

**AMMEGA**

# 2021 UNGC REPORT

*UN Global Compact  
Communication on Progress*



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A tall, modern glass skyscraper stands against a sky transitioning from a pale blue at the top to a soft orange and pink at the bottom, suggesting a sunset or sunrise. The building's facade is composed of a grid of dark frames and reflective glass panels. A dark teal horizontal bar is positioned across the middle of the image, partially obscuring the building.

# INTRODUCTION

# A Letter from the Chief Executive Officer



## "SUSTAINABILITY HAS ALWAYS BEEN A GUIDING PRINCIPLE FOR AMMEGA"

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"Sustainability has always been a guiding principle for Ammega. We have been working on the continuous improvement of products, services, and solutions for the benefit of society and the environment. We will continue to do so as part of the commitment to sustainability by all of us at Ammega, and this will be permanently enabled by our culture and business excellence and driven by our purpose: *to be the local partner of choice for sustainable belting solutions around the globe.*

I am pleased to confirm that the Ammega Group reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

Our participation in the UNGC obliges us to take special care in areas defined as UNGC Global Goal objectives, and we will always

make the maximum effort to implement them in our company.

In this, our third annual Communication on Progress, we outline the actions we are taking to continuously improve the integration of the Global Compact and its principles into our strategy, organisational culture and daily operations. The annual report is not only an informational publication; it's also a set of guidelines for the actions we carry out and the decisions we make.

We are committed to sharing this information and to engaging further with our stakeholders, informing them of our commitment to sustainability and of our ongoing progress in this field, both of which are key to our overall success."

**MACIEJ GWOZDZ**



# A Letter from the Chief Sustainability Officer

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"2021 was a year of both challenges and important progress towards fulfilling Ammega Group commitments. Even though the effects of the pandemic continued, nearly all sites could work constantly, and everyday life returned to something more familiar.

Important sustainability achievements include improvements throughout the supply chain and in tracking our carbon footprint as well as the launch of new sustainable solutions for our clients. Major steps forward on sustainable investments are slowly bringing us closer to goals set in the Paris Agreement. This year we also identified key stakeholders for Ammega and, with their support, a materiality matrix was created.

We are on a journey towards a sustainable future. We are continually revising our plans and raising the level of our ambitions wherever possible. We believe that our business performance and successes are key factors in our impact on the economic, social, and natural environment. We take responsibility for that impact on all stakeholders and we make every endeavor to strengthen our roles as a conscientious corporate citizen.

In this CoP report, you can find information about what we have achieved, our insights on sustainable development at Ammega, and our plans for the future."



**MICHAEL WILHELMER**

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# About This Report

This report offers an overview of the progress made by the Ammega Group with regard to **sustainability in 2021**. It covers all the essentials in terms of our management approach and defined focus areas, which form the basis of all our sustainability activities. Furthermore, the report presents additional key topics in the field of sustainability. It also provides the annual progress update, outlining how the Ten Principles of the UN Global Compact are implemented in the day-to-day operations of our company.

The reporting period for this progress update covers the third year of the Ammega Group's participation in the Global Compact, from 1 January 2021 to 31 December 2021. Further information on our sustainability activities can be found on our website: [www.ammega.com](http://www.ammega.com).

Seeing the growing interest in **non-financial data** that allows the organisation to be understood in a broader context, the report presents content that can be used by **stakeholders** interested in the Ammega Group's value creation process; these stakeholders would include investors, analysts and bondholders, employees, customers, suppliers, business partners, local communities, legislators, regulators, and policymakers.

In terms of any questions about the information contained in this report, please contact **Karolina Szebiela**, ESG Team Lead, at: [karolina.szebiela@ammega.com](mailto:karolina.szebiela@ammega.com)



*Pictures on pages 3,6 and 10 courtesy of TDJ SP. Z O.O. made by Ra2nski*

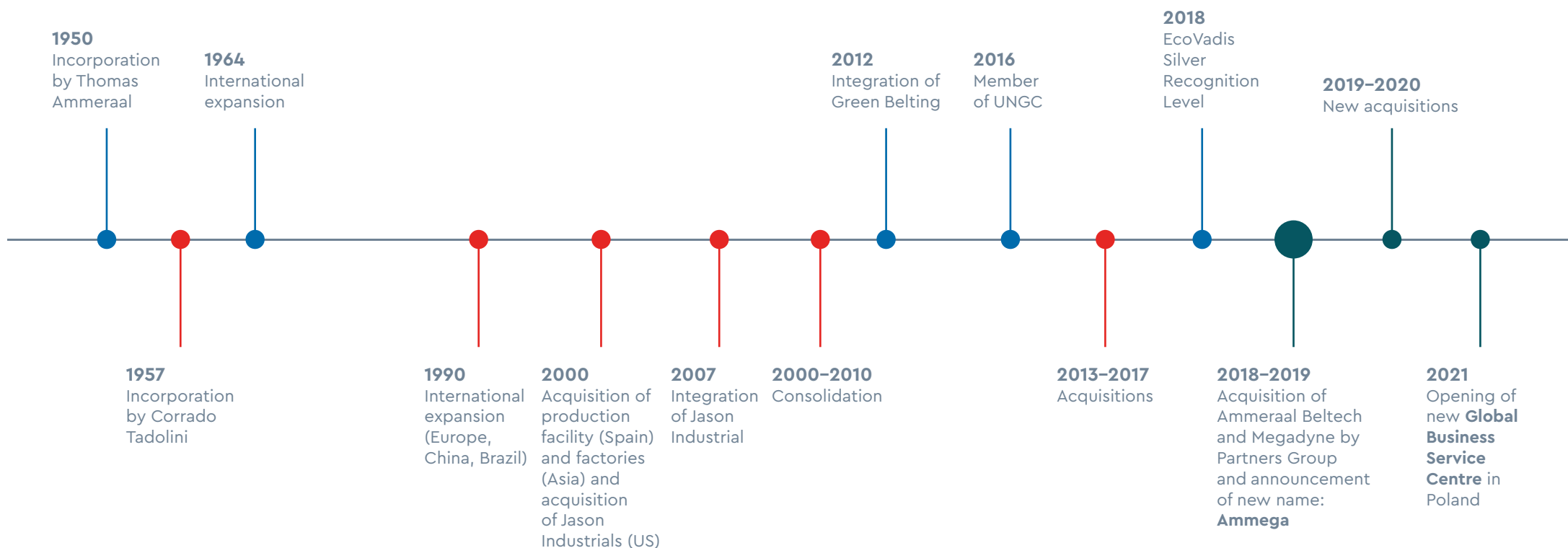




# The Ammega Group at a Glance

The **Ammega Group** was created from the acquisition of **Ammeraal Beltech**, a leader in conveying solutions, **Megadyne**, a leader in power transmission solutions, and Megadyne's own acquisition, **Jason Industrial**, a leader in industrial hoses and fluid power solutions.

Together, under one brand name, these market leaders offer our customers more than a century of combined industry experience and leadership as well as over **50** industry applications across multiple sectors such as food, packaging, agriculture, logistics, airports, elevators, automation equipment, fitness, energy, meat & poultry, wood, textile industry, machine tools, glass industry, medical equipment and the ceramics industry.





## - 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 belts (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.

### CONVEYING SOLUTIONS



RAPPLON®



### POWER TRANSMISSION SOLUTIONS

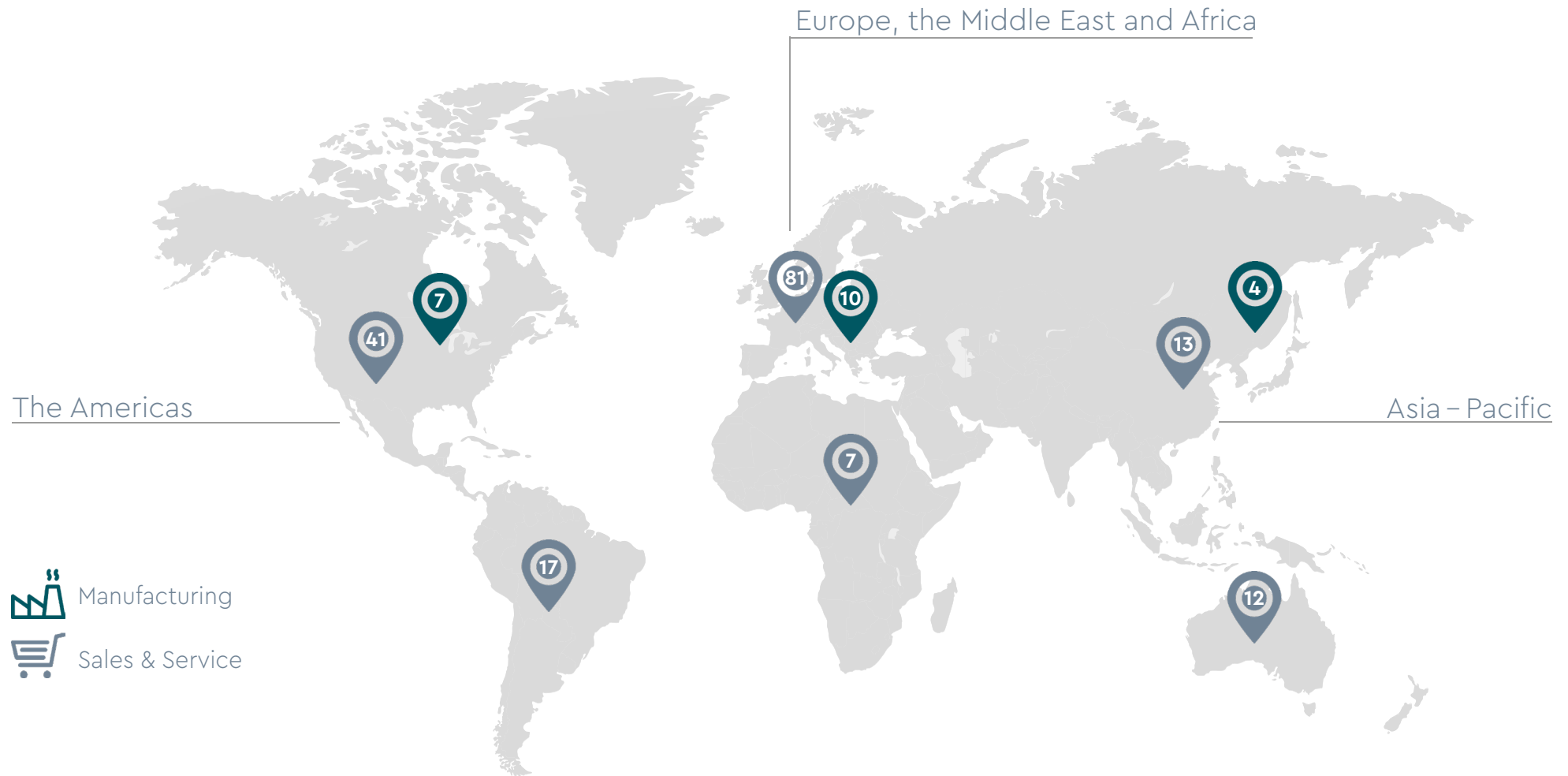


### FLUID POWER SOLUTIONS





# - Locations



Our locations are spread over **40** countries. The Group has more than **6,000** employees, **20+** manufacturing sites and a worldwide distribution and servicing network across **150** countries.

The Group's large product offering and global market presence serves clients in **four** main geographical areas: the Asia-Pacific region; the Americas; Europe; and the Middle East and Africa. Manufacturing sites are located in Italy, Spain, Switzerland, the Netherlands, Denmark, Poland, the Czech Republic, Turkey, Canada, USA, India and China.



In 2021 in Katowice, Poland Ammega opened the **Global Business Service Centre** (GBSC), a service centre supporting the company and its affiliates, implementing global processes in a comprehensive manner for the Group's business departments, including looking for specialists, and creating a common development environment. At the core of these activities is the centralization of services.

The GBSC specialists employed in Katowice focus on analytical work, advising and supporting the first line of the company. The GBSC has a **real impact** on business conditions and the company's success. In this market, highly skilled people often end up working at different company headquarters in different parts of the world; these postings reflect their achievements. At the GBSC of the Ammega Group, the company creates and comprehensively improves "end-to-end" processes for such key business areas as: finance, IT, HR, marketing, supply chain management, environmental protection, forecasting and evaluation of production data, using modern, digital solutions.





- "The activities of the Ammega Group are focused on cooperation with the best specialists and teams as well as building a brand that is recognisable and attractive to employees. Our goal is to strengthen and harmonise support for the strategic areas of the group and to ensure effective, integrated processes at a global level"

- Marcin Nowak, Head of Ammega Global Business Services.





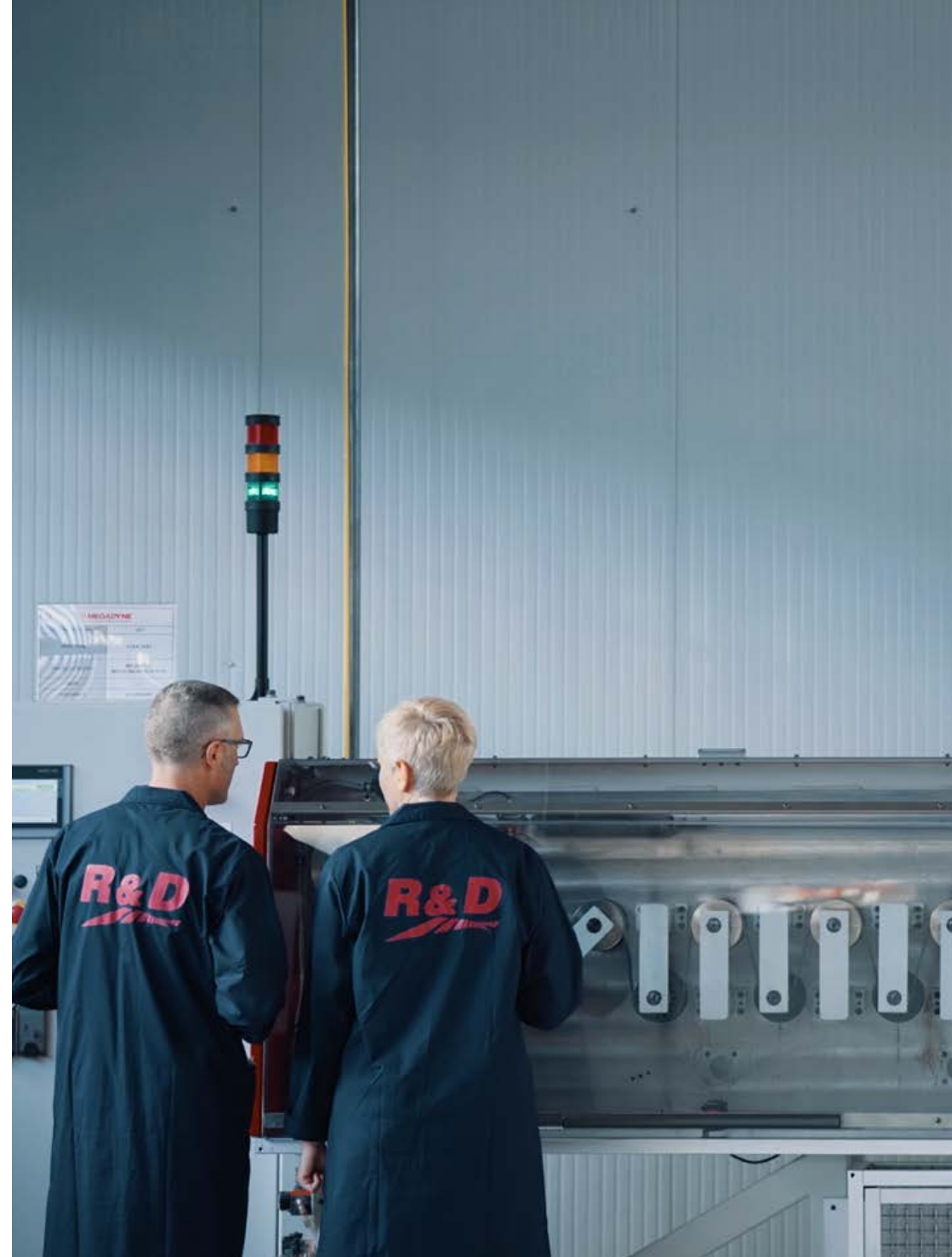
# VISION

We aspire to be the local partner of choice for sustainable belting solutions around the globe.



# MISSION

- To be a global leader in product quality and local service excellence.
- To fully enable the most dedicated, knowledgeable and creative team in the industry to continue to differentiate through innovation and services.
- To excel in management performance and operational efficiency in order to deliver sustainable value to all our stakeholders.
- Drive digital as a business creator.



# VALUES

## CUSTOMER CENTRICITY

We are customer-centric because we know that we succeed when our customers succeed and that customer satisfaction – which we measure – drives customer loyalty.

## PEOPLE FOCUS

Our carefully selected people, experts in their fields, are our most valuable resource, working together as one company creating our unique advantage.

## ENTREPRENEURSHIP

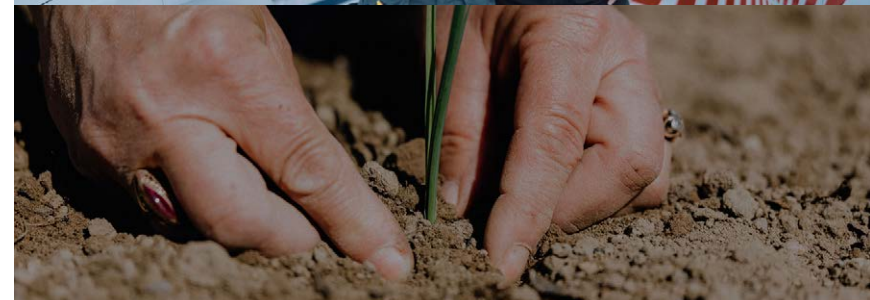
We encourage entrepreneurial thinking and empower our people to take intelligent risks and make sound decisions.

## AGILITY

Speed is a key driver in our industry. We aim to respond quickly towards our customers, optimising our delivery time and making fast decisions at all levels in our organisation.

## 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.





# - Partnerships, Initiatives and Memberships

Ammega participates in numerous initiatives and is a member of many organisations that promote and maintain accountability and excellence in the industries in which it operates.

Significant partnerships and memberships:



United Nations Global  
Compact Signatory



EcoVadis



European Hygienic  
Engineering & Design  
Group



European Federation  
of Corrugated Board  
Manufacturers



NIBA – The Belting  
Association



The Power Transmission  
Distributors Association



EMEA Power Transmission  
Distributors Association



Gate The Association  
of the German airport  
industry



## - Our Approach to Sustainability

Ammega's overall vision for managing the ESG (Environmental, Social and Governance) impact that we cause or help to cause is to monitor that impact through dedicated management systems, and to integrate processes and policies across the organisation in order to address it.

We take our social responsibility seriously and strive to do business in a way that minimises the negative impacts and maximises the positive value creation objectives for our external stakeholders, our employees, the environment, and the society in which we operate.





As a signatory of **UNGC** (United Nations Global Compact), we frame our commitments, goals and targets to the relevant UN Sustainable Development Goals in order to link our priority areas to globally recognized terminology and frameworks.

Among the 17 goals, Ammega has incorporated the objectives outlined by **SDG3**, **SDG8**, **SDG9**, **SDG12** and **SDG13**, as these are most fitting to our business and the areas that we can influence.



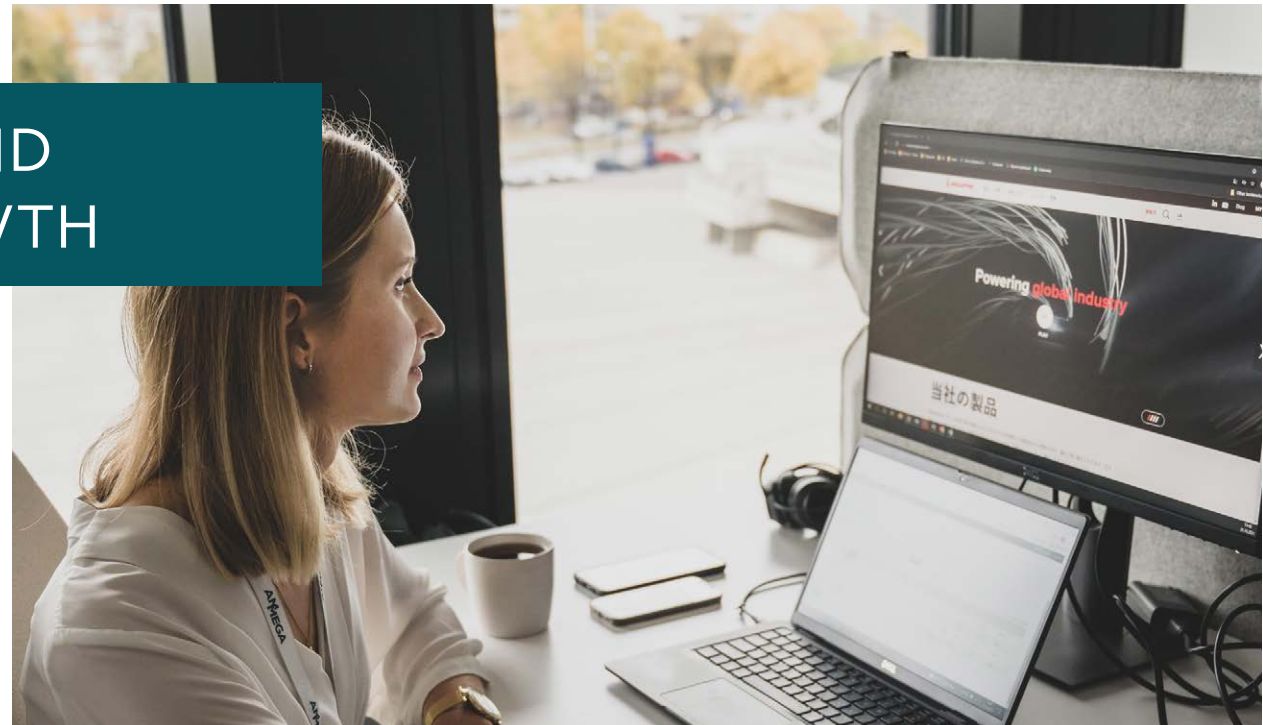


## SDG3 - GOOD HEALTH AND WELL-BEING

Safety excellence is our key responsibility and commitment to employees and stakeholders. We want every employee to return home as healthy as when they arrived at work in the morning. We are also dedicated to improving the impact our company has on the environment and society.

## SDG8 - DECENT WORK AND ECONOMIC GROWTH

Ammega believes that sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards.







## SDG9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE

Ammega believes that inclusive and sustainable industrialization, together with innovation and the proper infrastructure, can unleash dynamic and competitive economic forces that generate employment and income.

## SDG12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

Ammega knows that what at first seems like challenges can become opportunities, and that limitations can lead to amazing innovations.





## SDG13 - CLIMATE ACTION

It is Ammega's responsibility to constantly work to reduce its carbon footprint and to make improvements in its operations that will benefit humanity and our planet.

Building on our Group-wide ESG vision and commitment to creating positive effects on society and the planet, we track the progress and impact of our sustainability initiatives by using various metrics and key performance indicators, in order to keep improving the results from these actions.



# - Our Strategic Priorities



# HUMAN RIGHTS



Received three hundred (70% of all suppliers) acknowledgments of Ammega's Responsible Sourcing policy – addressing how suppliers should meet health & safety, human rights, ethical and environmental standards, and contribute to the sustainability of the supply chain



Rolled out e-procurement tools, including the supplier scorecard



Established and implemented our Human Rights policy, and trained of all employees to ensure that they know and apply the policy and its principles in their daily work







# LABOUR



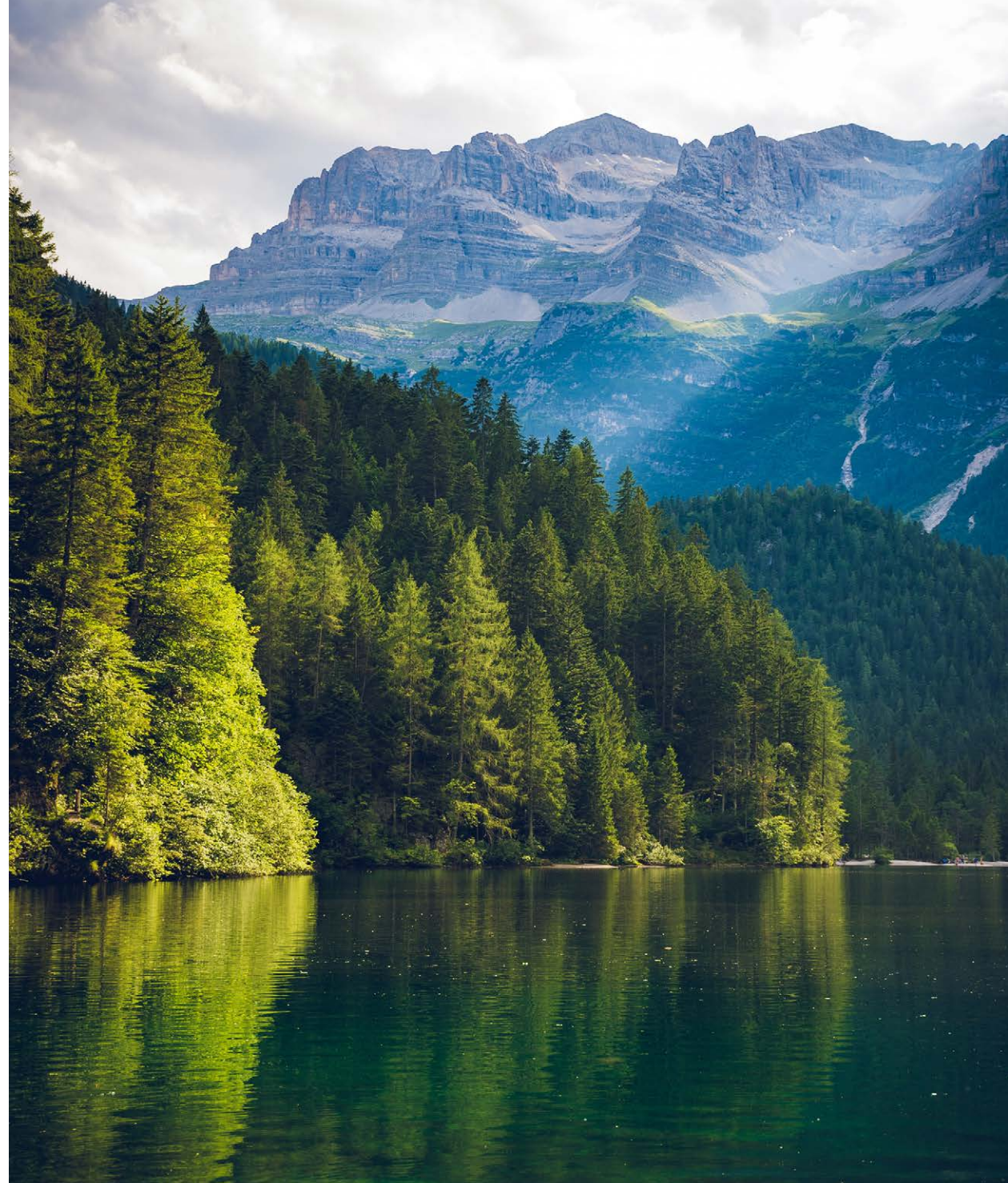
- Reduced the **Lost Time Injury Frequency Rate** by 20% in 2021 vs 2020
- Completed an external **Health and Safety Audit**
- Implemented the **HSE Software**
- Consolidated all the **HSE Data**
- Completed **ERM external assessment**
- Established a **PPE policy**
- Set up **Regional Safety Committees** across all the Regions
- Updated **Golden Rules** and **HSE Reporting Guidelines**, implemented **Golden Rules** in all branches of the company
- Completed **HSE self-assessment**
- Distributed a **group-wide survey** on merger and integration perception
- **MAP** – implemented My Ammega Plan; a new tool for employee evaluation and employee development
- **OHI** – Piloted the Organisation Health Index and carried out research on selected company locations in several regions. From 2022, each branch of the company will take part in the survey



# ENVIRONMENT



- **Consolidation of data** on CO<sub>2</sub>, waste and water use
- Creation of **standardized global template** for CO<sub>2</sub> monitoring
- **Development of a range of projects** that improves the company's environmental impact and reduces the carbon footprint of the Ammega Group
- **Training and workshops** for employees to raise their environmental awareness and reduce unnecessary waste generation or consumption of energy or water





# ANTI-CORRUPTION



- A commitment to **transparent business** practices
- **Mandatory training** for all employees on company policies, including our Code of Conduct, anti-corruption policy, "Speak Up" policy, and conflict-of-interest policy



## - ESG-Related Risks

**ESG-related risks** are those related to environment management practices, working and safety conditions, human resources management practices, respect for human rights, anti-corruption and compliance to relevant laws and regulations. The ESG-related risks and respective mitigations identified by the Group, among our wide coverage of business-related risks, are as follows:





# HUMAN RIGHTS

## RISKS

A potential lack of respect for human rights.

## 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.



# LABOUR

## RISKS

The potential for injury or health risk at work, as well as the possibility of violating local, regional or national health & safety codes.

## MITIGATION

- We promote a collaborative and healthy work environment through our "People-focused" principles.
- The global health and safety director is responsible for monitoring compliance with local law and supporting and stimulating awareness within the Group.
- We evaluate every incident and implement any corrective measures necessary.
- We have implemented a number of policies, regulations and self-protection measures as well as the possibility of remote work in connection with the COVID-19 pandemic, so that the health and the lives of our employees are protected to the best of our ability.





# LABOUR

## RISKS

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

## MITIGATION

- We have a structure in which the CHRO provides appropriate advice on local issues when necessary.
- Local management is subject to conditions and general principles laid down by the Group.
- We select employees and board members based on their qualifications, irrespective of race, sexuality or gender.
- Work councils are present and trade unions are consulted, according to local regulations, on important issues (e.g., re-organisations, working conditions, health & safety matters).
- Systems and procedures are in place to ensure that the Ammega Group is in compliance with the requirements of the EU's General Data Protection Regulation (GDPR).
- We promote the development, coaching and training of our employees through centrally and locally organised training activities.



# ENVIRONMENT

## RISKS

The difficulty of keeping up with ever-increasing environmental regulations, particularly those involving raw materials used in production (e.g., REACH, an EU regulation on chemical substances).

## MITIGATION

- That we've made "Responsibility" one of our pillars is an indication of how committed we are to reducing our ecological footprint by using less environmentally harmful materials in the production process, and raising environmental awareness with our suppliers, customers and employees.
- The companies in the Ammega Group strive at all times to work within the rules of the international certification standards as set out in ISO 14001, and the Group remains compliant with REACH as well.
- We always consider the environment when making investment decisions, especially around manufacturing.
- Our Environmental Policy tackles various critical environmental topics (recycling, air and water purification, energy efficiency and minimising the use of harmful chemicals and CO<sub>2</sub> emissions).





# ANTI-CORRUPTION

## RISKS

The potential for corruption, bribery and other unethical business practices.

## MITIGATION

- We created a hotline within Ammeraal and Megadyne where violations or suspected violations of the Code of Conduct can be reported.
- We provide e-learning to all Ammega's employees in terms of Anti-corruption.



# ENVIRONMENT





# Our Sustainable Products and Solutions

As a Group, we are strong believers in the power of **Research and Development** as a tool to move innovation forward and deliver top-quality products to customers. Research and development have always been one of our main pillars, our continuous investment in R&D enables us to realise ambitious projects and be the leader in the development of environmentally friendly belting solutions.

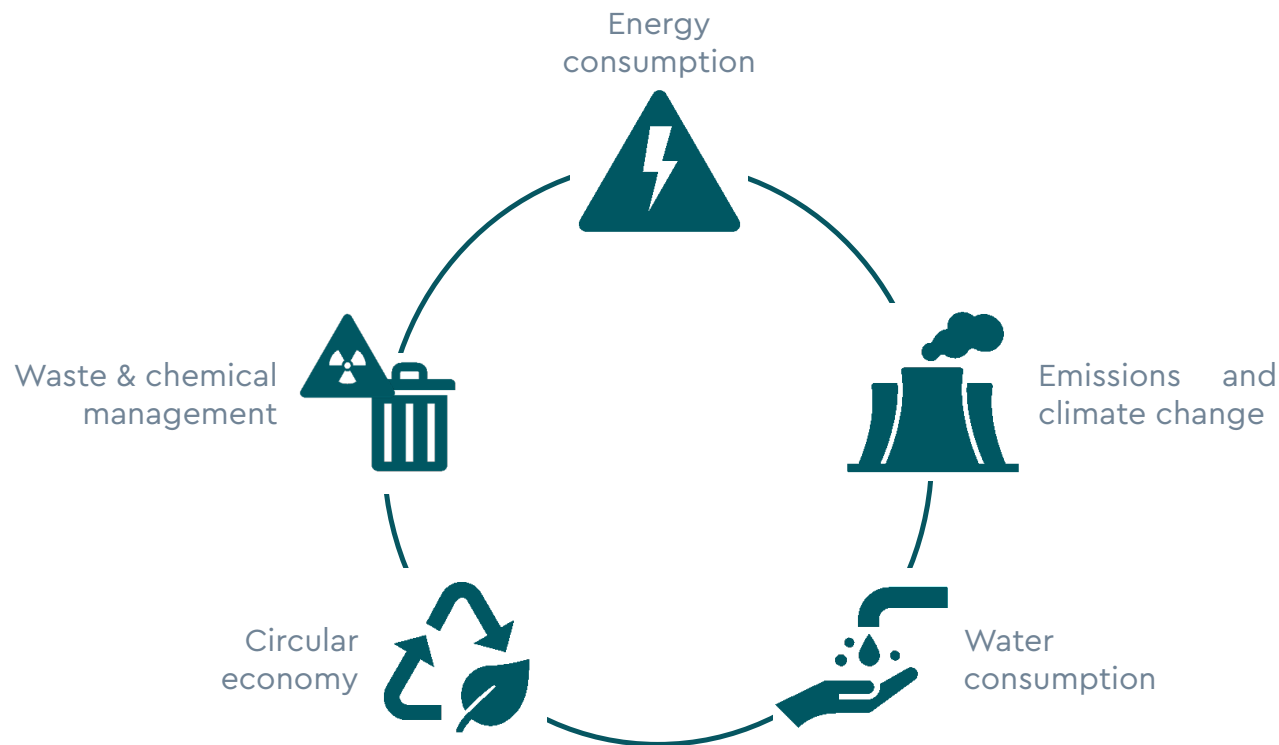
We share best practices across the Research and Development (R&D) departments of Conveying Solutions, Power Transmission Solutions and Fluid Power Solutions. The Research and Development teams work in close collaboration across Italy, Spain, the Netherlands and Denmark, and this plays a vital role in the Ammega Group's ongoing efforts to be the sustainable technology leader in the market.

We are committed to increasing **sustainable purchasing** from our customer base by maximising product sales that come from our more environmentally friendly product range.



# Environment

The Ammega Group is committed to minimizing the environmental impacts of its activities, creating long-term value and reducing risk for its business, customers and stakeholders. We conducted baseline assessments of CO<sub>2</sub> monitoring, waste, and water use; we also actively monitored and managed the following environmental areas of focus:



Over the past year, we collected the following data: energy consumption, CO<sub>2</sub> and air emissions, total weight of carbon footprint, water consumption and total weight of hazardous waste and non-hazardous waste.



# - Our Approach

The **Group's Environment Policy**, established in 2020, outlines our various commitments to the environment. It is part of a mission to set responsible sourcing standards by collaborating within the Group, innovating, and embedding responsible sourcing into our business processes. We distributed this policy in 2020 across all of our businesses.

Our main production sites are **ISO 14001:2015** certified (8 out of 24 sites in Switzerland, Spain, Italy, India, Turkey and the US), and we are committed to having all of them compliant with the standard by **2025**.

Each site is responsible for managing its own EMS, its own policies, its environmental impact and its on-site roles, as well as its responsibilities to comply with any national and regional laws and regulations. It must report to the Board on any progress, incidents, achievements and learning opportunities related to its overall performance regarding the environment.

Each site is also responsible for providing up-to-date environmental training through its environmental representatives, who must organize in-house environmental and awareness trainings and refresher courses if needed, as well as maintain records on training course attendances and communicate any legal changes annually.

The Group also adheres to the **REACH regulation**, to help reduce hazardous materials within the production process.

# - Energy Consumption and Emissions

A commitment towards 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 committed to reducing our energy consumption through targeted measures, performance evaluations and clear objectives.

## - Our approach

We actively monitor the consumption of CO<sub>2</sub> at all sites, and use this data to calculate our carbon footprint. In addition, we monitor emissions of sulphur dioxide and other significant atmospheric emissions for all regions, and report on them.

The Group monitored all energy consumption across all sites, who must report on their CO<sub>2</sub> and energy use on a monthly basis, and is committed to pursuing this activity for the years to come.

All new technology installations and maintenance programs are carried out with energy efficiency as a priority. This includes replacing traditional light bulbs with LED bulbs, using energy-saving computer monitors that have energy-efficient compressors, and carrying out scheduled maintenance to avoid any loss of efficiency.





**We are monitoring our annual progress on the following objectives:**

- Improving the Ammega Environmental Policy, which is reviewed on a yearly basis
- An investment plan for the next three years, reducing electricity and gas consumption for the entire Group, in accordance with the Paris Agreement, for the most energy-intensive units
- Improving energy efficiency across all operations
- Reducing greenhouse gas emissions across all operations
- Reducing energy consumption per unit of product sold on average across all business units
- Increasing the energy efficiency of Ammega belts
- Ensuring that all of Ammega production sites act in compliance with SDG 9 and SDG 12
- Consolidating emissions data on a Group level in order to develop a Group-wide baseline

## Electricity Usage – Group level

2019 – baseline	2020	2021
100	97,1	106,2

## Natural Gas Usage – Group level

2019 – baseline	2020	2021
100	99,7	116,4

## Carbon Footprint – Group level

Scope	2019 – baseline	2020	2021
1	100	96,9	111
2	100	99	107

Data expressed as an index (%) where 2019 is considered the baseline.

The value achieved in 2019 is considered to be 100%.



## - Water Consumption

### Commitment towards responsible and efficient water use management

We are committed to protecting the local environment by **reducing water consumption** across our organisations, by installing and maintaining water-saving measures to limit usage, as well as reducing wastewater discharges. Our main interactions with water include water withdrawals from the well or directly from the aqueduct, and water discharges.

## - Our approach

We minimise our water-related impacts through the following **actions**:

- Having all sites monitor their wastewater discharge
- Implementing storm water emergency procedures at all sites in order to ensure a quick and proper response
- Having all business units report their water consumption on an annual basis
- Having business units install water-saving measures

Each production site respects all applicable laws and regulations in relation to water withdrawals. The Group's business units report on their water consumption on an annual basis. Water is an important resource for us; at each site, where required, legal authorisation is obtained for the use and discharge of water, and periodic checks on the water are made.

The Group tracks the water stress from each country in which it operates and classifies the various water stress levels from low to extremely high.

We are monitoring our annual progress on the following objectives:

- Decreasing water withdrawals from the local supply on average across business units
- Consolidating water-use data on a Group level in order to inform the development of a group



# - Waste Management

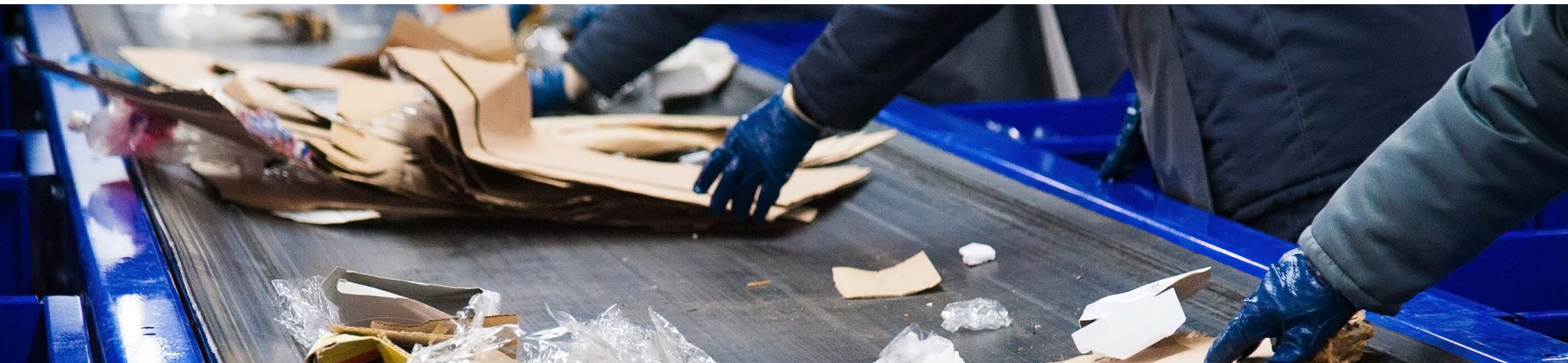
**A commitment towards reducing waste with an emphasis on hazardous waste.**

We are committed to fostering action on the production and treatment of waste. When creating new products, we focus on durability, safe materials and energy efficiency, along with quality, of course, keeping our clients' best interests in mind while reducing our environmental impact.

## - Our approach

We monitor the weight of hazardous waste, non-hazardous waste, municipal waste and other waste, and require all business units to operate waste management systems for the safe disposal of hazardous waste and to facilitate the sorting process for recycling and re-use projects. Site locations must report to the Group Executive Committee on progress, incidents, achievements and learning opportunities related to Ammega's environmental performance related to waste management.

We are also actively phasing out hazardous chemicals in accordance with REACH in order to reduce the use of hazardous materials in production, the generation of hazardous waste, and the potential for spills. We are further safeguarding the health and safety of our clients by providing them with up-to-date information on the materials present in our products.







### Triple-R Principle – Recycle, Reduce, Re-Use

This principle was implemented to ensure the efficient use of resources in our production process and products by strengthening material stewardship, particularly in the business units' selection of input materials, and by reducing production waste. It entails the following actions:

- Redesigning how material is used to facilitate the re-use of production waste and recycled materials in the production process
- Conducting research and development to optimise the efficiency of products that require less raw materials and inputs
- Streamlining operations by cutting unnecessary waste

**Specifically, we are monitoring our progress annually on the following objectives:**

- Decreasing production waste
- Decreasing hazardous waste
- Reducing the linear scrap rate
- Increasing the percentage of recycled materials used in our products
- Consolidating waste data on a Group level in order to inform the development of a Group-wide baseline

	2019	2020	2021
Total scrap rate	6%	9%	3%





## SOCIAL



# A Letter from the Chief Human Resources Officer

---

"Ammega is a **high people-focused organization**. We believe that our employees, experts in their fields are our most valuable resource and working together as one company, we create our unique advantage for society.

The two last years have been a challenging time when we have faced unexpected obstacles. These years have been a real examination of our support for the wellbeing, safety, and health of our employees and their families. I can proudly confirm we have succeeded on this journey. Our COVID procedures have been constantly adapted to the ever-changing situation in the world, as well as within each region in which Ammega operates. The company introduced the **Golden Rules for Health and Safety at Work** and all our worldwide team have followed them at work.

The year 2021 was full of many initiatives, the goal of which is to build a feedback-based, transparent and people focused organisation. We conducted a pilot study of the Organizational Health Index, introduced the My Ammega Plan employee evaluation system, and launched the first employee development programme – **Ammega Future Leaders Expedition**. Last year, we significantly reduced the LTIFR. Our goal is continuous improvement in this area in the coming years. Safety first, at all times! We believe that our company employs great people who make all our ambitious plans a reality."

**SONJA HOEIJMAKERS**

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# Our Long-Term Vision

Being a large multinational organisation with around 6,000 employees, we are committed to offering the **highest standards of safety and wellbeing** for each one of our employees. We foster, cultivate and preserve a **culture of diversity, equity and inclusion**, are an equal opportunity employer and comply with all applicable federal, state, and local fair employment practices and laws.

Our people are the cornerstone of our success and our greatest asset, which is why our talent acquisition and retention strategies are focused on the development of KPIs related to **talent management**, whose monitoring will be the starting point for a focused action plan aimed at improving our attractiveness as an employer and our ability to implement preventive tools to reduce the loss of key resources and minimise its impact.

Our strategic approach to human resources management focuses on quality and continuity, providing an atmosphere of integrity, cooperation, and innovation, at all levels of our operation.

The daily HR activities are performed in a decentralized manner by the Group companies who comply with applicable local regulations related to human resources while also adapting to local cultures and working to meet the Group's HR strategy objectives.

## - Our approach

Commitment towards a safe workplace and ethical business practices.

Our Code of Conduct provides the basis for ensuring a safe workplace, ethical business practices and the continued wellbeing and growth of our employees.



# Ammega's Human Resources Policies and Procedures

Group-wide **policies and procedures** detail topics such as welfare, professional and career growth, development, coaching and training.

- Anti-Discrimination and Equal Opportunity Policy
- Anti-Harassment Policy
- Hiring Procedure
- HSE Golden Rules
- HR Golden Rules
- Incident Reporting Guidelines
- Personal Protective Equipment Policy
- Fair Dismissal Policy
- Ammega Succession Policy
- Human Rights Policy





# Our Commitment Towards Employee Wellbeing

The topic of **employee wellbeing** is addressed through two main pillars; engagement activities and benefits and incentives. We offer our regular full-time and part-time employees a comprehensive benefits programme which is managed locally.

To assess employee perceptions and sentiments, we conducted an **employee survey**. Based on the feedback of our employees, we have set action plans to improve the organisational health of our company.

**My Ammega Plan (MAP)** - In 2021, we introduced the My Ammega Plan, a performance management plan supporting clarification of the roles and responsibilities of our employees and the alignment of their individual targets.

The Group is compliant with local requirements regarding the consultation of works councils and trade unions regarding important issues such as re-organisations, working conditions, health and safety.

Our **Anti-Discrimination and Equal Employment Opportunity Policy** sets the principles for our diversity initiatives and the encouragement of a respectful, collaborative work environment and promotion of work-life balance.

We align our adherence to measures against discrimination, harassment, and child or forced labour with all relevant legal requirements and with the standards of the International Labour Organization to promote rights at work.

With regard to the hiring, retention, promotion, compensation or work assignments of employees, 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 responsibility or social or ethnic origin.

# OHI

## – Organisation Health Index

OHI is an exhaustive assessment of an organisation's effectiveness and its management's performance based on an organisation-wide survey. It's a tool that numerous public and private sector bodies have leveraged in order to benchmark their company's health, align around core areas of improvement, and improve overall organisational performance.

The survey scores a number of things, including leadership, continuous improvement capabilities, talent attraction and retention, and customer insight. Ammega is now adopting an OHI to improve its strategy for the future.

In 2021, Ammega conducted an **OHI pilot study** at several of its locations. The results obtained became a good foundation for introducing improvements. This year, the OHI study will be extended to the entire organisation and its results will significantly help shape the dynamic development of Ammega.







# Our Commitment Towards Growing our Workforce and Talent Development

The **Group's Hiring Procedure** aims to guarantee that the search and recruitment process is carried out properly throughout the Ammega Group. Furthermore, we have been defining a **Group-wide Recruiting Policy** to meet the organisation's personnel needs to achieve our strategic goals and results. As a Group, we help raise our employees' skill levels and capabilities through appropriate training and competence development activities because the professional development of our employees is of paramount importance.

In 2020 and 2021, Ammega launched two leadership programs

1. **AMMEGA FUTURE LEADERS EXPEDITION – FOR MIDDLE MANAGEMENT**

This programme was introduced in November 2020 with the aim of developing **leadership** and **team – building skills** among Ammega employees.

- In 2021 – 10 participants; in 2022 – 12 participants.

2. **AMMEGA'S LEADERSHIP ACCELERATION PROGRAMME – FOR SENIOR MANAGEMENT**

This programme is a direct response to the need voiced during 2021 OHI pilot survey. The feedback received was to have more activities related to **personal and professional growth**. With this ambitious initiative, we set off on an exciting journey of **empowering our employees** to get ready to take on more senior roles in our company.

- In 2021 – 12 participants.

To do even better in supporting the development of employees and their talents, Ammega will introduce **AMMforce**, a new global source of data and processes for our employees, in 2022. This is an integrated all-in-one HR solution that delivers an efficient and consistent user experience for employees, managers and HR, connecting all people processes from hire to retire. AMMforce is the place where we will keep track of goals and performances throughout the organisation. It will, therefore, support the performance objectives listed in My Ammega Plan (MAP) as well.

## Ammega's Numbers



24 %



76 %

< 20  
Years

0.2 %

20–39  
Years

37.6 %

40–59  
Years

53.3 %

> 60  
Years

8.9 %





# Health and Safety

## - Our long-term vision

The Ammega Group's vision when it comes to health and safety is to reach zero harm by 2025. In the past year, we have made great progress towards this goal and have made significant progress in our ambitious five-year health and safety vision and strategy.

Our strategy is aligned with the principles of Sustainable Development Goal Number Three, which we use as a guide for success. We manage the reduction of various health and safety-related risks within our operations through strong policies, internal management systems and guidelines.

# - Our approach

Our **Health & Safety Policy** sets out all the actions put in place to improve health and safety standards within our operations. To oversee the coordination and monitoring of this policy, we have established an HSE Director who works in collaboration with the health and safety representatives of all of our Group companies.

In addition to complying with applicable national and local laws and regulations on the topic, we have established various **health and safety-related guidelines** including the Golden Rules of Safety on fire prevention and response and other relevant topics.



"We monitor progress by engaging with our employees worldwide and identifying any areas for improvement in safety, health and environment and quality management, by using the dedicated internal management system that we introduced, which all employees can use to record and report unsafe acts, working circumstances or near-miss accidents. Our employees are crucial for the success of our zero harm vision, which is why we are committed to ensuring that 100% of our employees receive site-specific health and safety awareness training."

**DAVID VINT**  
Global HSE Director

To facilitate the recording of any health and safety incidents and track progress, our **Incident Reporting Guidelines** describe the reporting guidelines, maximum response times and notification procedure for lost-time injuries, medical treatment, first aid cases, significant near misses, and damages.

Through our **Monthly Safety Walks** and via the issuing of Corporate Guidelines, we are actively reducing workplace health and safety risks and preventing any future injuries.

We have also implemented **Regional Safety calls** to determine progress on relevant concerns and training for all employees on the topic of health and safety risks and related matters.

We provide our employees with **health and safety training** during working hours, designed and delivered by certified external trainers for more specialised topics and by experienced employees for routine safety trainings. This training is offered in the local language and employees are compensated for their participation in the form of their regular hourly salary for hours spent in the training. Training needs are assessed according to legal requirements and when a new process or machinery is implemented or introduced. We evaluate the effectiveness of this training by measuring the improvement of health and safety KPIs and through the observations made during the monthly safety walks.

In terms of compliance, we detailed a **Personal Protective Equipment (PPE) Policy**, which made specific PPE mandatory in every Ammega facility, and we established site-specific guidelines in addition to any required annual training for all employees involved.





## - COVID-19

To prioritise the health and safety of our employees in light of **COVID-19**, we have adopted a prudent approach to the prevention and containment of the epidemic at all of our sites.

Ammega Group put the following **health and safety measures** in place:

- Temperature testing upon entry to facilities
- Enhanced sanitisation throughout the workplace
- Regular communication with employees
- Shift segregation
- Smart working for employees
- Restriction on external visitors
- Travel restrictions
- Social distancing and enhanced PPE
- Formation of a Crisis Management Team

The Ammega entities joined forces to ensure that all employees had access to **Personnel Protective Equipment** (PPE), such as face

masks, head temperature scanner, disposable gloves, safety glasses, hand sanitisers, and bleach for production sanitation while these items were in scarce supply.

Additionally, a weekly conference call with Managing Directors responsible for each of the company's divisions was introduced. During the meeting, cases of COVID-19 infection are discussed, as are those measures that have been taken to prevent outbreaks in the workplace. Global statistics and forecasts are also monitored and discussed so that Ammega can best protect the health of its employees and ensure business continuity around the world.

In late 2021, at the height of the second wave of the pandemic, Ammega provided a voluntary opportunity for all employees to undergo a COVID-19 antigen test before returning to work after the holiday season. Thanks to this action, it was possible to catch infected people in time, take care of their health and protect the rest of the staff from falling ill.



## - Main Risks In The Belting Industry

The **main hazards** present in belt manufacturing include exposure to chemicals and risks involving heavy machinery, forklift operations, cranes and hoists, machine guarding, manual handling and the use of hand tools.

Our monitoring framework is comprised of uniform metrics and targets that are benchmarked against established health and safety industry standards such as the **OSHA reporting standard**.

100% of our sites have emergency response procedures in place (e.g. spills).

In 2021, Ammega reduced LTR by almost 20% compared to 2020.





# Responsible Management of the Supply Chain

## - Our long-term vision

As a Group, we define our supply chain as the goods and services purchased and used in our operations, which includes both primary input materials such as fabrics, polymers, cords, chemicals, rubber materials and energy as well as industrial and professional services and logistics.

We are committed to **offering safe and innovative** conveyor, power transmission and fluid power **solutions** to our customers across a wide range of industry sectors by:

- Working with our suppliers to operate a lean supply chain
- Developing sourcing solutions to meet customer, regulatory and stakeholder needs and demands
- Creating long-term value while reducing business risks for the Group

# - Our approach

In order to align suppliers with our **key principle of responsible sourcing**, we ask that they meet the minimum health and safety, human rights, ethical and environmental standards.

We are a member of the **United Nations Global Compact** ("UNGC") and endorse the universal principles on human rights, labour, the environment and anti-corruption.

Our **Responsible Sourcing Policy** (RSP), updated and re-approved by the Group Executive Committee, outlines our values in regards to responsible sourcing.

We classify our suppliers based on type of spending (direct and indirect), including subcategories such as: Fabrics, Cords,

Chemicals, Polymers and Rubber. Following a risk assessment, our suppliers have been selected based on risk level and have been requested to acknowledge the Group's RSP.

Our RSP is embedded in our **Supplier Relation Management (SRM) programme**. On request, our suppliers have been asked to complete a self-assessment questionnaire, provide copies of all relevant information and demonstrate the efforts they are undertaking in order to meet the requirements of the Policy.

In order to ensure the highest standard of quality in products, structured procurement processes are adopted to research and select the best raw materials, combining quality and innovation. When selecting raw materials, we prefer to establish partnerships with the best suitable suppliers.





# - Assessment of Suppliers

## - Our long-term vision

Ammega is committed to ensuring that all of its suppliers follow legal requirements and take active steps to reduce any negative impact resulting from their processes, services and products, and encourages them to implement certifiable environmental and/or health and safety management systems, supporting these efforts and monitoring their overall performance. Ammega is actively promoting **sustainable supplier initiatives** to underline our ESG journey.

## - Our approach

In light of its earlier **Sustainability Reporting**, we have been formalizing and implementing procedures to gain more visibility on our suppliers, contractors and their affiliates regarding their respect for human rights, health and safety, ethics and environmental stewardship.

In this regard, we have implemented a **Supplier scorecard** in order to assess the performance of our key raw material suppliers based on the above-mentioned areas of interest.

We document various performance indicators such as the possession of any certifications (e.g. OHSAS 18001, ISO 37001, ISO 27000, ISO 9001 and ISO 14001) or the adoption of specific

policies and set future targets based on actual values. Through this assessment procedure, suppliers are assessed according to competitiveness, quality, improvement capability, risk, ESG & HSE and internal assessment (the relationship with the supplier in terms of amount spent with it, number of audits performed, etc.).

We aim to conduct supplier audits on every new qualified key raw material supplier to gain information on various elements and to ensure fit and alignment with current Group responsible supply chain values.

Based on these audits, we can require a follow-up with the supplier on agreed actions.

Our progress so far:

- On-boarded unique new key raw material suppliers
- Audited new qualified suppliers following a standard template used to assess new suppliers
- On-boarded of key raw material suppliers to our Supplier Relationship Management Programme
- Successfully homologated sustainable raw materials in our product lines
- Increased our coverage of suppliers, in terms of global procurement value with the Responsible Sourcing Policy

What's more, we are training production site buyers and employees involved in that process on the content of our **Responsible Sourcing Policy and Guide** in order to complete an ambitious vision and strategy for the Group.



# Support for Local Communities

## - Our long-term vision

As a Group, we highly value the **local communities** in which we operate and are committed to actively contributing to them through various philanthropic activities across our different companies worldwide.

## - Our approach

Our **community engagement and philanthropic efforts** are decentralized and determined by each local company. The types of activities in which we participate range from donations and fundraisers to toy drives, collaborating with local universities, volunteering and more.

Over the years, we have supported and sustained local communities with donations to and sponsorships of non-profit organisations which care for children and adults with serious chronic diseases and disabilities or are aimed at the social inclusion of vulnerable people. We have supported several local associations and foundations through sponsorship and donations. Moreover, we made donations to the National Cancer Fund of the Netherlands and to NGOs that concern themselves with the psychological aspects of physical diseases.





# Ammega – Gold sponsor of the Swiss Rohner Bulls bobsleigh team

Ammega is supporting the Rohner Bulls Bobteam, located in Zug, Switzerland. The team is now in competition mode. Why sponsor bobsleighbing? The comparison with Ammega is obvious: Young | Ambitious | Vision and Mission to become World Leader | Moving with Speed and Agility | Home in Switzerland. Currently, the Rohner Bulls team is achieving excellent results in this new season. As a company, Ammega strongly identifies with their ambition to become World Champions.





# GOVERNANCE



# A Letter from the Chief Compliance Officer

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"The **responsibility for ethical and professional behavior** must be taken seriously – by everyone, in every area of our organisation. All of us are committed to upholding and maintaining the AMMEGA's reputation to sustain public trust and maintain investor confidence.

In Ammega, we have one set of values and one standard of expected behaviors, defined in our **Code of Conduct**. This Code provides the complex guidelines to help our employees make the right choices. Professional ethics and compliance are the backbone of our culture, defining who we are and how we treat our stakeholders. Our words and actions demonstrate leadership and build trust with colleagues, clients, target markets and the public. To maintain the highest standards possible, we are: drafting policies and protocols; training the workforce; creating processes to identify areas for improvement in compliance; strengthening our SpeakUp® reporting processes; and managing risk assessment through our Compliance Committee.

The evolving scope of ESG-related obligations and commitments will dramatically increase the breadth, scale, and importance of compliance. Consequently, the Ammega team places governance at the cornerstone of its endeavours. As the economy, society and our natural environment all enter a stage where good will changes to great will, I myself will lead the way in making changes with a sense of urgency. So, let us strive together!

Ammega will be ready when voluntary standards become mandatory, as lawmakers and regulators codify new rules."



ALESSANDRO GILI

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# Ammega's Group-Wide Policies

Group-wide **policies and procedures** include such items as:

- Anti-Corruption Policy
- Antitrust Policy
- Code of Conduct
- Conflict of Interest Policy
- Eco Sanctions Policy
- Global Human Rights Policy
- Modern Slavery Act
- Responsible Sourcing Policy
- Travel Policy
- Treasury Policy
- SpeakUp® Policy



# Our Approach

Our **Code of Conduct** elaborates on how employees and collaborators (e.g., suppliers and subcontractors) should behave as well and describes our stance on topics such as corruption and bribery, competition law, data protection, the environment, the community, health and safety and product safety, and contains our whistleblowing policy.

Our **Anti-Corruption Policy** touches upon the deterrence, prevention and detection of bribery and corruption and is aligned with the principles of the Code of Conduct. It is approved by the Group Executive Committee and is reviewed at least annually to ensure that it is appropriate, adequate and effective. Its purpose is twofold:

- To set out the responsibilities of the Ammega Group and of those working for, and with, the Ammega Group in observing and upholding the Ammega Group's position on bribery and corruption
- To provide information and guidance to those working for the Ammega Group on how to recognize and deal with potential or actual acts of bribery and corruption, in order to ensure that the Ammega Group and those working with the Ammega Group, comply with all applicable legal obligations.





## ETHICAL AND RESPONSIBLE BUSINESS MANAGEMENT

**Ethical and responsible business management** is at the core of our values and business activities and is promoted and integrated within the business through various policies and frameworks, both at the Group level and in line with national legislations and country-specific topics of interest of the Group's various entities.

## OUR CORPORATE GOVERNANCE MODEL

At Ammega, the effectiveness of our operations depends on the efficient management of our business through a strong governance model, supporting value creation for our stakeholders in the short term and long term.

The **corporate governance model** we have adopted nurtures collaboration between our members and fosters the principle of transparent management.

Ammega's governance model includes three main bodies: the Supervisory Board, Group Executive Committee and the Operational Committee, who are responsible for the management, administration and general affairs of the Company as well as its subsidiaries, and who supervise the Group's Policies and general business.

## RISK MANAGEMENT

As we focus on defining our Group-wide strategic goals, mission and vision, we also apply our values and their supporting behaviours in the **Ammega Business Control Framework**, while making use of processes already in place.

Our risk management approach involves mapping and addressing various risks such as operational risks, management risks and others.





# EcoVadis Rating



We collected the relevant data to submit to the Ecovadis sustainability assessment, providing a wide range of information related to our environmental, social and ethical performance.

In 2022, Ammega was awarded a **Platinum EcoVadis Medal**, scoring 76 out of 100 points and ranking in the top one percent of the companies that joined EcoVadis. Since our previous evaluation, the company had made significant progress in each of the four evaluated categories: Labor and Human Rights, Sustainable Procurement, Environment, and Ethics. This progress resulted in a boost to Ammega's rating from Bronze to Platinum Medal status.

Ammega oversees and has responsibility for environmental, social and governance issues, and is committed to integrating these principles into its long-term strategic vision. This rating is the best evidence that our policy statements on these issues are being performed and respected throughout the organisation.



In 2019, we published our first **UN Global Compact Communication on Progress** as a Group, reporting on our commitment and progress on the UN Global Compact Principles. Since then, the report has been published annually.

Our **Responsible Sourcing Policy** communicates how we work with our suppliers and value collaboration with them in order to meet the required health and safety, human rights, ethical and environmental standards.

We adhere to the **United Kingdom Modern Slavery Act 2015** in our UK- based subsidiaries.

In 2021, we implemented the **Human Rights policy**, which includes the company's position and rules of conduct for employees, so that in their daily work they always treat others with due respect and dignity. This year, we also published the General Terms of Cooperation on the website.

Lastly, our Italian entities adhere to the **Organisational, Management and Control Model** prescribed by Italian Legislative Decree 231 of 2001, which is elaborated in company-specific documentation such as, for example, the Code of Conduct.





# Product Responsibility

**Our commitment to innovation and product development – focus on food safety and sustainable solutions**

We launched new ranges of products catering specifically to the food industry, such as the Ropanyl Premium Plus belts and Ultra Clean Belt (UCB). Our new range of Ropanyl Premium Plus belts deliver best-in-class non-fray performance and non-stick properties, the highest flexibility behaviour and a longer belt life.

These leading-edge capabilities reduce fabric-to-food contamination, ensure a seamless product transfer between two conveyor systems, and generate reduced maintenance costs for our customers, all while preserving food safety and product quality in line with all international food standards.



# UltraClean Belt (UCB)

The UCB is setting **new standards in food safety** for modular belts. The hygiene-focused design features hybrid hinges which make it a prime choice for moving foods of all kinds, from meat and fish to bakery items.

It is easy to operate, maintain and clean, and meets demands for a low CO<sub>2</sub> footprint, lower water and cleaning chemicals consumption, as well as a reduced manpower requirement for maintenance.

The UCB is also remarkably lightweight, allowing substantial energy savings over previous models and enabling Original Equipment Manufacturers (OEMs) to design lighter conveyor systems.

While being lightweight, the UCB is nevertheless a strong belt and can transport over one ton per metre width, making it extremely efficient.



**Superior**  
Food  
Safety



**Less**  
Detergent



**Less**  
Water  
Consumption



**Faster**  
Cleaning



**Less**  
Downtime

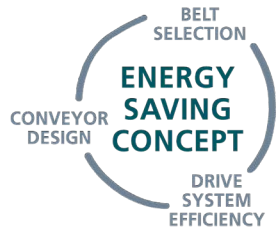


**Reduced**  
Costs



# Our commitment to innovation and product development

– focus on airport and logistics industries



We launched a specially formulated dry fabric treatment for airport and logistics industries to help the sector face growing pressure to **reduce energy consumption and emissions.**

The AMMdurance technology, when applied to the underside of the Group's proven EX low-noise fabric, reduces friction between the belt and the underlying machinery, which enables reduced power usage. Ultimately, this product provides superior durability combined with stable, long-lasting performance.

We have also made a commitment to innovative product development with a specific focus on state-of-the-art technology; this has also been expressed through parallel work our engineers have been doing in developing new solutions, such as bringing the Internet of things into the belting industry.



- WE MAKE YOUR  
BUSINESS MOVE