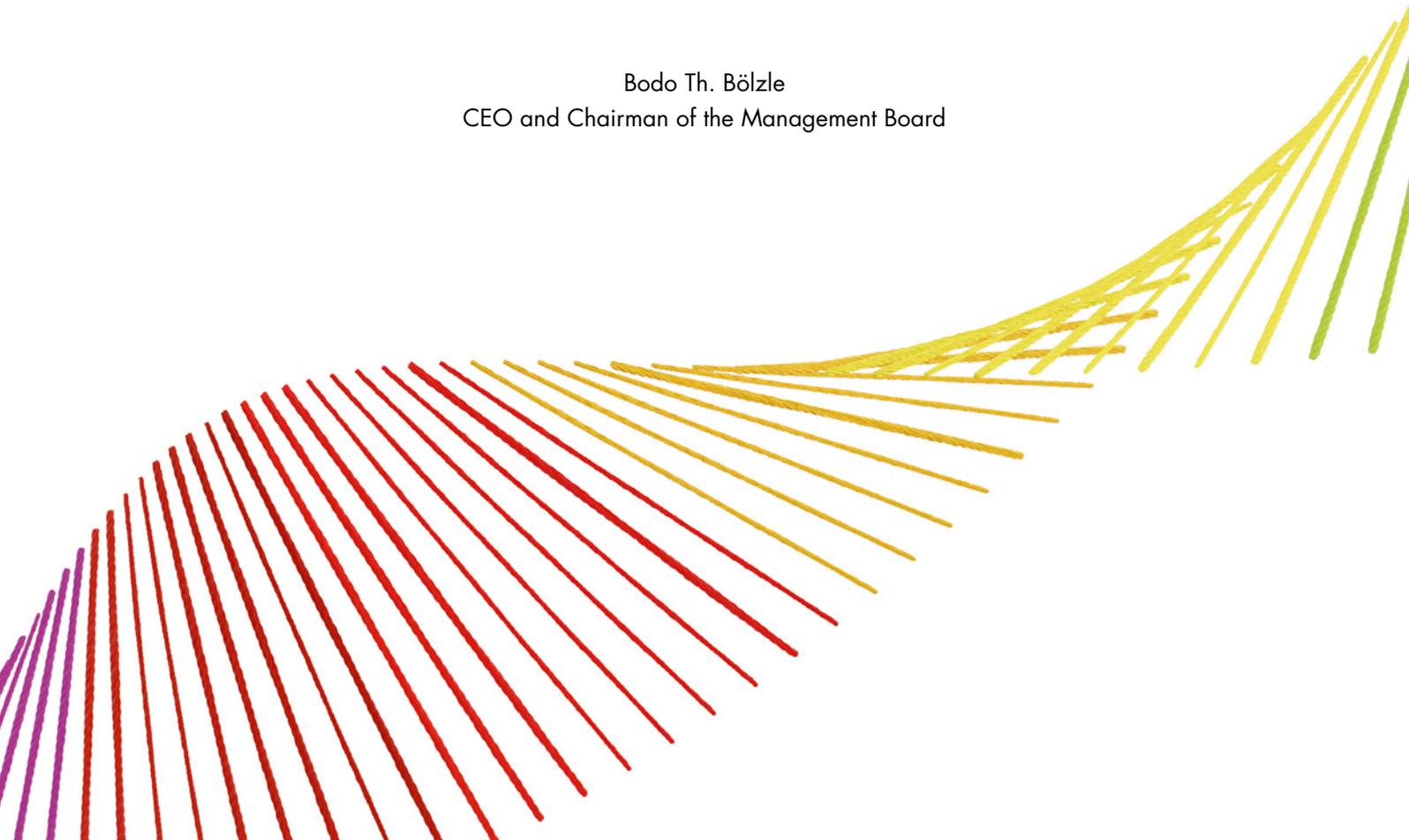
SUSTAINABILITY REPORT

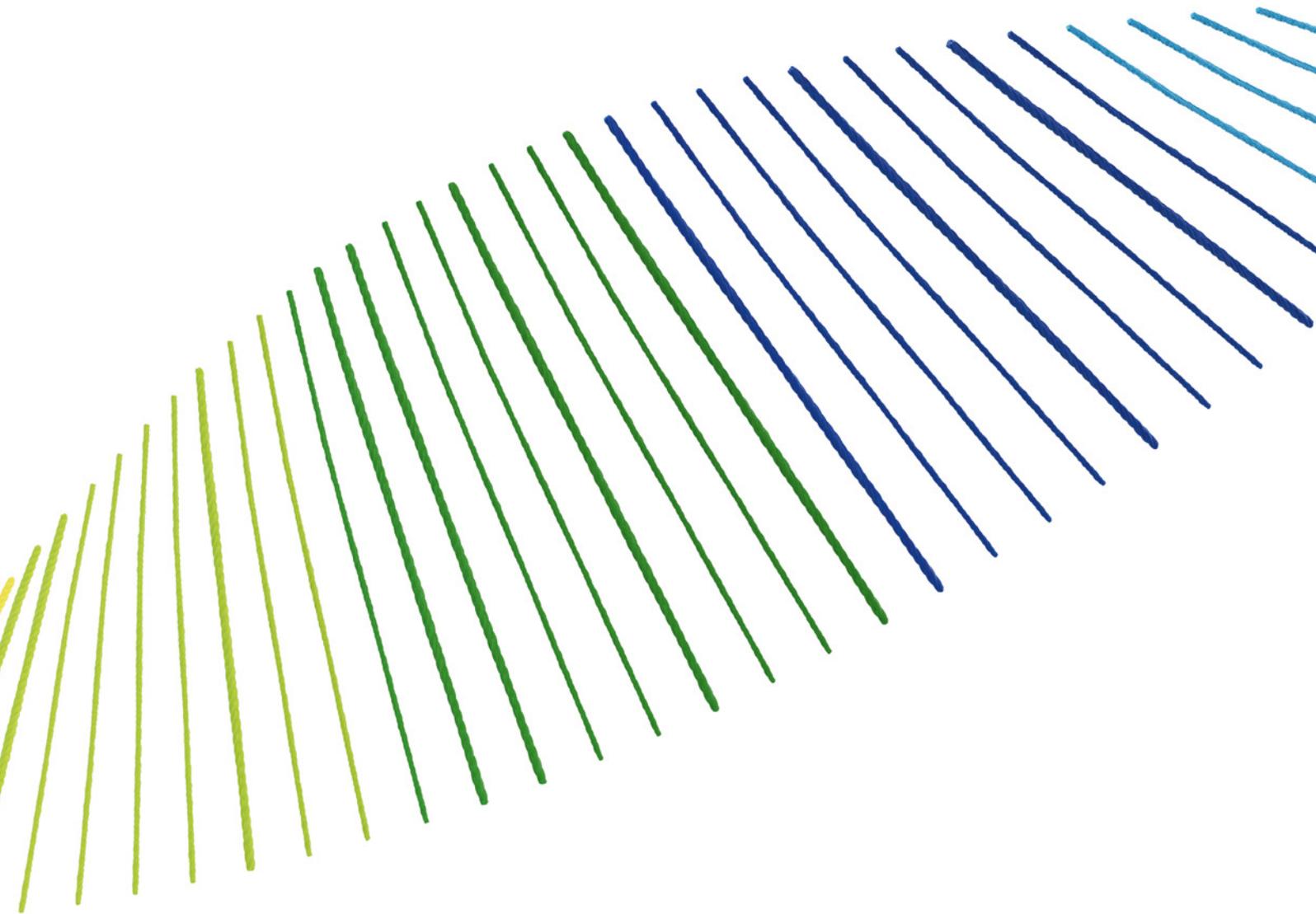
2021



"IN THE HISTORY OF
AMANN, INTEGRATING THE
TEN PRINCIPLES OF THE
UN GLOBAL COMPACT IS
A LOGICAL STEP."

Bodo Th. Bölzle
CEO and Chairman of the Management Board





THE AMANN CODE

INNOVATIVE. INDIVIDUAL. INTUITIVE.



AMANN is one of the Top

50 CLIMATE LEADERS 

SUSTAINABILITY A RACE WE CAN WIN



SUSTAINABILITY PUT INTO PRACTICE SINCE 1854.

Dear Reader,

The AMANN Group, as a global company, has a responsibility towards customers, employees, society and the environment. Sustainable thinking and acting is embedded in the company's DNA.

In the history of AMANN, integrating the ten principles of the UN Global Compact was a logical step. Even in difficult times of the Covid-19 pandemic, we stick to our goals and values and continue to drive sustainability. The United Nations (UN) has nominated 50 leaders in sustainability and climate protection. We are very proud that our efforts have been recognized and that AMANN was selected as a role model in the textile industry.

We produce our sewing and embroidery threads at our own production sites in Europe and Asia and can therefore guarantee that the principles are being implemented consistently. Beyond the legal requirements, we are also bound by the standards of our Code of Conduct, which defines fundamental ethical principles for our company. These principles of conduct determine the decisions and actions taken by management and employees in our daily business, and they also apply to our suppliers and partners. We observe the United Nations' General Declaration of Human Rights and all conventions of the International Labour Organisation (ILO), and have a sophisticated management and control system, which ensures their implementation.

Our objective is the most sustainable and efficient production possible. The timely reduction in resource consumption in production and the development of new, more environmentally friendly and intelligent threads are important steps on the way to achieving this.

We would like to thank our employees for their commitment, expertise and sense of responsibility. And we thank our customers and partners for their loyalty to our company. For us, this is both an incentive and an obligation.

Stay healthy!

Wolfgang Findeis

Wolfgang Findeis
CFO

Bodo Th. Bözle

Bodo Th. Bözle
CEO and Chairman
of the Management
Board

Peter Morgalla

Peter Morgalla
COO

WELCOME TO THE TECHNOLOGY HUB OF THREADS.

Alois Amann and Imanuel Böhringer founded the company Amann & Böhringer in 1854 "to manufacture twined and coloured silks". Even back then, the company was a pioneer in Europe, because professional processing of silk threads was considered to be an exacting skill, which barely anyone had dared to take on until then.

Today, the AMANN Group is one of the leading international manufacturers of sewing threads, embroidery threads and smart yarns. From universal sewing threads to highly technical special yarns: we offer a wide range of products for a variety of applications.

AMANN produces its high-quality sewing and embroidery threads for apparel, shoes & accessories, home interior, automotive, techtext, as well as for trade in their own production plants in Europe and Asia.

Over 2,500 motivated employees ensure the success of this family company, which has belonged to the non-profit Hanns A. Pielenz Foundation since 2005. AMANN focuses globally on sustainable, fair and safe production processes.

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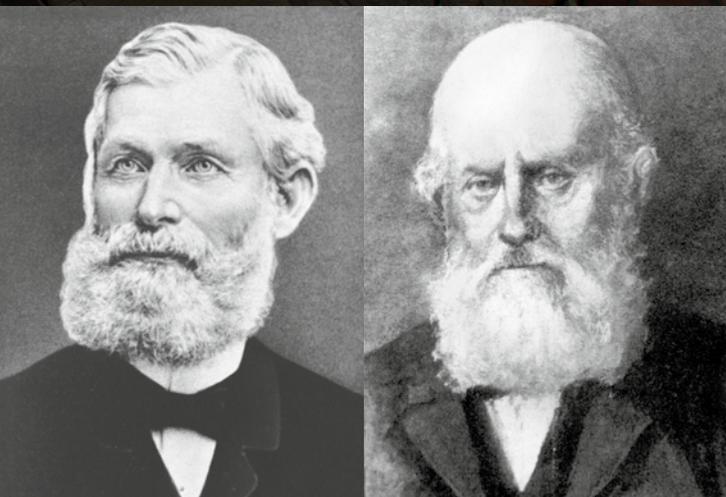
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Alois Amann & Imanuel Böhringer

COMMITMENT OF THE AMANN GROUP TO THE PRECEPTS OF THE UN GLOBAL COMPACT.



As a global company, AMANN has made the conscious decision to enter into the UN Global Compact.

"The United Nations Global Compact is the world's biggest and most important initiative for responsible corporate management. Based on ten universal principles and the Sustainable Development Goals, it pursues the vision of an inclusive and sustainable global economy to the benefit of all people, communities and markets, today and in the future."¹

It is AMANN's ambition not only to be a pioneer in terms of high-quality, sophisticated products, but also in activities in the spirit of sustainability. With the successful development of innovative threads and yarns, we are actively contributing towards protecting the environment and resources for future generations. Social equality and environmental change go hand in hand with this.

Therefore, we consider the recognition of international standards to be a matter of course. We are making an impressive commitment in association with more than 14,000 companies and organisations worldwide. In practice, however, we have long since been going beyond the legal requirements and generally valid rules. We consider this to be an urgent requirement, in order to drive sustainable development further forward.

By joining the UN Global Compact, AMANN undertakes to comply with the following ten principles of the UN Global Compact:

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Businesses should make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
5. Businesses should uphold the effective abolition of child labour.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.

These UN Sustainable Development Goals have already been implemented at AMANN through appropriate measures.



¹ German Global Compact Network office: United Nations Global Compact





"OUR EMPLOYEES ARE OUR
FIRST PRIORITY AND FORM
THE FOUNDATION OF OUR
CONTINUING SUCCESS."

Mike Wasel
Global Director HR

IN THE AMANN CODE OF CONDUCT, WE UNDERTAKE TO MEET THE HIGHEST ETHICAL STANDARDS.

Worldwide, our company's success is guaranteed by 2,500 employees. With the AMANN Code of Conduct, we have committed ourselves to meet the highest ethical standards. This includes compliance with all applicable laws and legal requirements, corruption-free business conduct, whistleblowing policy, occupational health and safety as well as the exclusion of forced and child labour. Each employee is provided with the AMANN Code of Conduct in their national language.

In addition, regular training courses are held to raise our employees' awareness of ethical conduct. AMANN considers the ten principles of the UN Global Compact to be the basis for social and ecological economic activity worldwide. To guarantee our understanding of ethical economic activity along the entire value creation chain, we want to ensure that all suppliers sign our Supplier Code of Conduct or an own, similar Code of Conduct.



To monitor compliance with our standards we regularly carry out on-site compliance audits at our suppliers' sites. In 2020, the possibility of such audits was limited due to the Covid-19 pandemic in order to protect our employees as well as suppliers' employees.

In addition to signing the Supplier Code of Conduct, it is particularly important to us that our business partners are located as close to our plants as possible in order to optimise CO₂ emissions in the supply chain.

One of our principles is that every AMANN employee must be given a contract of employment, regardless of the country in which they are employed. We regulate occupational health and safety uniformly worldwide, as our production sites are set up in accordance with European standards. To avoid accidents at work, we continually raise awareness of safety among our managers and employees, and all workplaces are equipped with state-of-the-art safety technology. We are pursuing the long-term goal of zero accidents. In addition, all workplaces are designed ergonomically.



WE GUARANTEE EXEMPLARY HEALTHCARE PROVISION FOR ALL EMPLOYEES.

AMANN cooperates with local doctors and hospitals to guarantee employee healthcare provision at all production sites. Doctors come to the company to provide regular medical check-ups. This is particularly important in countries with still developing health systems. Our commitment exceeds the norm by far.

During the Covid-19 pandemic, we are dedicated to protect our employees by providing free masks, frequent temperature checks, segregation of shifts and working from home where possible.

Once the pandemic situation has improved, we will continue our additional programmes: We promote common sport events like running, hiking, tennis, badminton or soccer. Worldwide, we have introduced health days for our employees. Catering is free of charge or generously subsidised. In addition, we offer nutritional advice and coaching for a healthy lifestyle.

Sustainable and future-oriented respect for our employees is very important for AMANN. "With our provision for retirement, we generally go beyond the statutory regulations and ensure our employees beyond the active working lives", says Mike Wasel, Global HR Director.

We are delighted to see that our employees feel closely connected to the company. They know that AMANN makes long-term plans, and this creates trust and ensures certainty.

AMANN promotes gender equality. By 2025, we aim to have a balanced ratio of male and female employees. Employee co-determination, including through trade unions and co-determination committees, is fully recognised.

AMANN is resolutely opposed to discrimination against minorities.

For the further development of our employees, we have introduced the AMANN competence model, which aims to describe qualifications and to ensure the use and development of skills within the company in the long term.

AMANN is supported by the Hanns A. Pielenz Foundation, which was founded in 2005. The non-profit foundation promotes projects in art, culture and education.

Because of the Covid-19 pandemic a lot of planned projects had to be cancelled or postponed to 2021.

Nevertheless, the foundation supported a project called "lived inclusion" which helps every person to participate in sports independently and equally, regardless of age, origin, gender, religion or physical impairment.

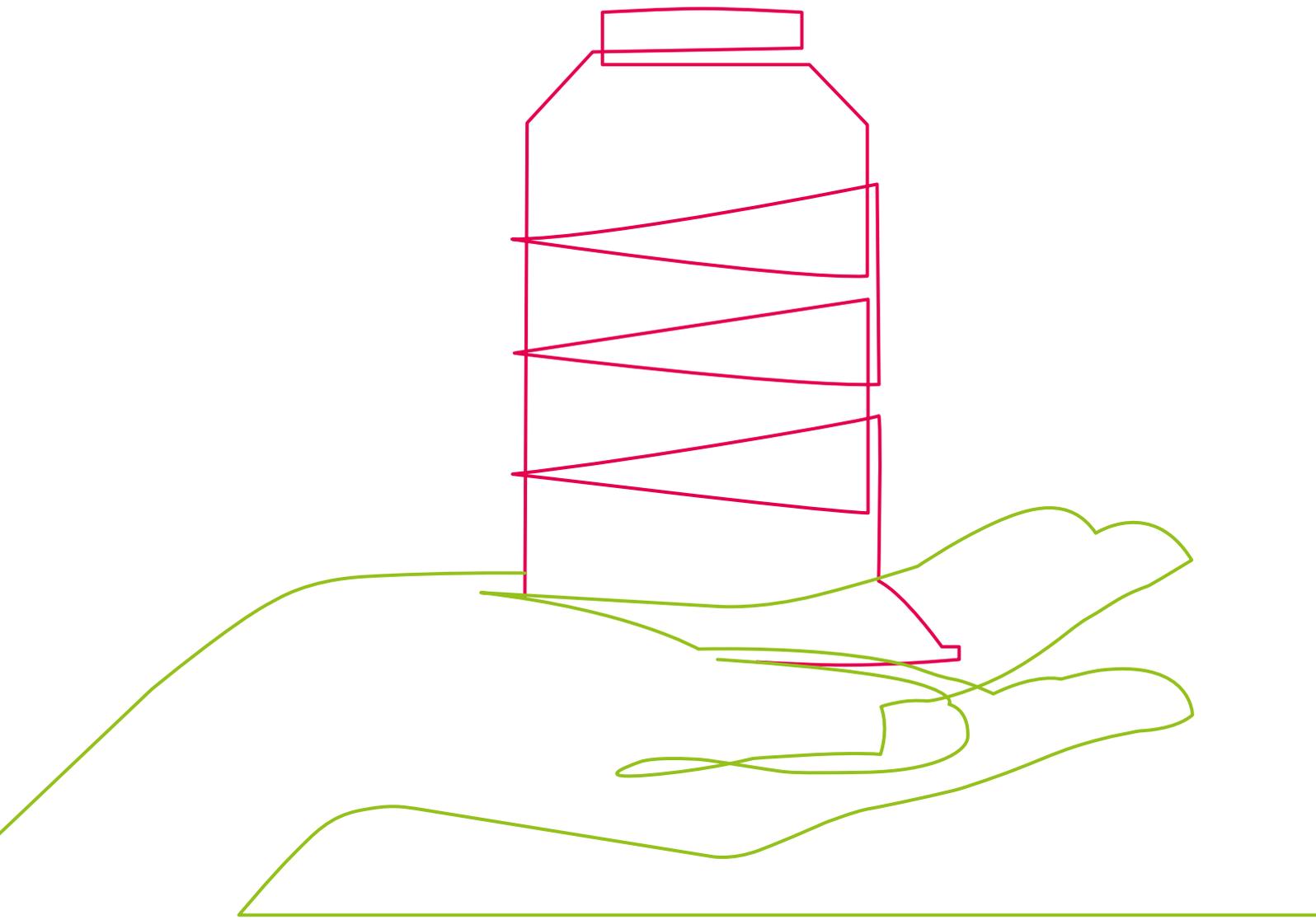
Our colleagues in Bangladesh supported young people under the care of SOS Children's Villages Bangladesh with the donation of laptops.



"I feel good at AMANN. I'm happy I'm able to work here. Labour protection and occupational safety are very high here. But I'm also thankful for the free medical care."

Hannah Zheng
Final Winding Senior Team Leader





"THE CRADLE TO CRADLE
CERTIFIED™ GOLD CERTIFICATE
IS OUR INCENTIVE FOR FUTURE
SUSTAINABLE PRODUCT
DEVELOPMENTS."

Barbara Binder
Director Global Marketing

AMANN'S ROAD TO ZERO: SUSTAINABLE AND RISK-FREE PRODUCTS.

AMANN's Road to Zero: In light of climate change and environmental destruction, AMANN voluntarily abides by the strictest requirements. We continuously develop our products and its textile finishing in order to make them more environmentally friendly and more sustainable.

AMANN products are certified to STANDARD 100 by OEKO-TEX®, and a large number of them are even certified according to the stricter criteria of appendix 6. All substances used in our production are listed internally and their hazard potential is assessed, for reasons of operational safety and environmental protection. Our threads conform with the requirements of REACH regarding SVHCs (substances of very high concern), as listed in the current SVHC candidate list of the EU Chemicals Agency.

Furthermore, we strictly align our production according to the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List (ZDHC MRSL). We only purchase from ecologically advanced and approved suppliers and avoid unnecessary chemicals, auxiliaries and dyes.

We have managed to eliminate almost all listed substances since 2020. In the manufacturing process of water-repellent threads, for example, we have replaced the environmentally harmful perfluorinated chemicals (PFCs) by compatible safer alternatives which are totally PFC-free.

As we only manufacture in our own production sites, transparent and controlled processes are a standard at AMANN. This is also shown in our continuous ISO 9001 certification firstly awarded in 1996. Since 2000, we are also holder of the environmental management ISO 14001 certification.





“The target of AMANN’s product management is not only to develop the best products, we also want to have the most environmentally-friendly. We attach great importance to use sustainable raw materials, from the packaging to the product. The satisfaction of our customers is our incentive!”

Tanja Kurz
Senior Product Manager



EVERY YEAR, APPROXIMATELY
92 MILLION TONS OF TEXTILE WASTE
ARE GENERATED WORLDWIDE.
WE COUNTERACT THIS WITH
THE AMANN SUSTAINABLE
PRODUCT RANGE.

WE WORK ON RECYCLED MATERIALS AND COMPOSTABLE RAW MATERIALS.

AMANN develops products in a targeted manner and is breaking new ground with the new product lines Lifecycle and Recycled.

All products from the Lifecycle line are Cradle to Cradle Certified™ Gold and are in a complete product lifecycle. AMANN sewing and embroidery threads from the Recycled line are entirely produced from recycled materials.

Cradle to Cradle Certified™ stands for a consistent, continuous recycling management, where no waste is generated, as the Cradle to Cradle Certified™ products can be used either as biological nutrients in biological cycles, or they are continuously kept in technical cycles as technical nutrients.

The five criteria evaluated in C2C certification are material health, material reuse, use of renewable energies, responsible use of water and social fairness. The certificate is awarded in levels from Basic, Bronze, Silver, Gold to the highest level, Platinum.

A new milestone in our sustainability concept is the GRS certification of our production sites, where we manufacture our Recycled line which is made from 100% high-quality recycled materials.

The Global Recycled Standard (GRS) guarantees complete traceability of the recycled materials used throughout the production chain. It is documented that we fulfil the requirements of social and environmental practices, as well as chemical limitations.

In order to maintain the greatest possible degree of transparency, AMANN has voluntarily decided to be GRS certified, since sewing and embroidery threads, as accessories, do not have to be certified under GRS criteria.

The products from the Recycled line have almost the same quality features as our excellent range products, for instance in terms of breaking strength, abrasion resistance and sewability.

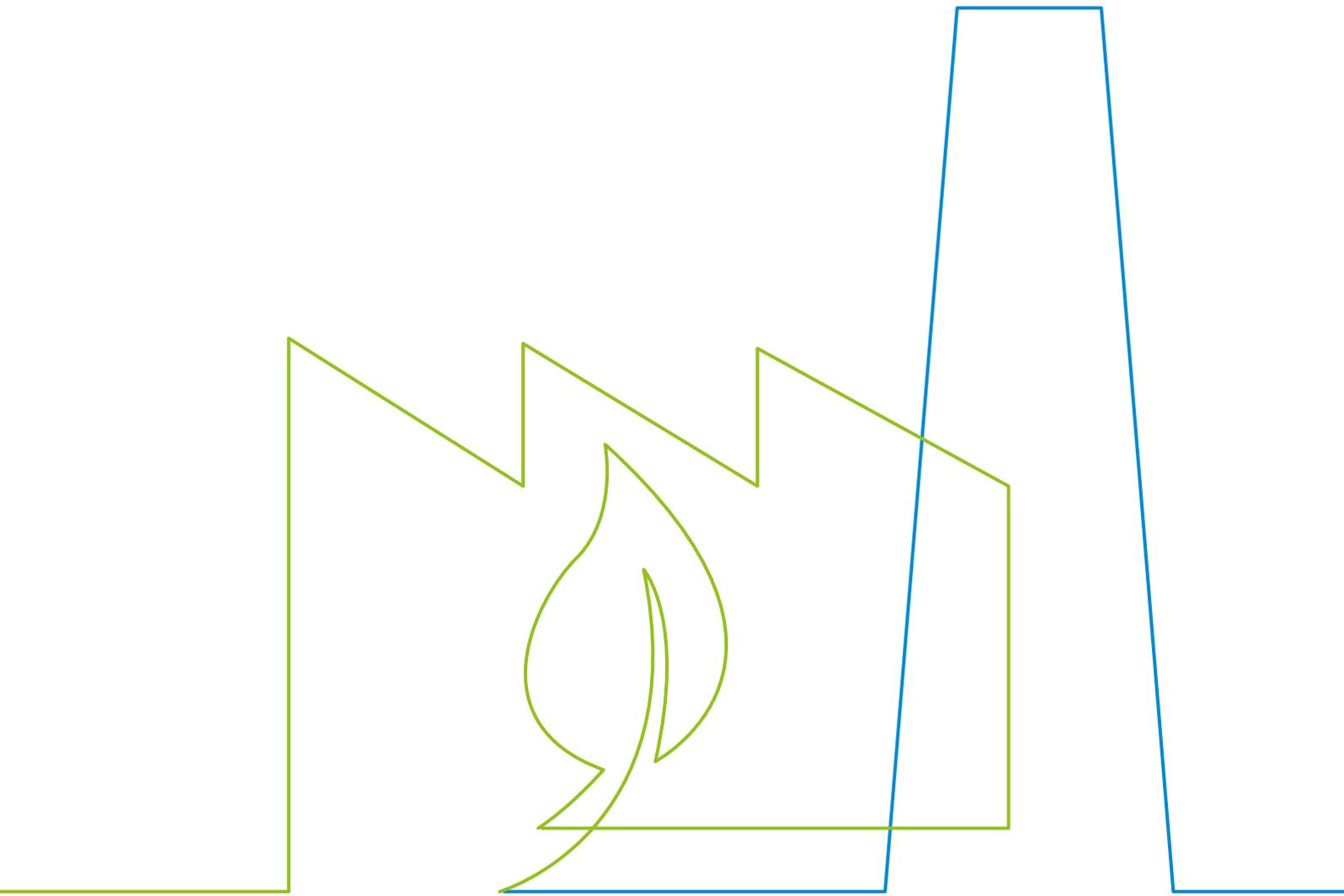
For production, only selected high-quality recycled materials are used. In order to guarantee the high strength and elongation which are required for sewing threads, only transparent PET bottles are used for the production of raw materials.

We also use recyclable or recycled materials for our spools and packaging. For example, the percentage of recycled content in the cardboard boxes is 90–95%. The aim for the future is that all spools and packaging materials will have the highest possible percentage of recycled content and that outer packaging will be reduced to a minimum.



“Our plant in Bangladesh was the first to receive the GRS certificate, followed by our plants in Vietnam and China. The requirements of annual GRS certification raise awareness more widely among our managers and employees about sustainable behaviour.”

Peter Kabelitz
Director of Global Procurement



"THROUGH CONTINUOUS
MONITORING OF RESOURCE
CONSUMPTION,
WE GUARANTEE SUSTAINABLE
PRODUCTION AND
CAN ACHIEVE TARGETED
OPTIMISATION POTENTIALS."

Christian Scholz
Director Industrial Engineering

STANDARDISED PROCESSES GUARANTEE SUSTAINABLE, RESOURCE-FRIENDLY PRODUCTION.

At AMANN, we have been actively implementing environment, energy and waste management for many years. We pursue a global strategy for protection of the environment and the climate. Our processes are certified so that the same standard is guaranteed in all our production sites worldwide. This means that an employee from Bangladesh could work just as well in the Czech Republic using the usual processes.

In addition to the different national regulations and requirements, we also follow our own higher requirements. In doing so, we are assuming a pioneering role, by implementing our high standards even in countries with lower customary regulations and, in doing so, knowingly accepting higher costs than necessary.



The main aim of waste management is to avoid waste. Any waste generated is routed into sustainable recycling. By 2025, the aim is that there should no longer be a need for disposal in landfill sites.

In addition to the existing production sites in Germany (Augsburg), the United Kingdom (Manchester), the Czech Republic (Chribska), Romania (Brasov), Bangladesh (Mawna) and China (Yancheng), a new plant has been

constructed on a 45,000 square metre site in the Vietnamese coastal city of Da Nang. It has become one of our showcase projects in terms of occupational safety, environmental protection and energy efficiency. Around 1200 tonnes of sewing threads are produced there each year, primarily for the production of clothing and shoes. Of course, all production sites are equipped with state-of-the-art systems and technologies from the outset.



SUSTAINABILITY ALSO MEANS DEVELOPING NEW OPTIMISATION POTENTIALS WITH EXTERNAL PARTNERS.

At all our plants, we continuously monitor all production processes and consumption to ensure their continuous and sustainable optimisation. We have risen to the challenge of reducing the demand for fresh water in our processes worldwide. Our production in Vietnam obtains its service water from a wastewater recycling plant in the industrial zone. Reverse osmosis is already used in our plant in Romania, whereby we recycle up to 60% of water from the dyeworks and reuse it in our dyeing process. In Bangladesh, biological wastewater treatment plants are also being extended to include an ultrafiltration plant and reverse osmosis. The recently planned plant in India will be equipped with a fully integrated wastewater treatment plant to enable complete water reprocessing, meaning that 100% of the water used in production will be reused (zero liquid discharge). Further investments are planned to optimise wastewater treatment facilities in other plants.

Energy management of our equipment is another crucial part of our sustainability strategy. We are shifting to more efficient, low-temperature processes for steam boiler plants in the dyeing factories, with which we will reduce energy usage and carbon dioxide emissions. The successful installation of new steam boilers in our production plant in the Czech Republic results in savings of up to 20% in gas usage – likewise for the new steam boiler at our UK plant.

To further optimise our energy use, we have invested in the lighting technology at our production sites, and are switching to LED lights. We are also focussing more on photovoltaics. The site in Erligheim already has its own photovoltaic system, which provides enough electricity to meet our daily demand. A photovoltaic system is also planned for the plant in India.

Alongside these operational measures, we are also pursuing the issue of sustainability conceptionally and strategically, by trying to initiate new sustainable solutions as pilot projects with external partners and then implementing them. We work closely with machine manufacturers to find resource-saving solutions together. We are striving to optimise our processes through digitalisation wherever possible. For example, dyeing processes are monitored online so that process-relevant interventions can be made.

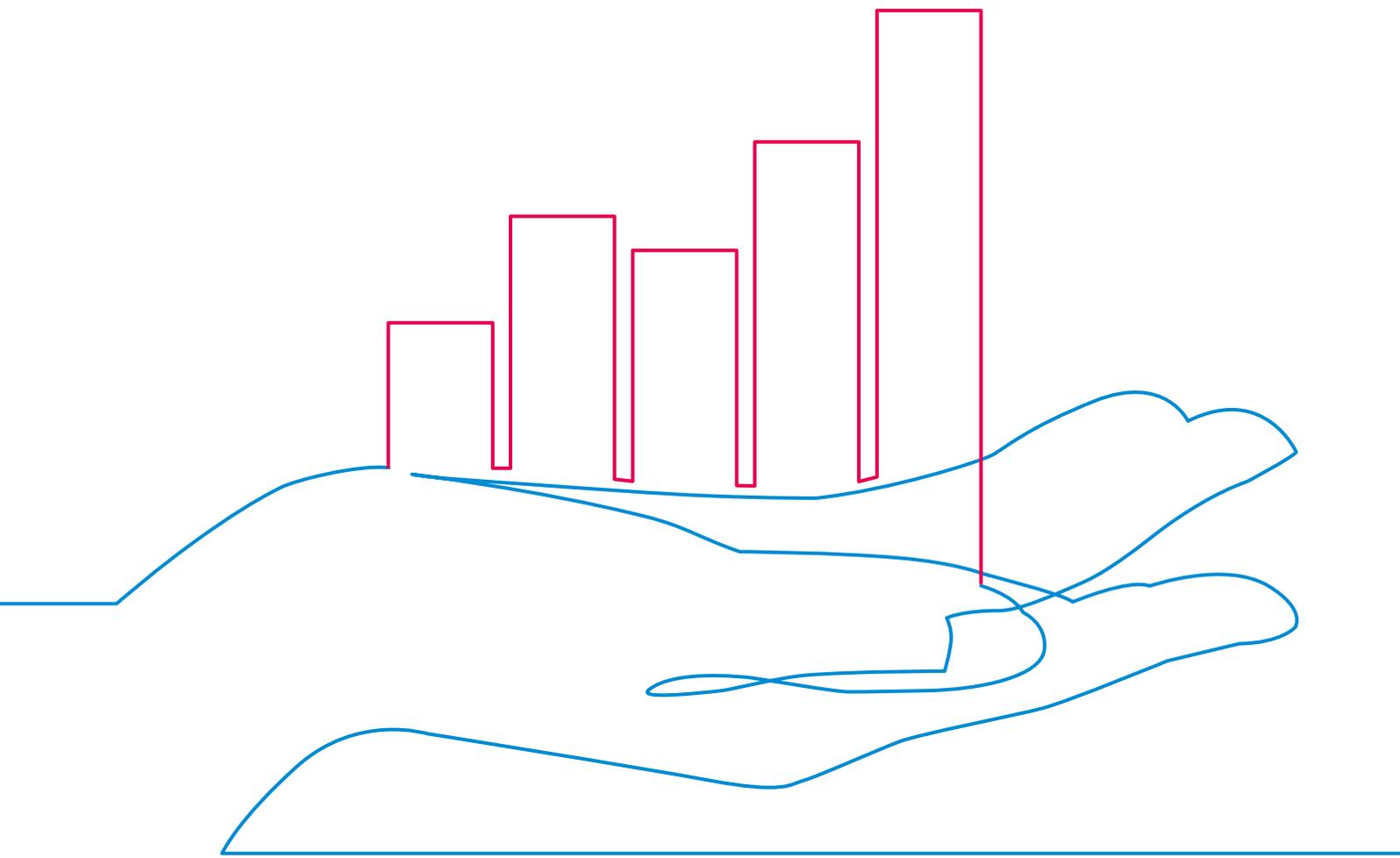
At our production sites we do not only meet ecological standards, we rather strive to continuously optimise our production. And we do not put a price tag on this. In recent years, we have invested more than EUR 2.2 million in measures to reduce resource consumption.



“Worldwide, we are successfully working on resource-friendly methods, in order to drastically reduce water and energy consumption.”

Cristian Stanciu
Managing Director AMANN
Romania





"FROM 2015–2020,
AMANN WAS ABLE TO
REDUCE ITS CO₂ EMISSIONS
BY 20% PER KG PRODUCED."

Daniel Oster
International Project Manager

OUR SUSTAINABILITY ACHIEVEMENTS

A glance at the development of the KPIs between 2015 and 2020 shows that AMANN has achieved clear successes in past years and has significantly reduced resource consumption. Our processes and equipment are subject to continuous inspection with the aim of optimisation. With all measures, we have been able to reduce power consumption by 13% in recent years, and water consumption by 15% per kg produced.

In addition, from 2015 to 2020, we reduced our carbon dioxide emissions worldwide by 20%. All of our processes are certified to ensure a uniform standard. Based on our analysis of the sustainability aspects, we have undertaken, in our objectives for 2025, to implement a continuous improvement in comparison with the base year of 2015, and are therefore walking the Road to Zero.

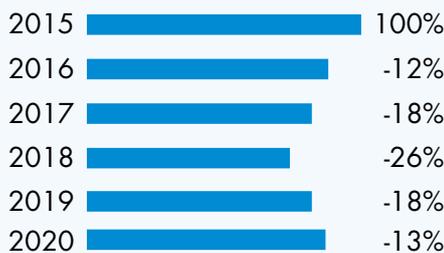
To achieve our ambitious sustainability objectives, we will provide further EUR 5.3 million by 2023. These investments will flow into extending wastewater treatment plants with different membrane filtration systems, measures for energy savings in steam generation, measures to further reduce water consumption during the dyeing process, and efficiency increases in the media cycles in our dyeing factories.

KEY PERFORMANCE INDICATORS 2015 – 2020

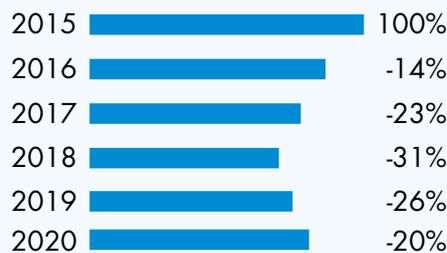
SIGNIFICANT SAVINGS WERE ACHIEVED COMPARED TO THE BASE YEAR 2015*:



REDUCTION IN POWER CONSUMPTION PER KG PRODUCED.



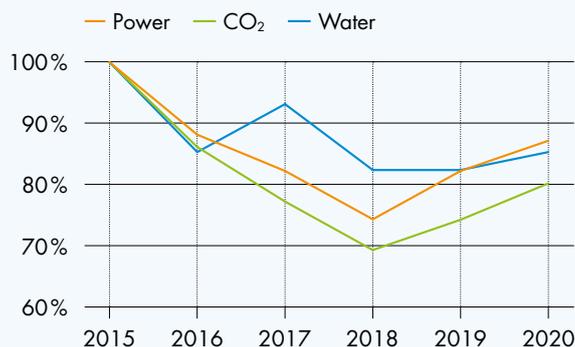
REDUCTION IN CO₂ EMISSIONS PER KG PRODUCED.



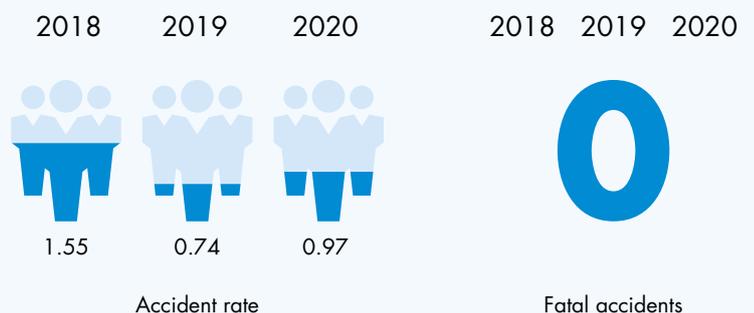
REDUCTION IN WATER CONSUMPTION PER KG PRODUCED.



DEVELOPMENT OF KPIs 2015 – 2020



ACCIDENT RATE PER 100 EMPLOYEES 2018 – 2020



*For a better comparability a uniform percentage form of presentation was chosen.

OUR SUSTAINABILITY OBJECTIVES 2025



POWER CONSUMPTION

25% reduction in power consumption per kg produced.
As of 2020: Increased power consumption per kg compared to 2019 mainly due to the production startup phase of a newly opened plant.



CO₂ EMISSIONS

Reduction of CO₂ emissions by 30% per kg produced and switch to renewable energy sources.
As of 2020: Reduction of 20% CO₂ emissions per kg produced already reached; first positive results for switching to renewable energy sources are visible by the implemented photovoltaics.



WATER CONSUMPTION

25% reduction in water consumption per kg produced.
As of 2020: Compared to 2019 slight increase of water consumption mainly due to the production startup phase of our newly opened plant.



WASTE

No waste to landfill.
As of 2020: Only 19% of the waste is disposed of via landfill (81% recycled/incinerated).



ACCIDENTS

Vision "zero accidents".
As of 2020: No improvement compared to 2019, hence stronger focus on safety awareness in two plants raised.



GENDER EQUALITY

Adaptation of the ratio of female to male employees from 42/58 to 50/50.
As of 2020: With a female to male ratio of 46/54, we are halfway through to the target achievement.



EMPLOYEE DEVELOPMENT

Implementation of a digital learning hub.
As of 2020: Due to the pandemic situation, an initiative was started to improve employee competences by offering digital training solutions instead of on-site trainings.



COMPLIANCE

Aim for all strategic key suppliers to sign our SCoC or to provide evidence of their own comparable CoC.
As of 2020: Target achieved: All strategic key suppliers have signed the AMANN SCoC or provided proven evidence of their own comparable CoC in place.

AMANN & Söhne GmbH & Co. KG
Hauptstrasse 1 | 74357 Bönningheim, Germany
Telephone +49 7143 2770
E-mail: service@amann.com
www.amann.com



Our management systems are certified according to

