



SUSTAINABILITY REPORT

2020



"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

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. Ecological, social thinking and acting is embedded in the company's DNA. Sustainability, according to the current definition, is a recurring theme in our corporate philosophy. In the history of AMANN, integrating the ten principles of the UN Global Compact is a logical step. 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 of conduct. 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.

Wolfgang Findeis

Wolfgang Findeis
CFO

Bodo Th. Bölzle

Bodo Th. Bölzle
CEO and Chairman
of the Management
Board

Peter Morgalla

Peter Morgalla
COO



THE AMANN CODE
INNOVATIVE. INDIVIDUAL. AFFECTION.

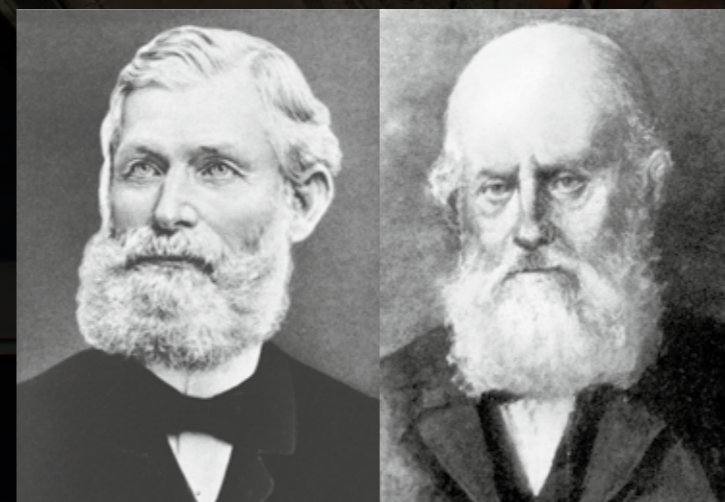
WELCOME TO THE TECHNOLOGY HUB OF THREADS.

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 2500 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.



Alois Amann & Imanuel Böhringer

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



As a global company, AMANN has made a 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.

That's why we consider the recognition of international standards to be a matter of course. We are making an impressive commitment in association with more than 13,000 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.

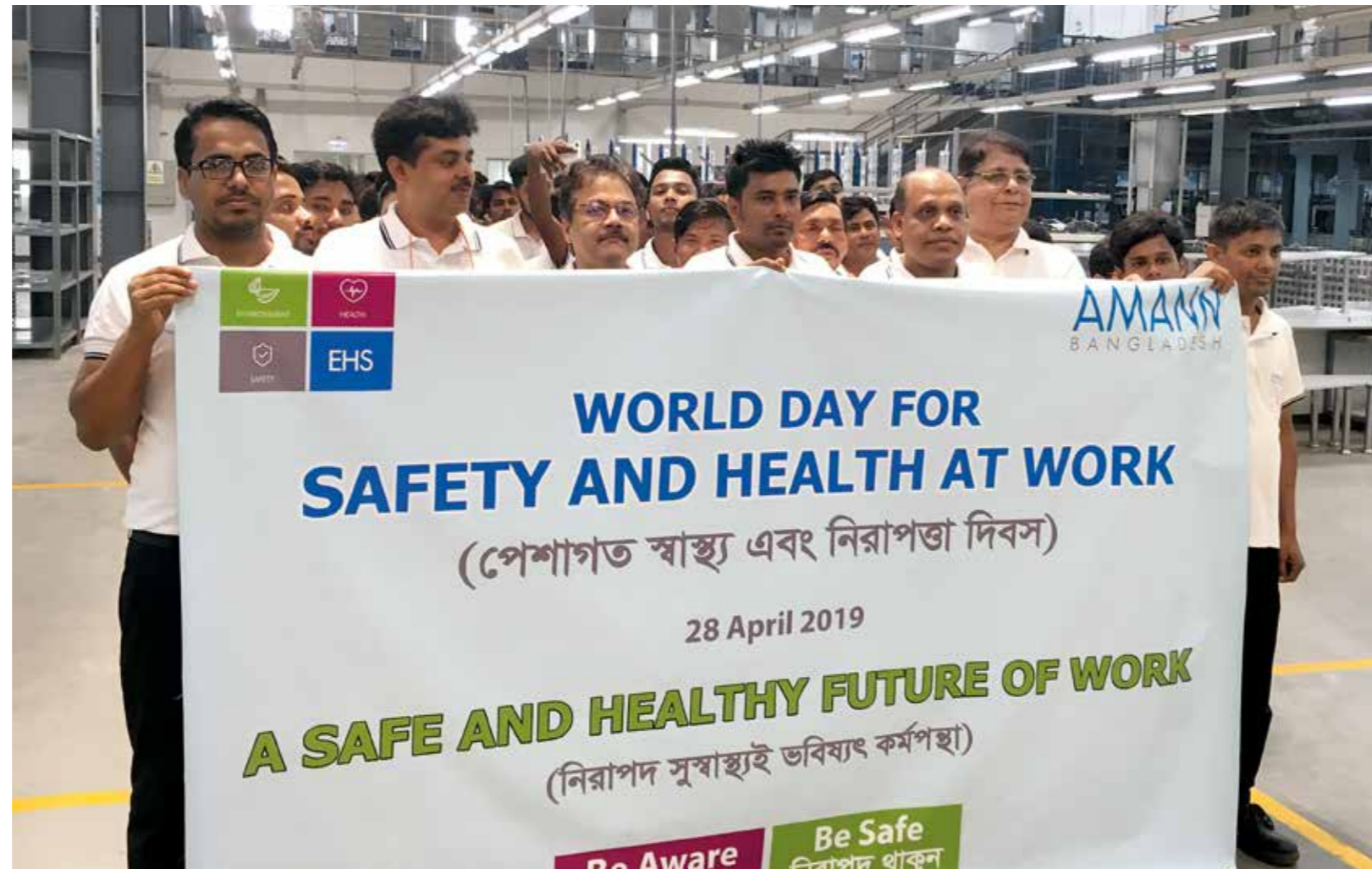
Worldwide, our company's success is guaranteed by 2500 employees. With the AMANN Code of Conduct, we have committed ourselves to meet the highest ethical standards. This includes compliance with all applicable laws and legal requirements, corruption-free business conduct, occupational health and safety as well as the exclusion of forced and child labour. Each employee is provided with the AMANN Code of Conduct in their mother tongue.

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.

Since 2019, we have been carrying out on-site compliance audits with our suppliers in order to monitor compliance with our standards. In addition to signing the Supplier Code of Conduct, we place value primarily on proximity to production sites when choosing new partners 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 in which the health system does not meet our expectations. Our commitment exceeds the norm by far. Worldwide, we have introduced health days for our employees. Catering is free of charge or is heavily subsidised. In addition, we offer nutritional advice, coaching for a healthy lifestyle and we promote sport such as running events, tennis or badminton. Hiking together generates team spirit.

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.

With our SEWING programme, our employees' children, aged from 15 to 20 years, can spend two to three weeks living with an employee family in a different country, thereby gaining early insights into different ways of life. Living in a different culture supports the personal development of these young people and benefits them in school and at work. Participants, parents and hosts feel even more involved with AMANN.

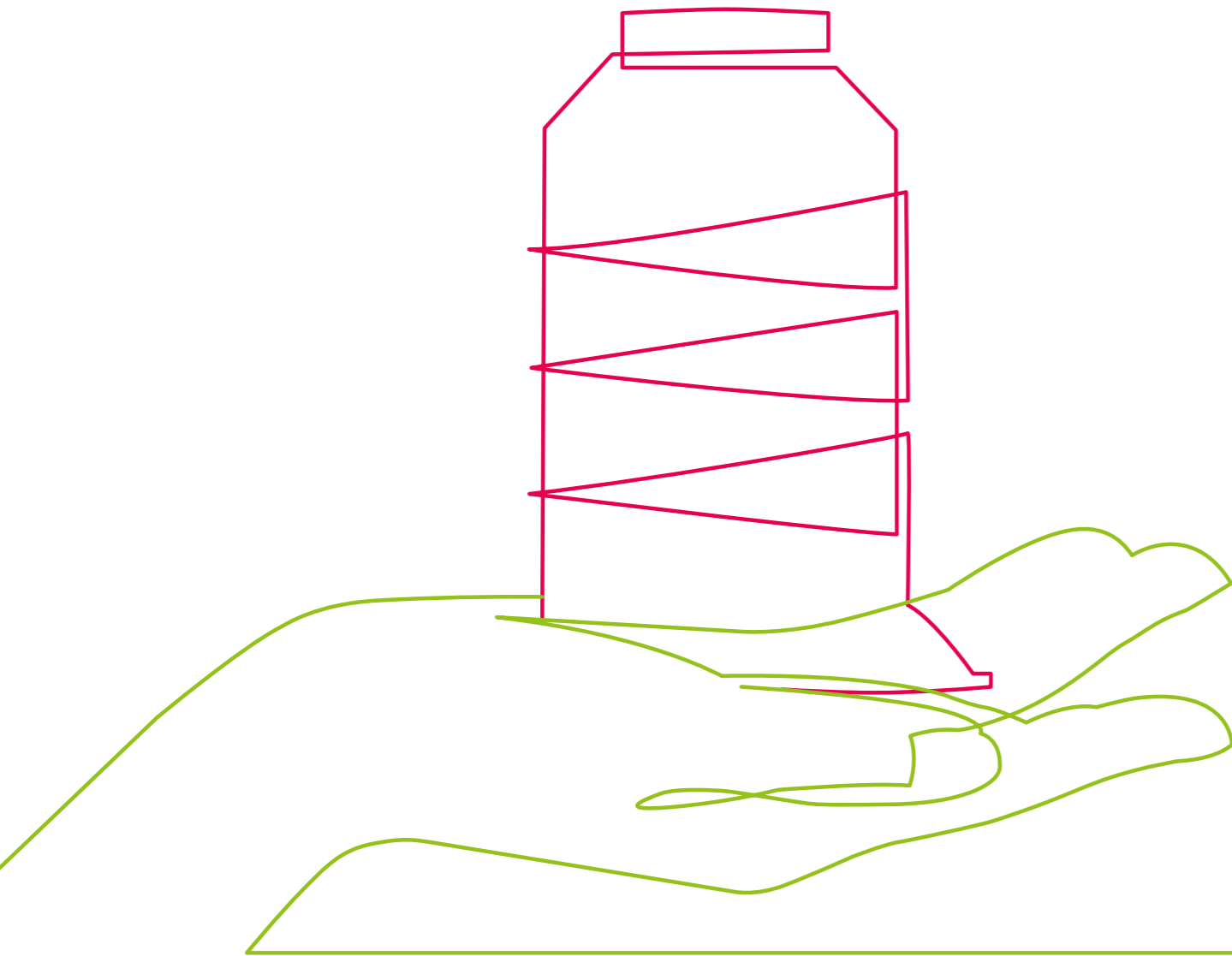
AMANN is supported by the Hanns A. Pielenz Foundation, which was founded in 2005. The non-profit foundation promotes projects in art, culture and education. For example, the foundation supported the "Future fashion at school" initiative, in which the subject of sustainable textiles and conscious consumption in the context of the 17 Sustainable Development Goals (SDGs) was brought to schools in Baden-Württemberg. At the end of the project, a youth summit that was also supported by the foundation took place and over 1100 schoolchildren participated at the event.



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
PRODUCT DEVELOPMENTS.“

Barbara Binder
Director Global Marketing

SUSTAINABLE AND RISK-FREE PRODUCTS THANKS TO OEKO-TEX®, REACH AND GRS.

In light of climate change and environmental destruction, AMANN voluntarily abides by the strictest requirements. We specifically advance our products 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 to the stricter criteria of appendix 6. We also fulfil the requirements of the European Chemicals Regulation REACH for the protection of human health and the environment.

A new milestone in our sustainability concept is the GRS certification of our production sites, where we manufacture our sustainable product line, Recycled, 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. In addition, records show 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 get GRS certified, since sewing and embroidery threads, as accessories, do not have to be certified under GRS criteria.



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

Peter Kabelitz
Director of Global Procurement



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, sustainable product lines, Lifecycle and Recycled.

All products from the Lifecycle line are CRADLE TO CRADLE CERTIFIED™ GOLD certified and can be completely reprocessed. 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 and Gold to the highest level, Platinum.

The products from the Recycled line are made from 100% high-quality recycled materials and 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 are also optimising the finishings of our sewing threads. In the production of water-repellent threads, for example, we are replacing environmentally harmful perfluorocarbons (PFC) with environmentally compatible alternatives.

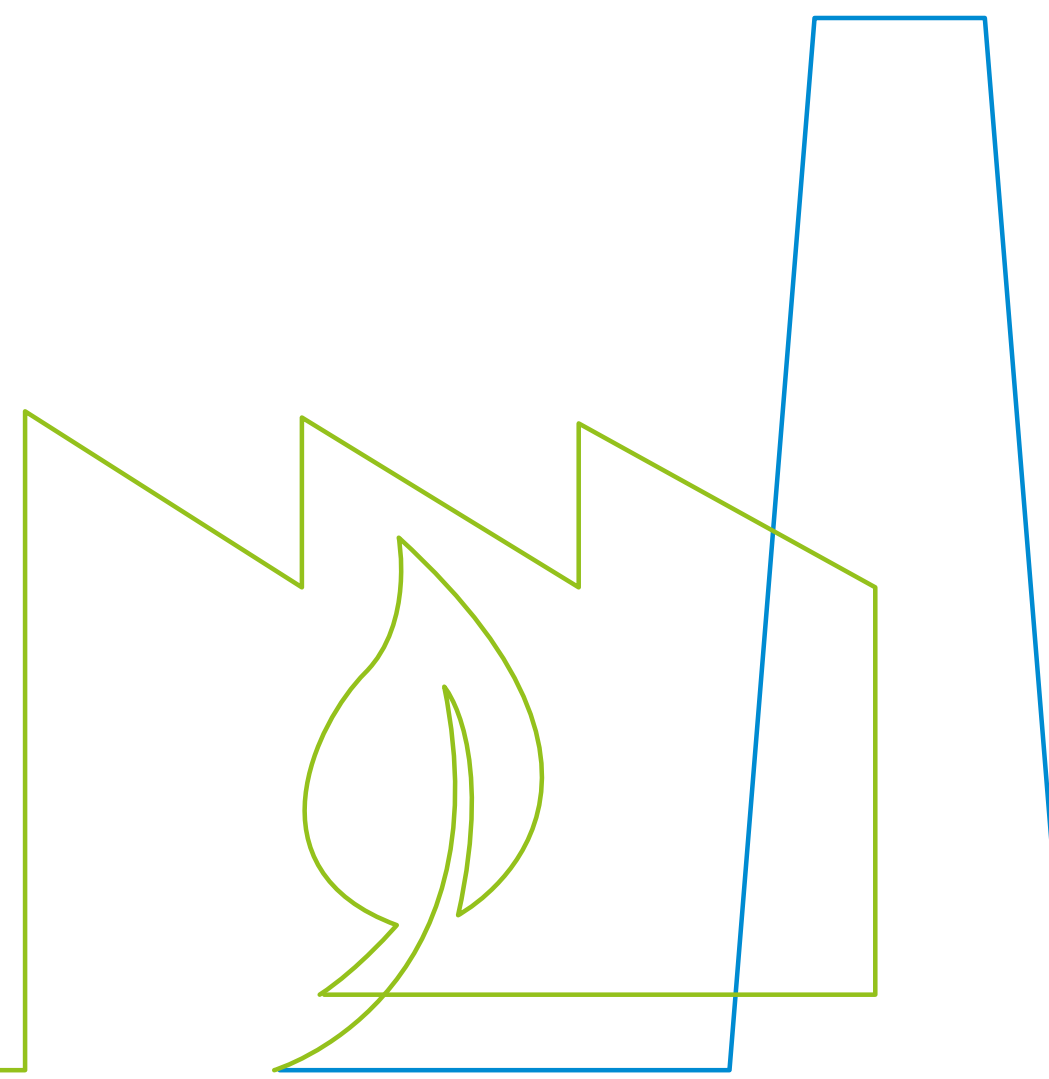
At present, it's about reinventing thread. AMANN was the first company which has launched a conductive sewing and embroidery thread. Our trend-setting developments also include so-called "smart yarns" – intelligent threads that can be used, for example, as sensors or transfer media.

We also use recyclable or recycled materials for our spools and packaging. For example, the percentage of recycled content in the cardboard supplied by our European suppliers is 90–95%. The aim for the future is that all spools and packaging materials will have the highest possible percentage of recycled content.



We think in textile solutions for current customer needs as well as future market requirements. We implement concept solutions in innovative products, which are manufactured ecologically and economically with sustainable processes.

Dr. Frauke Hänsch
Global Director R&D

A line art illustration on the left side of the slide. It features a blue outline of a factory building with a tall chimney. To the left of the factory is a green outline of a flame or fire. The entire illustration is composed of simple, clean lines.

"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 taking on 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 (Chřibská), 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.

In all our plants, we continuously monitor all production processes and consumption, so that we can ensure their continuous and sustainable optimisation. We have set ourselves 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, which recycles 100% of the wastewater produced 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 Czech Republic is resulting in savings of up to 20% in gas usage – likewise for the new steam boiler in our UK plant.

To further optimise our energy use, we have invested in the lighting technology in 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.

With our production sites we do not only meet ecological standards, we rather strive to continuously optimise our production. And that is worth something to us. In recent years, we have invested more than EUR 1.5 million in measures to reduce resource consumption.



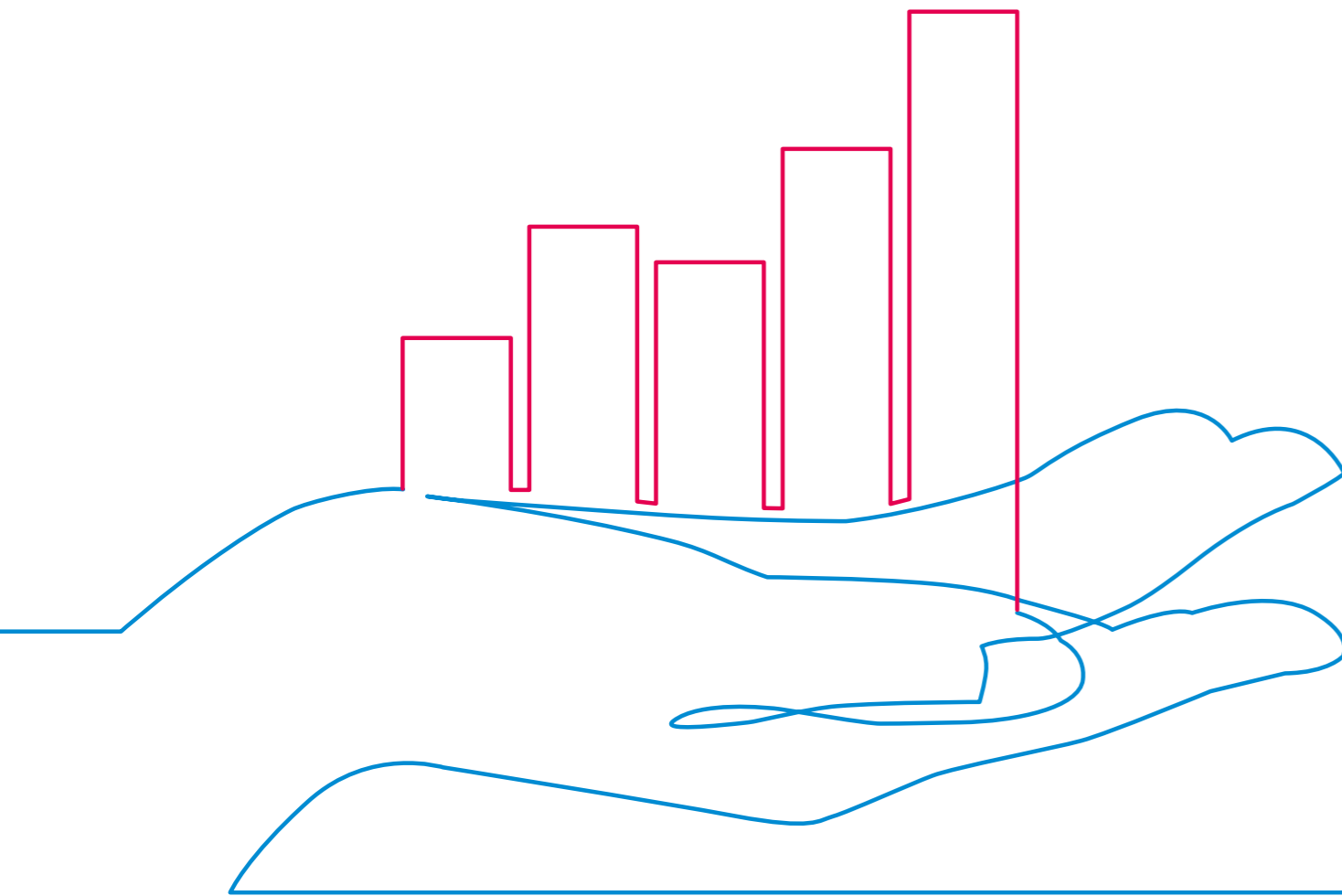
Worldwide, we are successfully working on resource-friendly methods, in order to drastically reduce water and energy consumption.

Cristian Stanciu
Managing Director AMANN
Romania



"FROM 2015–2019, AMANN
WAS ABLE TO REDUCE WATER
CONSUMPTION BY
29% PER KG PRODUCED.
THIS MEANS THAT
WE WERE ABLE TO SAVE
867 MILLION LITRES OF
WATER RESOURCES."

Mario Altfeld
Global Environmental Health and Safety Manager



OUR SUSTAINABILITY SUCCESSES

A glance at the development of the KPIs between 2015 and 2019 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 24% in recent years, and water consumption by 29% per kg produced.

We have therefore saved 867 million litres of water and 46.2 million kW/h power. In addition, from 2015 to 2019, we reduced our carbon dioxide emissions worldwide by 24%. 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 2018, and are therefore walking the Road to Zero.

To achieve our ambitious sustainability objectives, we will provide another EUR 6 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.

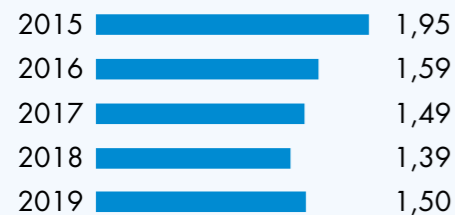
KEY PERFORMANCE INDICATORS 2015 – 2019

SIGNIFICANT SAVINGS CAN BE MADE WITH INCREASED PRODUCTION



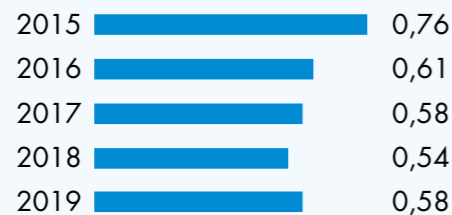
REDUCTION IN POWER CONSUMPTION PER KG PRODUCED.

Power consumption in kWh/kg produced



REDUCTION IN CO₂ EMISSIONS PER KG PRODUCED.

Carbon dioxide (CO₂) emissions in kg/kg produced



REDUCTION IN WATER CONSUMPTION PER KG PRODUCED.

Water consumption in litres/kg produced



SAVINGS 2015–2019

46.2 million kW/h



Assuming energy usage of 3200 kWh/year:

2883 three-person households in five years

13.7 million kg CO₂



Assuming 10 kg of CO₂ binding per tree per year:

274,000 trees in five years

867 million l water



Assuming a capacity of 150 l:

5.78 million bath tubs

OUR SUSTAINABILITY OBJECTIVES 2025

12 RESPONSIBLE CONSUMPTION AND PRODUCTION POWER CONSUMPTION

25% reduction in power consumption per kg produced.

As of 2019: Slight increase compared to 2018 due to increasing the vertical range of manufacture and extending environmentally relevant infrastructure, such as water treatment facilities.

6 CLEAN WATER AND SANITATION WATER CONSUMPTION

25% reduction in water consumption per kg produced.

As of 2019: Target exceeded. Fresh water usage has been reduced further again thanks to optimisation of water treatment facilities.

3 GOOD HEALTH AND WELLBEING ACCIDENTS

Vision "zero accidents".

As of 2019: Reduction of accident rate by approx. 52% thanks to effective risk management.

4 QUALITY EDUCATION EMPLOYEE DEVELOPMENT

Implementation of a global KPI system to define measures and ensure continuous improvement of employee competencies.

As of 2019: KPI system introduced.

13 CLIMATE ACTION CO₂ EMISSIONS

Reduction of CO₂ emissions by 30% per kg produced and switch to renewable energy sources.

As of 2019: Temporary increase compared to 2018 due to increased energy usage (increasing the vertical range of manufacture led to shifting of CO₂ emissions from suppliers to in-house production).

12 RESPONSIBLE CONSUMPTION AND PRODUCTION WASTE

No waste to landfill.

As of 2019: Only 30% of the waste is disposed of via landfill (70% recycled/incinerated).

5 GENDER EQUALITY GENDER EQUALITY

Adaptation of the ratio of female to male employees from 42/58 to 50/50.

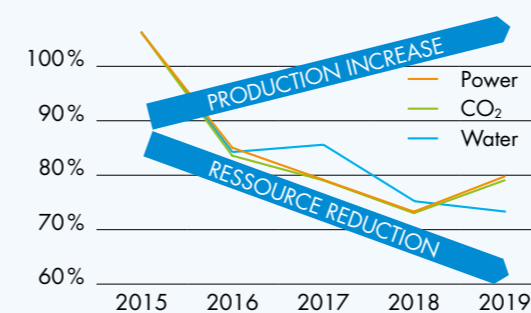
As of 2019: Improvement of the female to male ratio to 47/53.

8 DECENT WORK AND ECONOMIC GROWTH COMPLIANCE

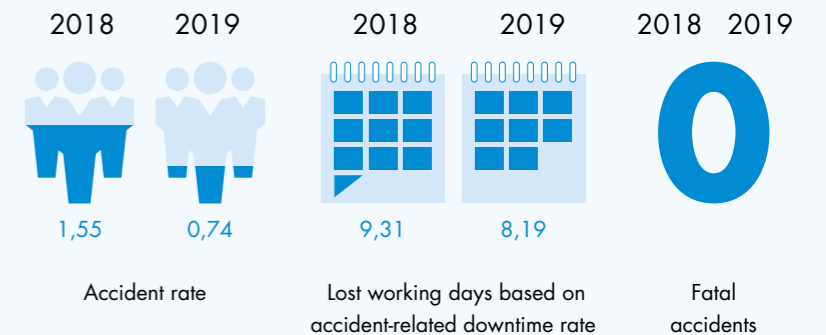
Aim for all suppliers to sign our SCoC or to provide evidence of their own comparable CoC.

As of 2019: The majority of suppliers have already signed the SCoC.

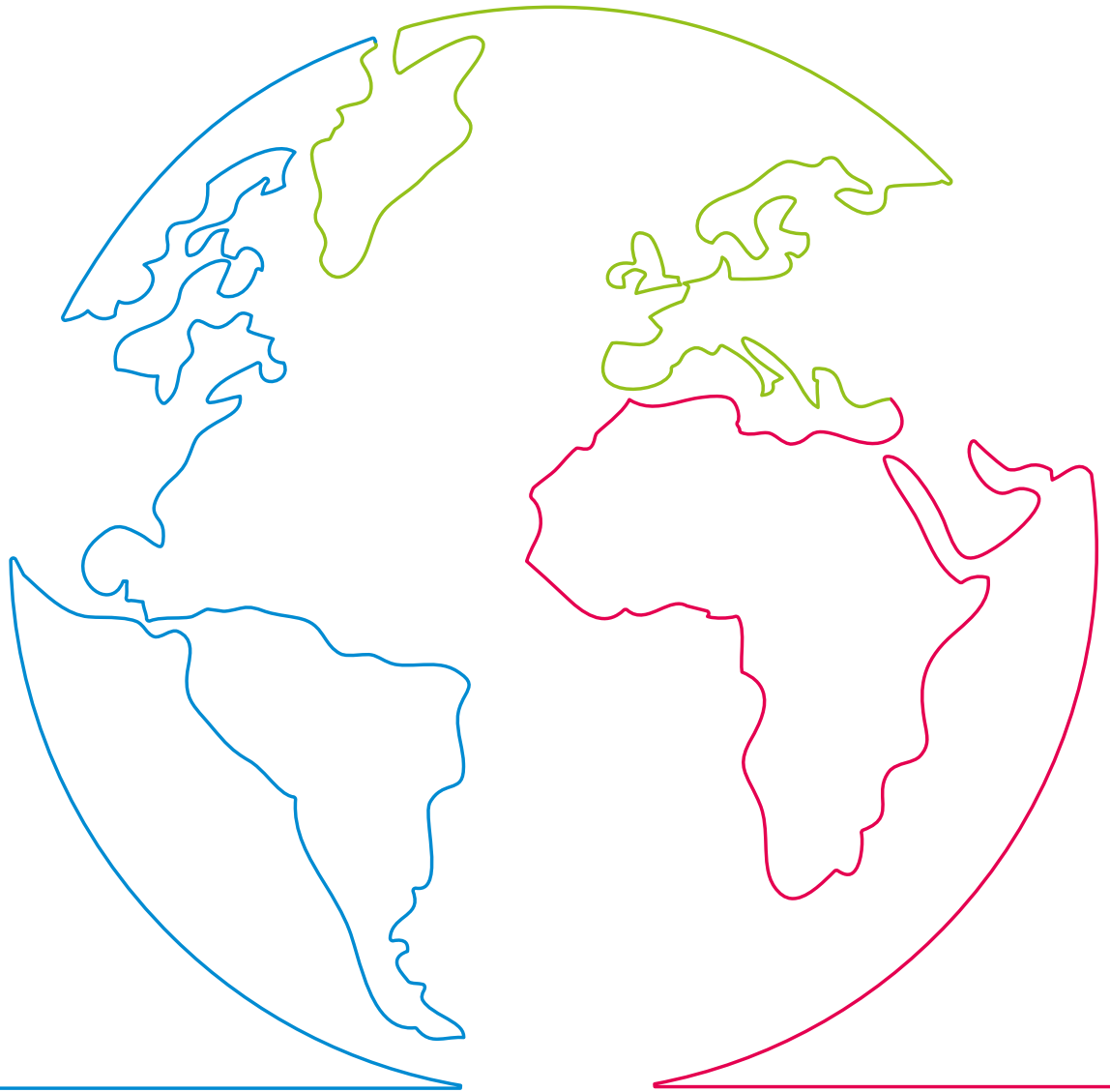
DEVELOPMENT OF KPIs 2015 – 2019



ACCIDENT RATE PER 100 EMPLOYEES 2018 – 2019



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Our management systems are certified according to

