



10 THREADS OF SUSTAINABILITY

An important part of A&E's Eco-Driven® program, the 10 Threads of Sustainability provides A&E with clear and tangible, sustainable goals and direction.

1 GLOBAL CARBON FOOTPRINT



GOAL

REDUCE ENERGY CONSUMPTION EACH YEAR COMPARED TO PREVIOUS YEAR

Global climate change concerns drive efforts to quantify and minimize the amount of Greenhouse Gases (GHGs) that are emitted as a result of our manufacturing processes, support operations, and our value chain throughout the world. We use the definitions and calculation methodologies found in the Greenhouse Gas Protocol to determine our GHG emissions, tracking Scope 1 and Scope 2 GHG emissions at all locations throughout the world. Working with our suppliers and customers A&E is beginning to calculate our Scope 3 emissions. We are committed to reducing the amount of greenhouse gases per kilogram of thread produced.

From 2006-2018, A&E reduced its global GHG intensity by 13%.

2 WATER STEWARDSHIP



GOAL

REDUCE GLOBAL WATER INTENSITY EACH YEAR COMPARED TO PREVIOUS YEAR

Water is an important and necessary component to the thread dyeing process. Once this process occurs, water containing residual dyes and other organic and inorganic compounds must be treated properly, so as not to affect the communities in which we operate. As a large user of water, we are ethically bound to be good stewards of water resources, particularly against the backdrop of stressed water supplies in many regions around the world. A&E takes this obligation seriously and has invested significant capital in water recycling systems and resources to train and equip our wastewater treatment operators to run the systems efficiently and effectively. We continue to work to minimize the amount of water and energy needed in A&E manufacturing processes.

From 2006-2018, A&E reduced its global water intensity by 41%.

3 ENERGY CONSERVATION



GOAL

REDUCE GLOBAL ENERGY INTENSITY EACH YEAR COMPARED TO PREVIOUS YEAR

A&E strives to minimize the amount of energy used in its operations and supporting facilities. Improvements in energy efficiency also directly impact GHG emissions from the same locations. We calculate energy intensity in terms of energy used per mass of product manufactured for manufacturing facilities, and in terms of energy used per area utilized for offices and warehouse locations.

From 2006-2018, A&E reduced its use of electricity per kilogram of thread manufactured by 11%.

4 SUSTAINABLE PACKAGING



GOAL

REDUCE THE AMOUNT OF PACKAGING USED AND INCREASE THE RECYCLED CONTENT PER UNIT SHIPPED IN MEASURABLE AND QUANTIFIABLE WAYS EACH YEAR

The term packaging means any material that is used to ship A&E thread products, including thread cones, cardboard boxes, plastic bags, pallets, labels, and inserts (paper and plastic). A&E is committed to reducing the amount of packaging used per unit shipped, using packaging that can be reused or recycled, recycling any packaging that cannot be reused, using packaging materials that contain recycled content, and using packaging material that has been sourced and manufactured in a sustainable manner.

A&E works regularly with its customers and suppliers to reduce packaging used and increase the recycling content of packaging.

5 RECYCLING AND WASTE REDUCTION

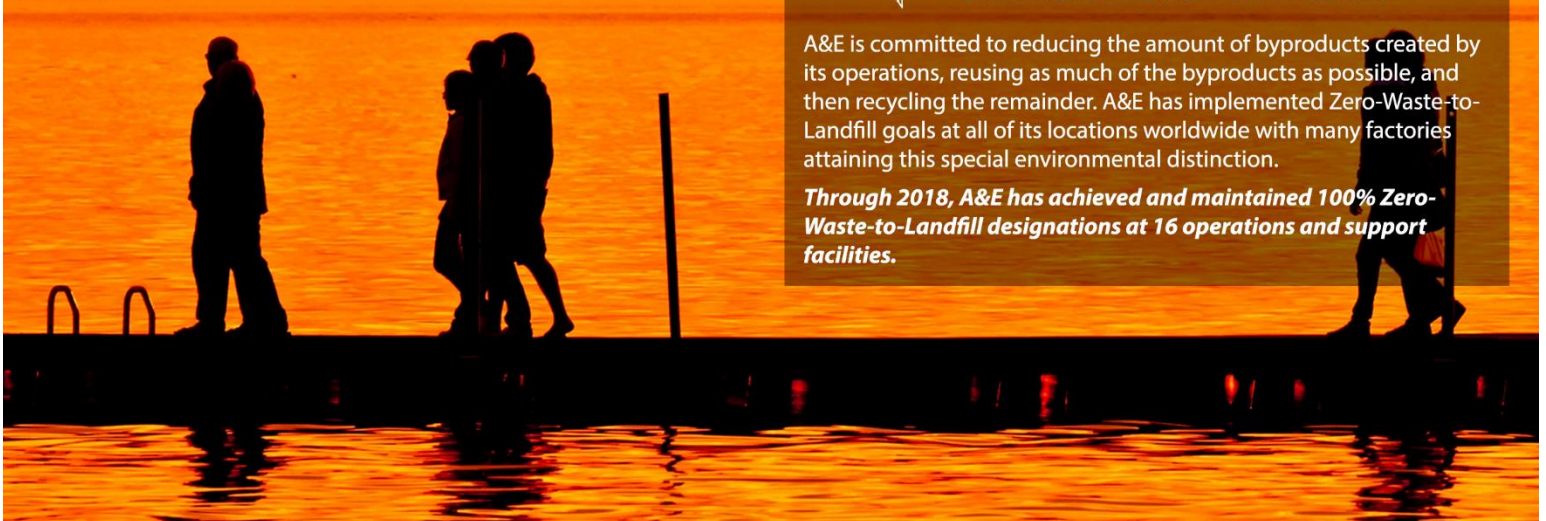


GOAL

ACHIEVE AND MAINTAIN ZERO-WASTE-TO-LANDFILL DESIGNATIONS AT ALL A&E OPERATIONS AND SUPPORT FACILITIES

A&E is committed to reducing the amount of byproducts created by its operations, reusing as much of the byproducts as possible, and then recycling the remainder. A&E has implemented Zero-Waste-to-Landfill goals at all of its locations worldwide with many factories attaining this special environmental distinction.

Through 2018, A&E has achieved and maintained 100% Zero-Waste-to-Landfill designations at 16 operations and support facilities.



A&E's Eco-Driven® mark is a symbol of A&E's commitment to sustainability and its continued investment in innovative technologies that help reduce the environmental footprint of our operations monitored through the Eco-Driven® program.



6 SUSTAINABLE PRODUCTS



GOAL

CONTINUE TO DEVELOP AND OFFER SUSTAINABLE PRODUCTS, WHILE IMPROVING UNDERSTANDING AND MEASUREMENT OF PRODUCT IMPACT

A&E defines a sustainable product as one produced in a manner that minimizes the impact on the environment throughout each phase of its life cycle, compared to other methods of production for the same product. A&E is committed to learning about the full life cycle impacts of its products, developing products that qualify as sustainable. We continue to work with our customers to assist in meeting their respective sustainability goals and product needs.

A&E has released a number of sustainable threads, incorporating REPREVE® fiber made from recycled plastic drinking bottles.

7 GLOBAL EHS AND SOCIAL RESPONSIBILITY COMPLIANCE



GOAL

IMPROVE SOCIAL RESPONSIBILITY ASPECTS OF A&E'S OPERATIONS THROUGHOUT THE WORLD IN QUANTIFIABLE AND MEASURABLE WAYS EACH YEAR. ZERO ACCIDENTS AT ALL LOCATIONS

A&E demonstrates a sincere commitment to integrity and the highest standards of compliance in all of our global operations. A&E's proactive leadership in ethical business practices is demonstrated through regular training of employees, willingness to stand behind our commitment to our customers, and A&E's requirements that our business partners abide by the same high standards. A&E's programs, policies, and goals reflect a commitment to act in an ethical, socially responsible manner that benefits all of our stakeholders. All A&E facilities worldwide are required to comply with its Global Code of Conduct and the company's EHS policies and procedures, routinely conducting annual third-party social responsibility audits.

Throughout each year, A&E identifies and works to reduce potential safety risks in all of its operations. Through its 8 Threads of Safety management program, A&E's global incident rate improved to 0.55 in 2018, well below the U.S. industry average.

8 SUPPLY CHAIN SUSTAINABILITY



GOAL

IMPROVE OVERALL SUSTAINABILITY AND SOCIAL RESPONSIBILITY ASPECTS OF A&E'S SUPPLY CHAINS IN MEASURABLE AND QUANTIFIABLE WAYS EACH YEAR

A&E is committed to doing business with suppliers and customers who share our vision on sustainability and social responsibility, and to the improvement of its supply chain sustainability and social responsibility performance. We regularly engage with our suppliers and customers to drive waste out and reduce the overall environmental impact of our supply chain.

9 PRODUCT STEWARDSHIP



GOAL

IMPROVE PRODUCT STEWARDSHIP EFFORTS AND PERFORMANCE IN MEASUREABLE AND QUANTIFIABLE WAYS EACH YEAR

A&E is committed to creating and delivering products that are innovative and provide value to our customers. Restricted or banned substances are not included or used in the manufacturing of A&E products. A&E ensures this standard is met through our Global Chemical Management Program, which includes its own Restricted Substances List and our process for evaluating and approving dyes and chemicals for use. We will continue to obtain third-party product safety certifications and to be responsive to requirements from our customers.

A&E was a leader in the creation of first AAFA restricted substance list, evolving into the current AAFA RSL much of the industry actively uses today.

10 EDUCATION AND INVOLVEMENT



GOAL

PROVIDE EDUCATION AND INVOLVEMENT IN MEASURABLE AND QUANTIFIABLE WAYS EACH YEAR

A&E strives to provide its associates with information and training, empowering them to become active partners in attaining excellence in sustainability, environmental, health, safety, and social responsibility. A&E actively shares its knowledge and information with our stakeholders. This includes; our value chain partners, policy makers, and people living in the communities in which we operate. By sharing this knowledge and information we can improve the sustainability and social responsibility of our industry, as well as impact on environmental conditions in the communities in which we live and operate.