2022 Sustainability Report

ALBANY INTERNATIONAL

May 2023

About Us

We are Albany International – a leading developer and manufacturer of engineered components, using advanced materials processing and automation capabilities, within two core businesses.

- Machine Clothing (MC) is the world's leading producer of custom-designed, consumable fabrics and process belts essential for the manufacture of all grades of paper products.

- Albany Engineered Composites (AEC) is a growing designer and manufacturer of advanced engineered composite components for engine and airframe applications for commercial and military aircraft, missiles and unmanned vehicles, and for renewable energy creation and distribution.

Through these two businesses, we support our customers in their drive to create more sustainable processes and end products by reducing energy consumption, enhancing resource efficiency, and improving fuel efficiency. We leverage innovation leadership, operational excellence, and the expertise of our talented, diverse, and engaged global team to drive sustainably positive results for our company and our stakeholders.

Albany International is headquartered in Rochester, New Hampshire, operates 23 facilities in 11 countries, and employs approximately 4,200 people worldwide.

Our Sustainability Commitment

Our values are rooted in sustainable practices for our business, our work environment, and our communities. Day-in and day-out, we are guided by our core values of safety, accountability, integrity, respect, passion, and innovation. We believe this is the right way to do business and is essential for building long-term sustainable value for our stakeholders and ensuring Albany International's long-term success.

By living our values, we strive to make a positive impact on the world and advance our three core sustainability pillars:

- Accountability for our role as environmental stewards
- Respect for our people and communities
- Integrity in how we govern our business

To implement these pillars, we created a Sustainability Council comprised of cross functional leaders from across the company, including finance, legal, human resources, technology, environmental, procurement, health and safety, and business unit representatives. Twice a year this Council provides a comprehensive update to the Governance Committee of the Board of Directors, which has oversight of environment, social and governance (ESG).

2022 HIGHLIGHTS

| $1.035B SALES REVENUE | 4,200+ EMPLOYEES GLOBALLY | $254M ADJUSTED EBITDA | 21 YEARS OF CONSECUTIVE DIVIDEND PAYOUTS |

ALBANY INTERNATIONAL

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Readers are cautioned that certain statements made by Albany International relating to sustainability and environmental, social and governance matters, including those included on its sustainability webpage or sustainability reporting (such statements, "Sustainability Statements"), may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include any statement that does not directly relate to any historical or current fact. Forward-looking statements may project, indicate or imply future results, events, performance or achievements, and such statements may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "will be," "will continue," "will likely result," and similar expressions. In addition, any statement concerning future performance, ongoing strategies or prospects, and possible actions taken by Albany International are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to a variety of risks and uncertainties, many of which are beyond Albany International's control, that could cause actual results to differ materially from those anticipated or projected. Developments in any of the risks or uncertainties facing Albany International, including those described in risk factors included in annual and quarterly reports and other filings with the Securities and Exchange Commission ("SEC") made by Albany International, could cause results to differ materially from results that have been or may be anticipated or projected. Given these risks and uncertainties, readers should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made and Albany International expressly disclaims any obligation or undertaking to update these statements to reflect any change in expectations or beliefs or any change in events, conditions or circumstances on which any forward-looking statement is based.

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About this Report

This 2022 Sustainability Report contains disclosure of ESG metrics relevant to Albany International's business, as well as those aligned with the Sustainability Accounting Standards Board (SASB) standards for the Industrial Machinery & Goods industry. Given our significant aerospace composites business, we have elected to supplement this disclosure by reporting on certain relevant metrics from the SASB Aerospace & Defense industry standards. The reporting boundaries for the disclosure metrics include all parent and consolidated subordinate entities of Albany International Corp. This report covers ESG disclosures for Albany International for the period of January 1, 2022 through December 31, 2022, unless otherwise noted.

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Environmental Stewards

At Albany International, we are committed to continuing to introduce innovative products that help our customers improve their environmental footprint and the sustainability of their products and processes, while also advancing our focus on the impact of our own global operations.

Operational Environmental Impact

Albany International is committed to responsible stewardship of the environment and to implementing responsible and intentional strategies to continually minimize our environmental impact.

We used guidance from ISO 14001:2015 Environmental Management Systems to create our Environmental Policy and Standard. While all our facilities incorporate key elements of the ISO 14001 standard, four of our facilities are also ISO 14001:2015 certified.

Our corporate VP of Environmental, Health and Safety (EHS) has overall responsibility for our environmental program and regulatory compliance. In addition to corporate leadership, each facility has an EHS leader.

ENERGY AND GREENHOUSE GAS (GHG) EMISSIONS

Albany International's focus on operational excellence extends to our approach to managing our energy use and GHG emissions. We constantly strive to identify efficiencies across our own operations to reduce our emissions.

In 2022, we completed efforts to gather, aggregate, and report comprehensive and comparable information on the energy use and emissions across our 23 facilities in the 11 countries where we operate. In 2023, we continue to focus on the impact of our own operations by evaluating our risks and identifying actionable opportunities to drive meaningful improvement in our energy and GHG emissions intensity.

ENERGY MANAGEMENT

We are taking steps to reduce our energy use and increase our overall energy efficiency. In 2022, this took the form of initiatives by facility leaders. For example, one of our facilities recently changed energy suppliers to one with a higher mix of renewable energy. We are currently evaluating opportunities to enhance our energy reduction efforts across all our facilities, starting with converting existing lighting in plants to more efficient LEDs.

We also engaged a third-party assessment of the energy consumption at several facilities to provide recommendations on potential measures to reduce annual energy spend and emissions. Several areas for improvement were identified including equipment and systems upgrades to more modern, energy efficient versions, as well as identifying and executing maintenance/operating improvements. The assessment included a feasibility study of solar photovoltaic technology which Albany continues to explore in 2023.

ENERGY USE

	2022	2021	2020
Total Energy Consumed (GJ)	811,306	836,639	796,024
Energy Intensity (GJ/$Net Sales $000s)	0.78	0.90	0.88

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GREENHOUSE GAS EMISSIONS

We understand that to reduce our emissions we must first accurately track them. In 2022, we calculated our GHG emissions in accordance with the GHG Protocol for Scope 1 and Scope 2*. We also developed and integrated a global environmental dashboard to assist with tracking and monitoring emissions across the entire company. Now that we have an emissions baseline, we plan to evaluate and adopt meaningful and appropriate GHG reduction targets.
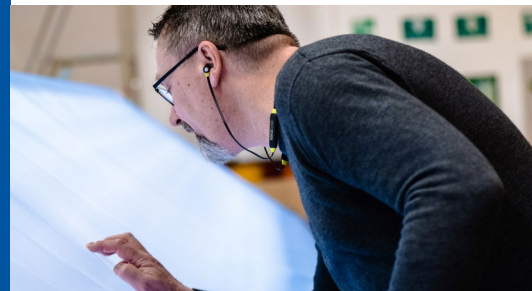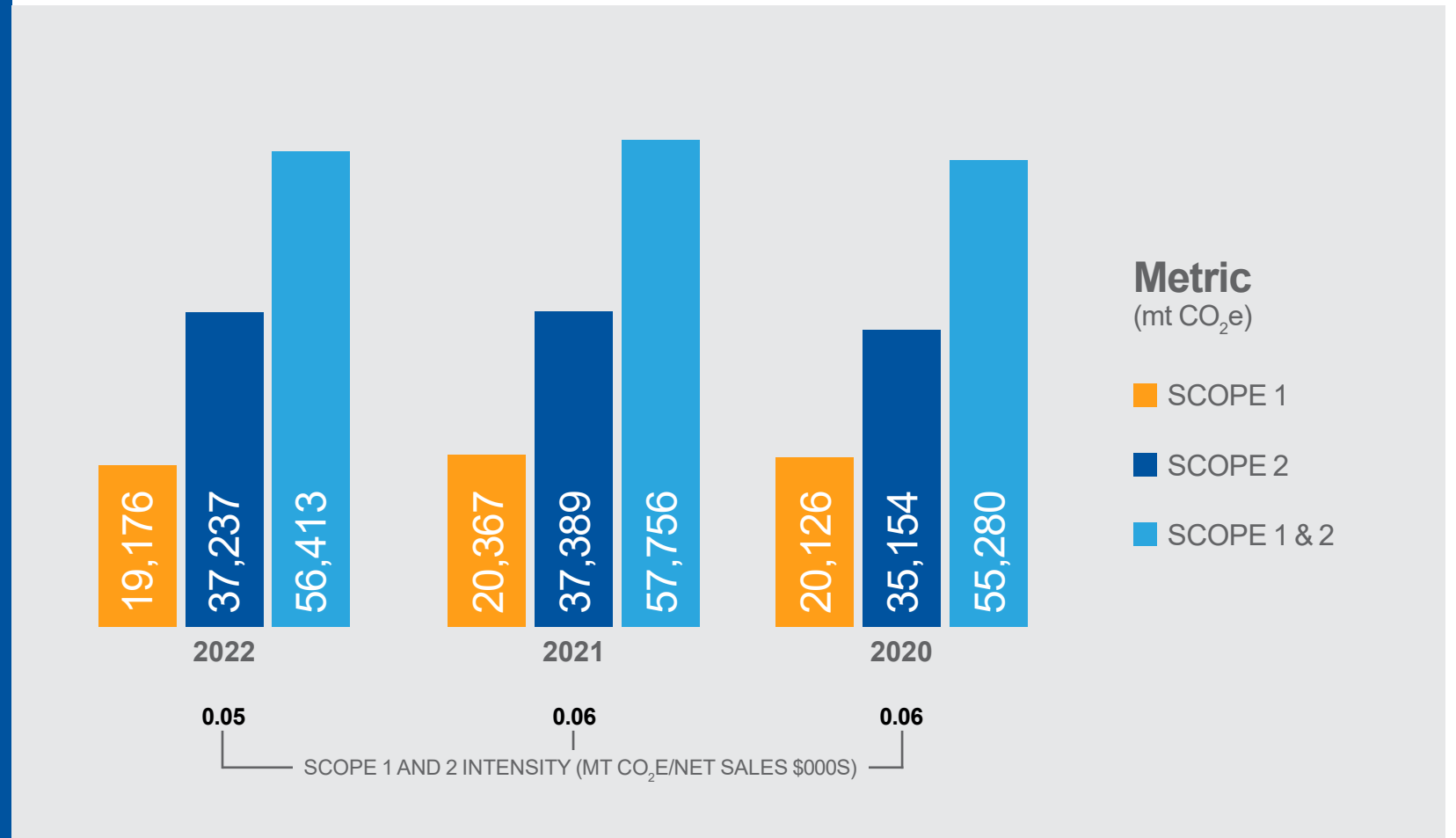
WASTE

We are committed to reducing waste, both from our own operations as well as our customers', and we continue to look for opportunities to reduce generated waste. For example, at one of our facilities we achieved zero landfill in 2022 through recycling or converting waste to energy sources.

In 2022, our MC business continued its partnerships with third-parties on key environmental projects including chemical recycling of regenerated fibers, developing innovative fiber blends, yarn spinning techniques, and mechanical textile recycling.

WATER

Water being an input into our manufacturing processes, we understand the importance of continually striving to reduce our use. At one of our facilities, we installed a rainwater harvesting system as well as wastewater treatment centers, while in another we built a water recirculation system to save water.

*In reporting its GHG emissions, Albany complies with the guidelines set out in the GHG Protocol. Reported Scope 1 and Scope 2 data rely on third party data providers and include a degree of extrapolation to reach 100% coverage.

Metric
(mt CO_2e)

- ■ SCOPE 1
- ■ SCOPE 2
- ■ SCOPE 1 & 2

	2022			2021			2020	
19,176	37,237	56,413	20,367	37,389	57,756	20,126	35,154	55,280

2022	2021	2020
0.05	0.06	0.06

SCOPE 1 AND 2 INTENSITY (MT CO_2E/NET SALES $000S)

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Our Products' Environmental Attributes

We support our customers in their drive to create more sustainable processes and end products, so improving our customers' environmental footprint is a key element of the products we design and produce.

MACHINE CLOTHING

Our paper machine clothing products enable our paper-making customers to reduce their own environmental footprint by reducing their energy consumption, improving resource efficiency, and helping maintain and improve water quality.

Energy is one of the top three cost components in the paper making process. Our Machine Clothing solutions use innovative technologies to reduce the amount of heat energy required for paper production.

And we are committed to continuing to innovate. We remain focused on developing and bringing to market proprietary products aimed at improving the energy efficiency and resource efficiency needed by our customers' products and production processes. These efforts include:

- Furthering the production of lightweight packaging with the same strength (reduced basis weight without performance reduction), resulting in less energy needed to transport products throughout the supply chain and more efficient utilization of wood fiber
- Developing technologies to reduce energy consumption of paper machines, reducing load demands by 10% to 15%
- Reducing belt contamination, resulting in fewer cleanings and lower water consumption
- Efforts targeting thermoplastic structures, which can be recycled

ALBANY ENGINEERED COMPOSITES

Weight savings that drive fuel efficiency are essential for aircraft producers. This fundamental design goal has driven the increased use of lightweight composite structures in an ever-broadening sphere of aerospace applications. Albany International has led the introduction of new, proprietary process technologies that enable additional weight savings in certain structurally demanding aerospace applications, which are currently served by heavier, metallic structures and for which traditional laminated composites do not possess the required structural characteristics. This 3D woven technology expands the role lightweight composites can serve as the next generation of aircraft is designed and built.

FUEL EFFICIENT PRODUCTS

Albany's proprietary 3D woven composite technology helps make the CFM International LEAP turbofan engine significantly lighter and durable resulting in a **15% better fuel efficiency**.

The use of composite parts in the Sikorsky CH-53K heavy-lift helicopter for the United States Marine Corps **improves fuel efficiency and extends the aircraft range**.

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Our People

At Albany International our talented and diverse people are truly our greatest advantage. We are unwavering in our commitment to nurture a thriving people-first, inclusive, and high-engagement workplace culture defined by mutual respect. We foster an inclusive environment where people are valued and can fully unleash their potential, enjoy their career and live the greatest employee experience. We believe in the power of open and transparent communication throughout the organization and endeavor to ensure our employees' voices are heard.

Talent Recruitment and Retention

At Albany International we believe in nurturing our bench strength and pipeline through talent acquisition to continue leveraging our success. Our talent management strategy focuses on a three-pronged approach: developing our internal talent, hiring the best talent from the market, and leveraging our internship program to identify and build the next generation of talent.

To develop internal talent, our talent management process focuses on identifying opportunities for career growth and development within the organization. We convey opportunities not only based on the talent needs of today, but also the future needs of Albany International. Our robust succession planning identifies potential internal candidates. For 89% of our critical roles[1] we have identified successors that are ready now or are on track for the future.

PERFORMANCE MANAGEMENT

Our performance management program provides a platform for planning and reviewing employee performance to ensure we provide an environment of growth and development. Our managers meet regularly with each team member to ensure a continuous feedback loop.

This program provides employees with a process to enhance their knowledge, skills, behaviors, and career experience at Albany International. The Career Path program aims to help employees:

- Assess their current career status
- Clarify their career aspirations and goals
- Understand the requirements of their desired roles
- Discover any gaps in their skills and knowledge and the development actions needed to close them

MENTORING AND COACHING

Our mentoring program boosts individual career development and builds a professional network that strengthens our talent bench and succession pipeline. We offer additional, tailored coaching programs to address specific individual development requirements as needed. Both our mentoring and coaching programs enable the transfer of skills, knowledge, and expertise from internal subject matter experts to mentees in a structured manner. These programs help high-performing employees accelerate their learning curve through individual mentoring.

[1]Critical roles are those which we have identified as requiring highly specialized skills, would be difficult to fill, or where our business would be negatively impacted if the role was left unfilled.

INTERNSHIP PROGRAM

Our summer internship program is a key component of our talent management and pipeline across the globe. Through this program we aim to further strengthen our talent bench, while developing a future generation of workers. This program provides opportunities for students to gain work experience, network with experts, and obtain industry knowledge that will help them further their career paths.

Since the implementation of our internship program, we have converted an average of approximately 30% of intern roles to full time hires. Some of the highlights of this program that we are particularly proud of include:

- One-on-one coaching by Albany International's top talent (within respective disciplines)
- Invitation to monthly career development trainings led by CHRO and top leaders

Employee Engagement

At Albany International, we make employee engagement a daily activity. Engaged employees contribute to a high-performance culture, grow profitability, boost productivity, and generate greater customer satisfaction and stakeholder value. Most importantly, engaged employees are happier and more fulfilled by their work. Our employee engagement strategy rests on four pillars:

1. **Leadership and Culture:** We strive to nurture an inclusive and equitable culture where diversity of experience, background and skills are valued, respected, and celebrated

2. **Employee Value Proposition:** The unique set of advantages that our employees receive for the value, knowledge, capabilities, and experience they bring to Albany International's success

3. **Growth and Development:** Strategic programs that enable employees to achieve their personal and professional goals and develop themselves to their greatest potential

4. **Work Satisfaction and Teamwork:** We strive for our employees to be excited to come to work and feel like they are making a difference as an integral part of the team

Each Albany International location creates and deploys an engagement plan based on our four pillars and incorporating local customs and cultural norms. Each facility has engagement teams and champions who lead their activities. These activities can be as simple as donating to a local food pantry or as elaborate as the "Summer Olympics" games that our Salt Lake City employees participate in every summer.

We understand our employees are our best sources of ideas, so we leverage our continuous improvement mindset to optimize our processes, products, and technology. We recognize achievements with quarterly and annual continuous improvement awards.

In addition, we also have a formal patent recognition program called Albany Technology Heroes. Albany International's unique technology sets us apart from our competitors. Throughout the year, our inventors who have filed patents are recognized for their valuable contributions with a plaque and monetary award.

Learning and Development

We are committed to enhancing the employee experience, which includes continuous learning and development to support our employees as they replenish their knowledge, unleash their full potential and reach their career aspirations.

We provide a variety of continuous learning opportunities through on-the-job training, virtual training, instructor-led training, and external learning opportunities.

Our learning management system provides our employees with more than 8,000 courses, in a flexible format, allowing them to participate in training when their schedules allow. These courses also include specific on-the-job training programs, leadership development programs (such as Albany Leadership Excellence Program, Albany Leadership Program, Leading at the Front Program, Empowering Women Leadership Network, and Supervisory Training Program), and monthly training offering on a wide range of topics such as safety, leadership, communication, ethics and compliance, remote work, emotional intelligence, project management and other cross-functional training. To advance our development program, we are currently developing customized curriculum training programs for specific functions and disciplines.

[2]As of March 1, 2023.

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Compensation and Benefits

Our Employee Value Proposition enables us to provide an outstanding Albany International employee experience and strengthen our high-performance organization. We ensure that all employees receive inclusive and competitive compensation, benefits, and total rewards for their critical contributions at Albany International.

We offer a comprehensive benefits package globally. For the U.S. this includes generous 401(k) match, paid time off, personal days off, health and dental insurance, pet insurance, reward and recognition programs, and strong commitment to work/life balance.

- **Parental Leave:** In the U.S., Albany International offers four weeks of fully paid parental leave for both birth and non-birth parents. This benefit applies to all parents with a new child, including through adoption, or foster placement.
- **Paid Leave:** All employees are expected to take time off from work to relax, rejuvenate, and reconnect. We offer full-time employees vacation and paid time-off (PTO).
- **Employee Assistance Program:** In the U.S., Albany International offers a comprehensive Employee Assistance Program that provides our employees a range of support, from guidance with financial or legal issues to dealing with stress both professional and personal.
- **Educational Assistance Program:** We recognize that the knowledge and skills of our employees are critical to the success of the organization. The Educational Assistance Program encourages personal development through educational courses typically through a college or university so that employees can maintain and improve job-related skills or enhance their ability to compete for other jobs within the company. The program reimburses employees up to 75% of the cost of tuition, fees and books upon successful completion of the course.

For additional information about the benefits that we offer our global employees, see our Careers webpage.

Diversity, Equity, and Inclusion (DE&I)

At Albany International, we strive to nurture an inclusive and equitable culture where diversity of experiences, backgrounds, and skills are valued, respected, and celebrated. We believe that an inclusion-based culture has the power to enhance innovation, nurture an environment where our people can reach their highest potential, and deliver the best solutions to our customers.

To further our DE&I impact, we formed a DE&I Council. The DE&I Council is sponsored by the CEO and led by members of the Executive Leadership Team, including our CHRO, and includes representation from all business units. The Council meets at least quarterly, and individual DE&I teams meet more often to work on priority projects.

The DE&I Council has prioritized these four areas:
- Communicating to employees about DE&I efforts
- Making DE&I a consistent topic in our external social media presence
- Creating an internal social network focused on DE&I
- Supporting and sponsoring individual DE&I champions and community activities

We identified four DE&I principles that guide us as we seek to further embed DE&I in the fabric of how we operate and interact with our people, our work environment, and our communities:

1. **Nurture Inclusion:** Creating an environment where all of our people are, and feel, valued and can contribute and unlock their full potential to achieve better business results
2. **Seek Diversity:** Leveraging new talent acquisition and retention strategies to attract diverse experience, skills, and expertise to create a high-performance organization
3. **Amplify Innovation:** Promoting a culture of shared ideas where everyone is open-minded and collaborative and leveraging diverse teams to develop breakthrough solutions in our products, operations, and customer service
4. **Empower Champions:** Providing programs and initiatives that encourage employees at all levels of our organization and across all roles to champion DE&I; we believe our employees are our best DE&I ambassadors

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NURTURING INCLUSION THROUGH TRAINING

As part of our DE&I strategy, employees attend an annual DE&I training session to understand and create awareness of the importance of DE&I as part of Albany International's culture. Further, we ensure DE&I training is fully integrated into our continuous learning culture. In 2023, we will roll out a series of courses required of all Albany International employees, which will be added to onboarding once existing employees have completed the series. In addition, our current onboarding process across the company focuses on inclusiveness and creating a sense of belonging.

OUR DIVERSE HIRING STRATEGIES

We value and promote a diverse workforce. Through our recruiting and hiring strategy, we specifically seek job candidates from a broad range of hiring sources that target candidates with diverse backgrounds and skills to fill open positions at Albany International. Managers are trained on hiring and interviewing best practices, with the aim of standardizing and removing potential bias to ensure the best qualified candidate is hired.

EMPLOYEE RESOURCE GROUPS (ERG)

One way we encourage employees across the organization to champion DE&I and foster a diverse and inclusive environment is through the establishment of ERGs.

Our Empowering Women Leadership Network enables women at all levels to reach their full potential and increase their visibility with the aim of enabling a higher representation of women at all levels within the company. Participants build leadership identity, voice, presence and confidence to lead adaptively and strategically through a program consisting of training, networking, and exposure to high level colleagues. This network provides women leaders the opportunity to build a community through connections, relationships, and partnerships. With the success of Empowering Women Leadership Network, which will evolve into an ERG, our DE&I Council is helping support and develop additional groups based on employee feedback. This includes the expansion of our Veteran ERG, which started at our Boerne, TX facility.

WORKFORCE METRICS | GLOBAL 2022

Overall Workforce

WOMEN	U.S. MINORITY*
26.3%	25.8%

Leaders**

WOMEN	U.S. MINORITY*
15.7%	15.5%

	2022	2021	2020
Overall Workforce Women	26.3%	25.3%	24.8%
U.S. Minority	25.8%	23.6%	25.8%
Women Leaders	15.7%	14.6%	13.2%
U.S. Minority Leaders	15.5%	12.6%	12.3%

*U.S. Only, Albany International uses the EEO definition of minority.
**Leaders is defined as all Management positions and positions with direct reports.

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Employee Health and Safety

The safety of our employees is our highest priority. When it comes to safety at Albany International, our aspirations are clear – zero injuries and zero incidents. We know that tone at the top matters, and as such safety leadership starts with our full Board of Directors which reviews safety at the start of every quarterly meeting. This leadership is combined with our comprehensive plan which is inseparable from our culture, and is described in the following sections.
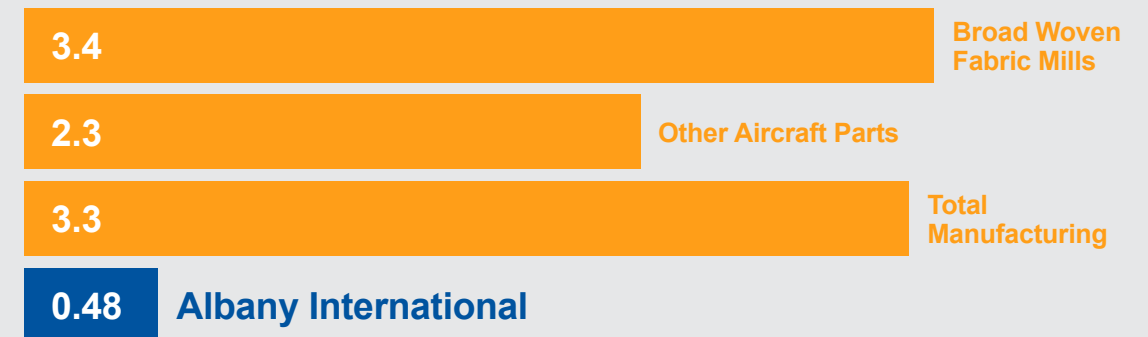
Safety messages are further reinforced by our CEO and Business Presidents during every meeting, and safety results and areas of focus are discussed in quarterly video messages to all employees. Given the importance that the company places on safety, the Board of Directors has tied a portion of each Executive Officer's compensation to the achievement of Total Recordable Incident Rate (TRIR) goals across the entire company.

In 2021 and 2022, an independent third-party performed comprehensive safety audits at several facilities, which served to enhance our overall safety, through increased visibility, knowledge, and compliance.

TOTAL RECORDABLE INCIDENT RATE (TRIR) IN 2022

	2022	2021	2020	2019
Total Recordable Incident Rate	0.48	0.68	0.84	1.40

2022 INDUSTRY TRIR

3.4	Broad Woven Fabric Mills
2.3	Other Aircraft Parts
3.3	Total Manufacturing
0.48	Albany International

HEALTH AND SAFETY MANAGEMENT SYSTEM

We use a variety of occupational health services at our global facilities. Many facilities have an occupational health nurse on site, either employed or contracted. Others have a contractual arrangement with a local occupational health clinic. We regularly utilize outside consultants and contracted services for industrial hygiene evaluations and improvements specific to the location and the nature of its work.

Our safety management system was developed based on regulations in the global locations in which we operate. Our system goes beyond compliance and incorporates industry expert advice, identified global best practices, and internal risk analysis. It covers all employees and supervised contractors in all locations and is supplemented by a detailed and robust Contractor Safety Program. This management system is led by our VP of EHS, who works closely with a team of EHS professionals across our global locations.

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

We believe all employees have accountability for safety, and we expect all employees to actively participate in safety, incident reporting, analysis, and improvement activity.

All employees are trained to stop work whenever they are uncertain about their safety or the safety of others via a process called Stop-Call-Wait. We do not tolerate any reprisals for stopping work or reporting a hazard concern. We use teams with diverse skillsets and viewpoints to investigate all incidents, including safety professionals, process engineers, maintenance engineers, area managers, and employees experienced in performing the relevant tasks.

Health and safety committees provide a structured process for employees to raise safety concerns, propose improvements, and provide input on proposed changes. Health and safety committees are comprised of workers, managers, and safety professionals and are operated in accordance with local regulations.

HEALTH AND SAFETY TRAINING

Health and safety training begins in the onboarding process and continues throughout each employee's career at Albany International. All employees receive initial training and periodic refresher training on hazards that apply to their work, with a focus on high-risk activities. Training programs are typically created through a collaboration of EHS professionals, engineers, supervisors, and employee content experts.

HEALTH AND SAFETY AT CUSTOMER FACILITIES

Our field engineers, who routinely work at customer facilities, receive similar training to our manufacturing employees and are required to follow all Albany International safety expectations. Additionally, field engineers receive training from, and are expected to follow all safety expectations of, the customers they support.

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Community

Albany International has a global footprint, and we recognize our local teams are in the best position to identify the most effective methods to strengthen their communities and, in turn, create an attractive and fulfilling environment in which they live and work.

Our employees are actively engaged and involved in the selection of our local charitable initiatives, and we have a longstanding history of enthusiastically supporting our communities. While we do support local chapters of national organizations, we focus primarily on organizations that are based and operated in the communities where our employees live and work. Our community efforts are focused on three main initiatives with a few examples below:

EDUCATIONAL PROGRAMS
Improving the quality of and access to education for children and young adults in our communities. Our New Hampshire facility has supported the Monarch School of New England (MSNE), a day school that serves children with significant physical, medical, developmental, behavioral, and emotional disabilities from ages 5-22. Albany International employees have participated in school supply drives and book drives to benefit MSNE. In addition, MSNE students are invited to take part in some of our employee engagement opportunities, such as coloring contests and other activities.

COMMUNITY SERVICE
Supporting and enhancing efforts to improve the communities in which we live and work. In Querétaro, Mexico, Albany International employees have participated in cleaning, painting and other improvement projects at local elementary schools. In addition, the company has been able to donate equipment such as whiteboards for use in the classrooms.

ECONOMIC SOCIAL ASSISTANCE
Providing assistance, skills training, and strategic investments for local non-profit organizations. In Indaial, Brazil, employees have fulfilled a request to donate diapers by a local association named Projeto Acolher [Welcome Project]. This association provides treatment, orientation, and support to children with physical and mental disabilities, and their families. In addition to items donated by employees, the Albany Indaial Team raised BRL 1,480 for Projeto Acolher.

Governance

At Albany International, we are committed to conducting our business with integrity and according to the highest ethical standards, in accordance with the laws and regulations to which our activities are subject. Good governance practices build trust, and we maintain that trust by following rigorous processes and policies, ensuring effective communications internally and externally to all of our stakeholders, and developing training so that all employees understand what is expected of them.

Corporate Governance

Albany International is committed to maintaining best corporate governance practices. We believe good corporate governance creates long-term value for our stockholders and strengthens our relationships with other stakeholders. In that regard, our corporate governance practices are dynamic and reflect the Board's continual review of emerging best practices and their impact and effectiveness.

During 2022 the Board of Directors amended and updated our corporate governance guidelines to include:

- **Director overboarding policy of no more than four boards for non-executive directors or one outside board for executive directors**

- **Statement of factors taken into consideration when evaluating director candidates, including experience, diversity, and independence**

- **Recognition of the Board's role in reviewing management's ESG strategies, initiatives and policies and its oversight of cybersecurity risks**

The charter of the Governance Committee of the Board was amended to establish the Committee's role and responsibilities with regard to ESG, and the charter of the Audit Committee sets forth that Committee's role relative to cybersecurity.

For more information, please see our **Governance Documents and Charters**.

DIRECTOR DEMOGRAPHICS

7.4
YEARS AVERAGE TENURE

63.4
AVERAGE AGE

22.2%
FEMALE

11.1%
U.S. MINORITY*

INDEPENDENT OVERSIGHT

- 8 of 9 Directors are independent
- Non-executive Chairman
- All independent committees
- All members of the Audit Committee are financial experts
- Private executive session for all independent Directors during each regularly scheduled Board meeting

ACCOUNTABILITY

- Annual Election of all Directors
- Annual Board and Committee self-evaluations
- Annual advisory vote on executive compensation
- Stock ownership and retention guidelines
- Prohibition on hedging, pledging and other transactions
- Corporate Governance Guidelines with overboarding policy
- 100% attendance at all Board and Committee meetings in 2022

*U.S. Only, Albany International uses the EEO definition of minority.

ALBANY INTERNATIONAL

Business Ethics

At Albany International, we embrace uncompromising honesty. We are unwavering in our commitment to following the laws, regulations, standards, and ethical practices everywhere we do business. Ethics and compliance play an integral part in our decision making and business operations, which is why we are a member, at the Signatory level, of the United Nations Global Compact.

To communicate expectations and emulate the high standard to which we hold ourselves we have adopted a broad and robust Business Ethics Policy with oversight from the Audit Committee of our Board of Directors. This policy contains our Ethics Absolutes—statements designed to articulate the major rules contained in the Business Ethics Policy clearly and succinctly.

Our Business Ethics Policy applies to all employees and our Board of Directors and company subsidiaries, as well as all third-party representatives such as sales agents, distributors, independent contractors, and subcontractors. The policy, along with our core values, form the foundation of ethical performance and guides how we conduct our business by addressing issues such as lavish gift giving and potential conflicts of interest. It also expressly prohibits wrongful conduct, such as abusive conduct, sexual harassment, bribery, and corruption. To ensure the creation and maintenance of an ethical culture, the Business Ethics Policy is published in the local language of every country in which we operate. All parties complete annual training and are tested on the contents of the policy. Further, each year we conduct both a fraud risk assessment and compliance risk assessment to identify residual risk where more training and controls may be warranted.

ETHICSPOINT HELPLINE

Our Business Ethics Policy, as well as other corporate policies, encourages, and at times requires, the reporting of any suspected wrongdoing. To facilitate such reporting, we have established and communicated several options for the filing of reports. In addition to the option of directing communications to senior leadership or the Board of Directors, we have implemented an online reporting platform, EthicsPoint Helpline, maintained by an independent third party and available 24/7, whereby reports may be made anonymously by phone or online. All reports are investigated by either the Office of Ethics and Compliance within the Legal Department, or a third party at the direction of the Audit Committee of the Board of Directors, and corrective and/or disciplinary action is taken as appropriate.

The UN Global Compact is a voluntary leadership platform for the development, implementation, and disclosure of responsible, ethical business practices. By becoming signatories, we commit to uphold the Ten Principles of the UN Global Compact on human rights, labor, environment, and anti-corruption.

OUR ETHICS ABSOLUTES

Don't steal from the Company.

Don't distort or hide information.

Don't take advantage of your position at Albany to get personal favors or advantages.

Don't give away our confidential or inside information.

Don't bribe and don't take bribes.

Don't break the law.

Don't exchange competitive information with the competition.

Don't mix business with politics.

Keep our information systems secure.

Don't look the other way.

ALBANY INTERNATIONAL

Data Security and Data Privacy

At Albany International, data security and privacy are top priorities. Our business relationships are built on our stakeholders' confidence in and our transparency on our data security and privacy policies. We care deeply about protecting the personal and confidential information of our customers, employees, vendors, partners, and others, so that all our stakeholders feel safe to do business with us.

Our data security strategy is built around four core pillars:

- Cybersecurity governance and accountability
- Industry best practices
- Technological standards and framework
- Awareness and training

Our policies are embedded at the core levels of our corporate structure to ensure accountability and efficient, fast processes. Together, these pillars enable us to continuously improve our practices of collecting, storing, processing, and distributing data safely, consistent with the regulations of the countries in which we do business. By deeply embedding our data security and privacy strategy within our organization and establishing reporting lines and accountability at the leadership level, we ensure our data security and privacy strategy always remains a priority.

GOVERNANCE AND ACCOUNTABILITY

Our data security strategy is overseen by the Audit Committee of our Board of Directors, regularly reviewed at the executive level, directed by our Chief Information Officer (CIO), and managed by Albany International's Enterprise Cybersecurity (ECS) team. The ECS team is supported by other key global teams that work collaboratively with global business units and corporate functions to continuously improve our cybersecurity posture.

The ECS team has direct input into the Enterprise Risk Management (ERM) process managed by the Corporate Chief Financial Officer. The CIO and VP of Information Technology (IT) have permanent seats on the ERM steering committee and are responsible for identifying and mitigating cyber and data security risks. Progress on cyber risk mitigation is presented quarterly to both Albany International leadership and the Audit Committee through ERM reporting.

Supported by multiple functions, the VP of IT is accountable for implementing the broad range of policies on risk assessment, infrastructure security, threat and vulnerability management, business continuity, and compliance and policy management within Albany International. On a biannual basis, our CIO reviews the status of cybersecurity-related risks – such as business interruption, data loss, and financial funds loss – with the Audit Committee.

CYBERSECURITY STANDARDS AND FRAMEWORKS

Albany International has adopted and adheres to frameworks for assessing and guiding cybersecurity preparedness including the CIS 20 and NIST SP800-171, to prevent and stop dangerous security threats from known attack vectors and protect our critical infrastructure. Both frameworks are reviewed quarterly, and gap assessments are conducted. Ongoing alignment and cyber risk maturity measurements are presented quarterly to senior leadership. Since 2020, we have implemented the United States Department of Defense Cybersecurity Maturity Model Certification (CMMC) requirements specifically for our defense-related business.

APPLYING CYBERSECURITY BEST PRACTICES

Following external frameworks and industry best practices, Albany International maintains an evolving defense-in-depth strategy that relies on multiple related technologies and processes.

Albany International maintains, and times requires, both a centralized automated patching process and a robust vulnerability assessment program in which servers, client PCs, infrastructure, and network appliances are prioritized and scanned, both actively and passively, on a regular basis. Devices and software found vulnerable are addressed through Albany International's standard IT service management processes.

We also regularly engage external parties to conduct external assessment and audits on specific and current cybersecurity risks. These assessments include network penetration tests, ransomware simulations, industrial controls security evaluations, and numerous others.

ALBANY INTERNATIONAL

CYBER INCIDENT RESPONSE TEAM

Enterprise Cybersecurity manages our Cyber Incident Response Team (CIRT). The role of the CIRT includes coordinating and executing incident response activities, as well as performing several other security and incident response related functions, all with the goal of minimizing the overall risk to our information and IT assets.

If the CIRT identifies a reportable or impactful security incident, a rapid summary of the situation is provided directly to senior leadership including the CIO and General Counsel, who make determinations about impact and required communications to internal stakeholders, as well as external parties such as customers, vendors, and law enforcement.

CYBERSECURITY AWARENESS AND TRAINING

Supporting ECS efforts is a comprehensive suite of cybersecurity, data protection, and privacy training conducted annually for all our employees. The objective of the ECS Security Awareness and Education Program is to increase the overall security knowledge of the end user, reduce high-risk activities through education, highlight security policies, develop up-to-date training, and provide notification of current threats.

Our training is continuously adapted to the evolving risks and regulations of our global markets. Email phishing awareness training also is conducted annually for all employees with an email address, and phishing simulation tests are conducted throughout the year with additional training and retesting required for all failures.

Product Quality

Albany International is committed to providing innovative quality products and services that are delivered on time to meet our customers' needs. We have a rigorous and effective commitment to product quality assurance.

MACHINE CLOTHING

The Albany MC business is committed to ensuring customer satisfaction and market leadership by:
- Exceeding international industry quality standards and certification requirements
- Meeting and exceeding our customers' unique product and service expectations
- Executing the MC Quality Policy and continuously improving the MC Quality Management System

International industry quality standards provide assurance to our customers and additional stakeholders that each element of the quality system meets or exceeds expectations and is continuously improving.

All MC manufacturing facilities maintain ISO 9001:2015 Quality Management System certification by undergoing regular and periodic internal and external audits to confirm requirements, identify opportunities, and verify continuous improvement of the quality system. Our MC business continuously improves the effectiveness of the quality management system through the use of policies, objectives, audit results, analysis of data, corrective and preventive actions, continuous improvement routines, and management reviews.

All MC employees and contractors engaged in any aspect of the production process attend ongoing training, tailored to their position and role, to improve the overall effectiveness of the MC Quality Management System International. Best practices are shared and implementation tracked to accelerate improvement activity across the global organization, while continuous improvement routines sustain the results.

ALBANY INTERNATIONAL

ALBANY ENGINEERED COMPOSITES

To effectively compete and serve our customers, our AEC business unit must be certified to meet and exceed rigorous aerospace industry quality and process standards, meet and exceed the unique quality and process control expectations of each of our customers, and execute our internal AEC Quality Policy designed to continually improve our quality management system and processes.

Fundamental to all participants engaged in aerospace and defense manufacturing is the requirement to meet and maintain continuous independent certification for certain international industry standards.

As a manufacturer of highly engineered composite components and assemblies for a wide variety of commercial and military aerospace platforms, all AEC facilities must undergo and pass periodic, detailed, independent audits of our quality systems to be certified as meeting the standards of AS/EN 9100 Quality Management System – Requirements for Aviation, Space and Defense Organizations.

Because of the nature of composite manufacturing processes, AEC special processes undergo additional independent accreditation to help ensure those processes conform to our customers' and industry requirements. AEC facilities maintain the Nadcap[3] certifications relevant to the special processes performed at that facility, which includes third-party audits of practices, procedures, and personnel qualifications in addition to other requirements.

The cornerstone of our quality success is our highly trained production and production support employees. Each employee attends ongoing quality and continuous improvement training tailored to their position and their evolving roles and responsibilities.

Integral to our quality management system are our comprehensive efforts to measure and track performance over time through a set of key performance indicators to produce the highest quality products, the first time and on time, such as:

• Tool and equipment calibration
• Production monitoring (Statistical Process Control, First Pass Yield, Scrap, Rework)
• Non-destructive inspection and testing
• Root-cause analysis to address quality improvement opportunities at their source
• On-time delivery
• Customer feedback
• Comprehensive Internal Verification and Audit Programs

Our continuous improvement strategy is aimed at proactively improving system effectiveness across a spectrum of our business activities aimed at:

• Further advancing production quality
• Further enhancing employee engagement, job satisfaction and development
• Furthering productivity through Lean/Six-Sigma waste reduction techniques and automation
• Furthering efficient use of the company's financial resources

[3]The Nadcap Special Processes accreditation program is administered by the Performance Review Institute (PRI) that conducts periodic, rigorous, standard-specific audits. These audits conduct extensive reviews of criteria-specific practices, personnel qualifications, approved equipment, and verification of defined procedures.

ALBANY INTERNATIONAL

Supply Chain Management

The Company recognizes the importance of maintaining value and quality throughout our supply chain. Our business is conducted ethically, legally, environmentally, and socially responsibly. Accordingly, we require our global suppliers to respect human rights, employ fair labor practices, and conduct business ethically. These expectations are outlined in our **Supplier Code of Conduct**.

To support our global operations, the Company contracts with approximately 8,000 vendors to source raw and intermediate materials, supplies, and services.

To protect human rights throughout our supply chain, we screen suppliers during our initial procurement process. We also proactively communicate our human rights and business ethics expectations to prospective and current suppliers. In addition to the expectations set out in our Supplier Code of Conduct, all suppliers are subject to our **Business Ethics Policy** and must meet all mandatory environmental standards under the laws, codes, and regulations applicable to the workplace, products manufactured, and the manufacturing methods used in the jurisdictions in which they operate. To ensure these standards are upheld by our suppliers, Albany International employees involved in the procurement process complete training and attain certifications to promote best practices in procurement operations.

We have a formalized risk assessment process in place for our supply chain, which includes scorecards, business reviews, and criticality assessments. Suppliers undergo periodic review to confirm they continue to meet the standards required as an approved supplier. We are committed to ethical business practices and will take corrective action if a vendor fails to meet the requirements of our Supplier Code of Conduct.

We require all suppliers of metals used in the manufacture of our products to demonstrate that they understand ethical sourcing requirements and the laws and regulations surrounding conflict minerals, ensuring they are congruent with our **Conflict Minerals Policy**.

Certain suppliers that are strategically critical to the success of the business participate in regular, periodic reviews of performance to manage and mitigate supplier risks that may arise. On-facility supplier audits are conducted on an as-needed basis. Suppliers of raw and intermediate materials incorporated into AEC products must be ISO 9001 Quality Management Systems or AS/EN9100 certified.

Suppliers providing products and services to U.S. Government contracts follow similar qualification and review standards to assure compliance with Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement requirements. Additional supplier quality requirements are detailed on the Supplier Portal of our website.

ALBANY INTERNATIONAL

SASB Standards

ACTIVITY METRICS

Metric	2022	2021	2020
Number of units produced by product category *RT-IG -000.A* *RT-AE-000.A*	The nature of the company's products does not lend itself to reporting units of production in a meaningful aggregation. As an alternative, and in an effort to be responsive to the spirit of the disclosure, the company uses Net Sales (in U.S.$) and categorizes those sales according to the company's reported businesses.		
Albany International Corp Net Sales ($000s)	1,034,887	929,240	900,610
Machine Clothing Net Sales	609,461	619,015	572,955
Albany Engineered Composite Net Sales	425,426	310,225	327,655

Number of employees
 	
          MC business
          AEC business
Total Albany International Corp.
 	
RT-IG 000.B
RT-AE-000.B
	2,611
	1,696
	4,255
		2,626
		1,408
		4,144
			2,629
			1,407
			4,146

ALBANY INTERNATIONAL

SASB Standards
ACCOUNTING METRICS

Industrial Machinery & Goods

Topic	Metric	2022	2021	2020
Energy Management	(1) Total Energy Consumed (GJ) (2) Percentage grid electricity (3) Percentage renewable *RT-IG-130a.1*	(1) 811,306 (2) 55.44% (3) 8.87%	(1) 836,639 (2) 53.13% (3) 9.21%	(1) 796,024 (2) 61.29% (3) 2.64%
Employee Health & Safety	(1) Total Recordable Incident Rate (TRIR) (2) Fatality rate, and (3) Near miss frequency rate (NMFR) *RT-IG-320a.1*	(1) 0.48 (2) 0.02 (3) 2.62	(1) 0.68 (2) 0 (3) 2.65	(1) 0.84 (2) 0 (3) 3.27
Fuel Economy & Emissions in Use-Phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles *RT-IG-410a.1* Sales-weighted fuel efficiency for non-road equipment *RT-IG-410a.2* Sales-weighted fuel efficiency for stationary generators *RT-IG-410a.3* Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines *RT-IG-410a.4*	As a company that manufactures engineered components, these metrics are not applicable to our products.		

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Industrial Machinery & Goods

Topic	Metric	2022	2021	2020
Materials Sourcing	Description of the management of risks associated with the use of critical materials *RT-IG-440a.1* *RT-AE-440a.1*	Please see our **Material Sourcing Statement**.		
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services *RT-IG-440b.1*	We do not remanufacture products or services nor offer remanufacturing services.		

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Aerospace & Defense

Topic	Metric	2022	2021	2020
Energy Management	(1) Total Energy Consumed (GJ) (2) Percentage grid electricity (3) Percentage renewable *RT-AE-130a.1*	(1) 811,306 (2) 55.44% (3) 8.87%	(1) 836,639 (2) 53.13% (3) 9.21%	(1) 796,024 (2) 61.29% (3) 2.64%
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled *RT-AE-150a.1*	Not disclosed		
	Number and aggregate quantity of reportable spills, quantity recovered *RT-AE-150a.2*	Not disclosed		
Data Security	(1) Number of data breaches (2) Percentage involving confidential information *RT-AE-230a.1*	(1) 0 (2) 0%	(1) 0 (2) 0%	(1) 0 (2) 0%
	Description of approach to identifying and addressing data security risks in (1) company operations (2) products *RT-AE-230a.2*	To protect our company and customer data, we employ industry best practices and adhere to the CIS 20 and NIST SP 800-171 cybersecurity frameworks. We do not produce or sell products containing any data collection or processing capability. For more information, please see **Data Security and Privacy** section.		

Aerospace & Defense

Topic	Metric	2022	2021	2020
Product Safety	Number of recalls issued, total units recalled *RT-AE-250a.1*	This metric is not relevant for our MC business. Within AEC, we do not have the authority to issue a product recall. We have not been notified, nor are we aware of, a recall for parts or components manufactured by Albany International.		
	Number of counterfeit parts detected, percentage avoided *RT-AE-250a.2*	Not Applicable. We do not purchase or produce any electronic components for the products we manufacture or assemble. All Albany International products are custom-produced or tailored for specific customer applications and are sold directly to our customers. As such, we do not believe counterfeit parts pose a material risk to our operations.		
	Number of Airworthiness Directives received, total units affected *RT-AE-250a.3*	Not Applicable. As a supplier, our AEC business does not receive Airworthiness Directives. We are not aware of any Airworthiness Directive that has implicated Albany International manufactured parts or components.		
	Total amount of monetary losses as a result of legal proceedings associated with product safety *RT-AE-250a.4*	0	0	0

ALBANY INTERNATIONAL

Aerospace & Defense

Topic	Metric	2022	2021	2020
Fuel Economy & Emissions in Use-phase	Revenue from alternative energy-related products *RT-AE-410a.1*	As a company that manufactures engineered components, this metric is not applicable to our products.		
	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products *RT-AE-410a.2*	Please see Our Products' **Environmental Attributes** section.		
Materials Sourcing	Description of the management of risks associated with the use of critical materials *RT-AE-440a.1*	Please see our **Material Sourcing Statement**.		
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade *RT-AE-510a.1*	$0	$0	$0
	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defense Anti-Corruption Index ($000s) *RT-AE-510a.2*	Total E: $134,243 F: $1,574	E: $135,404 F: $1,915	E: $121,374 F: $2,200
		MC* E: $134,243 F: $1,574	E: $135,393 F: $1,915	E: $121,339 F: $2,200
		AEC** E: $75 F:0	E: $11 F: 0	E: $35 F: 0
	Discussion of processes to manage business ethics risks throughout the value chain *RT-AE-510a.3*	For more information, please see the **Business Ethics** section		

* Sales in China and Brazil, nations where Albany International has Machine Clothing production operations, comprise >90% of Band E net sales.
** These immaterial sales in the Albany Engineered Composites business are exclusively comprised of aftermarket maintenance materials for Boeing commercial airliners.

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