

Ammeraal Beltech B.V.

UN Global Compact
Communications on Progress

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Company profile

Ammeraal Beltech is one of the world's leaders in process and conveyor belting. Our products and engineered solutions can be found in many industries including airport & logistics, automotive, tire, paper & print, wood and in the food and agricultural industry.

A truly global company, we have a network of operating companies that serves the needs of local customers in 150 countries. Together with production plants in 7 countries and 80 Ammeraal Beltech fabrication centres, over 2,500 employees deliver standard and tailor-made solutions to customers with products and 24/7 service.

Our products are highly diverse and encompass synthetic-, modular- and specialty belts. Our services include installation and repair of our entire product range, and where necessary we go beyond that. The combination of a geographical structure, strong market segment knowledge and dedicated product management is the foundation of our innovative and service-oriented organization.

Innovation is a top-priority within our business. We constantly look to develop and launch new products, accessories, profiles and new tools for our clients. Our solutions allow our customers to safely, hygienically and efficiently move items as diverse as pre-baked pastries, nuts and bolts, and luggage from one place to another.

We are proud to serve progressive clients that have a global impact, who challenge us to further develop our corporate social responsibility strategy and culture.



Statement of Support from the Chief Executive

If you consider that almost every product we consume daily has been subject to a production process or conveyor belt, you will understand how deeply ingrained Ammeraal Beltech is in all industries and the everyday lives of people all over the world. As a company, this gives us a tremendous amount of responsibility: to our employees, our business partners and the environment in which we live and operate. It is for this reason, we are fully committed to supporting the 10 UN Global Compact Principles on Human Rights, Labour, Environment and Anti-Corruption. Wherever and whenever we operate.



Originally a family-owned business, Ammeraal Beltech has over 65 years' experience in the belting industry. It was in 1950 that Dutchman Thomas Ammeraal invented an endless woven conveyor belt to be used in the biscuit industry. The company soon began to expand beyond the Dutch borders and has since grown into a worldwide service network. However, family tradition and family values have always remained an essential part of our corporate identity.

At Ammeraal Beltech, we are committed to driving positive changes within our business and further in the industry, marked in this first UN Global Compact Communications on Progress. Environmental sustainability, one of our guiding principles, is strongly tied to what we do: the provision of conveyor belt solutions. In our production processes we strive to adopt material stewardship principles by considering the most sustainable materials, including recycled materials, and thereby reducing the use of virgin materials. We have the ambition to further bring down our energy use and that of our conveyor belt solutions and reduce our waste. On both topics, we are currently exploring opportunities for company-wide implementation.

Ammeraal Beltech would not be where it is today, if it weren't for its people. Every day we challenge our employees to realize their full

potential and grow into their ambitions by internal training and development. The creativity, diversity and engagement of our colleagues all over the world are crucial to our success.

It is my personal ambition to ensure that our successors at Ammeraal Beltech will inherit a 'better' company. For 2018, it is our aim to further establish the three-year company growth strategy. Sustainability and CSR will form an integral part of this. We realize this requires dedicated resources and staffing, with the recruitment of a full time CSR manager as a tangible first step.

As such, I consider sustainability to be a part of our reality, and our future.

Prakash K. Iyengar
CEO Ammeraal Beltech

UN Global Compact Principles

We all have a responsibility, to each other and to the world around us. Our actions not only affect ourselves, but also our customers, suppliers, employees, and shareholders throughout the value chain. We want to ensure we demonstrate commitment by acting ethically in every situation; we are honest, showcase commitment and treat our stakeholders fairly and with dignity.



In 2015, we prepared our first CSR report. Today, in an effort to consolidate all ongoing actions, we have started a process to further define our sustainability strategy.

CSR Goals *(as in 2016 report)*

1. Optimize our primary production and secondary processes in order to have a minimum use of raw materials, energy & water. We have already partly achieved this by recycling non-conforming products and reusing the material during the production process.
2. Have environmental sustainability integrated into every business function and factored into every business decision our employees make worldwide. Ammeraal Beltech believes that if we improve on sustainability, we will create more benefits to our business, our customers, and our planet.
3. Quality Health and Safety improvement in the development of products and processes. We will continue maintaining good Health and Safety standards wherever we operate and work to minimize risks and consequences of accidents.
4. Keep strong partnerships with our customers. These partnerships are now based on cost, delivery, service and sustainability, and we have to make sure they stay that way. Referring to our key value trust: These partnerships should be based on mutual trust by giving transparency in our CSR efforts, using our skills, sharing our knowledge and offering guaranteed quality and high service.
5. Above all, if the right balance is to be achieved, particularly in light of the role that innovation plays within our business, we must implement our CSR policy throughout the whole business chain, not just in a part of the business.

These goals reflect our identity as a responsible company. Furthermore, in our day to day activities our identity is also spread

in our organization through instruments such as the Code of Conduct and diverse policies that enforce and compliment it.

Our Code of Conduct establishes four key corporate values binding us as a company:

- **Dependability**, as a reliable supplier and partner;
- **Commitment**, not only with our clients and suppliers, but with our contest;
- **Service Orientation**, as we strive to help our clients;
- **Respect**, in all our business, operations, and the environment in which we operate.

This Code of Conduct provides a solid basis for our operations and the way we conduct business. Because we live and work by our corporate values, we actively contribute to the UN Global Principles. Through the UN Global Principles, we show our commitment to meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

Human Rights

With a well-established global presence and cross-border value chains, we fully embrace our global responsibility. Safeguarding and promoting human rights is the cornerstone of Ammeraal Beltech's mission, policies and operations.

As laid down in our Code of Conduct and our Responsible Sourcing Policy, we respect all human rights, of employees and local communities, and are committed to promoting these principles to our suppliers. These key documents are also available on our website.

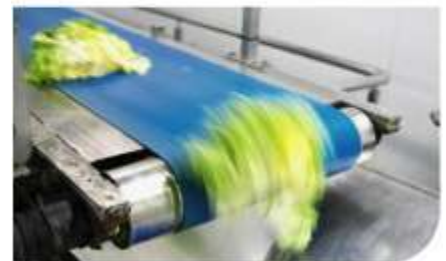
Furthermore, our company Code of Conduct has strict provisions regarding non-discrimination and harassment of any type; child and forced labour; and physical coercion and corporal punishment. In this, we are aligned with the relevant conventions of the International Labour Organization.

We expect - and started in 2017 to assess - that our suppliers likewise ensure respect of all human rights in their businesses. For this we undertook two significant steps as a part of our procurement strategy. First, we shared our Responsible Sourcing Policy with our Top 100 suppliers. So far, we have had 65 acknowledgement letters and/or referrals to own CSR policies in return, but we strive to receive all 100. Second, we conducted a performance assessment amongst our main major business partners to assess CSR maturity (see example).

When engaging a new supplier, we often make personal visits to build a good relationship as well as assess on CSR criteria. Furthermore, we inquire whether the business is ISO 9001 certified or has a minimum equivalent. For 2018, we are aiming towards third party auditing for those suppliers who have been identified as critical within our supply chain, but are in 'high risk' regions.

Example: Supplier Assessment

In 2017, for the first time we developed and sent out a questionnaire to assess the CSR maturity of our suppliers. The assessment reveals information on our suppliers' performance in areas of Business Ethics and Management, Environment, Health and Safety and Human Rights and Labour. All suppliers indicated to be fully compliant to rules and regulations and to allow for collective bargaining.



Labour

Ammeraal Beltech employs over 2,500 people worldwide and they are the backbone to our success. As such we strive to treat them with care and respect, and support them in their personal development wherever possible.

Safety comes first, always. Accordingly, Health & Safety principles are fundamental to our operations – regardless of the location of our facilities. While we pay particular attention to health and safety of our workers and all our employees are trained to perform their jobs safely, accidents do happen. Our standard operating procedure in case of an accident, once the affected staff member has received the necessary medical attention, is to record the incident in our Incident Reporting and Investigation System. Then, shop floor management will gather to perform a root cause analysis and improvements are shared at Ammeraal Beltech group level. Together with our comprehensive Health & Safety principles, this procedure ensures that avoidable accidents do not recur. We have seen a significant improvement of 60% since we started performing tracking and analysis in 2011. We do this in line with the OSHA standard. At the same time, we keep a close eye on near-misses as we believe it creates awareness of our staff of potential hazard. Temporary or external staff is treated with the same workplace practices as our own staff and educated accordingly.

Naturally, we adhere to the ILO guiding principles and thus our employees have the right to collective bargaining and freedom of association in unions or other forms of employee representation. For example, they have formed Employee Councils in our sites in the Netherlands, France, Germany and Denmark. And there is a strong union culture in Spain and Italy. We comply with applicable laws, regulations and agreements on compensation and benefits wherever we operate, and pay at least minimum wage.



We strive to provide the room for our employees to develop their professional skills and expand their social and economic opportunities. A good practice is for instance our facility in Poland and the Czech Republic; where as an employer we go beyond compliance and good wages by engaging with local trade associations, trade fairs and other networks with the full support of corporate leadership. Additionally, we provide training on the job in each of our Manufacturing Units and at our Fabrication Center of Excellence in the Czech Republic.

Example: Code of Conduct

Ammeraal Beltech has four key corporate values: Dependability, Commitment, Service Orientation and Respect. We wrote our Code of Conduct with the aim of instilling these values in every one of our employees, and making it applicable to all areas of operations as well as key sustainability and good governance principles.

We expect each employee to live this Code of Conduct, and we expect managers to show leadership in demonstrating our values and principles. As such, we conduct training activities for management at group level, and strive to support managers in implementing the Code of Conduct.

In the next few months our Code of Conduct will be further updated and rolled-out to all employees with an e-mail address. For each entity, the management team is responsible for creating awareness amongst their employees. The Code of Conduct will be reviewed on a regular basis and is translated (as is the Whistle Blower Policy) into German, French, Dutch, Italian, Spanish, and Chinese to ensure familiarity with the contents for Ammeraal

Environment

We believe that innovations in environmental sustainability will be an ongoing requirement for businesses, and not simply a CSR feature. In this area, as in all others, our values of integrity, dependability, commitment, service orientation and respect are made concrete through policies and actions.

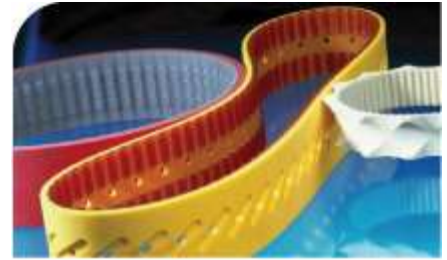
As such, environmental stewardship and efficiency in resource use is enshrined in our Code of Conduct, where we have developed corporate principles for environmental management as well as energy and materials. In our Responsible Sourcing Policy, we lay out our expectation towards our suppliers: that they meet national regulatory requirements at a minimum and manage their environmental impact in areas including energy and resource efficiency, waste reduction and recycling. Attention is paid to environmental principles in our Procurement- and Lean programs. Especially in the latter, we focus on efficiency, waste reduction and ecological design improvements; while in the former we have already taken actions to remove unacceptably toxic chemicals from our supply chain.

Furthermore, we brought products to market that lead to energy savings throughout the lifecycle of the end use application. Energy savings are achieved by selecting the right belt, designing the conveyor system with efficiency as a goal, and optimizing the drive system accordingly. We use this "Ammeraal Beltech Energy Saving Concept" to work with our customers to achieve a solution that optimizes performance with minimal impact.

As one of our ambitions over the next few years, we have identified opportunities to decrease our footprint with "reduce, re-use and recycle" projects. So far, possible initiatives have centred on further reduction of chemical use in general, waste and energy reduction, as well as increased use of recycled materials. Especially on energy and waste reduction, we have already started to explore possibilities for company-wide implementation, thereby involving all employees to set up initiatives they feel are relevant to the company and they can engage with.

Example: Ecovadis

In 2014, Ammeraal Beltech for the first time conducted the EcoVadis survey to measure and demonstrate CSR performance, covering 21 criteria across Environment, Fair Labour Practices, Ethics/Fair Business Practices, and Supply Chain. We achieved the silver medal last year, scoring 50 points on environment and aim to continuously improve our performance.



Anti-corruption

Ammeraal Beltech has always held ethical business behaviour in the highest regard. We have zero tolerance for corruption and comply to rules and regulations.

We operationalize our zero-tolerance policy through a Whistle Blower Policy, Anti-Corruption Policy and Anti-Bribery Policy. We have deployed these documents through a web-based, third party-run Governance, Risk and Compliance tool as well as hotline system, giving any potential whistle blowers a safe and neutral environment. We monitor cases reported, and strive to maintain an open environment through our Code of Conduct.

The reporting system we have introduced has proven to be efficient, and the results are promising: we have not been involved in any lawsuits, rulings or other events related to corruption and bribery.

In the next term, we wish to further broaden the implementation of this web-based system including the policies incorporated and actively raise awareness of its existence amongst our employees.

Example: Whistle Blower Policy

Our employees are encouraged to speak out when they observe any financial, operational, employment-related or general irregularities that run against our Code of Conduct or the law. The Whistle Blower Policy provides clear rules on this.

We pride ourselves on the fact that although we operate in countries where the payment of commissions to win business contracts is common, this policy has been implemented across our locations through the strong backing of corporate leadership – and that people find their way to report these irregularities.



Measurement of Outcomes

To drive change it is always necessary to measure the outcomes of our actions, and to track progress in the results. In this section we summarize some of the outcomes to our actions in the lines of the UN Global Compact principles.

Outcomes in 2017

Human Rights	<ul style="list-style-type: none">• 100% of suppliers indicate to be compliant with rules and regulations and allow for collective bargaining• 65/100 acknowledgements to Responsible Sourcing Policy
Labour	<ul style="list-style-type: none">• 60% improvement in prevention of avoidable accidents• Training on the Job in MU's and Fabrication Center of Excellence in Czech Republic• Up to -3 dB noise reduction through the application of belts• Ecovadis score¹ – Labor Practices: 70
Environment	<ul style="list-style-type: none">• Ecovadis score – Environment: 50
Anti-Corruption	<ul style="list-style-type: none">• Implementation of Whistle Blower hotline• Zero involvement in any legal cases or other events related to corruption and bribery• Ecovadis score – Fair Business Practices: 50

In the future, we expect to track progress on these outcomes over time, as a part of our journey towards Corporate Social Responsibility. As such, we will continue to serve our clients, and honour our commitments as a responsible company.



¹ EcoVadis CSR recognition levels rate from 0-100, the average score is around 41.

