



UN Global Compact Communications on Progress

AMMEGA

a combination of

Ammeraal Beltech Holding BV and Megadyne S.p.A

November 2019



AMMEGA

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COMPANY PROFILE

Ammeraal Beltech and Megadyne, two of the leaders in the commercial belt sector, joined under single ownership and leadership to create a true global leader in belting. In order to unite both brands under a common new identity, while preserving and building upon the strengths of each, we have created a new corporate group umbrella name: AMMEGA. The two strong brands of Ammeraal Beltech and Megadyne, and their respective business lines of Conveying and Power Transmission, will remain in the market and continue to build on the leading positions they have established.

AMMEGA

Since 2016, Ammeraal Beltech has been a proud member of the UNGC. This Communication of Progress is a report of Ammeraal Beltech Holding BV, which together with Megadyne S.p.A, form the AMMEGA group. As the merger of the two companies is in progress, we expect to become a member of UNGC as the AMMEGA group in 2020.



Ammeraal Beltech was founded in 1950 and is a global belting company that supplies products and services worldwide. It offers the largest range of belting product solutions for processing and conveying products through its worldwide network.



The Megadyne Group, founded in 1957, develops and manufactures power transmission belts, matched components and complete belt systems for any kind of machines. As a reliable partner for original equipment manufacturers and the aftermarket distributors, it has manufacturing plants in Europe, North America and Asia.

Together, the companies are forging a path towards the inclusive development of business opportunities, environmental stewardship, and strong social standards. We believe that this involves a commitment by the team to ensure the highest standard of quality in product and operations. To achieve this, our management seeks alignment and commitment on this message. Our CEO, Ralph Schuck, has given a statement on the following page, which highlights the commitments of the firm to their industry, and global leadership in the core tenets of sustainability.

From this, the report will delve into the progress on our commitments, the linkages of this progress to the sustainable development goals, and the future strategy to continually drive higher standards.

This report has been prepared by AMMEGA group with support of NewForesight.

Member of AMMEGA Group

1. CEO STATEMENT

This year's UNGC Communication of Progress report marks a special milestone for our company, as it is the first time we report as a group. In 2018, two world-leading suppliers in belting technology, Ammeraal Beltech and Megadyne Group, came together in a merger under the new group umbrella name of AMMEGA, to become a global leader in industrial power transmission and lightweight process and conveyor belting. With a global footprint of 5000 employees, more than 25 manufacturing facilities, and over 100 commercial and sales centres around the world, we aim to become not only the largest but also the most respected belting company in the industry. I'm excited to present you this report, which features our latest developments and priorities in the UN Global Compact's principles.



We can look back at a dynamic year where we have laid the foundations for various corporate functions within AMMEGA including the development of a group-wide CSR vision. Building our business in a sustainable and responsible way is a cornerstone of AMMEGA's strategy; the success of our group is founded on proactive anticipation of emerging customer and societal needs. We want to be recognized as a global leader that embraces its responsibility to leave a healthier planet for future generations by balancing our economic, social and environmental impact. For me, it is important that our customers, employees, and shareholders are well informed and proud of the way we do this.

We are dedicated to generating sustainable added value for our customers by developing belting solutions that meet the highest standards. I believe innovation is not only about developing new products, but about how we can do things better. Under both the Megadyne and the Ammeraal Beltech brand, we are continuously improving our products to obtain higher operating speeds, reuse of materials, more efficient energy use, minimization of waste and hazardous materials. We aim to create and launch these solutions in close collaboration with our suppliers and customers.

Another important area where we strive to excel is in ensuring the health and safety of our employees. We adhere to the principle of zero harm. Within the group, we have set a global target to reach this objective by 2021. This is an ambitious goal, with consequences for the way we do business and our investments. In realizing this ambition, it is important that we continue to live and breathe a culture of health and safety daily.

Member of AMMEGA Group

I look forward to the year ahead, where we will continue with the integration of Ammeraal Beltech and Megadyne and truly engage our staff in the group vision, values and policies. An important focus for 2020 is to further align the group-wide initiatives under one sustainability vision and firmly embed this into our strategy and business processes. Furthermore, we aim to establish a global framework with uniform metrics to measure and benchmark our social and environmental performance. Specific and measurable targets will support us across all our business units, to enable continuous improvement and track our progress towards our vision.

It is also my ambition to further strengthen the engagement of our stakeholders. I believe we have the best people in the business, and I want them to be proud of what we do, embrace our commitment to sustainability and get excited about our continuous improvement agenda to creating sustainable value for our customers and the world at large. We will seek engagement with our staff and external stakeholders to realize this ambition.

Ralph Schuck

CEO AMMEGA group



"It is a cornerstone of our company values to make a positive contribution to leave a healthier planet to future generations.

We will do this by acting responsibly and with respect towards all our stakeholders while balancing our economic, social and environmental impact."

Ralph Schuck (CEO)

2. OUR VISION, MISION, VALUES AND CSR PRIORITIES

OUR VISION

To be the most respected belting company in the industry.

OUR MISSION

- To be a global leader in product quality and service excellence.
- To fully enable the most dedicated, knowledgeable and creative team in the industry so that we remain the leading innovator in belting.
- To excel in management performance and operational efficiency in order to deliver enduring value to our customers and shareholders.

OUR CORE 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. We put the voice of the customer and their requirements at the heart of everything we do. Our unwavering goal is to exceed our customers' expectations and to continuously improve so as to make doing business with us easier.

People focus

Our carefully selected people, experts in their fields, are our most valuable resource and our unique advantage. They are dedicated and passionate and deliver high performance, and we are committed to them. We invest in their personal welfare and to their professional and career growth. Our team values collaboration and makes every effort to develop, coach and train its members.

Entrepreneurship

We encourage entrepreneurial thinking and empower our people to take intelligent risks and make sound decisions. At the same time, we also believe in ownership and accountability. We take pride in the company's achievements and learn from our mistakes. We promote a culture of meritocracy and continuous learning.

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.

OUR CSR PRIORITIES

As part of the alignment exercise for the AMMEGA Group, during 2019 we identified strategic priorities and aligned key metrics in our CSR interventions, across the different business units. The focus is on Labour, Environment and Policy deployment & engagement related to all UNGC principles (Labour, Human Rights, Environment, and Anti-corruption).

1. Labour: achieve 'zero harm' by the end of 2021 in health and safety
2. Environment: map our global footprint (CO₂, Water, other emissions) and define a meaningful reduction target
3. Environment: evaluate what would be a meaningful converging point for each manufacturing unit for ISO14001
4. Overall Policy implementation: standardize and implement the Code of conduct, Whistle-blower and Anti-corruption policy at group level
5. Environment: strengthen Material Stewardship through Reuse-Reduce-Recycle
6. Overall Supply Chain: roll-out Responsible Sourcing self-assessment through e-procurement system to the AMMEGA group supply base
7. Environment: enhance responsible new product development and innovation
8. Environment: phase-out hazardous chemicals taking an active REACH approach

During 2019 and 2020, the AMMEGA group will map, in detail, the ongoing interventions at the global level, to establish detailed targets for each one of these lines. Harmonizing the approach and metrics, to track the impact of these interventions.

Our commitment to the UN Global Compact principles

Clients



Labour

1. Achieve 'zero harm' by the end of 2021 in health and safety
2. Standardize and implement the Code of conduct, Whistle-blower and Anti-corruption policy on group level
3. Roll-out Responsible Sourcing self-assessment through e-procurement system to the AMMEGA group supply base

Human rights

1. Standardize and implement the Code of conduct, Whistle-blower and Anti-corruption policy on group level
2. Roll-out Responsible Sourcing self-assessment through e-procurement system to the AMMEGA group supply base

Business Units



Environment

1. Map our global footprint (CO2, Water, other emissions) and define a meaningful reduction target
2. Evaluate what would be a meaningful converging point for each manufacturing unit for ISO14001
3. Strengthen Material Stewardship through Reuse-Reduce-Recycle
4. Enhance responsible new product development and innovation
5. Phase-out hazardous chemicals taking an active REACH approach
6. Roll-out Responsible Sourcing self-assessment through e-procurement system to the AMMEGA group supply base



Anticorruption

1. Standardize and implement the Code of conduct, Whistle-blower and Anti-corruption policy on group level
2. Roll-out Responsible Sourcing self-assessment through e-procurement system to the AMMEGA group supply base

Suppliers

3. OUR COMMITMENT TO THE SDGS

At AMMEGA we are committed to make a positive contribution to the planet and society. In order to make that possible, we want to align our impact to the Sustainable Development Goals, linking out priority areas to terminology that is used globally.



SDG 3: Ensure healthy lives and promote well-being

In an industry where risk is inherent in numerous aspects of the business, AMMEGA is committed to the highest standards of safety and wellbeing for their employees. Using SDG 3 as a guideline for success, AMMEGA adopted strong protocols and management procedures, making us a leader in our segment, industry, and regions of operation. We are focusing on component 3.9 (reduction of death or illness from hazardous contaminants), 3.C (increasing health financing, recruitment and training on health and safety), and 3.D (early warning and risk reduction and management of risks) as principals to develop our business and procedures around. Soon, we will seek to take these principles, and create measurement mechanisms, allowing us to understand progress and impact on the business.



SDG 9: Build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Beyond building facilities that uphold the highest industrial standards, AMMEGA creates products that facilitate sustainable industrialization and innovation around the world. Belts are an integral part of industrial systems development, and AMMEGA takes a strong position on using this SDG as a benchmark for the success of their business and products. We use numerous components of this SDG to guide our business, including 9.1 (develop quality, reliable, sustainable and resilient infrastructure), 9.2 (promotion of inclusive and sustainable industrialization), 9.4 (upgrade infrastructure and retrofit industries). Finally, to continue to be a leader in this area, AMMEGA invests in innovative processes, materials, and products. Beyond these aspects, AMMEGA is a proponent of transparency, believing that undertaking these initiatives is key, but allowing others to understand what is being done is equally as important. As AMMEGA continues to develop, we seek to align direct measures to these goals, further driving their progress.



SDG 12: Ensure sustainable consumption and production patterns

Our belts play an important role in the production of a wide range of products, across numerous industries. To ensure the responsible usage of our products, AMMEGA has focused in innovation in product designs, materials, and manufacturing processes. These methods and products are rooted in the belief that sustainable production, sustainable consumption, and sustainable disposal are integral to AMMEGA's success. The components from this SDG that AMMEGA focuses on are 12.2 (achieve sustainable management and efficient use of natural resources), 12.4 (sound management of chemicals and waste through their lifecycle), 12.5 (reduce waste production through reduction, recycling, and reuse), 12.6 (integrate sustainability information into the reporting cycle), and 12.A (strengthen scientific and technological capacity in sustainable consumption and production). As these are central to AMMEGA's business operations, measurements mechanisms will allow to better understand the impacts in the future.

4. OUR COMMITMENT TO LABOUR

At AMMEGA, we are dedicated to ensuring the well-being of our employees. We work with the best people in the business, people who are passionate about their work and about the company's growth strategy. We encourage an atmosphere of integrity, cooperation, and innovation, at all levels of our operation. Our employees, more than 5,000 in number, serve customers in over 150 countries providing them with quality



products, service, and support. Our Code of Conduct lays down strict requirements on how we work together. We hold ourselves to the highest ethical code. We live and breathe zero-tolerance on discrimination, harassment, and child or forced labour, physical coercion and corporal punishment. An important focus for the coming year is the global deployment of our policies. For this, we are using PolicyTech, a regulatory compliance software that is set up to reach every employee in the company and track how they use and refer to our policies.

Being a global manufacturing company, our number one priority is to protect the health and safety of our employees. During the past year, we have made great progress in completing an ambitious **5-year health and safety vision and strategy for the group**. At the core of this strategy, lies our ambition to achieve zero harm by the end of 2021. This ambition is supported by a comprehensive monitoring framework with uniform metrics and targets that are benchmarked against established health and safety industry standards. We aim for a year-on-year reduction in our Lost Time Injury Frequency Rate, of 20%. This target and our progress are benchmarked against the international OHSAS standard.

To be successful in our journey towards zero harm, embedding health and safety into our culture is critical. Therefore, an important focus for the coming year is to further strengthen accountability and the

engagement of our employees on the topic of health and safety. We are taking the following measures:

- We will adopt global corporate health and safety guidelines, which will include our 10 Golden Rules of Safety.
- We will integrate the health and safety targets into the performance review of our leadership.
- We will establish regional and local joint workers and management health and safety committees. The committees will bring workers and management together in a non-adversarial, cooperative effort to promote safety and health in the workplace. The committee will provide information and recommendations to management about occupational safety and health conditions and practices at AMMEGA and will provide a forum for information exchange. We encourage the representation of workers' councils in the health and safety committees.
- We will carry out a health and safety self-assessment of all manufacturing plants and major operating companies. This assessment will inform detailed action plans, which will be reviewed on a quarterly basis.





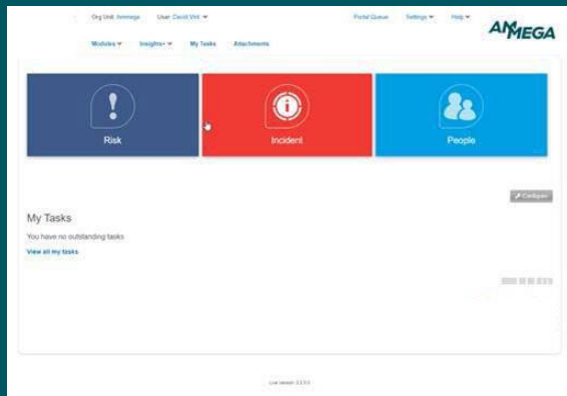
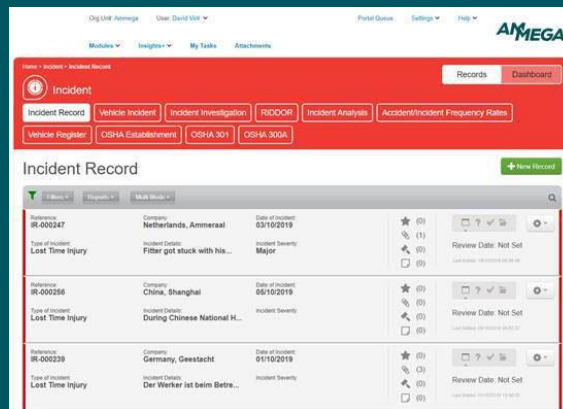

Golden Rules of Safety

1. Come to work free from alcohol or drugs and in a fit and able condition.
2. Only undertake work which you are trained, competent and authorized to do.
3. Maximise the use of PPE and always use correct equipment for assigned task.
4. Maintain a safe distance when working or walking near suspended loads.
5. I am committed to my own safety and the safety of those around me, at work and at home.
6. Take time before you start a task to identify the hazards and associated risks.
7. Make sure fire exits and fire extinguishers are accessible at all times.
8. Ensure ALL accidents and near misses are reported immediately to your line manager.
9. Restrict use of mobile phones when operating vehicles or walking in any production areas.
10. Think before lifting any article. Check weight and ensure you adhere to Manual Handling Rules.



Spotlight: SHE & AMMEGA: An Incident Management System

During the past year, we introduced a management system to drive improved safety, health, environment, and quality management and increase our employee engagement. One of the key functionalities of this system is that every employee can record and report unsafe acts, working circumstances or near-miss accidents.



This allows us to engage our employees worldwide, and with their support, closely monitor and act on areas for improvement. Furthermore, we can benchmark and analyse progress on our 'zero harm' ambition both internally as well as externally.

5. OUR COMMITMENT TO HUMAN RIGHTS

Being a global business with a vast network, we respect, and support internationally proclaimed human rights and recognize our legal, moral, and commercial responsibility to ensure that every person around the world is treated with dignity and equality. We abide by international standards that are firmly embedded into our **Code of Conduct, Responsible Sourcing policy, Anti-Corruption, and Whistle-blower policy.**



In addition to respecting and supporting the **UNGC Human Rights Principles**, we endorse all the requirements of the **UK Modern Slavery Act**, and implement policies to ensure no slavery or human trafficking takes place in our business and supply chain.

An important focus for the group in the coming year is to continue to standardize these policies, and strengthen their deployment by engaging and training our employees.

We have a wide-ranging supplier base from which we source the best materials to produce our belting solutions. In our procurement practices, we want to meet our need for high-quality materials in a way that achieves value for our company and promotes positive outcomes for the economy, environment, and society. We cultivate positive relationships with our suppliers and engage with them on continuous improvement practices. Before agreeing to source from a supplier, we conduct thorough due-diligence and have a comprehensive on-boarding process. In this process, we integrate requirements, specifications, criteria on risk management, and sustainable business practices as outlined in **AMMEGA's Responsible Sourcing Policy**. Through this policy:

- We encourage suppliers to collaborate with AMMEGA to identify further opportunities to improve responsible business practices in the areas of health and safety, human rights, ethics and environmental stewardship along the supply chain.

- We require our suppliers to endorse our **Responsible Sourcing Code**. Currently, 43% of our group's supplier base has acknowledged our policies, representing 36% of our global procurement spending. An important focus for the coming year is to further increase this.
- We require suppliers to promote our requirements, as stated in the Responsible Sourcing Code, within their own supply chain and will give recognition to suppliers who uphold the requirements.
- We assess and score our key suppliers based on measurable sustainability indicators using our **Supplier Scorecard**. Based on this assessment, we identify gaps, and support our suppliers with an action plan for continuous improvement of their sustainable practices.

In 2019, we introduced an e-procurement tool to promote transparency and accountability in our procurement process building upon the UNGC Supplier Self-assessment tool developed by Ammeraal Beltech in 2017. We aim to have 60 of our key suppliers onboarded through this system before the end of the year. In addition, we are in the process of benchmarking our procurement process through a globally recognized benchmark approach. This will help us identify improvement areas in realizing our vision of becoming the most respected belting company in the world.

Spotlight: AMMEGA Supplier Scorecard

We developed a comprehensive scorecard to assess the performance of our suppliers based on the following areas:

1. **Safety and environment**, including KPIs for Human Rights and Labour, Health and Safety, Product Stewardship, the Environment, and CSR International Platforms.
2. **Capabilities and risk management**, including KPIs for Supply Chain Risk, Long Term Flexibility, and Continuous Improvement Capability.
3. **Price and Quality**, including KPIs for On-Time Delivery Performance, Price, and Quality.

In each of these areas, we set targets and can identify whether the supplier meets the target, overachieves the target or whether it is an area that needs attention.

6. OUR COMMITMENT TO THE ENVIRONMENT

At AMMEGA, we are committed to making belting more sustainable. We aim to minimize the environmental impact of our business and create long-term economic and environmental benefits for our stakeholders and our clients. To realize our ambition, we strive to use the most environmentally friendly and high-quality materials in our products.



We undertake a wide range of initiatives to promote greater environmental responsibility in our manufacturing process and hereby abide by the highest international guidelines:

- We are evaluating to implement **ISO 14001** at group level. Currently, five manufacturing sites in Switzerland, Spain, Italy, and the US are **ISO14001** certified.
- We take an **active REACH** approach and are continuously looking for initiatives that help us reducing hazardous materials in our production process.
- We are considering introducing **Responsible New Product Development guidelines** for company-wide deployment.

We are an active enabler of transparency, when it comes to our environmental ambitions. We measure our energy and water use, waste reduction, and our CO2 footprint. Customers and stakeholders can always request figures on our environmental performance. We aim to establish an updated baseline for these measures for the entire group in the coming year. In parallel, we will formulate global targets for energy, water use, waste reduction, and our CO2 footprint.

To ensure the efficient use of resources in our production process and products, we apply **the 3 R's principle**. For each of the 3 R's we undertake different initiatives of which a few are highlighted below.

Principle	Initiatives
RECYCLE	<ul style="list-style-type: none"> • In the Netherlands, we are carrying out research on the application of recycled material in our PVC belts. We conducted a first field trial, where we produced belts that meet our high-quality product standards and are produced with fully recycled fabric material combined with recycled PVC. We aim to further scale this initiative. • In Denmark our business joined the global initiative "Operation Clean Sweep" with the objective to prevent, and help keep plastic litter materials out of the marine environment. • In Italy, we are researching possibilities to reduce waste production by splitting polyurethane from the cord, with the purpose of recycling the materials later in our production process.
REDUCE	<ul style="list-style-type: none"> • Globally, we manage our business processes based on the LEAN approach, where we focus on streamlining our operations by cutting out unnecessary waste and reducing input use. This allows us to reduce our environmental footprint • In the Netherlands, we developed a new belt concept called 'AMMdurance' that combines an energy saving low friction surface with longer belt life. Many conveyor belts start with low friction, but it increases over time due to wear, tear and pollution. Field trials have shown that the AMMdurance belt maintains low friction for much longer than alternatives, requiring less energy to operate. • In Spain, our R&D department at Megadyne is replacing solvent based adhesive with RFL coated fabric using a water-based adhesive. Thus far, 60% of fabric consumption has been replaced. • In Italy, we defined a new design of fitness belts to reduce the quantity of raw material used in the production process. • In Denmark, we created a new design belts that requires less water to clean.
RE-USE	<ul style="list-style-type: none"> • In Italy, we re-use production waste in our dedicated polyurethane production lines, reducing waste by 25%

In the coming months, we will step up the engagement of our employees in our environmental metrics to create awareness, collective ambition, ensure continuous improvement, and fuel pride in being part of this journey. Furthermore, we aim to create a corporate environmental function that will spearhead the environmental initiatives. This will be used to unite the work under one vision and policy for the AMMEGA group. Allowing us to realize our ambition to be the leader in the development of environmentally friendly belting solutions.

Spotlight: Introducing AMMdurance

Sustainability only pays off if it can be sustained.

Airports and logistics companies are facing growing pressure to reduce energy consumption and emissions.

Ammeraal Beltech developed a specially formulated dry fabric treatment that, when applied to the underside of our

proven EX low-noise fabric, reduces friction between the belt and the underlying machinery. Less friction enables reduced power usage.

And thus, the industry's most energy-efficient belt was born: Ammeraal Beltech's AMMdurance.

Ammeraal's AMMdurance belt, with its protective dry fabric treatment:



Other belt concepts with traditional quick wearing/migrating coatings:



Quick wearing/migrating coatings attract dirt, grime and pollutants causing belts to wear and shrink. This leads to higher energy consumption and shorter belt life.

7. OUR COMMITMENT TO ANTI-CORRUPTION

Ethical business is the only business that we do at AMMEGA. We are committed to apply fair, ethical, and transparent business practices. That includes our work against corruption and bribery in all its forms. We have stringent anti-corruption, whistleblower, and anti-bribery policies in place as a means to address corruption and bribery internally, and within our supply chain.



Our group compliance officer has the overall responsibility of ensuring that the policies comply with applicable anti-bribery and corruption laws and are formally reviewed annually and monitored regularly.

Our policies are an important foundation of our business, and our main priority is to ensure we live them daily. Therefore, we focus on maintaining a positive, safe, and productive work environment that encourages employees to speak up, or report, on misconduct or non-compliance when they see or suspect it, without fear of retaliation. Our active commitment to justice and ethical business practices and strong leadership are important enablers of creating this environment of trust. The results of our efforts in this area are promising, and during the last reporting year, there were zero legal cases, or other events, related to corruption and bribery.

An important focus for the coming year, as the integration of Ammeraal Beltech and Megadyne continues, is to engage our employees on a global scale, and provide training on the group's standards and requirements for doing ethical business. Furthermore, we will continue to nurture a culture of trust, integrity, and transparency, creating the conditions for our employees to give their best each day.

Spotlight: Policy deployment

An important focus for 2020 will be to translate our policies into action through the group wide deployment of the Code of conduct, Whistle-blower and Anti-corruption policies. In this respect, the engagement of our employees will be key, and we want everyone to know, understand, and be committed to our policies so they can live and breathe them daily. To achieve this, we plan to:

- Standardize the Code of conduct, Whistle-blower and Anti-corruption policies at group level.
- Create a detailed plan to roll-out the policies globally and embed this firmly in the onboarding of our employees.
- Implement our policy deployment plan with the objective of having 70% of the employees acknowledge the policies before the end of 2020.

8. MEASUREMENT OF OUTCOMES

	Ammeraal Beltech		AMMEGA Group	
	Outcomes in 2017	Outcomes in 2018	Outcomes in 2019 ¹	Progress and outlook
Human Rights	<ul style="list-style-type: none"> •100% of our suppliers indicate to be compliant with rules and regulations and allow for collective bargaining •65 acknowledgements to our Responsible Sourcing Policy •EcoVadis score - Sustainable Procurement: 30 	<ul style="list-style-type: none"> •105 acknowledgements to our Responsible Sourcing Policy and we aim to achieve 125 still in 2018. •28 of our top 100 suppliers have completed our CSR self-assessments •EcoVadis score - Sustainable Procurement: 60 	<ul style="list-style-type: none"> •135 acknowledgements to our Responsible Sourcing Policy •Roll out of e-procurement tool incl. supplier scorecard 	<ul style="list-style-type: none"> •We reached 43% of our suppliers and 36% of global procurement spend with the Responsible Sourcing Policy •We aim to achieve 45% of global procurement spend by 2020 •We aim to onboard 60 suppliers on the e-procurement system in 2020
Labour	<ul style="list-style-type: none"> •60% improvement in prevention of avoidable accidents •Training on the Job in MU's and Fabrication Centre of Excellence in Czech Republic •30 people reached with PolicyTech system •Up to -3 dB noise reduction through the application of belts •EcoVadis score - Labour Practices: 70 	<ul style="list-style-type: none"> •60% improvement in prevention of avoidable accidents •Roll out of web-based Health & Safety management system •100 people reached with the PolicyTech system •EcoVadis score - Labour Practices: 70 	<ul style="list-style-type: none"> •20% reduction in the Lost Time Injury Frequency Rate year-to-date •135 people reached with the PolicyTech system •External Health and safety audit completed 	<ul style="list-style-type: none"> •We established a global measurement framework for Health & Safety •We aim to reach zero harm by 2021 •We increased our reach through the PolicyTech system and aim to on-board all employees with a company email address in 2020
Environment	<ul style="list-style-type: none"> •EcoVadis score - Environment: 50 	<ul style="list-style-type: none"> •Baseline assessment of CO2 monitoring, waste and water use •EcoVadis score - Environment: 50 	<ul style="list-style-type: none"> •Consolidation of data on CO2, waste and water use •Creation of standardized global template for CO2 monitoring 	<ul style="list-style-type: none"> •We consolidated our resource-use data, to inform the development of a group-wide baseline that will be completed in 2020
Anti-corruption	<ul style="list-style-type: none"> •Implementation of Whistleblower hotline •Zero involvement in any legal cases or other events related to corruption and bribery •EcoVadis score - Fair Business Practices: 50 	<ul style="list-style-type: none"> •Update of Anti-Bribery policy with 100 signatories •Zero involvement in any legal cases or other events related to corruption and bribery •EcoVadis score: - Fair Business Practices: 50 	<ul style="list-style-type: none"> •Zero involvement in any legal cases or other events related to corruption and bribery 	<ul style="list-style-type: none"> •We aim to keep the zero involvement in legal cases or other events related to corruption and bribery

¹ At the time of submission of the UNGC CoP, the EcoVadis rating was not completed yet. Please feel free reach out to us and request our EcoVadis score.

9. FLASH FORWARD

AMMEGA feels an obligation to contribute to a sustainable future. Our world, our sector, and our business need it. Our stakeholders believe in it and, most relevant to propel positive change, we are passionate about it.

To live this belief, we have core areas of focus where we can positively contribute. We focus on the quality of our product, on the environmental practices at our facilities, and on the wellbeing of our employees. To address these, we focus on key areas within each of those segments. For products, the focus is on innovation and reduction and re-use of materials. The environmental practice focus areas are many, but the central focus is on emissions reduction, limiting water usage, and fulfilling our obligations to the ISO standard. Finally, our people, the core of our business, deserve the highest standards of safety and health.

We believe these areas to be intrinsically linked to the success of AMMEGA. Therefore, we dedicate time, people, and money to ensuring we can fulfil our obligations. We are not perfect today, but looking forward, we feel confident we have identified the most relevant focus areas, and improvement opportunities, and we will continue to develop them.

Product quality and material use

Product quality is paramount to us. We want to deliver the highest quality to the greatest number of customers around the world. However, this cannot compromise our beliefs in environmental stewardship and people first. To accomplish these goals effectively, we must continue to innovate.

Innovation, in processes and materials, is what has allowed us to remain at the forefront of the industry. We invest in the reuse of materials and products and the usage of recycled materials. This year alone we are piloting several projects with recycled materials and are looking forward to expanding this in the future.

A responsible future

Working on a responsible future means many things to us. We produce equipment meant to help efficiency and productivity, and we work to incorporate those areas into our daily operations as well. We are committed to reusing as much material as we can. Beyond our commitment to reuse, we are also committed to reducing. This

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includes focusing on increasing energy efficiency, by measuring our CO2 emissions and water usage. We are developing ways of reducing waste and hazardous material usage, and where we still have these, disposing of them in a manner that has a minimal impact on the environment. Finally, we have the ambition to do this together with our suppliers and customers, to create a solution throughout the lifespan of our products.

People first

AMMEGA's CEO made a clear statement: "anything above zero harm is unacceptable". We are working diligently to get to this point and have set the date at 2021. Beyond this, we are working to make sure our employees have access to anything, and everything they require to work safely and live a healthy life. We will continue to improve in everything we do, ensuring our business and people, will be able to produce our products for decades to come.

We will continue our journey towards sustainable belting solutions, while driving excellence across our group.

As the new global leader in belting, we have a responsibility towards our employees, customers and society to become 'Best in Class'.



Member of AMMEGA group

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