



# 2024

## SUSTAINABILITY REPORT

Communication  
on Progress





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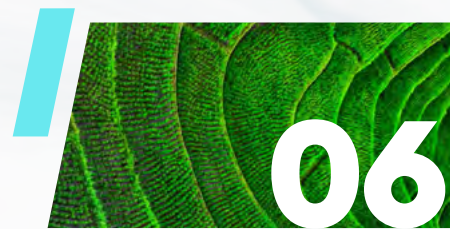
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# INTRODUCTION

# ABOUT THIS REPORT

THIS ANNUAL SUSTAINABILITY REPORT FROM AMMEGA GROUP EVALUATES THE STRIDES OUR ORGANISATION HAS TAKEN TOWARDS SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND WIDER SUSTAINABLE DEVELOPMENT.

The report presents an overview of AMMEGA Group's sustainability progress throughout 2023. It encompasses our strategies, key areas of focus, management approach, and evaluates our performance in these areas. Additionally, it updates on the implementation of the Ten Principles of the UN Global Compact (UNGC) in our day-to-day business operations.

We aim to aid our stakeholders in achieving sustainable growth. Our efforts are directed towards promoting responsible production and making a tangible impact in the regions and communities we serve. By disclosing our non-financial data, we aim to provide a clearer understanding of AMMEGA Group's value creation process.

For further inquiries, please contact:  
[contact@ammega.com](mailto:contact@ammega.com)



The reporting period spans the fourth year of AMMEGA Group's involvement in the Global Compact, from 1st January 2023 to 31st December 2023. More extensive information on AMMEGA Group's sustainable growth initiatives is regularly updated on our corporate website, [www.AMMEGA Group.com](http://www.AMMEGA Group.com), as well as on the respective internet pages of our product brands: [www.megadynegroup.com](http://www.megadynegroup.com), [www.ammeraalbeltech.com](http://www.ammeraalbeltech.com), and [www.jasonindustrial.com](http://www.jasonindustrial.com).

# 2023





Maciej Gwózdź  
*Chief Executive Officer*

Dear readers,

I am pleased to present the fourth edition of the AMMEGA Group annual Communication on Progress Report. This report contains highlights from 2023, covering our areas of focus in making our products and operations greener and more sustainable.

The last 12 months have seen us make great strides in our business and in our embedding of ESG factors into all areas of it. Whether it's the energy efficiency initiatives and solar panelling that are helping us to drive down emissions intensity, our expansive learning and career development programmes, or the progress we are making maturing our corporate governance functions and procedures, there has been significant progress throughout AMMEGA Group.

This progress has been built on rigorous baseline assessments and robust planning by the teams responsible. 2023 has been a year of execution and acceleration, and we intend to keep up this momentum as we move into 2024 and beyond. We have made profound progress in recent years, and in our next report we will publish our public goals and KPIs, aligned with our most material areas and our commitment to the Paris Climate Agreement.

Our vision is simple. We aspire to be the local partner of choice for sustainable belting solutions around the globe. This publication serves as a testament to our dedication. The multitude of initiatives we have undertaken, the breadth of these endeavours, and the outcomes we have achieved underscore our resolute commitment to corporate responsibility.

For AMMEGA Group, ESG isn't just a trend. We are committed to evolving our business to meet the needs of our changing world, where sustainability is an important factor for many of our stakeholders. Our commitment to sustainable business practices is aligned with the evolving expectations of investors, customers, and society at large.

Since 2018, when AMMEGA Group became a signatory to the UNGC, we have continually enhanced our incorporation of the Global Compact and its principles into our business strategy, organisational culture, and daily practices.

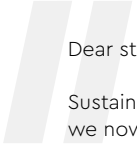
Today, I can confidently affirm that AMMEGA Group remains committed in its endorsement of the Ten Principles of the United Nations Global Compact on Human Rights, Labour, Environment, and Anti-Corruption.

In my capacity as a representative of AMMEGA Group, I am dedicated to disseminating this information and further engaging with our stakeholders by apprising them of our dedication to sustainability and our ongoing advancements in this arena.

Yours sincerely,

Maciej Gwózdź





Dear stakeholders,

Sustainable innovation is a central part of our business strategy. With our achievements in 2023, we now have strong momentum in this area and we intend to maintain this for many years to come.

The last year has seen several landmark product launches for lines using more sustainable materials. From deploying polymers such as polyketone, which has a lower carbon intensity than standard materials, to launching a line of recycled PET products, sustainable innovation is not just something that we are talking about, but something we are taking action on.

We are confident that we will continue with this momentum based on the demand for sustainable solutions we have noticed so far. Furthermore, the conversations that we are having with many of our customers indicate that there will only be more demand for these. With our growing expertise in sustainability, we are exploring more opportunities to collaborate with customers to implement systems that are more durable, more energy efficient and have a lower carbon intensity, to help these customers achieve their own sustainability goals. As a responsible company, we view sustainability as our competitive advantage.

The shift towards sustainability is not merely a trend, but a necessity for the future. From reducing environmental footprints to promoting ethical practices, the journey towards more sustainable products and solutions is not just a responsibility but a strategic move that fosters AMMEGA's long-term success and positively contributes to the well-being of our planet.

Our ESG achievements are not limited to the environmental sphere, but spread across our operations and practices to include improving governance, securing our reputation as an ethical employer that champions diversity, and creating a corporate community that motivates us to continually develop new skills and leadership capabilities. We are pleased to receive the Gold Medal for the second year in a row from external ratings agency, EcoVadis, recognising our continued commitment and performance across all ESG areas.

This report includes many stories and examples that I am proud of, explaining how we are implementing this across our business. It also includes details on what we will be focusing on in the future, from expanding the work of our Diversity, Equity and Inclusion Committee, to furthering our engagement with the Science Based Targets Initiative. I hope that you enjoy reading about these and find inspiration about the potential for sustainable development in our sector.

With kind regards,  
Michael Wilhelmer



Michael Wilhelmer  
*President Business Area Conveyor  
Belting & Chief Sustainability Officer*



# VISION



WE ASPIRE TO BE  
THE LOCAL PARTNER  
OF CHOICE FOR  
SUSTAINABLE  
BELTING SOLUTIONS  
AROUND THE GLOBE



# MISSION

01

TO BE A GLOBAL LEADER IN PRODUCT QUALITY AND LOCAL SERVICE EXCELLENCE

02

TO FULLY ENABLE THE MOST DEDICATED, KNOWLEDGEABLE, AND CREATIVE TEAM IN THE INDUSTRY TO CONTINUE TO DIFFERENTIATE THROUGH INNOVATION AND SERVICES

03

TO EXCEL IN MANAGEMENT PERFORMANCE AND OPERATIONAL EFFICIENCY IN ORDER TO DELIVER SUSTAINABLE VALUE TO ALL OUR STAKEHOLDERS

04

DRIVE DIGITAL AS A BUSINESS CREATOR





# VALUES



## CUSTOMER CENTRICITY

We are committed to the success of our customers, value their feedback, and craft solutions that fit their needs. Our goal is to build sustainable relationships

## ENTREPRENEURSHIP

We empower our teams to think like entrepreneurs, making intelligent and informed decisions.

## RESPONSIBILITY

We are part of a larger business community that we can help improve by working responsibly, by maintaining and increasing transparency, and by acting ethically and with integrity as good corporate citizens at all times.

## PEOPLE FOCUS

We care for our highly skilled employees, who cooperate in a diverse and inclusive environment as One AMMEGA Team. Our employees work collaboratively to foster productivity and continuous progress.

## AGILITY








The industry is driven by speed, our always-fast responsiveness and fast decision-making are a must in all our business areas.



# AMMEGA GROUP MUST WIN BATTLES

**THE BEST VALUE IN THE INDUSTRY**  
**FOR CUSTOMERS** (KNOWLEDGE, SERVICE, PRODUCT)  
**EMPLOYEES** (GROWTH, FUTURE)  
**AND STAKEHOLDERS THROUGH:**

IN THE FIERCELY COMPETITIVE LANDSCAPE OF THE MANUFACTURING INDUSTRY, ACHIEVING EXCELLENCE AND SECURING SUSTAINABLE GROWTH REQUIRES A STRATEGIC FOCUS ON KEY PRIORITIES. AS A LEADING MANUFACTURING COMPANY, WE HAVE IDENTIFIED SEVEN STRATEGIC PILLARS – AMMEGA GROUP MUST WIN BATTLES (MWB).

- 1.** SAFETY  

- 2.** HIGH PERFORMANCE ORGANIZATION  

- 3.** OPERATIONAL EXCELLENCE  

- 4.** WINNING PORTFOLIO  

- 5.** COMMERCIAL EXCELLENCE  

- 6.** SUPERIOR CORE AND SUPPORT PROCESSES  

- 7.** DIGITAL  




# AMMEGA GROUP AT A GLANCE

ABOVE **6,000** EMPLOYEES 



AMERICAS



EMEA



APAC



**21** 

MANUFACTURING FACILITIES

**171** 

CUSTOMER SOLUTION CENTRES

OVER **190**

SITES IN TOTAL

We have a presence in over 40 countries, with about 6,000 employees and over 20 manufacturing facilities worldwide. The Group caters to clients in three primary geographical regions: EMEA, APAC and AMERICAS. Our manufacturing sites are strategically located in Italy, Spain, Switzerland, the Netherlands, Denmark, Poland, the Czech Republic, Turkey, Canada, the USA, India, and China.

# AMMEGA GROUP AT A GLANCE

**25%**

of the AMMEGA Group's employees are female.



AMMEGA Group earned a GOLD in sustainability rating for 2024 from EcoVadis.

Over

**80%**

of our locations have achieved **ISO 14001** certification.



The Energy Conservation Task Force achieved an energy use reduction of

**10%**.

Over

**44,169 mWh**



of the electricity consumed by the Group in 2023 was green energy.

**8%**

Almost of our employees are over

**60**

The average age for managers at AMMEGA Group is

**46**



OHI GIVES BACK

**50**



social initiatives supported globally.

**84%**

response rate in the first Organisation Health Index survey was achieved.



**12**



The -member Global Diversity Equity and Inclusion (DEI) Committee launched the Learn from Diversity campaign and DEI related e-learning modules.



2023 Launch of the refreshed **HOUSE OF BRANDS STRATEGY AND BRANDING**

AMMsafe digital platform was created to track health and safety performance.



AMMEGA Group celebrates 5 years



Total injury frequency reduced by

**10%** vs 2022



# AMMEGA GROUP AT A GLANCE

AMMEGA Group, formed through the merger of industry leaders **Ammeraal Beltech** and **Megadyne**, is renowned for its global presence and diverse product portfolio.

# 50

Our twelve specialised product brands have in their rich portfolio high-quality conveyor belts, power transmission belts, industrial hoses, and hydraulic hoses. With decades of industry expertise, they provide exceptional belting solutions worldwide, alongside more than 50 industry applications across diverse sectors including:

## INDUSTRY APPLICATIONS

across diverse sectors including:



FOOD



PACKAGING



AGRICULTURE



LOGISTICS



AIRPORTS



ELEVATORS



AUTOMATION  
EQUIPMENT



CERAMICS  
INDUSTRY



FITNESS



ENERGY



MEAT & POULTRY



WOOD



TEXTILE  
INDUSTRY



MACHINE  
TOOLS



GLASS  
INDUSTRY



MEDICAL  
EQUIPMENT

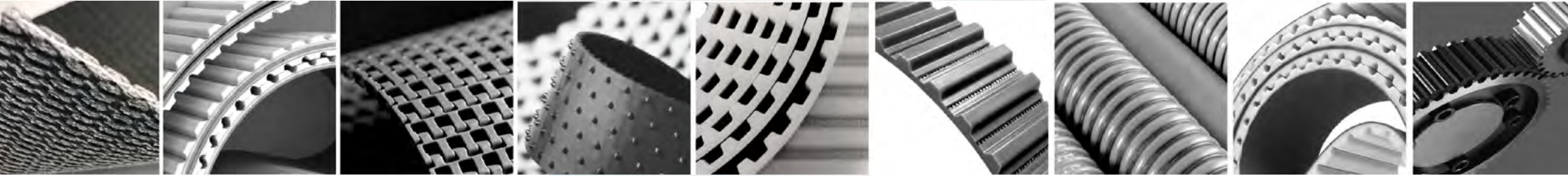


BATTERY





# AMMEGA GROUP AT A GLANCE



## Ammeraal Beltech



**1950**

Founded by Thomas Ammeraal

**1964**

International expansion

**1957**

Founded by Tadolini Family

**1990**

International expansion (Europe, China, Brazil)

**2000**

Acquisition of production facility (Spain) and factories (Asia) and acquisition of Jason Industrials (US)

**2012**

Integration of Green Belting

**2016**

Member of UNGC

**2018-2019**

Creation of **AMMEGA** by Partners Group through the combination of industry leaders Ammeraal Beltech and Megadyne

**2020**

EcoVadis Bronze Recognition

**2020**

Acquisition of MIR by AMMEGA

**2021**

Opening of new Global Business Service Centre in Poland and new acquisitions

**2022-2023**

Expansion of manufacturing footprint in the US, EMEA and APAC

**2022-2024**

EcoVadis Gold Recognition, awarded to top 5% of companies

**MEGADYNE**

*Significant events shown*



# STRUCTURE AND BRANDS

Across the business areas of conveyor belting, power transmission solutions and fluid power solutions, the AMMEGA Group offers a wide range of high-quality and innovative products such as timing belts, v-belts, flat belts, multi-rib belts, special and fabricated belts, conveyor belts, chains and modular belts, hoses (industrial, hydraulic, agricultural) and related products via 12 different brands:

# 12

## DIFFERENT BRANDS

### CONVEYING SOLUTIONS



**AVE**



RAPPLON®



**uni**

### POWER TRANSMISSION SOLUTIONS

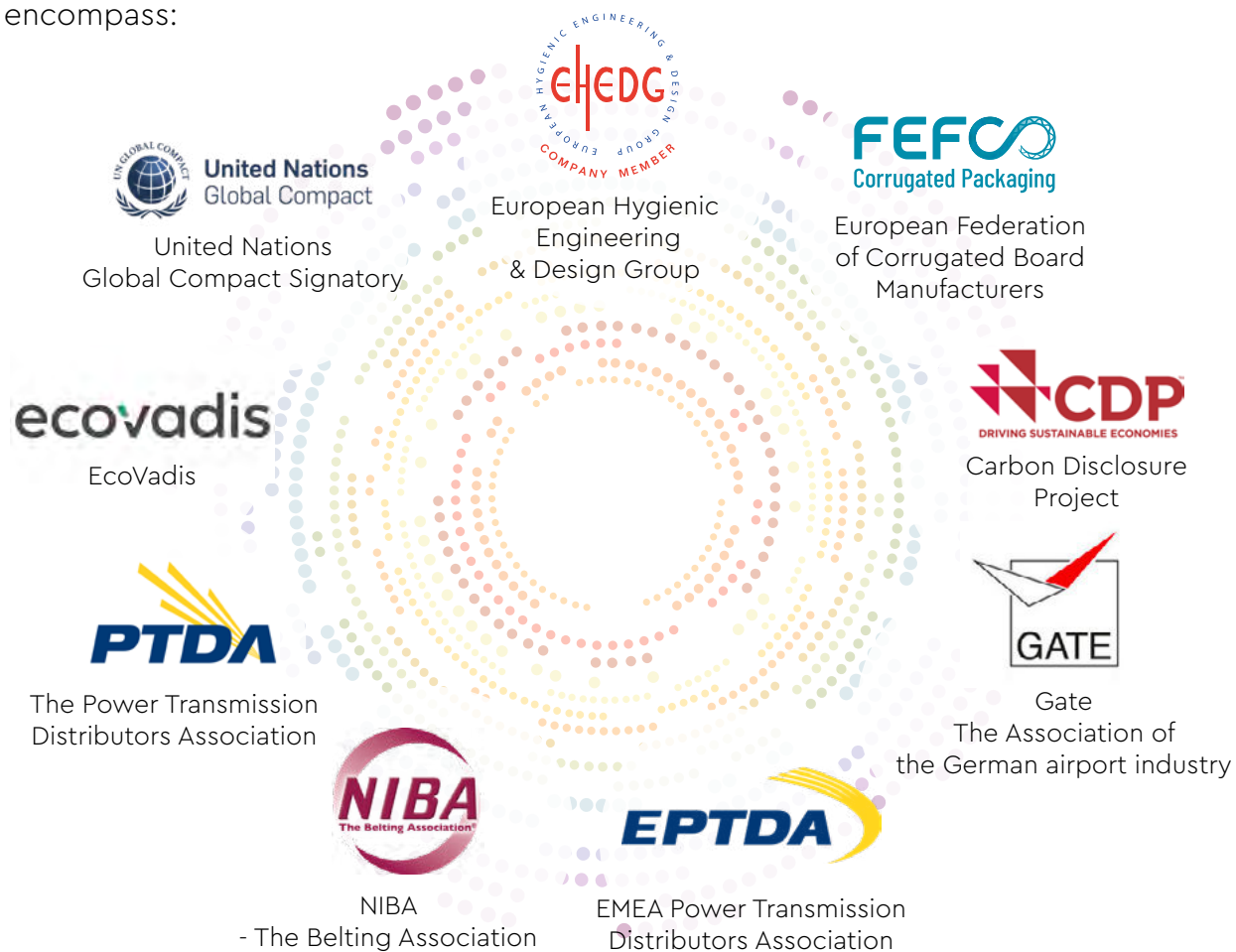


### FLUID POWER SOLUTIONS



# PARTNERSHIPS, INITIATIVES AND MEMBERSHIPS

AMMEGA Group actively engages in various initiatives and holds memberships in numerous organisations dedicated to fostering accountability and excellence within its industry and beyond. Notable partnerships and affiliations encompass:





# ENGAGEMENT WITH OUR STAKEHOLDERS

AMMEGA Group engages with its stakeholders to assess and anticipate their needs and to address them accordingly. The information and insights gathered during our stakeholder engagement are used to shape our approach to sustainability within the business, including deciding our areas of focus and our management approach for these.

For example, our engagement with our customers has helped us to shape our approach to sustainable product development. We engage with our customers and suppliers continually as part of our normal business activities. We engage with other stakeholder groups on a frequent basis, as required.

Alongside using our website as our main communications portal, our significant engagement and dialogue initiatives include:



## CUSTOMERS

- Regular proactive customer engagement providing innovative and sustainable belting solutions
- Participation in trade shows and exhibitions related to AMMEGA Focus Industries



## EMPLOYEES

- Social gatherings to foster employee engagement
- Employee surveys leveraging Organisational Health Index benchmarking
- Skills and leadership development programs
- Safety Program 'Journey to Zero Harm'
- Diversity, Equity, Inclusion awareness raising and engagement



## INVESTORS & SHAREHOLDERS

- Institutional website
- Meetings and conference calls with institutional investors and analysts
- Contact with private shareholders



## BUSINESS PARTNERS

- Institutional website
- Meetings and conference calls with business partners



## REGULATORY AUTHORITIES

- Institutional website
- Financial statements



## SUPPLIERS

- E-procurement tool
- Self-assessment tool
- Collaborating on AMMEGA Group Policies and Code of Conduct



# ENGAGEMENT WITH OUR STAKEHOLDERS



## CAPITAL MARKETS

- Institutional website
  - Financial statements and presentations
- 



## COMMUNITIES

- Community support initiatives
- 



## TRADE ASSOCIATIONS

- Participation in trade shows and associations related to the belting sectors
- 



## ACADEMIC INSTITUTIONS & UNIVERSITIES

- Engaging in joint research initiatives
  - Partnership with universities
- 



## NGOs

- Collaboration to develop initiatives
- 



## TRADE UNIONS

- Regular meetings to review collective bargaining agreements

# OUR DOUBLE MATERIALITY ASSESSMENT

In 2023, we completed AMMEGA's first double materiality assessment, aligning to requirements of the new Corporate Sustainability Reporting Directive (CSRD). The assessment engaged a wide range of internal and external stakeholders via a combination of 1:1 interviews and online survey to identify those topics which are important for our company.

We followed emerging best practice processes to complete our assessment through a four step process:

## Research

- We determined the internal and external stakeholders for engagement.
- We developed a hypothesis of ESG topics relevant for AMMEGA Group, based on peer company reporting, investor indices, and other relevant benchmarks.

## Engagement

- We reached out to stakeholders to gather more information to make a quality assessment, using a combination of survey and interviews.
- We asked about their views on impact, risks and opportunities around ESG topics. The concept of "double materiality" builds on the traditional materiality assessment process, but includes two dimensions of materiality:
  - Impact of AMMEGA Group on society determines material ESG areas based on whether they have an impact on the economy, environment, and people.
  - Impact on value of AMMEGA Group determines material ESG areas based on their potential impact on enterprise value, including impact on strategy and financials, reputation and regulations.

## Prioritisation

- We reviewed and ranked material topics based on the significance of their impact and financial materiality.

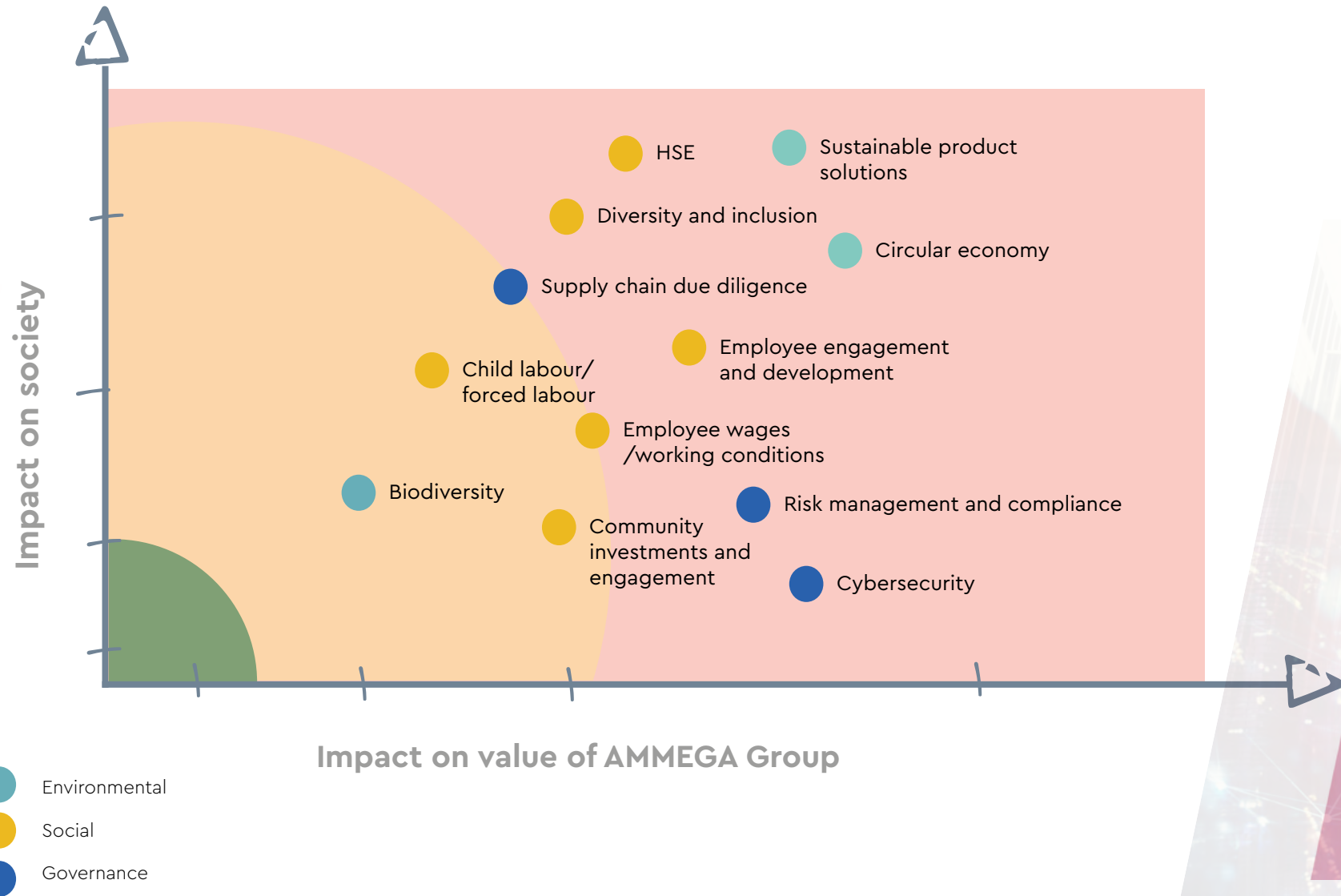
## Validation

- We finalised our double materiality matrix assessment and submitted it to AMMEGA Group Supervisory Board for review and validation.

The outcome of these activities resulted in the identification of **13 material topics**, included in our materiality matrix diagram on the following page. All the topics identified are integrated within our sustainability strategy and commitments.



# AMMEGA GROUP MATERIALITY MATRIX



# OUR MATERIAL AREAS OF SUSTAINABILITY FOCUS

Our double materiality assessment has allowed us to focus on the sustainability areas that are most important for our business and make these our priorities for improvements.

The areas that we are currently focusing most attention on include:

- Reducing our CO<sub>2</sub> emissions intensity rate
- Reducing our total injury frequency rate
- Improving gender diversity in our full time workforce
- Achieving ISO 14001 certification across 100% of our locations
- Maintaining engagement with our annual Organisational Health Index
- Advancing sustainable product innovation, thereby supporting our customers in their sustainability transformation journeys

**We are currently developing metrics and KPIs for these areas and intend to publish public goals covering these in our next sustainability report.**



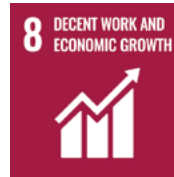
# OUR CONTRIBUTION TO SDGs

AMMEGA Group's approach to managing sustainability impact is to diligently monitor this impact through dedicated management systems and to harmonise processes and policies across the organisation.

As a leader in our industry, we recognise the significant responsibility – and opportunity – we have to drive positive change. We are committed to conducting business in a manner that minimises negative impacts while maximising positive value creation for our external stakeholders, employees, the environment, and society at large.

As a signatory of the United Nations Global Compact (UNGC), we align our commitments, goals, and targets with the relevant UN Sustainable Development Goals (SDGs) to connect our priority areas with globally recognised terminology and frameworks.

Of the 17 SDGs, AMMEGA Group has integrated the objectives outlined by SDG3, SDG8, SDG9, SDG12, and SDG13 into our core business activities. These align most closely with our business and the areas where we can drive change.



WE ARE CONTINUING ON OUR SUSTAINABILITY JOURNEY!



# OUR CONTRIBUTION TO SDGs

## PEOPLE FOCUS

# 3

### Good health & wellbeing

AMMEGA Group aims to be a global leader in promoting healthy and safe behaviours across our stakeholder network. We prioritise workplace safety at our own facilities and actively design and develop products that contribute to safe and healthy production environments for our customers.

# 8

### Decent work & economic growth

At AMMEGA Group, our focus is on people. We foster a healthy and inclusive organisation that contributes to a thriving economy and generates positive social impact. As a global player, we are committed to increasing employment opportunities, creating responsible workplaces, and safeguarding the well-being of our stakeholders and the environment.

3 GOOD HEALTH  
AND WELL-BEING



8 DECENT WORK AND  
ECONOMIC GROWTH



# OUR CONTRIBUTION TO SDGs

## ENTREPRENEURSHIP

# 9

### Industry, innovation & infrastructure

AMMEGA Group champions sustainable and inclusive production practices, while driving innovation and digitalisation efforts. We deliver cutting-edge solutions that enhance sustainability for local industries within global value chains.

# 12

### Responsible consumption & production

AMMEGA Group is focusing on minimising natural resource consumption and environmental pollution. We actively work to improve resource efficiency, reduce waste generation, and embed sustainable practices across our operations. We collaborate with our business partners to empower them on their own journeys towards sustainability.

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



# OUR CONTRIBUTION TO SDGs RESPONSIBILITY

# 13

## Climate action

The climate crisis is a significant global threat, and AMMEGA Group recognises its urgency. We are actively transitioning our production processes towards low-carbon technologies, contributing to the achievement of global climate goals.





# UPDATE ON UNGC PILLARS



HUMAN RIGHTS



LABOUR



ENVIRONMENT



GOVERNANCE

# KEY PROGRESS

## HUMAN RIGHTS

01

We launched an e-learning course focused on responsible sourcing practices, training employees in our expectations for suppliers regarding Health & Safety, human rights, ethical conduct, and environmental protection.

02

We piloted a supplier scorecard and a self-assessment tool, to evaluate and monitor supplier performance on environmental, social, and governance factors, and their commitment to sustainability.

03

We completed our first company-wide child labour risk assessment and carried out child labour audits at many of our production locations.

04

AMMEGA Group's Diversity, Equity, and Inclusion (DEI) Committee has successfully rolled out a series of initiatives to embed DEI awareness across the business, fostering a more inclusive and equitable workplace.





# KEY PROGRESS

## LABOUR

01

We reduced the total number of reported health & safety incidents by 10% in 2023 vs 2022.

02

AMMEGA Group continued the roll out of AMMforce, an HR Information system, including a learning and development platform for all employees, with strong engagement across the company.

03

Our Organisational Health Index survey achieved an 84% response rate.

04

We ran the second global Health & Safety Week across all AMMEGA Group sites.

05

We launched the second cohorts of our Future Leaders and the first Leadership Acceleration Programme, following success with the first instalments of the development initiatives.

06

The AMMEGA Group Diversity, Equity and Inclusion Committee has made a number of improvements to corporate policies, including group wide hiring policies focusing on increasing diversity within the workforce.





# KEY PROGRESS ENVIRONMENT



01

Our Energy Conservation Task Force achieved a 10% reduction in energy use in the AMMEGA Group through sustainability initiatives.

02

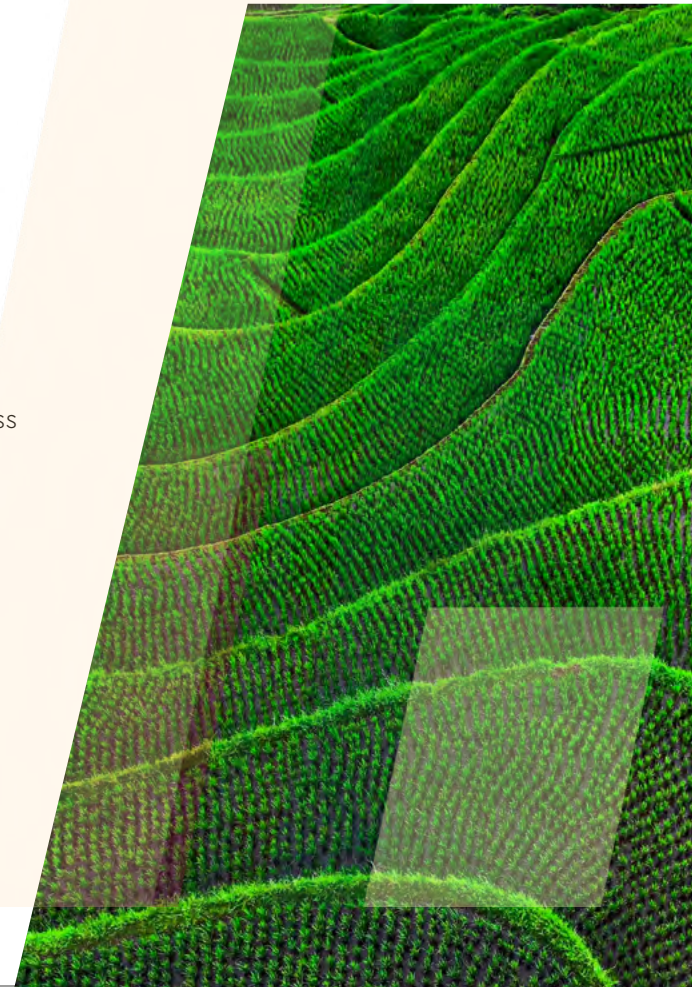
A range of projects was launched to improve the company's impact on the environment, reduce the carbon footprint of the AMMEGA Group, and help our customers achieve their own sustainability improvements.

03

We launched several new products using more sustainable materials and component parts.

04

Training and workshops were held for employees to raise their awareness of environmental issues and reduce unnecessary energy and water consumption and waste generation.



# KEY PROGRESS GOVERNANCE



01

An even stronger commitment was made to a transparent way of conducting business, following all relevant laws, regulations, internal policies and industry best practices, while also doing justice to the interests of all stakeholders: customers, employees, suppliers, shareholders, and society as a whole.

02

We continue to monitor upcoming regulations and improve our systems and processes to comply with these.

03

Our whistle-blower hotline is reaching appropriate benchmarks for our industry and regions, demonstrating the process is trusted by employees.

04

We have rolled out a global e-learning training platform, so as to monitor and enforce mandatory training with our employees, covering a variety of topics including, data privacy, antitrust law, bribery and corruption, code of conduct and trade sanctions.

05

Our AMMEGA Group Corporate Tax team has expanded, so as to strengthen our internal controls over Tax in the evolving context of international and EU Tax regulations.



# ENVIRONMENT





# ENVIRONMENT

# DIRECT IMPACT

AMMEGA Group is dedicated to reducing the environmental footprint of our operations. This focus ensures long-term value creation and risk mitigation for our business, customers, and stakeholders. We take a proactive approach by conducting baseline evaluations for CO<sub>2</sub> emissions, waste generation, and water consumption.

Our commitment extends to active monitoring and management of all environmental aspects of our activities. Additionally, we develop sustainable belting solutions that lessen our indirect impact on natural resources. This comprehensive strategy demonstrates AMMEGA Group's leadership in responsible manufacturing practices.

AMMEGA Group prioritises environmental responsibility throughout our operations. Our principal production facilities currently hold ISO 14001:2015 certification, demonstrating our commitment to best practices in environmental management. We are actively working to achieve full compliance with this standard across all our sites by 2025.

Each AMMEGA Group production site takes ownership of its environmental impact. This includes managing its dedicated environmental monitoring system and associated on-site roles. All sites are responsible for adhering to national and regional environmental laws and regulations.

AMMEGA Group entities are required to report to the Group Executive Committee regarding their environmental performance. This encompasses progress made, any incidents encountered, achievements realised, and opportunities for improvement identified.

We recognise the importance of a well-informed workforce. Regular environmental awareness training is provided at all AMMEGA Group sites, with refresher courses and in-house sessions offered as needed. Attendance records for training courses are meticulously maintained, and annual updates on changes in environmental legislation are communicated to all staff.

Furthermore, AMMEGA Group adheres to the principles outlined in the REACH regulations. This framework promotes the reduction of hazardous materials within the production process, contributing to a more sustainable manufacturing environment. By implementing these measures, AMMEGA Group strives to minimise its environmental footprint and operate in a manner that is responsible and respectful of the natural world.

# DIRECT IMPACT

## SUSTAINABLE MANUFACTURING

Our approach to sustainable manufacturing covers the processes involved in producing goods in an environmentally and socially responsible manner, considering the entire product lifecycle. Our approach aims to minimise the negative impact on the environment, conserve resources, and ensure fair labour practices.

For AMMEGA Group, this includes:



**Reducing carbon footprint:** sustainable manufacturing involves adopting energy-efficient practices and utilising renewable energy sources to minimise carbon emissions during production.



**Waste minimisation:** companies practising sustainable manufacturing strive to minimise waste generation by implementing recycling programs, reusing materials, and adopting circular economy principles.



**Ethical labour practices:** Ensuring fair wages, safe working conditions, and respecting workers' rights are integral components of sustainable manufacturing.



**Use of eco-friendly materials:** sustainable manufacturing promotes the use of eco-friendly and biodegradable materials, reducing the environmental impact associated with resource extraction and processing.



**Product design for longevity:** companies focus on designing products that are durable and easily repairable, promoting a longer product lifecycle and reducing the need for frequent replacements.

### ECO FRIENDLY POLYMERS:

MEGALINEAR MegaEco Biobased is produced with Polymer sourced partially from vegetable sources. This "eco-friendly" belt solution supports companies that have embraced sustainability and are aiming to reduce their environmental impacts. MEGALINEAR Biobased timing belts are suitable for industries committed to reducing their CO<sub>2</sub> footprint and the usage of fossil-based raw materials, especially for the Indoor Vertical Farming Industry, Material Handling in Agriculture, and Planting.

# DIRECT IMPACT

## OUR SUSTAINABLE OPERATIONS

AMMEGA Group is committed to minimising the environmental impacts of its activities, creating long-term value and reducing risk for its business, customers and stakeholders. We conduct baseline assessments of CO<sub>2</sub> monitoring, waste generation, and water use. We actively monitor and manage all areas of environmental concern and develop sustainable belting solutions that reduce our indirect impact on natural resources.

### AMMEGA GROUP ENVIRONMENTAL POLICY

AMMEGA Group's Environmental Policy, established in 2020 and reviewed annually, serves as the foundation of our commitment to environmental stewardship. The policy has been communicated and embedded throughout the company, and we have developed an e-learning module to further enhance employee understanding and engagement. Our goal is to ensure that all colleagues are equipped with the knowledge and resources necessary to contribute to our environmental goals.





# DIRECT IMPACT

## ENERGY CONSUMPTION AND EMISSIONS

REDUCING ENERGY CONSUMPTION AND INCREASING EFFICIENCY IS A VITAL ELEMENT OF OUR ENVIRONMENTAL STRATEGY. THIS STRATEGY CENTRES ON MINIMISING OUR FOOTPRINT THROUGH TARGETED INITIATIVES, PERFORMANCE EVALUATIONS, AND CLEAR OBJECTIVES.

This commitment extends to actively monitoring CO<sub>2</sub> emissions across all our sites, utilising this data to calculate our carbon footprint. We also monitor emissions of sulphur dioxide and other significant atmospheric emissions for all regions, with internal reporting on these metrics. Additionally, all sites are required to report CO<sub>2</sub> emissions and energy consumption on a monthly basis, ensuring ongoing data collection for the foreseeable future.

Energy efficiency is prioritised throughout our operations, influencing both new technology installations and maintenance programmes. This dedication manifests in replacing traditional light bulbs with LEDs, implementing energy-saving computer monitors, installing solar panels at sites throughout the group, and conducting scheduled maintenance to prevent efficiency losses. These combined efforts demonstrate AMMEGA Group's unwavering commitment to environmental sustainability.



# DIRECT IMPACT

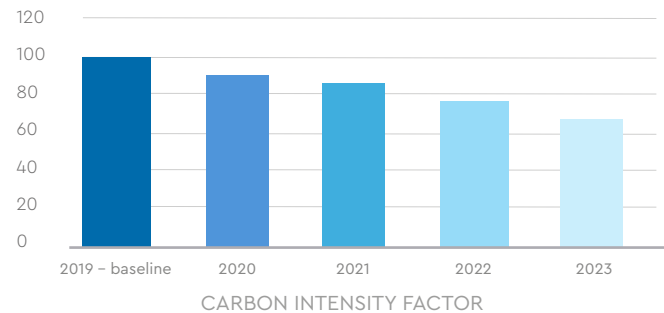
## ENERGY CONSUMPTION AND EMISSIONS

### - KEY OBJECTIVES

WE MONITOR OUR PROGRESS OF THE FOLLOWING AREAS:

- Improving the AMMEGA Group Environmental Policy, which is reviewed on an annual basis
- Putting in place a three-year investment plan, reducing electricity and gas consumption, in accordance with the Paris Agreement, for the most energy-intensive units across the entire Group
- Improving energy efficiency across all operations
- Reducing greenhouse gas emissions across all operations
- Reducing average energy consumption per unit of product sold across all business units
- Increasing the energy efficiency of AMMEGA Group belts
- Consolidating emissions data on a Group level in order to develop a Group-wide baseline

#### INTENSITY FACTOR REDUCTION EVOLUTION



	2019 - baseline	2020	2021	2022	2023
Carbon Intensity Factor	100	89.6	86.6	76.5	66.7

IF = CFP/€Sales

#### ELECTRICITY USAGE - GROUP LEVEL\*

2019 - baseline	2020	2021	2022	2023
100	97.4	106.5	100	94.6

#### NATURAL GAS USAGE - GROUP LEVEL\*

2019 - baseline	2020	2021	2022	2023
100	99.8	109	100	83.1

\* Data expressed as an index (%) where 2019 is considered the baseline. The value achieved in 2019 is considered to be 100%.

# DIRECT IMPACT

## ENERGY CONSUMPTION AND EMISSIONS

### - PROGRESS IN 2023

AMMEGA Group's Energy Conservation Task Force (ECTF) was established in 2023 to identify opportunities for energy use reduction globally.

A commitment to reducing energy consumption and increasing energy efficiency is a key aspect of our environmental strategy and one with a major impact on the environment. We are dedicated to reducing our energy consumption through targeted measures, performance evaluations and clear objectives. The ECTF focuses on identifying and develop new working practices to optimise business performance while minimising energy usage, thereby both reducing energy costs and associated CO<sub>2</sub> footprint

Through 2023, the ECTF achieved significant success through a series of initiatives including reducing gas usage, optimising conveyor belt and robot movements to reduce energy use, reducing energy use related to lighting, and finding the right balance between home working and office working, to reduce our office energy use where possible.

In total, a **10% energy** use reduction was achieved through the ECTF's activities. Looking ahead, we will continue to improve operations through the AMMEGA Group process improvement system. This will look at optimising shut down procedures, the installation of variable frequency drives in production machines, reducing leakages, shift and personnel planning, as well as equipment use and LED lighting.

We are also exploring incorporating technologies such as energy harmonics, capacitor banks and equipment monitoring to maximise effective energy usage and savings.





# DIRECT IMPACT

## ENERGY CONSUMPTION AND EMISSIONS

### GREEN ENERGY PRODUCED IN 2023 BY PV PANELS:

AMMEGA is committed to reducing energy consumption across its internal processes. We are implementing a range of measures to achieve this, alongside ongoing investment in renewable energy sources. It is important to acknowledge that this energy transformation is a long-term project.

We completed two significant solar energy projects in 2023, in Vilanova, Spain, and Suzhou, China:

- In Vilanova, Spain, we installed solar panels on the roof of our rubber plant in October 2023. With over 1,400 panels, we predict
- Our Suzhou, China, solar energy project connected to the grid in February 2023. The project includes the installation of 2180 photovoltaic panels over 10,800 square metres of roof area, with an estimated annual power generation of

**1,000,000 kWh**

of annualised savings per year, to cover the energy needs of the factory. This will bring significant cost savings alongside an estimated annual reduction in CO<sub>2</sub> emissions related to the plant by over

**330,000 kg**

per year.

**1,165,700 kWh**

It is expected to reduce annual SO<sub>2</sub> emissions by 36,000 kg, dust emissions of 326,400 kg, and CO<sub>2</sub> emissions by

**1,196,400 kg**

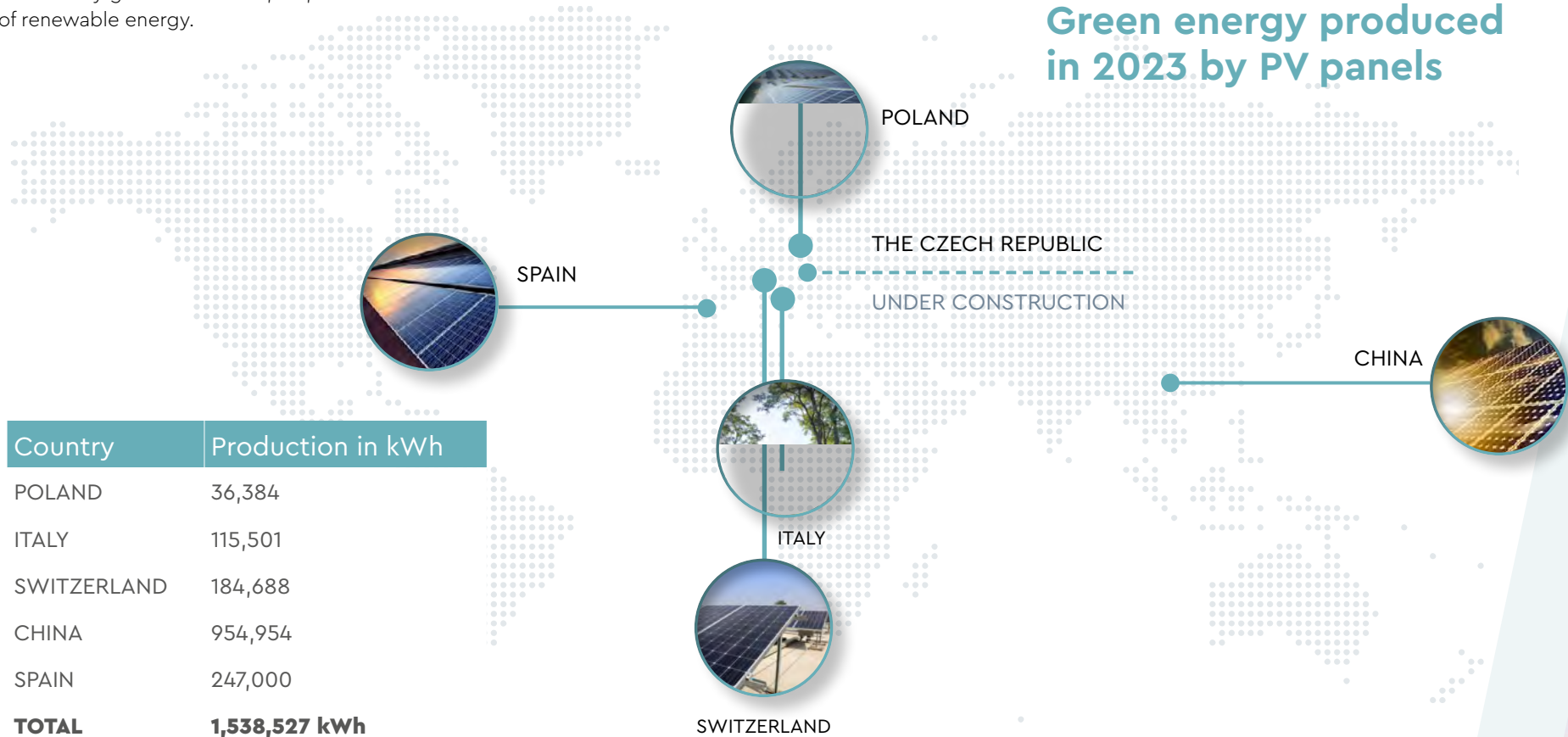
per year.

# DIRECT IMPACT

## ENERGY CONSUMPTION AND EMISSIONS

With the addition of solar generation facilities at these two sites, 2023 saw significant progress towards our goals. The roofs of our factories in Switzerland, Italy, Spain, China, and Poland collectively generated over 1,538,527 kWh of renewable energy.

### Green energy produced in 2023 by PV panels



# DIRECT IMPACT

## WATER CONSUMPTION – OUR OBJECTIVES

AMMEGA is committed to safeguarding the local environment through water conservation efforts across our operations. This includes installing and maintaining water-saving measures to reduce consumption, as well as reducing wastewater discharge. Our primary water interactions involve withdrawals from wells or directly from municipal supplies, and subsequent discharge.

### MINIMISING OUR WATER FOOTPRINT

We take a proactive approach to minimising our water-related impacts. Here's how:

- Comprehensive wastewater monitoring: All sites monitor their wastewater discharge to ensure responsible management.
- Stormwater emergency preparedness: Emergency procedures are implemented at all sites to guarantee a swift and appropriate response to storm water events.
- Annual water consumption reporting: Business units are required to report their water consumption annually, providing data for analysis.
- Water-saving measures: Business units are encouraged to install water-saving measures to reduce consumption.
- Legal compliance with water regulations: Each production site adheres to all applicable laws and regulations regarding water withdrawals.

### TRACKING PROGRESS AND SETTING GOALS:

We actively monitor our annual progress towards the following objectives:

- Reduced water withdrawals: Aiming to decrease average water withdrawals from local supplies across all business units.
- Group-level water data consolidation: Consolidating water-use data on a Group level to inform future development and water management strategies.
- Water stress tracking: The Group tracks water stress levels (low to extremely high) in each country it operates in, allowing for targeted water conservation efforts in high-stress regions.





# DIRECT IMPACT

## WASTE MANAGEMENT – OUR OBJECTIVES



We prioritise responsible waste management in our operations. We are dedicated to minimising waste generation, particularly hazardous waste, through a multi-pronged approach:

- Sustainable product design: When developing new products, durability, safe materials, and energy efficiency are paramount considerations. This focus aligns with client needs, promotes quality, and minimises our environmental footprint.
- Comprehensive waste monitoring: We track the weight of hazardous, non-hazardous, municipal, and other waste streams generated across our facilities.
- Effective waste management systems: All business units are required to implement waste management systems specifically designed for the safe disposal of hazardous waste and to facilitate sorting for recycling and reuse initiatives.
- Transparency and accountability: Site locations regularly report to the Group Executive Committee on their progress, including incidents, achievements, and learning opportunities related to waste management. This fosters continuous improvement within AMMEGA's environmental performance.
- REACH compliance and client safety: We actively phase out hazardous chemicals in line with REACH regulations. This not only reduces hazardous materials used in production and the resulting waste, but also minimises the potential for spills and safeguards the health and safety of our clients. Additionally, we provide them with the latest information on the materials used in our products.

# DIRECT IMPACT

## THE TRIPLE-R PRINCIPLE OPTIMISING RESOURCE USE BY REDUCING, REUSING AND RECYCLING

AMMEGA Group prioritises efficient resource utilisation throughout its production processes and products. This principle, implemented to strengthen material stewardship, focuses on responsible material selection by business units and minimising production waste.

Our approach encompasses several key actions:

- Closed-loop manufacturing: We actively redesign material usage to facilitate the reuse of production waste and recycled materials within our production processes, contributing to a more circular economy.
- Product efficiency: Our research and development efforts prioritise optimising product design to minimise raw material and input requirements, fostering environmental responsibility throughout the product lifecycle.
- Operational streamlining: We continuously streamline operations, eliminating unnecessary waste generation and promoting overall efficiency.

### MEASURABLE PROGRESS: DRIVING CONTINUOUS IMPROVEMENT

AMMEGA is dedicated to demonstrably reducing its environmental impact. We monitor our annual progress on the following key objectives:

- Reduced production waste: We actively track production waste generation, aiming for continuous reduction.
- Minimised hazardous waste: We prioritise the elimination of hazardous waste streams through process optimisation and responsible material selection.
- Linear scrap rate reduction: We focus on minimising linear scrap, the portion of material unusable during production, through improved process design and material utilisation.
- Increased recycled material integration: We actively seek to increase the percentage of recycled materials incorporated into our products, promoting resource sustainability.



# DIRECT IMPACT RECYCLING

As part of our vision for a more sustainable belting industry, we are harnessing innovative recycling technology to develop products using recycled materials. We are proud to be at the forefront of the development of conveyor belts with fabrics constructed from recycled PET bottles.

The integration of recycled fabrics into our belt structure stems from our dual focus: operating sustainably ourselves and empowering our customers to do the same. This innovation allows your business to actively contribute to a healthier planet, aligning with your own sustainability goals. We envision this technology being implemented across all sectors and applications in the future.

Traditionally, virgin polyester has been the primary material used in belt fabric production. AMMEGA is now able to replace this with a significantly more environmentally friendly solution: recycled polyester. This process involves the collection and transformation of PET bottles into a high-quality fabric, subsequently woven into the belt structure. This approach demonstrably reduces carbon dioxide emissions and minimises water and energy consumption.

Recycled polyester offers exceptional performance characteristics, matching the efficiency of virgin polyester. Belts constructed with recycled fabrics maintain their strength and stability, even under significant loads and high temperatures. They promote sustainability, reduce environmental impact, and ensure operational safety quality of performance.

## **The AMMdurance rPET solution is the most energy-efficient**

conveyor belt on the market. It revolutionises logistics and airport operations, providing the opportunity for both improving performance and operational sustainability. It's a win-win for our customers and the planet, representing a unique sustainability solution with no compromise on performance.

## **Recycling plastic scrap for circularity**

Product case study: Circle Links product uses recycling plastic scrap materials to create new modular conveyor belts. This has a 77% lower CO<sub>2</sub>eq impact than the product system using virgin polymers, with no compromise on quality or performance versus standard modular belts. As the Circle Link belt is moulded from 100% recycled material, no colour additives are added; so this product is marketed as "colour of the day".

## **Innovations in recycling and re-use**

We are exploring polyurethane recycling at our plant in Mathi, Italy, including investing in a polyurethane recycling line. The aim of the project is to recycle the waste resulting from the production process of TPU belts (scrap and rejected quality belts). The TPU materials used in our plant can be recycled if they are separated from other materials.

## **Circularity for rubber**

In our Vilanova plant in Spain, we are experimenting with recycling scrap materials related to our rubber power transmission products into new products. This includes recycling production scrap, sleeve cut-outs, uncured scraps, and powder coming from the grinding process.

We are exploring the substitution of part of the rubber in our belts with recycled rubber, using powder from recycled truck tyres.





# ENVIRONMENT INDIRECT IMPACT



# INDIRECT IMPACT

## SUSTAINABLE PRODUCTS AND SOLUTIONS

At AMMEGA, we firmly believe in the power of research and development (R&D) to drive innovation and deliver superior products to our customers. R&D has always been a core focus, and our continuous investment fuels ambitious projects and pioneering efforts in developing environmentally friendly belting solutions.

Sustainable product innovation is a core part of R&D at AMMEGA. Not only are we aiming to make our own business more sustainable, but we are focused on helping our customers achieve their sustainability goals too. With plastics and polymers as one of our core materials, we are well aware of the challenges inherent in our sector, and the potential for significant impact that innovating more sustainable alternatives presents.

We are committed to promoting sustainable purchasing within our customer base and promoting more responsible use of plastics. We achieve this by actively encouraging the adoption of our more environmentally friendly product lines. This approach fosters a collaborative effort towards a greener future. Looking ahead, it is our ambition for a significant proportion of our revenue to come from these more sustainable products.

We are increasingly collaborating with our customers to reduce the end-to-end carbon footprint over their product lifecycle, which includes the development of new products suited to their needs with sustainability advantages. There are four areas of focus for these collaborations:

- **Circular economy:** We are working with customers on a "take back" model, where we will take back belts that have reached the end of their useful life, regrind them and produce new belts for these customers. We are developing new methods for this approach to recycle more valuable polymers to create a 'closed loop' cycle.
- **Lifetime extension:** By supporting our customers with more durable, long lasting belts, they need fewer replacements when belts wear out, resulting in less waste and resource use from more frequent replacements. AMMEGA belts can provide significant lifetime extension across many different application areas.
- **Freight reduction:** We are focusing on reducing Scope 3 emissions through more local sourcing and product manufacturing, in particular for customers in the US and China. By purchasing component parts and manufacturing our products closer to our customers, we reduce the need for shipping products long distances, and thereby reduce the energy use and carbon emissions associated with this. We are also working to reduce the density of our product lines while maintaining high quality, thereby further reducing the energy required for transport.



# INDIRECT IMPACT

- Reduction in downtime: By reducing downtime through more reliable, durable products, we are able to reduce our customers' downtime, thereby reducing energy usage from stopping and restarting machinery, and reducing wastage, such as with food products, which may suffer in quality and hygiene when production lines come to a halt. Examples and case studies of some of AMMEGA's sustainable products and solutions are included throughout the report.
- Lower friction and high impact strength: polyketone belts require less energy to move on the conveyor, which allows for longer conveyors with less motors and less transfer points, resulting in lower losses for food at conveyor transfer points.



## SUSTAINABILITY IMPROVEMENTS USING POLYKETONE

We have launched more sustainable options in **three product lines**, using a new polymer material, polyketone, which has several sustainability advantages over the primary materials that it has replaced, polyoxymethylene and polyamide. This material has qualities that are beneficial in certain applications, such as food preparation, and we will be looking to expand our product range in the future.

Some of the sustainability related benefits of polyketone include:

- Lower carbon footprint: developed using a carbon capture process, polyketone has a carbon footprint 30% lower than polyoxymethylene and 61% lower than polyamide.
- Lower density: there are reduced energy requirements to transport the belt to our customers due to its lower density, meaning less fuel is used in haulage.
- More durable and lower wear: polyketone belts have greater resistance to chemicals and cleaning agents, so they last longer and produce less waste due to less frequent replacement.





# SOCIAL

AMM



Sonja Hoeijmakers  
*Executive Vice President*  
*Chief Human Resources Officer*

Dear readers,

I'm delighted to welcome you to the Social section of our 2024 sustainability report. In the last report, we introduced several new initiatives related to talent development and employee health and wellbeing. The pages that follow provide an update on the progress and successes of these, along with information on our plans for the years ahead.

Our priorities remain the same: we aim to provide a safe, supportive environment for employees at every stage of their careers, whether their role be in our sales locations, our production locations or in global functions.

We have continued to roll out sector-leading training and development initiatives. Colleagues around the world have embraced e-learning using our AMMforce platform, and we have completed programmes focused on nurturing leadership and problem solving within the business, including the Leadership Espresso programme, the Leadership Acceleration Programme and the Future Leaders Programme.

The launch of our DEI committee was a success in 2022, and the group has continued to gain strong momentum through 2023. You can find out more about some of their exciting, impactful initiatives in this section. Once again, we ran our global Organisational Health Index initiative, with strong engagement across the group, yielding insights and ideas about new initiatives to put into place across the business.

We are proud of the progress we have made so far and excited to continue on this journey, nurture the people around the world who keep AMMEGA Group moving and growing.

With best regards,

Sonja Hoeijmakers



# ONE AMMEGA TEAM



NUMBER OF EMPLOYEES (FTE) AT END OF 2023

**6038**



PERCENTAGE OF WOMEN AND MEN END OF 2023

**25%**  **75%** 



AGE OF EMPLOYEES

< 20 YEARS **0,3%**      20 – 39 YEARS **37,7%**

40 – 59 YEARS **54,1%**      > 60 YEARS **7,9%**



AVERAGE AGE OF MANAGER

**46,6**



PERCENTAGE OF FEMALE MANAGERS

**23,1%**



\* all above figures are related to employees only (excluding contingent workers)

Data as of December 2023.



# SOCIAL DIRECT IMPACT

As a large global business – and a leader in our sector – we are dedicated to ensuring a safe, healthy, fulfilling work environment for everyone who is part of the AMMEGA family.

Progressive human resources management is a core part of our strategy. We aim to be a company that people want to join and stay at to build a fulfilling career. We implement robust policies and practices to ensure that everyone at AMMEGA works in a respectful, supportive environment, with opportunities for personal development and for employees to find fulfilment in their role. Importantly, we actively seek engagement with and feedback from employees so that we can continuously improve in the areas that matter to them.

We continue to make advances in our approach to talent acquisition, development, and retention initiatives. It's only by building strong teams of excellent diverse candidates that we will be able to continue supporting our customers with the solutions that keep their business moving.

Diversity, equity, and inclusion is at the top of our people agenda and at the heart of the AMMEGA culture. As a company working all around the world, with customers in a vast range of industries and sectors, this diversity is a strength to our business and is one factor that enables us to build lasting relationships with our customers.

Guiding all our activities, the AMMEGA Code of Conduct provides the foundations for fostering a safe working environment, ethical business practices and supporting the wellbeing and development of our employees.

AMMEGA's human resources operations are decentralised and managed by legal entities belonging to the AMMEGA Group. They comply with all applicable local regulations related to human resources while also adapting to local cultures and working to meet the Group's HR strategy objectives. We are an equal opportunity employer and comply with all applicable federal, state, and local fair employment practices and laws.



# DIRECT IMPACT

## AMMEGA HUMAN RESOURCES POLICIES AND PROCEDURES

AMMEGA Human Resource (HR) policies and procedures serve as our blueprint for managing employees and identifying key indicators for the further development of the company. These policies and procedures shape every area of AMMEGA, including our company's culture and operations, from our recruitment processes to how employees work and achieve business success.

Our HR policies and procedures outline the rights, responsibilities, and expected behaviour of both our employees and AMMEGA as an employer. These policies and procedures are aligned with the AMMEGA Code of Conduct, the Human Rights Policy, and all internal documents that shape how we govern our company.



Our HR policies include:

- Speakup® Policy
- Anti-harassment Policy
- Group Hiring Procedure
- HSE Golden Rules
- Incident Reporting Guidelines
- Personal Protective Equipment Policy
- Fair Dismissal Policy
- Succession Procedure
- Global Human Rights Policy
- Onboarding & Offboarding Procedure

# DIRECT IMPACT

## AMMEGA DIVERSITY, EQUITY & INCLUSION COMMITTEE

FOLLOWING ITS LAUNCH IN LATE 2022, LAST YEAR THE DEI COMMITTEE CONTINUED TO BUILD MOMENTUM ACROSS THE BUSINESS AND BEGIN TO ROLL OUT INITIATIVES TO INCREASE DEI AWARENESS AND UNDERSTANDING ACROSS THE BUSINESS.

The committee has expanded up to 12 members, with representatives from all geographies AMMEGA operates in. Members participate on a voluntary basis, meeting once a month to plan initiatives focused on meeting the expectations of a diverse, international workforce, sharing best practices across the organisation. This contributes to AMMEGA's commitment to welcoming individuals with a diverse mix of nationalities, cultural backgrounds, races, religions, and sexual orientations.

Diversity is integral to who we are as a business, not just a 'tick box' exercise. We can only continue to innovate and serve the evolving needs of our customers through combining different experiences, perspectives, and areas of expertise in our teams, driving creativity and continuous improvement.

DEI Committee key activities in 2023:

- The Learn From Diversity campaign is engaging colleagues around the world with stories related to DEI issues from across the business.
- The committee has contributed to updating the AMMEGA group hiring policy to encourage greater diversity of candidates, striving to ensure that diverse candidates are included on every shortlist of candidates.
- The committee has developed and launched e-learning modules on DEI topics, available on the AMMforce platform.
- Looking ahead to 2024, the committee will be focusing on launching the Lean In Programme, focused on supporting women within AMMEGA.





# DIRECT IMPACT

## OUR COMMITMENT TO EMPLOYEE WELLBEING

OUR EMPLOYEE WELLBEING ACTIVITIES ARE MANAGED THROUGH TWO MAIN PILLARS: ENGAGEMENT ACTIVITIES, AND BENEFITS AND INCENTIVES.

All regular full-time and part-time employees receive a comprehensive benefits programme, managed locally. To gauge employee's engagement and gather feedback on a number of areas, we conduct our annual OHI employee survey. We take a proactive approach to using the feedback received in the survey to take action to improve policies, introduce new projects, and manage ideas that are brought to our attention to improve our organisational health.

AMMEGA is compliant with all local requirements related to the consultation of works councils and trade unions on a wide range of topics, including organisational changes, working conditions, and Health & Safety matters.

Our HR policies set forth the guidelines for our diversity initiatives, aiming to foster a respectful and cooperative workplace, and advocating for a healthy work-life balance.

We ensure our adherence to all relevant measures against discrimination, harassment, and child or forced labour. AMMEGA is aligned with all relevant legal requirements and the standards of the International Labour Organisation to guarantee rights at work.

In matters of hiring, retention, promotion, compensation, or work assignments, we are committed to acting without any discrimination based on gender, age, race, religion, trade union affiliation, personal or political beliefs, cultural ties, disability, sexual orientation, nationality, marital status, family responsibilities, or social or ethnic origin.

Companies across the Group are encouraged to run their own wellbeing activities and there have been a variety of successful initiatives, from the establishment of a Wellbeing Committee for our US colleagues to the development of an e-learning course related on wellbeing topics that will be launched this year on our AMMforce platform.



# DIRECT IMPACT

## OHI – ORGANISATIONAL HEALTH INDEX

Our Organisational Health Index (OHI) is one of AMMEGA's major workforce initiatives and our primary channel for gathering company-wide feedback. Following a pilot year in 2021, we have now completed the survey two years in a row where the whole company has participated in the OHI survey, with findings feeding into action plans and initiatives locally.

The OHI is a comprehensive assessment of AMMEGA's all-round effectiveness and our management's performance in pursuing strategic objectives. The survey is conducted online, with access ensured for all employees, including those who do not usually use company computers as part of their role. To ensure everyone can participate, all communications about the survey and the survey itself are translated into almost 20 languages spoken by our employees around the world.

The survey itself is just the beginning of the process, however. Once we have gathered the results, we begin action planning, with all AMMEGA locations preparing plans based on employee workshops or listening sessions focusing on how to improve.

One initiative that has been introduced as a result of the OHI is the Leadership Espresso programme, a two-day management training introduced in four countries focused on sharing tools and best practices to improve employee motivation and engagement. Following success in 2023, we plan to roll out this initiative to further countries.

WE HAVE CONTINUED WITH HIGH ENGAGEMENT AMONG EMPLOYEES, WITH AN **84%** RESPONSE RATE ACROSS THE ORGANISATION. FEEDBACK HAS SHOWN THAT ACTIONS BEING TAKEN TO IMPROVE ARE BEING RECOGNISED BY EMPLOYEES, AND THAT THIS IS A VALUABLE INITIATIVE FOR THE COMPANY, YIELDING INSIGHTS ON AREAS TO FOCUS ON AS WE PROGRESS ON OUR JOURNEY OF CONTINUOUS IMPROVEMENT.



# DIRECT IMPACT CAREERS AND DEVELOPMENT

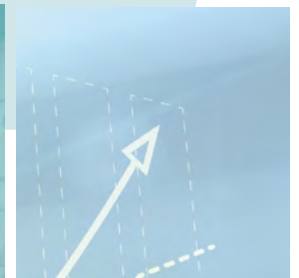
Our goal is to ensure that every employee has a great experience with AMMEGA from the moment they apply for a job to the time they move on to new opportunities.

One of our priorities in 2023 was developing a consistently high-quality employee on-boarding process. This process has been designed to combine experiences that make everyone feel part of the AMMEGA family and understand our vision, values, and strategic priorities – and how they can play a role in achieving these.

The online on-boarding package with valuable information has already been rolled out among office employees and is being adapted for our production employees, with the materials for production employees translated into all of the languages used across our sites so nobody is left out.

We have also made significant progress on compensation and benefits, revising our bonus systems, and beginning to grade our positions, connecting remuneration to responsibilities and performance on supporting equal pay.

**LEADERSHIP DEVELOPMENT HAS CONTINUED AS A MAJOR AREA OF FOCUS, AS WILL BE SEEN IN THE EXAMPLES OF THE FOLLOWING PAGES.**





# DIRECT IMPACT CAREERS AND DEVELOPMENT

## AMMEGA FUTURE LEADERS

One of our global talent development programmes is AMMEGA Future Leaders. In January 2023, the first two-year cohort of the experience based AMMEGA Future Leaders programme completed the programme, and we launched the second cohort later in the year.

The programme is made up of group meetings spread throughout the year, with participants working on projects together and online training sessions and coaching in the periods in between. In the first group meeting for the second cohort, the participants met in our Heerhugowaard office in the Netherlands, with the agenda packed with activities and exercises related to building strong teams and collaborative environments. Participants also began the projects they had developed that will contribute to achieving AMMEGA Group's overall strategy.

Later in the year, the cohort assembled again in Can Pere, close to Barcelona, Spain, for training on conflict management using role play scenarios. The training was spread over several days and the group was warmly welcomed by local leaders, with whom they had a chance to share their knowledge about different business areas, products and services.

*I experienced that working with the whole team in mind made a huge difference. Not only did it relate when we were already working on our project, but also before we implemented it. Only when we work as one team can we expect our projects to be successful.*

*By playing the role of a desperate driver who needed to convince the owner of a locked gas station to open it up, I experienced how important it is to put myself into the shoes of others to understand their feelings and needs. Inviting others into my boat doesn't always work, therefore I need to try to get into their boats first.*



# DIRECT IMPACT CAREERS AND DEVELOPMENT

## AMMEGA LEADERSHIP ACCELERATION PROGRAMME

Our AMMEGA Leadership Acceleration Programme (ALAP) was developed following feedback received during our inaugural OHI pilot survey in 2021. Employees emphasised their desire for more activities related to supporting their personal and professional development. ALAP focuses on empowering and nurturing managers in preparation for progression on to senior roles in our company.

ALAP demonstrates how continuous learning and people development can contribute to promoting success within our organisation. We are committed to fostering a culture of leadership excellence and are excited to see the positive impact that the ALAP participants are already having across the organisation.

As a key part of the programme, participants led strategic projects outside of their usual scope, supporting AMMEGA's 'must win battles' and helping them to develop a holistic view of the business, enhancing internal networking and gaining knowledge and experience outside their current roles.

*The Leadership Acceleration Programme has helped me to understand how to bring the best out of me to contribute to higher goals in the organisation, how to find my 'purpose' in terms of matching my own 'sweet spot' – my talents and strengths – with the company needs. It has been a deep and enriching experience, I must say.*

*The programme was a great experience, not only as to my development as a leader, but also when it comes to my personal development. It has been an unforgettable experience of which I am proud to have been part of!*



# DIRECT IMPACT CAREERS AND DEVELOPMENT

## E-LEARNING CONTENT DEVELOPMENT

Our AMMforce HR Information system, launched in 2022, supports global HR processes for our employees. The platform has a focus on setting and tracking performance and development goals and providing resources for employees to pursue a journey of continuous learning curated to meet their aspirations and increasing skills to enable career advancement.

Over 2023, e-learning has truly been embraced across the company. The topics available cover a range of areas, from mandatory training, such as those related to compliance and health and safety, alongside optional training about cultural awareness, leadership and product knowledge.

In a highlight of 2023, the AMMEGA DEI committee developed three online courses that have been well received by employees, covering an introduction to DEI, cultural awareness, and unconscious bias.

Average learning hours per learner: **8 hours**  
Total learning hours: **40,042 hours**  
Average learning items completed per learner: **27**  
Total learning items completed: **137,553**





# DIRECT IMPACT HEALTH AND SAFETY

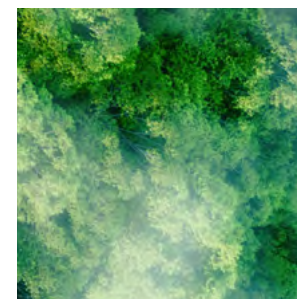
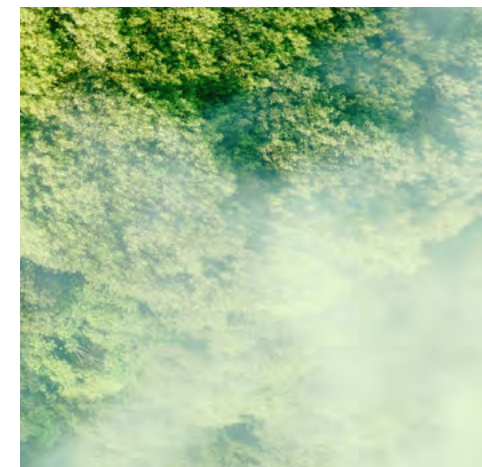
AMMEGA GROUP IS FIRMLY COMMITTED TO ACHIEVING ZERO HARM IN HEALTH AND SAFETY BY 2025.

This ambitious five-year vision continues to drive significant progress and aligns with the principles outlined in Goal Three of the UN's Sustainable Development Goals, serving as a key benchmark for our success.

We have reduced a number of health and safety risks within our operations. This success is attributed to robust internal management systems, clear policies, and comprehensive guidelines. Our Health & Safety Policy details all actions implemented to enhance safety standards across our operations.

Effective oversight and monitoring are ensured through a dedicated Health, Safety & Environment (HSE) Director, who collaborates closely with Health & Safety representatives from all Group companies.

Beyond compliance with applicable national and local health and safety regulations, AMMEGA has established a comprehensive suite of health and safety-related guidelines. These include the "Golden Rules of Safety" on fire prevention and response, alongside other relevant topics.



# DIRECT IMPACT

## HEALTH AND SAFETY

To ensure continuous improvement in health and safety, we actively engage with our global workforce to identify potential areas for enhancement. This collaborative approach is facilitated by a dedicated internal management system that allows all employees to report unsafe conditions, near misses, and potential improvements. We recognise our employees as vital partners in achieving our zero-harm vision, which is why we are committed to providing 100% of our staff with site-specific HSEQ awareness training.



David Vint  
*Head of Safety*

For efficient incident reporting and progress tracking, AMMEGA utilises comprehensive incident reporting guidelines and this year introduced the AMMregister platform to track and record data related to health and safety. These guidelines outline appropriate reporting procedures, response times, and notification processes for lost-time injuries, medical treatment, first aid cases, significant near misses, and property damage.

We proactively mitigate workplace risks and prevent future injuries through several initiatives. Monthly safety walks, ongoing issuance of corporate safety guidelines, and regional safety calls provide valuable opportunities to review progress, address concerns, and ensure all employees have the necessary HSEQ knowledge.

HSEQ training is provided during working hours by certified external trainers for specialised topics and experienced internal staff for routine safety matters. Training is offered in the local language, and employees receive their regular salary for the time spent in training. We regularly assess training needs based on legal requirements, new processes, and machinery introductions.

The effectiveness of our training programs is evaluated through the improvement of key HSEQ performance indicators and observations made during monthly safety walks.

To ensure compliance with PPE regulations, AMMEGA Group has established a detailed Personal Protective Equipment Policy. This policy mandates specific PPE for every AMMEGA Group facility, with additional site-specific guidelines established as needed. Additionally, all employees involved in activities requiring PPE undergo annual training.

# DIRECT IMPACT HEALTH AND SAFETY

## MAIN RISKS IN THE BELTING INDUSTRY

Belt manufacturing inherently presents a range of potential hazards, including exposure to chemicals and risks associated with:

- HEAVY MACHINERY OPERATION
- FORKLIFT OPERATIONS
- CRANES AND HOISTS
- MACHINE GUARDING DEFICIENCIES
- MANUAL HANDLING TASKS
- IMPROPER USE OF HAND TOOLS

To mitigate these risks, AMMEGA Group has implemented a robust monitoring framework. This framework utilises consistent metrics and targets benchmarked against established industry standards for health and safety, including OSHA reporting standard.

We have also introduced the AMMsafe computer system to track and record all health and safety incidents and data.

In 2023, AMMEGA Group reduced total reported injury frequency by 10% compared to 2022.





# DIRECT IMPACT HEALTH AND SAFETY

## 2023 SAFETY DAYS

In mid-May, AMMEGA Group held its annual Safety Days across multiple locations. This initiative plays a vital role in raising awareness and expanding employee knowledge of health and safety regulations.

Dozens of events provided a diverse range of opportunities to learn more about health and safety. Employees participated in activities including firefighting simulations, medical check-ups, and interactive workshops aimed at enhancing their understanding of health and safety protocols.

AMMEGA Group is committed to achieving zero harm. We have made progress towards this goal in recent years through a variety of comprehensive initiatives and the continual cultivation of a strong safety culture. The annual Safety Days serve as a valuable reminder of essential health and safety regulations and emphasise the importance of employee involvement in creating a safe work environment and prioritising personal well-being.

*As an employer, we take responsibility for providing safe working conditions. In return, we expect our teams to take advantage of what we provide to take responsibility for their behaviour and actions and to respect our safety rules and policies. The employees are crucial to the success of our zero-harm vision, which is why we are committed to ensuring that 100% of them receive site-specific health and safety training and can revise or test their skills and knowledge during events like AMMEGA Group Safety Day," says David Vint, Head of Safety at AMMEGA Group.*

Our Safety Days offer additional benefits by providing opportunities to test skills and experience potentially hazardous scenarios in a controlled environment. The exchange of observations within working groups, interaction with safety specialists, and simulation of potential risk situations all contribute to employee learning and preparedness.





A person wearing a blue plaid shirt is holding a stalk of wheat in a field. The background is a soft-focus landscape of a field under a clear blue sky. The overall color palette is dominated by blues and greens, with a warm, golden light filtering through the scene.

# SOCIAL INDIRECT IMPACT

AMMEGA Group recognises the importance of fostering positive relationships with the local communities where we operate. We contribute through various initiatives designed to create lasting social impact.

Our approach to community engagement and philanthropy is centralised, but tailored to local needs. Empowered local teams identify social priorities and encourage employee participation, ensuring AMMEGA's positive social footprint.

To further support these local efforts and guarantee alignment with the UN Sustainable Development Goals (SDGs), we have implemented the AMMEGA Social Commitment Policy. This policy provides a robust framework for our community engagement activities.

# INDIRECT IMPACT SUPPORT FOR LOCAL COMMUNITIES

## OHI GIVES BACK

AMMEGA's dedication to its local communities underpins our commitment to responsible and sustainable business practices. Employees are empowered to engage with their local communities, experiencing the satisfaction of helping others.

The AMMEGA Code of Conduct and our policies demonstrate our firm resolve to play a vital role in fostering positive societal change and responsible resource management. We recognise the importance of collaboration and actively encourage employee participation in advancing our collective approach to local communities and environmental stewardship.

## THE AMMEGA SOCIAL COMMITMENT POLICY

Implemented in 2022, our Social Commitment Policy outlines how our teams can champion a more effective Corporate Social Responsibility (CSR) approach and serve as ambassadors within their communities. We acknowledge that achieving this ambitious social objective will manifest differently across our global operations. We remain flexible and receptive to employee suggestions. However, to guide our teams, we've identified key areas of interest:

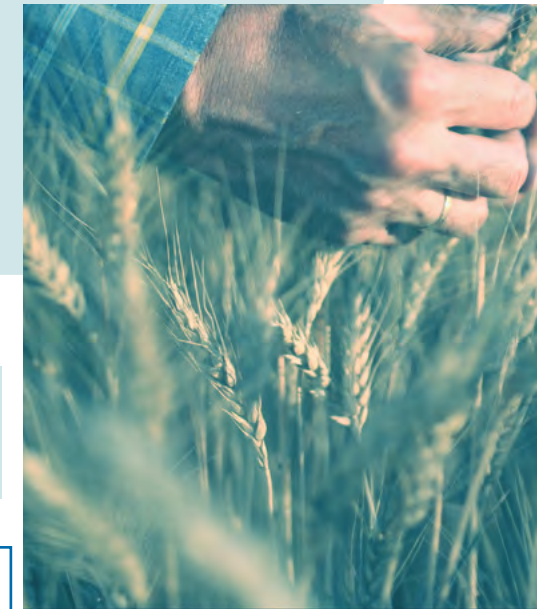
- SCIENCE AND EDUCATION
- HEALTH AND SAFETY, INCLUDING PHYSICAL ACTIVITY
- DIVERSITY AND INCLUSION
- ENVIRONMENTAL PROTECTION
- AD-HOC AID ACTIONS TO RESPOND TO EMERGENCIES



[READ OUR BOOKLET ON THE SOCIAL INITIATIVES AMMEGA GROUP CONDUCTED IN 2022](#)

Our social commitment centres on collaborating with community-based organisations, not-for-profit entities, non-governmental organisations (NGOs), and civil society groups. We particularly focus on partnerships with associations and foundations whose work aligns with our key areas of interest. Additionally, we are open to supporting public educational and medical institutions.

Furthermore, we are committed to partnering with start-up ventures involved in recycling initiatives, carbon footprint reduction solutions, or the development of sustainable materials. We also extend our support to organisations and institutions that promote sustainable business and economic development.





# INDIRECT IMPACT

## LOCAL INITIATIVES

We'd like to thank every AMMEGA employee who contributed their time, energy, and compassion to make a positive impact in their respective communities. Thank you for embodying the true essence of AMMEGA's values!

### AMMEGA SUPPORTED LOCAL SALVATION ARMY

Our team from Reading, USA, supported their local Salvation Army to help those in need. We're especially proud of any volunteers who support their local initiatives and help their communities.

### NOBLE GIFT 2023

Our Szczecin, Poland, team took part in Noble Gift 2023, a Polish charity initiative. Our team helped a local family in need and prepared 12 boxes with food, Christmas gifts, cleaning products, and much more.

### TURKEY'S SUPPORT AFTER THE EARTHQUAKE

AMMEGA – Rultrans started a support program after an earthquake devastated the region in the southeast part of Turkey. To address the overwhelming needs, we took part in an initiative to install mobile toilets at a tent centre in the affected area in Antakya (Hatay).

### CHARITY HALF-MARATHON

A representative of our local CSC team from Luxembourg participated in a half-marathon for charity in Luxembourg. The marathon's purpose was to support SOS Children's Villages World.







# GOVERNANCE





Dear readers,

Once again, the annual release of our Communication on Progress report gives a moment for reflection on the progress we have made over the previous 12 months. I am proud of the achievements we have made on our journey to ensure AMMEGA is led with the highest standards of governance across every area of the business.

Good governance is not restricted to our interactions within AMMEGA. It does, of course, encompass ensuring that we are compliant with external regulations. But also, crucially, we are increasingly focused on implementing and monitoring best-in-class policies and processes. These take us beyond regulatory compliance, as we focus on embedding ESG as a competitive advantage in our interactions with employees, customers, and wider stakeholder groups.

Our Code of Conduct and our comprehensive set of corporate policies define the right and effective tone-at-the-top and remain the integral blueprint for how we do business at AMMEGA. Over the last 12 months, we have been implementing processes to ensure that these policies are put into action across the business and monitoring whether they are having the effects that we intended. Our AMMEGA Group Compliance Committee and ESG Committee provide effective oversight over these efforts, which will continue to expand across the business as we progress on our journey of continuous improvement.

After their introduction in 2021, our Internal Audit and Enterprise Risk Management (ERM) initiatives have reached the next level of maturity. Internal audit has pursued the completion of our multi-year risk-based global audit plan, and completed assessments of the effectiveness of our internal control systems across many areas of our operations. Our ERM initiative has continued to update and expand our company-wide risk assessments and risk registers, so as to enable effective de-risking of AMMEGA.

I hope you enjoy this chapter, containing further highlights from the past year, demonstrating how we are continuing to make progress in advancing the maturity of governance within AMMEGA.

With best regards,

Alessandro Gili



Alessandro Gili  
*Chief Financial and Compliance  
Officer*



# OUR APPROACH TO GOVERNANCE

Our Code of Conduct outlines the expected behaviour for both employees and collaborators, including suppliers and subcontractors. It covers a wide range of subjects including how we approach – and prevent – corruption, bribery, anti-competitive practices law, data protection, environmental standards, community engagement, health and safety, and product safety. Additionally, it is linked to our whistleblowing policy.

Aligned with the principles of the Code of Conduct, our Anti-Corruption Policy focuses on deterring, preventing, and detecting bribery and corruption. Endorsed by the Group Executive Committee, it undergoes periodic review to ensure its appropriateness, adequacy, and effectiveness.

The Anti-Corruption Policy serves two key purposes:

- Clearly delineating the responsibilities of the AMMEGA Group and its affiliates in adhering to the Group's stance on bribery and corruption.
- Providing guidance to AMMEGA Group employees and associates on identifying and addressing potential or actual instances of bribery and corruption, ensuring compliance with all relevant legal obligations.

## CYBER SECURITY

In February 2024, we suffered a data breach related to a ransomware cyber-attack on the AMMEGA corporate network. The incident was managed in accordance with all relevant local and international regulations. More information about the breach is included in the Ammega Annual Report 2023.







# GOVERNANCE DIRECT IMPACT



# DIRECT IMPACT

## OUR APPROACH



### ETHICAL AND RESPONSIBLE BUSINESS MANAGEMENT

Ethical and responsible business management lies at the heart of our values and activities. It is fostered and integrated across the business through various policies and frameworks, both at the Group level and in alignment with national legislation and the specific interests of the Group's diverse entities. AMMEGA's ESG Committee is made up of representatives from different functions. The Committee meets monthly to implement and oversee ESG objectives and projects.



### OUR CORPORATE GOVERNANCE MODEL

The efficiency of our operations hinges on adept management of our business through an effective governance model, geared towards generating value for our stakeholders in both the short and long term.

Our corporate governance model cultivates collaboration among our members and upholds the principle of transparent management. The AMMEGA governance structure comprises three primary bodies: the Supervisory Board, the Group Executive Committee, and the Operational Committee. These bodies oversee the management, administration, and general affairs of the Company and its subsidiaries, as well as supervise the Group's policies and overall business operations.



### RISK MANAGEMENT

In the ordinary course of its business, AMMEGA faces various strategic, operating, compliance and financial risks. These risks could have a material impact on our business, financial condition and results of operations.

AMMEGA's Enterprise Risk Management (ERM) and Internal Control System (ICS) consider its Group strategy and all types of risk (strategic, financial, operational, compliance); for example, non-financial risks associated with our business activities or our business relationships, products, and services. Management has identified and prioritised critical risks based on the severity and likelihood of each risk and assigned risk owners to address each major identified risk area and lead action plans to monitor and mitigate risks, where possible.

The Group has established an ICS consisting of regulations, internal directives, and corresponding measures that serve to ensure that business operations are conducted properly. A corresponding Compliance program also ensures that statutory and regulatory requirements are met.



# DIRECT IMPACT HIGHLIGHTS IN 2023

Following the establishment of extensive governance policies and procedures over recent years, we have been further embedding these into the business, improving our system for the monitoring of adherence to these policies and implementing actions to increase compliance when required.

## COMPLIANCE MONITORING SYSTEM

While we had already introduced a group-wide policy informing legal and governance requirements for each legal entity within the AMMEGA Group, in 2023 we implemented a system for more closely monitoring compliance with this policy. Our intention is to continue pushing ahead with this process to ensure full compliance is achieved across the organisation.

## WHISTLE-BLOWER HOTLINE

Similarly, our whistle-blower hotline was introduced in 2021 and by 2023 we have achieved a benchmark number of cases reported. This signals growing confidence in the system within our organisation, supported by communications about the process distributed in over 20 languages. Employees increasingly understand the system and its purpose, and know that their grievances can be confidentially reported and will be effectively managed by the company. While the number of reported grievances has increased, we are satisfied that there are no major issues and responses are in line with industry and local benchmarks, and all have been resolved satisfactorily.

## RISK ASSESSMENT STANDARDS

We have introduced new business partner risk assessment standards and processes, working on a case by case basis to protect AMMEGA Group against engaging with partners that expose the company to undue commercial or governance related risks.

## REDUCE THE TOTAL NUMBER OF LEGAL ENTITIES

We are making good progress on a group-wide initiative to reduce the total number of legal entities in the group, which is simplifying governance and legal affairs, helping to increase efficiency and streamline monitoring and oversight. In 2023 we reduced the legal entities by 10, a significant step in the reduction from 125 entities in 2020 to just 72 today. This journey will continue in the years to come.

## CHILD LABOUR AUDIT

With a focus on child labour, we completed a detailed risk assessment of our sites globally, using the UN child labour index as a starting point. Following our risk assessment, our internal audit team ran a child labour audit in eight countries that were identified as highest risk. No cases of child labour were identified.



# DIRECT IMPACT

## AMMEGA GROUP-WIDE POLICIES

Our core group-wide policies and procedures are kept up to date with the latest regulations and best practices. These policies cover the following areas:

- ANTI-CORRUPTION
- ANTITRUST
- BUSINESS PARTNER RISK ASSESSMENT AND DUE DILIGENCE
- CODE OF CONDUCT
- CONFLICT MINERALS
- CONFLICTS OF INTEREST
- DATA PROTECTION AND PRIVACY
- GLOBAL HUMAN RIGHTS
- MODERN SLAVERY
- RESPONSIBLE SOURCING
- TREASURY
- SANCTIONS
- SPEAKUP (AMMEGA GROUP HOTLINE)
- BUSINESS CONTINUITY AND OPERATIONAL RESILIENCE







# GOVERNANCE INDIRECT IMPACT



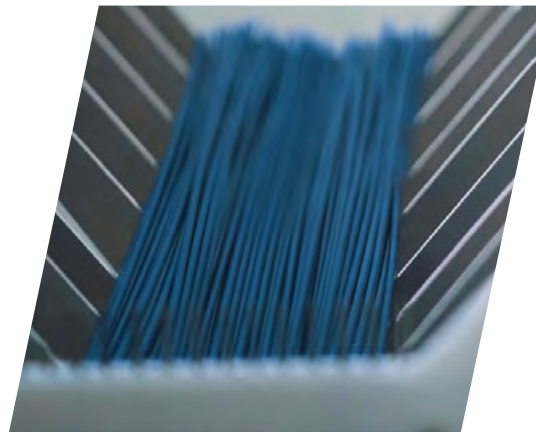
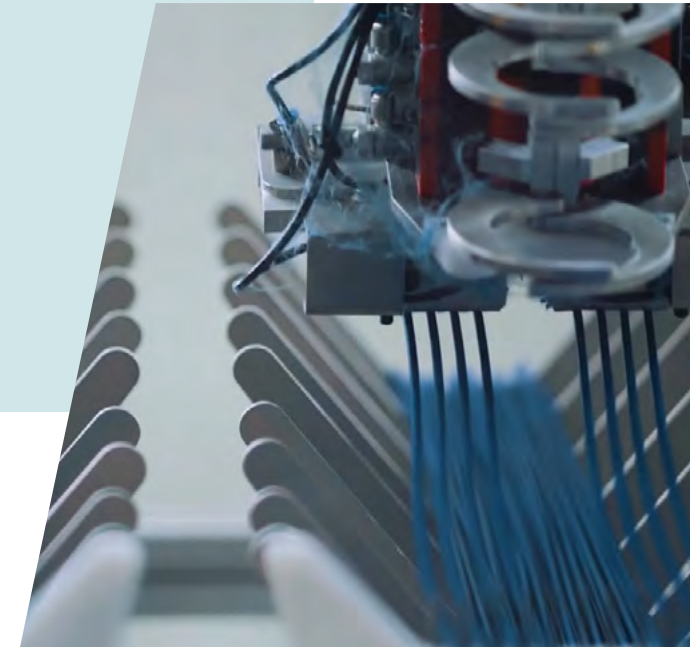
# INDIRECT IMPACT

## RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

AMMEGA's supply chain covers all the goods and services procured and used in our operations. This encompasses primary input materials such as fabrics, polymers, cords, chemicals, rubber, and energy, as well as industrial and professional services, IT, and logistics.

Ensuring a sustainable supply chain is a core part of our goal to deliver sustainable and innovative conveyor, power transmission, and fluid power solutions to customers across diverse industry sectors. This commitment is achieved through:

- Collaborative lean supply chain management: we work closely with our suppliers to foster a streamlined and efficient supply chain.
- Strategic sourcing: We develop sourcing solutions that not only meet customer, regulatory, and stakeholder needs but also anticipate future demands.
- Long-term value creation: we strive to create sustainable value for all stakeholders while simultaneously mitigating risks for the Group.



# INDIRECT IMPACT

## RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

### SUPPLIERS SUPPORTING OUR SUSTAINABILITY JOURNEY

The Group is committed to making its products more sustainable. To achieve this, we choose to work with suppliers that are committed to the same objectives and follow best practices in environmental management, including energy and resource efficiency, waste reduction and recycling.

We request that our suppliers maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a sustainable manner, consistent with the UNGC and the Sustainable Development Goals.

In 2023, we focused on further embedding sustainability into our supply chain and procurement management activities, including piloting a procurement questionnaire that includes items related to understanding our suppliers' sustainability performance, including requesting EcoVadis assessments and assessing suppliers' sustainability roadmaps to check their alignment with our priorities.

Collaborating with the procurement department, we developed and launched the Responsible Sourcing Policy e-learning course in 2023. The course had two versions – one for sales and procurement employees with some additional detail related to their roles, and one for all office staff. In total, 2,368 employees completed the Responsible Sourcing Policy e-learning course.

Over coming years we will be more firmly embedding assessment of suppliers' ESG commitments and performance into our procurement decisions, which will help to improve AMMEGA's sustainability performance and, by extension, that of our clients and customers.



# ECOVADIS

In 2024, AMMEGA was honoured with a Gold award from EcoVadis. This recognition highlights AMMEGA's improvements in business excellence, providing crucial information for all our stakeholders, and confirming that our company acts responsibly and focuses on sustainability in every aspect of its performance. We have maintained our performance at a high level, demonstrating AMMEGA's commitment to sustainability and our continued progress in this field. This result places AMMEGA in the 98th percentile of all companies assessed by EcoVadis

EcoVadis is a leading provider of sustainability ratings for businesses. Their assessments evaluate a company's corporate social responsibility (CSR) practices using a comprehensive methodology based on international standards. These standards encompass environmental impact, social activities, ethical conduct, and responsible supply chain management.

AMMEGA joined EcoVadis in 2020 and has since demonstrated continuous improvement in our sustainability ratings.



For a detailed analysis of AMMEGA's environmental performance and carbon footprint, along with insights into our broader sustainability initiatives, achievements, and ongoing efforts, customers can request access to our Scorecard on the EcoVadis platform.

Our Scorecard on EcoVadis showcases our commitment to sustainability and provides comprehensive information on our sustainability practices. The platform facilitates a transparent evaluation of our performance, reflecting our dedication to accountability and open communication.





# FUTURE PLANS

# FUTURE PLANS



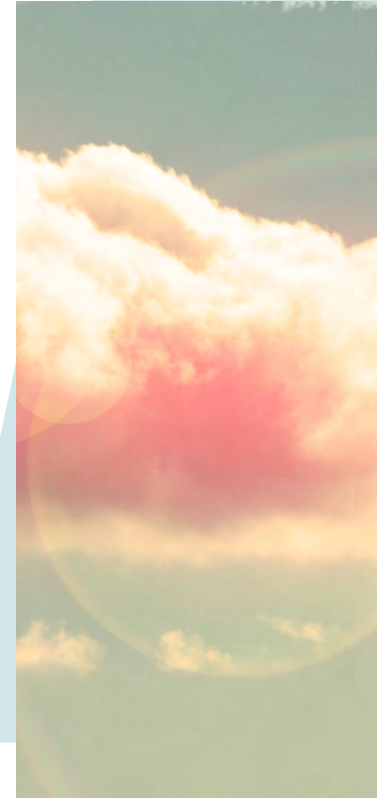
As a leading industrial manufacturer, AMMEGA acknowledges its responsibility to shape a sustainable future for generations to come. Our vision, strategy, and operational plans are all firmly focused on achieving this goal.

We are committed to sustainability across the business and it is core to our product evolution strategy, where we are collaborating with our customers to develop solutions that help them to achieve their own sustainability objectives.

We conduct a thorough analysis of the environmental and social impact of our business decisions, ensuring all stakeholders are considered. This comprehensive approach informs the development of sustainable practices throughout AMMEGA.

In the short time since AMMEGA's inception, we have established robust frameworks for sustainability. Our stakeholders value these foundations, and their ongoing feedback helps us refine our approach and accelerate progress.

AMMEGA's commitment to ethical standards and our core values ensures that all stakeholders feel respected and engaged in our journey towards sustainable growth.





# FUTURE PLANS

Looking ahead, we will be focusing on the following areas:

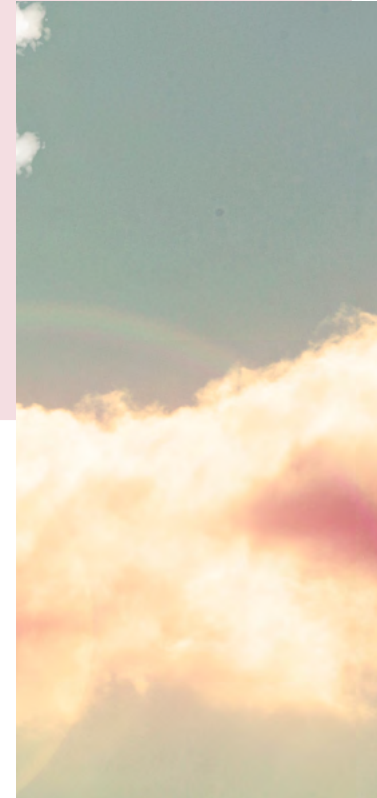
## 01

### SUSTAINABLE PRODUCT DEVELOPMENT

AMMEGA has exciting plans for the development of new, sustainable, and environmentally friendly belting solutions. Through dedicated research and development, we are focusing on incorporating innovative materials into our product lines to minimise our ecological footprint and provide greener alternatives to customers.

We use the life cycle assessment process for insights into potential areas for improvement within our product range. This knowledge empowers us to implement targeted measures for reducing carbon emissions, optimising resource consumption, influencing the design of future products, and enhancing overall sustainability performance.

With our growing range of more sustainable products, we are empowering our customers to align their purchasing decisions with their sustainability goals, while positioning AMMEGA as a trusted and responsible industry leader.





# FUTURE PLANS



## 02

### MAKING PROGRESS WITH SCIENCE-BASED TARGETS

In 2024, we will be running workshops with the Science Based Targets Initiative to understand how we can build this into our roadmap and improve how we use lifecycle assessments in our approach to new product development.

## 03

### OUR COMMITMENT TO HEALTH AND SAFETY

We will continue to focus attention on prioritising health and safety improvements across the organisation, with the goal of minimising injuries at our sites around the world and improving employee wellbeing. We will do this by maintaining our focus on training and development related to health and safety, and continually reviewing our policies and practices to identify areas of improvement.



# FUTURE PLANS

## 04

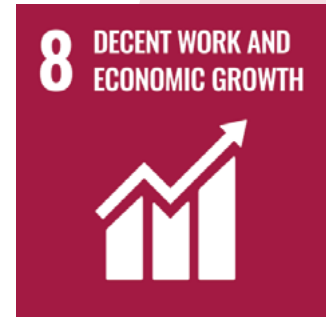
### SUPPORTING THE GREEN TRANSITION

We are exploring ways that our products can be used to support the green energy transition, such as through supporting wind turbine manufacturers in producing more efficient windmill blades. We will continue to proactively explore collaborating with customers in sectors that contribute to creating a more sustainable future.

## 05

### IMPROVING OUR SUSTAINABILITY REPORTING AND DISCLOSURE

We are committed to continuing to improve our sustainability reporting and disclosure, both for internal monitoring and evaluation purposes and to communicate our priorities and progress to external stakeholders. We are preparing for the implementation of CSRD aligned reporting and have completed our first double materiality assessment for this report. In future reports, we intend to make disclosures of our ESG management approach and related data for all of our material topics, as required by local and international regulations. We plan to publish public KPIs for our key material areas in our next sustainability report.



WE MAKE  
YOUR  
BUSINESS  
MOVE 



# APPENDIX





# UNGC PILLARS – RISKS AND MITIGATION



HUMAN RIGHTS



LABOUR



ENVIRONMENT



GOVERNANCE

# ESG-RELATED RISKS

## HUMAN RIGHTS

### RISK:

The potential to violate laws or regulations pertaining to Human Resources management and labour.

### MITIGATION:

- We have implemented a Code of Conduct (which includes a whistle-blower policy and the prohibition of any form of discrimination or child labour).
- We have implemented a human rights policy.
- We require respect for human rights from our suppliers in the supply chain.





# ESG-RELATED RISKS

## LABOUR

### RISK:

The risk of injury or health hazards in the workplace, along with the possibility of breaching local, regional, or national Health & Safety regulations.

### MITIGATION:

- We foster a collaborative and healthy work environment through our "People-focused" principles. The global health and safety director is tasked with ensuring compliance with local laws and promoting awareness throughout the Group. We assess every incident and implement corrective measures as necessary.

### RISK:

The possibility of breaching laws or regulations related to human resources management and labour.

### MITIGATION:

- We have a framework in place where the CHRO provides appropriate advice on local issues when necessary.
- Local management is governed by conditions and general principles set out by the Group.
- Employees and board members are chosen based on their qualifications, regardless of race, sexuality, or gender.
- Work councils are established, and trade unions are consulted, in accordance with local regulations, on significant matters such as reorganisations, working conditions, and health and safety concerns.
- We implement procedures that promote compliance with all of the requirements of the EU General Data Protection Regulation (GDPR).
- We actively promote the development, coaching, and training of our employees through centrally and locally organised training activities, using both face-to-face and e-learning courses.



# ESG-RELATED RISKS

## ENVIRONMENT

### RISK:

The challenge lies in maintaining compliance with the continuously expanding environmental regulations, particularly those concerning the raw materials utilised in production (e.g., REACH, an EU regulation on chemical substances).

### MITIGATION:

- Embracing "Responsibility" as one of our core principles underscores our unwavering dedication to curbing our ecological impact. This involves adopting less environmentally detrimental materials in our production processes and promoting environmental awareness among our suppliers, customers, and employees.
- The companies within the AMMEGA Group consistently endeavour to operate in accordance with the regulations outlined in ISO 14001, an international certification standard, while ensuring full compliance with REACH.
- Environmental considerations are always paramount in our investment decisions, particularly concerning manufacturing.
- Our Environmental Policy addresses various crucial environmental concerns, such as recycling, air and water purification, energy efficiency, and the reduction of harmful chemicals and CO<sub>2</sub> emissions.



# ESG-RELATED RISKS

## GOVERNANCE

### RISK:

- The potential for anti-competitive behaviour impacting our business.
- Ensuring compliance with local and international regulations, today and in the future, including the EU's Corporate Sustainability Reporting Directive (CSRD).

### MITIGATION:

- Our SpeakUp® tool allows our employees to report violations of law, Code of Conduct or policies and procedures without fear of retaliation.
- We provide e-learnings to all AMMEGA employees covering topics related to their roles.
- We have expanded the activity of our internal audit department and are engaging external partners, ensuring all ESG matters are covered to meet regulatory requirements.
- Our ESG committee monitors emerging regulations to develop appropriate programmes to meet their requirements.





# OUR DATA

AMMEGA's dedication to sustainable growth is strengthened by precise and dependable data analysis. We understand the crucial role of high-quality information in driving ESG progress and maintaining transparent sustainability reporting. To facilitate this, AMMEGA has partnered with Quentic, a leading provider of integrated software solutions for ESG and EHSQ management. This partnership delivers a robust software solution to efficiently manage ESG activities, collect essential data, and adapt management plans as needed.

Since 2020, AMMEGA's carbon footprint data has been validated through Third-Party Limited Assurance. Our commitment to transparency and accountability, along with data validation by Nexio, ensures that our stakeholders receive accurate and reliable carbon footprint figures in accordance with recognised standards. Independent verification enhances the credibility of AMMEGA's sustainability efforts, increasing stakeholder trust in our performance data.

# FURTHER INFORMATION

Dear Reader!

This section provides links to all websites, products, and documents referenced throughout the report. We understand the importance of easy access to relevant resources for your convenience.

Stay informed about AMMEGA's latest news and initiatives by following us on social media. Our channels offer an opportunity to connect with the AMMEGA community, exchange ideas, and contribute to ongoing dialogue.

We believe in the power of open communication and collaboration. Our social media channels provide a platform to foster connections and interactions. We look forward to engaging with you and building a vibrant online community.

Explore the resources and follow us on social media to stay updated and connect with AMMEGA Group.

Editorial Team

# FURTHER INFORMATION

## OUR BRANDS



[www.megadynegroup.com](http://www.megadynegroup.com)



[www.ameraalbeltech.com](http://www.ameraalbeltech.com)



[www.jasonindustrial.com](http://www.jasonindustrial.com)

## OUR SOCIAL RESPONSIBILITY

- RESPONSIBLE SOURCING POLICY
- HUMAN RIGHTS POLICY
- SOCIAL ENGAGEMENT
- AMMEGA DEI
- POLICIES
- SPEAK UP

## OUR PRODUCTS

- AMMDURANCE
- MEGASYNC™ TITANUM
- UNI BELTS
- DECTYL
- PREMIUM PLUS
- SOLIFLEX PRO
- MEGAFLEX
- MEGALINEAR FC
- MEGAPOWER FC

## OUR SOCIAL MEDIA



LINKED IN  
AMMEGA  
MEGADYNE  
AMMERAAL BELTECH  
JASON INDUSTRIAL



TWITTER  
MEGADYNE  
AMMERAAL BELTECH



YOUTUBE  
AMMEGA  
MEGADYNE  
AMMERAAL BELTECH





# WE CARE FOR OUR ENVIRONMENT



Activities performed and services rendered by a company of the AMMEGA Group are governed by the general terms and conditions of sale and delivery, as applied from time to time by the relevant company of the AMMEGA Group.

