

Sustainability report 2021







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About Picanol Group

Picanol Group is a diversified industrial group and it is active worldwide in mechanical engineering, agriculture, nutrition, energy, water management, the efficient (re)use of natural resources, and other industrial markets. The group's products are used in a variety of applications in industrial and consumer markets. Picanol Group has approximately 7,000 employees worldwide and it is listed on Euronext Brussels (PIC) through Picanol nv. Picanol Group's activities are divided into five business segments: Machines & Technologies, Agro, Bio-valorization, Industrial Solutions, and T-Power.

This sustainability report clarifies our sustainability efforts throughout 2021. The information in this report relates to the activities in the Machines & Technologies segment. Furthermore, in the rest of this report references to Picanol Group refer to the activities of Machines & Technologies.

For a detailed description of our activities, please refer to the Picanol Group annual report (www.picanolgroup.com). For the group's other activities that fall under Tessenderlo Group, please refer to Tessenderlo Group's annual report (www.tessenderlo.com).

Global presence

In addition to the headquarters in Ieper (Belgium), Picanol Group has production facilities in Asia and Europe, which are linked to our own global service and sales network.



Belgium

Picanol (Ieper):
headquarters and R, P, M, S
Proferro (Ieper): P, M, S
PsiControl (Ieper): R, P, M, S
Melotte (Zonhoven): R, P, M, S

R: Research & development
P: Production
M: Marketing
S: Service

Europe

Romania
PsiControl Srl (Rasnov): R, P, S
Turkey
Picanol Tekstil Makinalari: M, S

America

Brazil
Picanol do Brasil: M, S
Mexico
Picanol de Mexico: M, S
United States
Picanol of America: M, S

Asia

India
Picanol India: M, S
Indonesia
PT. Picanol Indonesia: M, S
People's Republic of China
Picanol SIP Textile Machinery: R, P, M, S
Picanol (Suzhou) Trading Company: M, S
Picanol Guangzhou Sales Office: M

Preface

When you think of Picanol, you immediately think of weaving machines. Over the past few decades, we have continually pushed our limits in the field of weaving machines and with our customers, which has made us the world's top manufacturer of weaving machines. However, Picanol Group is more than weaving machines.

For instance, in our foundry and mechanical finishing department, Proferro, we produce, among other things, compressor and agricultural machinery components as well as parts for Picanol weaving machines. At PsiControl, solutions are developed regarding controllers for textile machines, compressors and fleet management, and at Melotte, innovative product solutions are developed and produced for customers from various sectors.

Founded in 1936, Picanol Group has evolved from a traditional weaving machine manufacturer into an international, customer-focused group that specializes in the development, production and sale of high-tech weaving machines, engineered casting solutions and custom-made controllers. Sustainability and a long-term focus have been a recurring theme in our story for the past 86 years. This sustainability manifests itself primarily in our products and processes; for example, the use of simulations for the design of more energy efficient weaving machines, the conversion of old iron into high-tech castings, durable mechanical components and advanced electronics that ensure the optimum quality of fabrics and less waste, etc. Nowadays, sustainability is interwoven in all processes and products of Picanol Group, from development to production.

We also try to integrate our sustainability efforts into other business processes, from our ambition of being a good employer to limiting our impact on the environment. In our processes, for instance, we systematically consider the environment and we try to limit the impact of our activities by also constantly and closely paying attention to issues such as emissions and water consumption, as well as energy consumption and waste management. The health and safety of our employees also receive a great deal of attention from Picanol Group, as well as protection in the workplace, ergonomics and prevention.

The world of tomorrow is changing rapidly, both in terms of technology and expectations, with more and more data and connectivity posing plenty of challenges. Our ambition is to translate these challenges into future opportunities. We are fully convinced that if we combine our commitment with the huge opportunities that lie ahead, then we can prepare for the future. Therefore, we are developing a resource that combines future-oriented machinery, high-performance processes and satisfying, pleasant working conditions. We are fully committed to digitization and new technology, as well as investing in our employees, because only together we can make a difference.

Picanol Group also plays an important social role. We make a positive contribution to society, the economy and the environment. We achieve this through our products and services, the creation of employment, social involvement and the responsible use of raw materials. It is our ambition to continue our efforts in the future to be a responsible and sustainable company that strengthens the relationship with our stakeholders through consultation and dialogue and recognizes the value creation throughout the chain.

The sustainability report of Picanol Group is also available in a digital version on the website www.picanolgroup.com.



Luc Tack
CEO



Stefaan Haspeslagh
Chairman



Sustainability & corporate social responsibility at Picanol Group

Sustainability and corporate social responsibility are inextricably part of the strategy and daily actions of Picanol Group. This includes continuously acting, deciding and investing with the sustainable future in mind for the company and its stakeholders.

We are convinced that sustainability efforts help us to establish a strong relationship with our employees, our customers, our suppliers and other stakeholders. It helps us to attract and retain new talent, while at the same time it also provides a strong impetus to innovation. Within Picanol Group, we want to act according to the expectations of both our current and future stakeholders and create value for our company in the long term. The responsibility for the monitoring of sustainability and corporate social responsibility at Picanol Group lies with the ExCom, the management team and the Board of Directors. Sustainability topics are periodically discussed at the corresponding meetings of the ExCom, the management team and the Board of Directors.

Therefore, Picanol Group resolutely opts for a sustainable production process that shows respect for people, the planet and the community. This is why Picanol Group focuses on three important pillars in this report:



Reporting method and period

In this sustainability report of Picanol Group we are providing an overview of the most relevant objectives, efforts and results in terms of sustainability for the year 2021. This sustainability report has been based on the GRI Guidelines on reporting on sustainable development and was not subject to an external audit. The follow-up table is included in this report. The GRI indicators used in this report are indicated for each theme. Picanol Group will publish an annual update of this report.

The KPIs in this report were drawn up on the basis of figures from the production sites of the Machines & Technologies segment in Belgium, Romania, and China (together they account for more than 90% of the total number of employees), unless stated otherwise.

This (separate) sustainability report constitutes the group's statement of non-financial information and complies with the requirements of Articles 3:6 § 4 and 3:32 § 2 of the Companies and Associations Code. This report stands alone and is an annex to the annual report.

In addition to the information in this sustainability report, a detailed overview of the main risks (including non-financial risks) for Picanol Group is included in the annual report, which is available at www.picanolgroup.com.

For any questions or comments regarding the sustainability report of Picanol Group, you can contact us by writing to sustainability@picanol.be.

Picanol Group's sustainability reports are also available at www.picanolgroup.com.



Taxonomy

This year, we are including additional data related to climate targets under Taxonomy Regulation EU 2020/852, which came into force on January 1, 2022, as we fall within the scope of Directive 2013/34/EU on Disclosure of Non-Financial Information and, in the near future (for which we are already in preparation), of the Corporate Social Responsibility Directive (CSRD).

The Taxonomy Regulation creates a unified framework that determines to what extent economic activities can be regarded as sustainable, within those criteria, definitions, and approaches. In relation to this, additional reporting requirements for certain listed companies are established: they need to provide information on the proportion of their revenue, capital expenditures (CapEx), and operating expenditure (OpEx) related to sustainable economic activities. The fact that a company does not have activities aligned with taxonomy does not lead to definitive conclusions with regard to the environmental performance of these companies. Not all activities that can make a substantial contribution to the environmental objectives are listed in the Climate Delegated Regulation.

In the context of Picanol Group, Proferro conducts foundry operations, which is a Taxonomy eligible activity.

The below table shows the % turnover, CapEx, OpEx related to the foundry activity as compared to the total turnover, CapEx, OpEx of Picanol Group.

The table doesn't indicate whether this activity is aligned with the substantial contribution criteria.

	Total in million EUR	Proportion of Taxonomy eligible economic activities (%)	Proportion of Taxonomy non-eligible economic activities (%)
Group turnover	660.2	9.7%	90.3%
Group CapEx *	16.5	9.2%	90.8%
Group OpEx **	27.0	23.3%	76.7%

For revenue and CapEx of the Machinery & Technologies segment please refer to note 3 of the annual report 2021 at www.picanolgroup.com.

**Intangible & PPE CapEx and incl. IFRS16 Leasing CapEx.*

***Maintenance & R&D OpEx (OpEx as defined under the taxonomy).*



Materiality Analysis

Materiality assessments

In 2020, a materiality assessment was carried out to determine which material topics are the most important and which have the most impact on Picanol Group. In addition, these assessments allowed us to determine how to prioritize the material topics. Reporting by Picanol Group follows the guidelines of the GRI (Global Reporting Initiative) with the material topics not only reflecting the environmental, economic, social, and governance impact of the company but also highlighting how the decision-making and assessments of our stakeholders could be influenced.

Our results

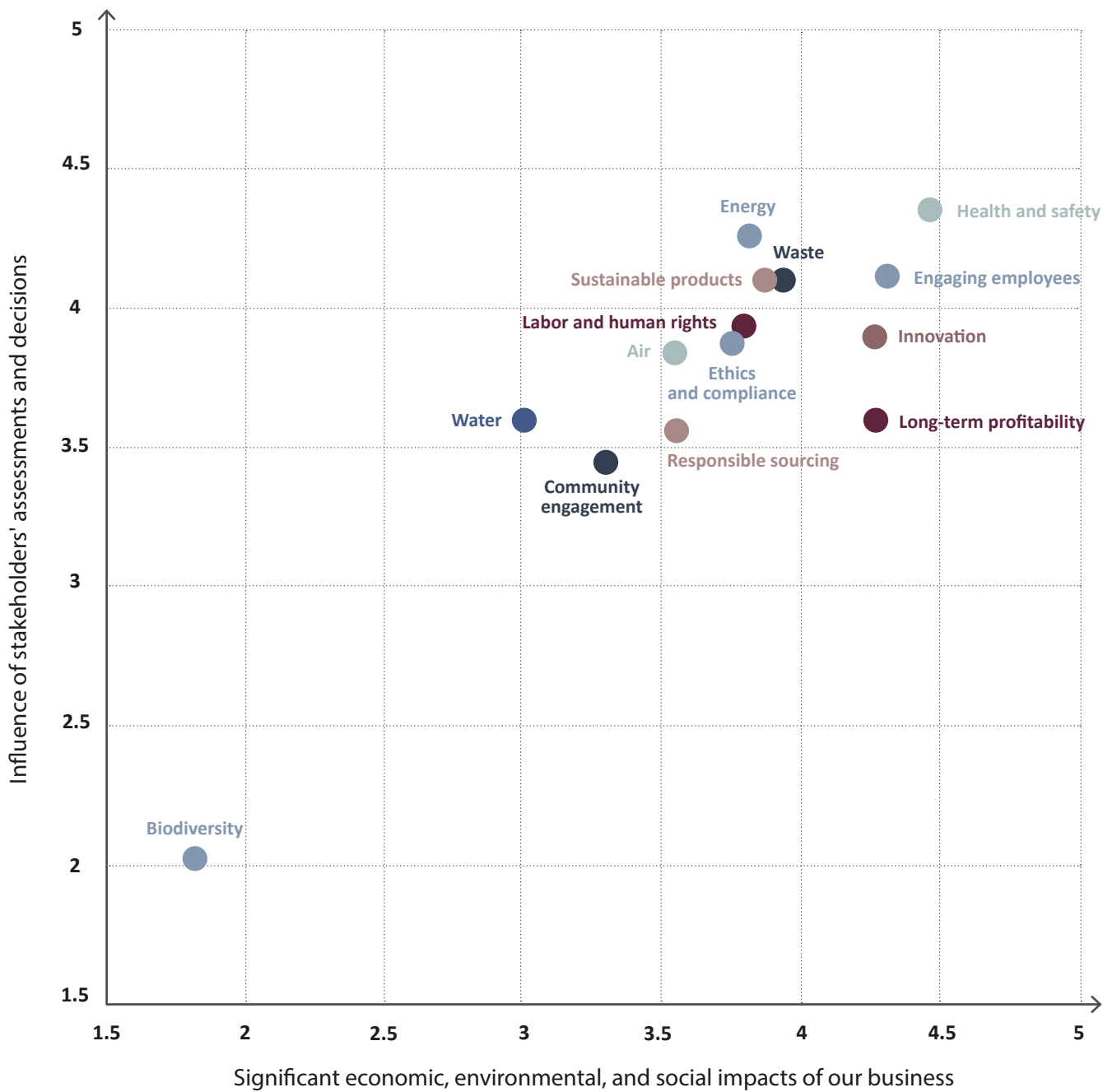
This initiative had the full support of the ExCom and the Board of Directors. This is absolutely crucial as materiality is not only a very useful tool in terms of reporting but it also allows us to create focal points and to validate our overall strategy. After analyzing the completed questionnaires the materiality matrix was drawn up, as set out below. The order of importance of the selected topics is shown on the X-axis of the matrix for Picanol Group, and on the Y-axis for stakeholders.

During the scoring process, the possibility was given to the participants of scoring between 0 and 5 on the X axis and on the Y axis, with 0 being “not important at all” and 5 being “very important”. The result shows most of the topics were ranked above 3.5, meaning that they are considered impactful and important, but some much more than others. The size and the color of the circles have no importance.

The sequel

Several actions related to the topics of the materiality matrix were already initiated in 2020 and 2021, and we will continue to develop them in the future. This will lead to the need to define additional KPIs for both existing and future topics. Once this has been done, we will continue to define both short-term and long-term goals in line with the implementation of our strategy.

After selecting the topics, we will draw up individual sustainability decisions and project plans for each of them. The aim is to develop a strategy and to install the tools to achieve positive results and assess progress. Key Performance Indicators (KPIs), on the basis of which progress can be evaluated, will be established for all projects. These KPIs will also form part of a number of short-term and long-term objectives.



United Nations Sustainable Development Goals



Sustainable Development Goals

In 2015, the United Nations General Assembly defined Sustainable Development Goals (SDGs). These SDGs describe the world the United Nations envisions. These goals should be globally applicable and the aim is to ensure that no country is left behind. The 17 SDGs represent Agenda 2030 and, in particular, the more positive world view that the United Nations aims to realize. Based on the 17 global goals, 169 targets were set. They will highlight areas in which we can potentially make a difference.

Setting Sustainable Development Goals

The SDGs have received considerable backing from the international business community. In this respect, 95% of sustainability reporting reviewed in 2019 by the World Business Council for Sustainable Development (WBCSD) recognized SDGs, with 86% prioritizing specific, sustainable development goals. This clearly demonstrates the intention of companies around the world to achieve the SDGs.

We have chosen to include our selected SDGs in our sustainability report so that they can serve as a compass for our strategy, our employees, and our stakeholders.

Our method

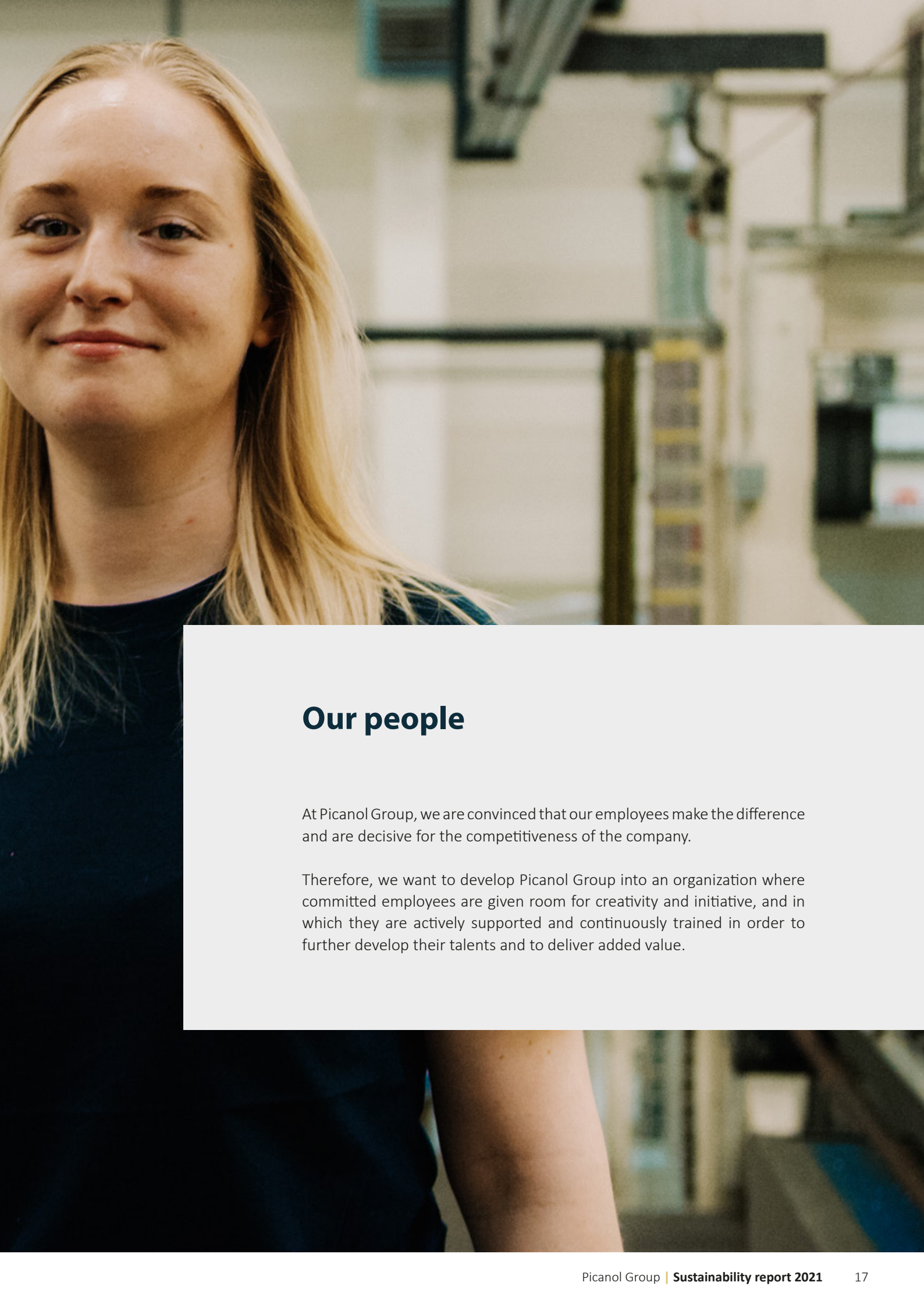
The method initially required the selection of targets that we felt best matched the results of the materiality study we had carried out. From there we focused on linking the material topics to the GRI indicators. Subsequently, work will be done on both measuring and monitoring targets using KPIs. These need to be established and they will highlight areas in which we can potentially make a difference.

Our Sustainable Development Goals

Picanol Group – the final selection of seven SDGs:







Our people

At Picanol Group, we are convinced that our employees make the difference and are decisive for the competitiveness of the company.

Therefore, we want to develop Picanol Group into an organization where committed employees are given room for creativity and initiative, and in which they are actively supported and continuously trained in order to further develop their talents and to deliver added value.

Employment

Picanol Group employs 2,289 employees worldwide, who together comprise more than 48 different nationalities.

Number of employees worldwide *

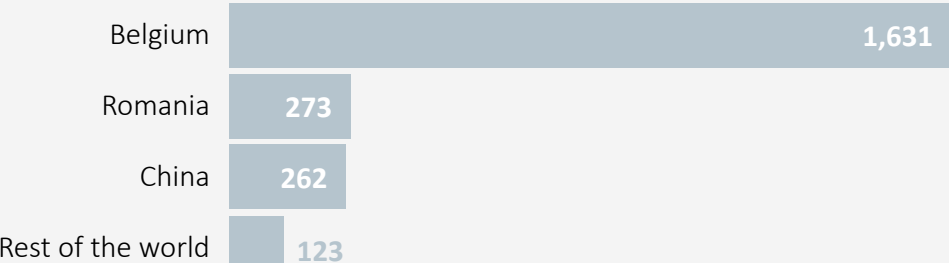


* headcount

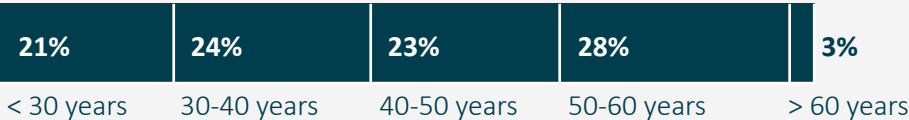
Employees by gender



Geographical distribution



Employees by age group worldwide



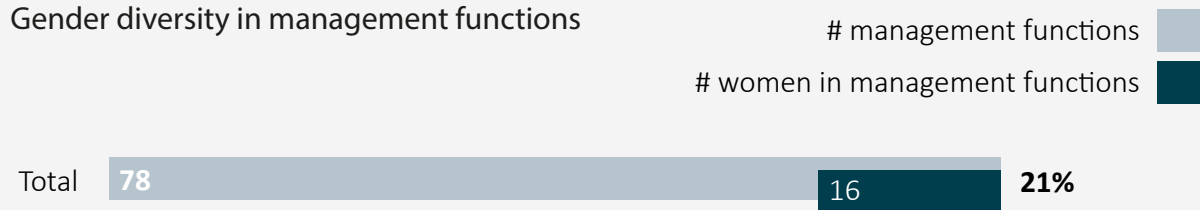
Gender diversity at the Board level

On December 31, 2021, the Board of Directors fully complied with the requirement of the Act of July 28, 2011, which states that with effect from January 1, 2017, one-third of the members of the Board of Directors must be of the opposite gender.

Employees and positions

In 2020, Picanol Group launched a diversity and inclusion policy. With this policy, the organization aims to further strengthen diversity and inclusion in the workplace. No formal complaints were received in 2021 on human and labor rights, nor on diversity and inclusion.

Gender diversity in management functions



Employee turnover

2021	target
7.4%	< 5%

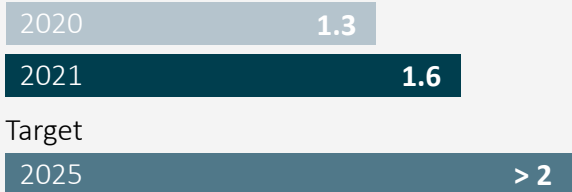
Sustainable employment

Picanol Group focuses strongly on sustainable employment and employability by creating a work environment in which ambition and enthusiasm are stimulated and made possible, for both young and older employees. We are convinced that efforts in the area of health, safety, development and support create challenges, less work stress and higher labor productivity. Thereby, we want to support our employees both physically and cognitively. However, in addition to physical and mental well-being, we also want to continue to focus on talent development, involvement and the personal development of our employees. In the meantime, as part of talent development, we have initiated coaching interviews at the invitation of the manager or the person concerned. Sustainable employment therefore requires attention for, among others, ergonomics, anti-burnout programs, active relaxation and motivation for healthy living.

Coaching interviews

We strive to be an organization in which engaged employees are given the space to develop their talents and where leaders actively support their teams and provide opportunities for growth. This requires an evolution of our corporate culture into one in which giving and receiving feedback is standard practice. In this context, we have in recent years further evolved the classic formal evaluation interview. This was previously a meeting that was scheduled once a year with the employee’s manager in order to discuss objectives and evaluate. This has evolved into shorter, coaching interviews in which priorities, strengths and opportunities, interests and motivation are discussed several times a year.

Number of coaching interviews per employee



Well-being survey in leper

In recent years, we have made great efforts as an organization to increase well-being at work. In order to check whether we were heading in the right direction, we conducted a well-being survey in leper at the end of 2019. The aim of the survey was to discover the areas in which the organization could further improve well-being and the work experience, and to identify both the challenges and what absolutely must be retained. In total, 1,104 employees (or 75.5% of all employees in leper) completed the well-being survey. Thanks to this high response, we were able to form an accurate picture of employees'

opinions on the various aspects of well-being at work. Based on this feedback, an overall report was prepared, with the further analysis of results, by department and in comparison with the overall results of the group. Work continued during 2021, using the department-specific results. Brainstorming sessions were organized, working groups were set up, and annual plans were drawn up in consultation with the managers of the various departments. This enabled employee feedback to be converted into specific action points, both in high-scoring and lower-scoring dimensions. Managers and employees were all actively involved. Executive workshops on stress resistance were also planned for 2021. However, due to COVID-19 measures, the workshops were postponed to spring 2022.

Initiatives in 2021



Employment and internship fairs

To maintain and strengthen Picanol Group's current position, we are constantly looking for dynamic, new, and young talent. Picanol Group is therefore undertaking several initiatives to attract potential candidates. One of them is participating at job and internship fairs, to make contact with (final year) students, and introduce them to our internship and/or job vacancies.



Job Days

In October 2021, Picanol Group organized two job days with the goal of attracting new talent. During the job days, candidates were given the opportunity to get to know our company in leper. They received an introductory presentation, a short tour, and were given the opportunity to present what motivates them in exploratory personal interviews. A total of 60 interested candidates attended, as a result of which many new colleagues have already started working in various departments.

Training



Picanol Group is a world leader. We can only maintain this position in the future if we continue to invest in our employees. Picanol Group, therefore, helps its employees to develop their talents to the maximum. We believe that we can only succeed in this area by creating a culture of self-development and continuous learning.

We offer training, personal coaching, and support in the workplace, and we aim to invest in sustainable employability. We are committed to providing people with the knowledge and training they need to do their jobs well.

Every new employee, therefore, receives a personal training and development plan at the outset. New employees also go through an extensive onboarding process, in which the necessary information and guidance are given in the first days and weeks, to ensure a smooth start in every new position.

An annual, central training plan is also drawn up at an organizational level, paying attention to the needs of the various departments in the fields of IT, prevention, process knowledge, technology, etc. At an individual level, attention is not only paid to new employees; all employees get a real opportunity to meet their individual learning needs. Additional, in-house training is provided on specific topics like ERP systems, CAD/CAM software, welding, ESD, safety, etc. Employees can also access open learning opportunities (Everyone Learns, Mtech+, etc.) that go beyond the requirements of their own position, in order to broaden their knowledge. This allows people to invest in their own futures and creates broad, long-term employability within our organization.

In 2021, 48% of all Picanol Group employees completed at least eight hours of training. This is an improvement in terms of the extent of training activity and an increase compared to 2020 when training decreased as a result of cancellations and postponements due to COVID-19. In 2021, we see a certain recovery in terms of learning efforts.



1,895
or 93%

(of the) employees followed a training in 2021.

or



74,371

hours of training in total,
or an average of 36 hours per employee.



986
or 48%

(of the) employees completed at least 8 hours of training in 2021.

Target for the coming years



100%

of the employees completes at least 8 hours of training per year.

Initiatives in 2021



Leadership

As an organization, we are strongly committed to supporting our managers in their leadership roles. We believe in the importance of teamwork and the impact of coaching and feed-forward conversations for the personal growth of each employee. We, therefore, continued to build our leadership development training resources in 2021. Among other things, a session on “Onboarding and its importance for retention” was organized for all managers. Pitstops were also organized, for supervisors and foremen. These are learning networks in which these leaders can learn from each other, on topics of their own choosing.



Evening summits and technology forums

A number of summit evenings were again held in 2021, for all employees in Ieper. A typical agenda would, for example, include Picanol employees presenting PicConnect, the new digital platform, as well as a presentation on the new generation of *Connect* machines. Expansion plans for our new headquarters in Ieper were also presented. The summit evenings were facilitated online but allowed for interaction and questions from participants.

Employees in Ieper also visited Proferro's new high-bay warehouse during a technology forum in the autumn of 2021, where they were taken through the investment background, from concept to completion, by several colleagues.



Training route for young engineers

Young engineers joining Picanol's R&D department undergo an extensive training process, working closely with an experienced designer. This gives them the opportunity to develop step-by-step, interact with others, and, ultimately, take responsibility for their own projects.



On-the-job training

Every new employee in the assembly department receives extensive on-the-job training. They are initially trained for a period of several days by our head of training, in the new training room. Afterward, they receive guidance in the workplace, where their skills are sharpened in practice. This training involves a classical training approach, combined with videos and short quizzes, to help trainees master the subject matter comprehensively. A biannual training plan is drawn up for employees already working in the assembly department. Relevant, basic assembly techniques are refreshed during training sessions.

Initiatives in 2021



In-house training for foreign language speakers

In 2021, Picanol Group welcomed a number of foreign language speakers to the workforce. This posed a communication challenge. A language coach was used to provide training in the use of the Dutch language in the workplace. The language coach not only focused on improving the new employees' Dutch but also supported internal trainers in conveying work instructions in a clear manner. Language coaches thus enable more efficient training, both on and off the job.



Email for all employees

As part of its digitalization program, Picanol Group started a process of providing professional email addresses to all employees in 2021. This will enable easy contact with everyone in the organization while reducing the number of paper forms and documents. It will also support and simplify two-way communication between employees and managers. To ensure a smooth introduction of the new addresses, training sessions were provided for employees who did not yet have email addresses.



Digital ambassadors

In the roll-out of email systems for all employees and regarding further digitalization in general, it is important that each employee receives sufficient support in the daily use of these new tools. In this context, Picanol Group launched a call for digital ambassadors in 2021. These are employees who, in addition to their current jobs, help support the acquisition of digital knowledge by colleagues in the workplace. They are the point of contact for questions or problems about email, smartphone use, social media, etc. In 2021, five colleagues signed up as digital ambassadors and received the necessary training. This group will expand to include some 15 new digital ambassadors in early 2022.



Microsoft 365 training

As part of the further roll-out of Microsoft 365 in the workplace a Digital Coach, who became the central point of contact for all questions on this topic, was appointed in 2021. A standard training program was also developed for Microsoft 365 and Microsoft Teams. These training courses are offered on a recurring basis and take place internally. Additional tips & tricks and new features are shared with the entire organization on a monthly basis.

Initiatives in 2021



Security awareness

In 2021, we continued to focus on security awareness. This included training in cyber security for all employees who were receiving a personal company email account for the first time.

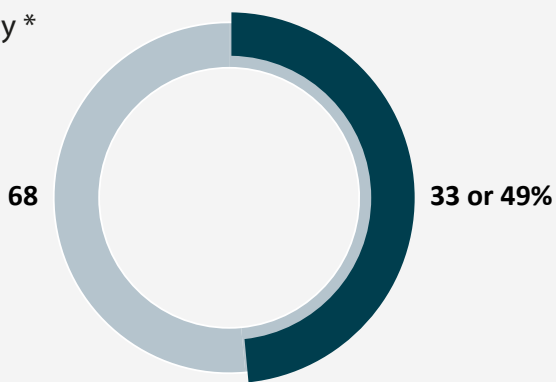


Compliance training

In 2021, the first steps were taken in setting up compliance training courses. These are in line with the Code of Conduct and provide employees with training in ethics, regulatory compliance, and corporate culture. The system will be applied in the course of 2022 to address issues such as conflict of interest, insider trading, and bribery and corruption.



Internal mobility *



- # vacancies
- # of vacancies filled in internally

** only vacancies starting from the level of foreman*

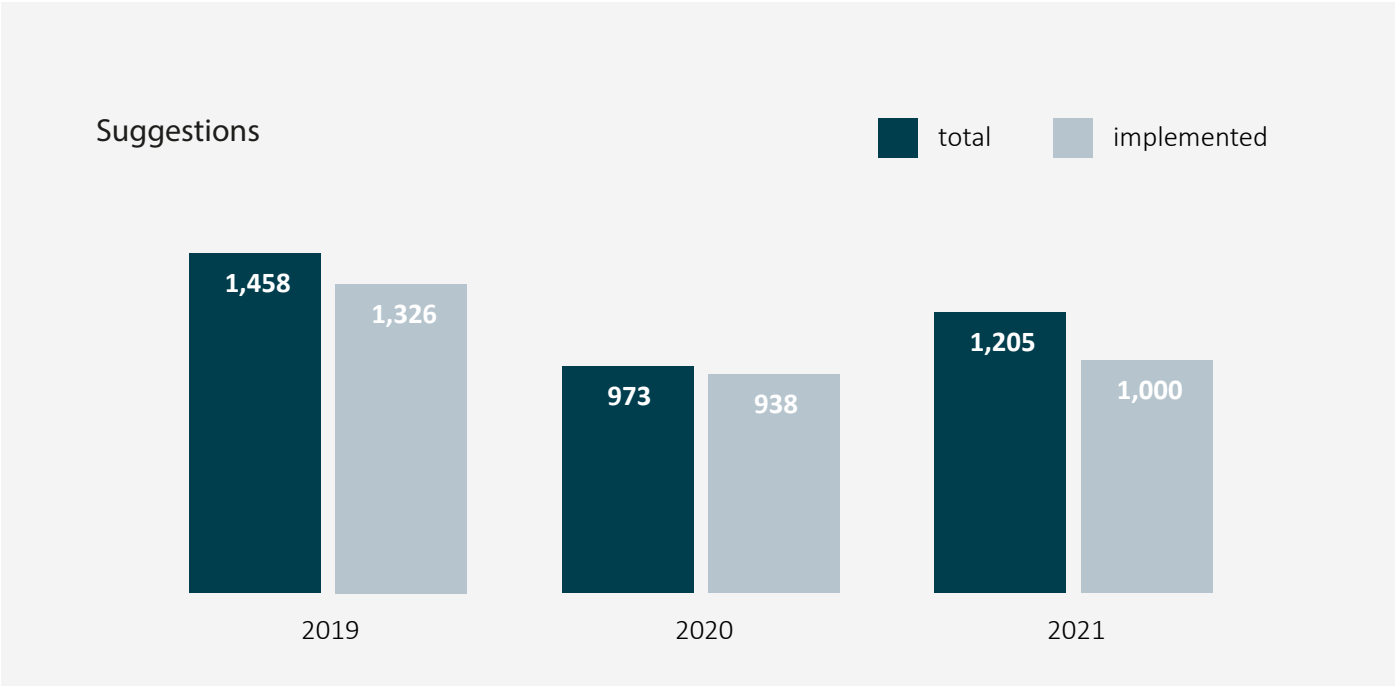
Employee engagement

For Picanol Group, it is an ongoing goal to remain a world class company. To this end, the commitment of everyone within the company is of crucial importance; it is only if we strive together for a better organization that we can guarantee the future for all of us.

We firmly believe that the development of talent and commitment is based on good, open communication, as well as transparency of information. Therefore, we strive to make the right data available to the right employee at the right time. We believe that we can only succeed in this if we digitize information sharing and make it transparent, if we invest further in high-performance applications, and if we promote connectivity.

Suggestion system

This is why we have developed a suggestion system within Picanol Group through which we are looking for constructive proposals that achieve a real improvement of our activities. Suggestions can be submitted via suggestion boxes that are available in all departments of the factory, or via our electronic suggestion system. In this way, we want to go together with our employees for an even stronger company of the future. The number of suggestions submitted in 2020 decreased due to the impact of COVID-19, while 2021 saw a slight increase in the number of suggestions submitted and implemented.



Initiatives in 2021



Picant

Picanol Group publishes one or two editions of Picant on an annual basis. Picant is an employee magazine for and by the group's employees. Picant aims to keep all employees informed of the group's activities, while also providing a forum for the stories and opinions of individual employees. The magazine includes updates on investments, our worldwide branches, new milestones, and events. There are also articles by employees- for example in the "After Hours" section.



New intranet

In the spring of 2021, Picanol Group launched an updated intranet environment called InSider, with numerous additional options and features, including displays adapted to the user's device, a clear mega menu, and an internal search function. The intranet provides a central communication platform where all employees can find the required information on HR, health and safety, IT, communication, and much more. In addition to a more modern design, the new intranet also became a lot more user-friendly, thanks to complete migration to Microsoft 365. It is also possible to personalize the intranet environment with tools and links that are specific to the needs of individual employees. In order to involve them as much as possible in the transition to the new intranet environment, employees were invited to come up with a name for it, and to test the new environment before its launch.

Initiatives in 2021



Gift boxes

In the summer of 2021, Picanol Group employees were surprised with a gift box, which was sent to their homes, as a thank-you for their commitment and flexibility during the pandemic. Between Christmas and New Year all colleagues also received an end-of-year gift, as we could neither get together to celebrate the year-end, nor enjoy a New Year's drink.



National Compliment Day

On National Compliment Day 2021, Picanol Group in Ieper provided numerous compliment cards, carrying quotes in the West-Flemish dialect. These were made available digitally and via physical displays throughout the company. As a result, many employees made a point of giving their colleagues a compliment!



Virtual Field Technician Days

Picanol's Field Technician Days took place on December 15 and 16, 2021, in virtual form, given the coronavirus situation. Picanol's Field Technicians were introduced to the new *Connect* generation of machines and the PicConnect digital platform via various technical training sessions. Picanol has an exemplary team of approximately 150 experienced Field Technicians, spread over more than 30 countries, to support our customers on a daily basis.

Safety and health

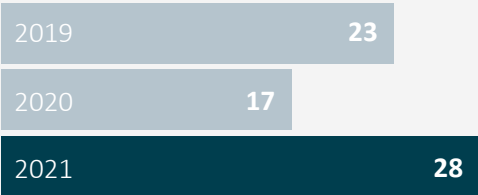
The safety and health of our employees is an area we give high priority to at Picanol Group. Safety rules such as a framework for day-to-day operations are a must; however, safety goes much further than rules alone. We want to create a safe work environment for all of our employees and we can only achieve that if everyone actively cooperates. We therefore strive to deeply embed the concept of safety in our daily activities and way of thinking. We encourage our employees to confidently deal with the health and safety aspects of each job and to take the appropriate precautions. Picanol Group provides the necessary training, coaching and support.

Safety

In 2021, we saw an increase in the number of lost time accidents, compared to previous years. The main reason for this was a significant increase in production over a short period of time, which put a lot of pressure on the organization. This had an impact at various levels, leading to unexpected work situations and, in some cases, to more accidents at work. However, the increase in the frequency of work accidents far exceeded the increase in the severity of these events. There were more work accidents in 2021 than in 2020, but they were mostly relatively minor accidents involving limited injuries.

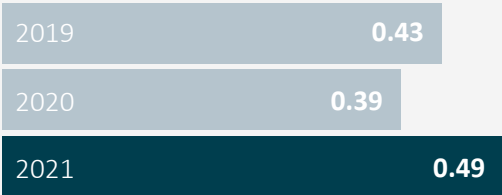
We also continued to work on increasing the safety awareness of employees and managers in 2021. Safety must continue to be our number one priority, always and everywhere. And we want everyone- at every level of the organization- to make an ongoing commitment to pay the necessary level of attention to safety. Despite the limitations imposed by COVID-19, we, therefore, continued in 2021 to expand our safety awareness campaigns in the foundry (Safety@Proferro) and in the assembly department.

Lost time accidents: frequency *



* number of lost time accidents per 1 million hours worked

Lost time accidents: degree of severity *



* number of days off work per 1,000 hours worked



Initiatives in 2021



Aiming for safe and optimal transport

Internal transport is a must at Picanol Group. For example, the use of forklift trucks, work platforms, overhead cranes, and electric stackers introduces many safety risks, so every driver has to fulfil a number of safety conditions. One of these is the completion of appropriate training. This consists of a theoretical component, combined with practical implementation. In 2021, Picanol Group paid extra attention to the training of electric stacker drivers. The practical part of this training takes place on the shop floor so that it engages perfectly with the actual tasks performed by drivers on a daily basis. In addition, practical coaching sessions were organized for managers during 2021, at which the most common errors relating to the use of stackers were discussed. It is our aim to enable managers to detect and correct unsafe behavior.



Electrical installations training

Employees who come into contact with electrical installations must have the relevant knowledge and must undergo suitable training. This training is provided internally and it is repeated periodically. In 2021, employees in the testing area and in the various technical departments, who are most frequently in contact with electrical installations, were retrained. In 2022, this program will be continued, specifically for employees who work in the vicinity of high-voltage installations.



Safety at height

In 2021, Proferro's new, high-bay warehouse was put into operation. In preparation for potential interventions at height, several colleagues received training in fall protection. This is aimed at ensuring worker safety during maintenance operations in the high-bay warehouse, which has a height of 32 meters. This team was also trained in rescue and evacuation techniques.



Safety e-learning

New employees always receive a comprehensive introduction to safety measures, followed by in-department training that focuses on the specific risks and prevention measures in the workplace. In this context, the first steps were taken in 2021 to set up an e-learning safety program. Initially, this e-learning course will be used to provide training on workplace safety when onboarding new employees. It is also the intention to use the e-learning safety program later, for refresher training of current employees, and to extend the program to visitors, suppliers, etc. In the course of 2022, the e-learning safety program will be used for safety topics such as emergency procedures, first aid, fire prevention, PPE, internal transport, and psychosocial risks at work.

Initiatives in 2021



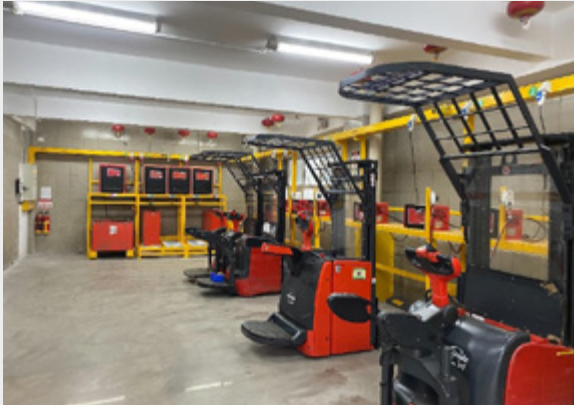
PPE dispenser

In order to make the distribution of personal protective equipment (PPE) as efficient as possible, a pilot project was set up in 2021 whereby a safety glove dispenser was installed in a department. Employees can now obtain the appropriate safety gloves at any time. The project was positively evaluated at the end of 2021 and it will be rolled out to other departments in 2022.



Forklift truck proficiency test

In the spring of 2021, a skills test for forklift truck drivers was introduced in Suzhou, China. The test's trial covered topics like maintenance, load inspection, load-lifting and lowering, driving, and parking the forklift truck. This training aims to make forklift truck drivers aware of their responsibilities and of potential risks.



New loading area for forklift trucks

In autumn 2021, Picanol in Suzhou, China, converted a former washroom into a forklift truck battery charging area. In the past, forklift trucks were charged in the warehouse, which posed a fire risk. The new loading area is mainly used to charge, store, and maintain the batteries of forklift trucks. The room also contains a fluid reservoir, an eye-wash basin, and fire extinguishers.



COVID-19

The COVID-19 pandemic had a major impact on Picanol Group and on all of its employees in 2021. The company, therefore, took all the necessary measures to ensure that employees could work safely. The internal measures initiated in 2020 were continued in 2021. In this connection, signage featuring clear, general guidelines was further implemented within company premises and, where necessary, one-way traffic was introduced in corridors and walkways. Every employee was also provided with access to disinfectant gel, face masks, and disinfectant wipes. Working hours and the use of changing rooms, refectories, and meeting rooms were also appropriately regulated. Face-to-face meetings, both internal and external, were replaced, as far as possible, by alternative means of communication. Employees were also regularly and extensively informed on guidelines and prevention measures.

Well-being

Picanol Group employees are at the center of our concerns, which is why we want to continue our efforts to increase general well-being at work. We believe that we can only succeed if we create an environment in which it is pleasant to work if we launch initiatives to get employees to exercise sufficiently, if we make our people aware of the importance of a healthy diet, and if we take action in the context of mental health. We are convinced that we can achieve this by means of training, workshops, information sessions, our well-being survey (with accompanying action plans), and “Move, Food & Mind” activities.

Initiatives in 2021



Numerous walking and running events

In 2021, Picanol Group participated, once again, in several sporting events, including the AG Belgian Coast Walk and the "Natuurloop" in Zonnebeke. In addition, 68 employees took part in the Ieper 100 km, where every 10 km completed gives the walker a chance to win an electric bike worth 3,299 EUR.



Digital inspiration session with Sandra Bekkari

In the context of well-being at work, Picanol Group organized a digital inspiration session by the nutritionist Sandra Bekkari in June 2021, on healthy eating at work and at home. Sandra Bekkari bundled bitesize tips and tasty facts into a 60-minute session. The session was subsequently made available on our intranet, for those who were unable to attend the live, online session. Everyone who completed the evaluation survey after the session also had a chance to win a healthy snack box.

In the context of well-being at work, Picanol Group in Ieper has developed a homeworking policy, whereby people with appropriate positions can work from home for up to eight days per month. In order to guide employees and managers in this regard, support was provided on the topic of working from home in a healthy way. An information brochure and a bundle of tips & tricks were developed for this purpose. To date, 262 employees have already registered for regular homeworking. However, given the strict COVID-19 measures, the focus in 2020 and 2021 was on mandatory homeworking.



Picanol Group Strava club

In January 2021, we started our own Strava club, with the aim of building an internal sports community. In the meantime, as many as 286 colleagues have joined the club and notched up many kilometers swimming, running, walking, and cycling. And members of the Picanol Group Strava club who achieved their sporting goals by the end of the year were rewarded with a personalized sports bag. Our elite athletes covered no less than 347,192 kilometers! We established this sports community to encourage employees to exercise and play sport – together and more frequently.



Our own recipe book

Picanol Group in Ieper considers it very important to motivate employees to pursue a healthy lifestyle. So we invited the submission of healthy recipes in the spring of 2021. More than 50 employees sent in recipes for healthy dishes, from which more than 40 recipes were selected. At the end of 2021, we published our own recipe book, full of healthy dishes. And every employee received a copy at his or her home address.

Social activities

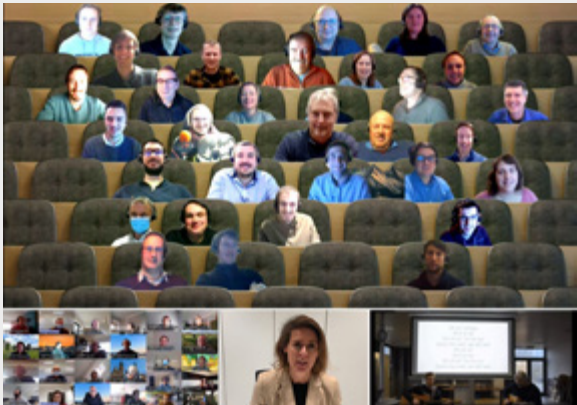
Picanol Group was convinced at an early stage that you can't do it alone. Without solidarity and cooperation, the chances of success are not great – neither as a company nor as a private individual. That is an idea which our founder Charles Steverlynck had always fostered. He had an eye for the social dimension in and around his factory. He was the great promoter of several associations which have continued to this very day.

A pleasant working environment is important in order to feel good about ourselves and (continue) to enjoy and remain enthusiastic about our work. We place enormous value on building strong team spirit and capitalize on every opportunity to take part in activities with colleagues outside of normal working hours.

At Picanol Group, we are constantly launching new initiatives. The activities are for everyone and they include information evenings featuring renowned guest speakers, a cycling tour, Happy Hours, and numerous other activities, such as various running and walking events. Events are also regularly organized by the local branches, such as the Chinese New Year, local holiday celebrations, and team building activities. Due to the impact of COVID-19, many of the group's social activities were temporarily postponed. To stay connected, we used a number of alternative initiatives.



Initiatives in 2021



Virtual team building

In response to the ongoing COVID-19 measures, some departments organized digital team building sessions. Our IT colleagues, for example, started an original and fully digital team activity, in which they got to know each other better by means of special facts that they had to assign to the right colleagues. Special guests were also involved in the team activity, including the Mayor of Ieper, Emmily Talpe.



Chinese New Year

Our colleagues in Suzhou celebrated Chinese New Year in early February 2021. The Year of the Ox kicked off with a light show at the company's premises in Suzhou, China.

Initiatives in 2021



Warm Sweater Day

“Warm Sweater Day” was a day of national climate change awareness and activation in which almost 1,400 Picanol Group fleeces were handed out to employees, who could request them in advance. On February 9, 2021, as many colleagues as possible wore these fleeces, in support of the national day of climate action.



Predicting the EURO 2021 winners

One year after the originally scheduled start date, the European Football Championship finally kicked off in Rome, on Friday, June 11, 2021. At Picanol Group, football fever was also stirred with a European Championship competition. This was a way for us to also enjoy the European Football Championship atmosphere at work – while remaining corona-secure, of course. Nearly 300 employees did their best, week after week, to predict the final scores of each match. At the end of the championship, Picanol Group presented a gift package to those who had most accurately predicted the results.



Ice creams at work

Picanol Group employees in Ieper were treated to cooling ice creams – the ideal refreshment for hot working days – on two occasions in 2021. More than 1,500 ice creams were distributed before the summer vacation period in July, and a similar number was given out in early September.



Karting in Romania

In the summer of 2021, PsiControl employees in Romania went karting. This was a welcome moment of relaxation after a number of difficult months due to COVID-19. The afternoon was concluded with drinks and dinner.

Initiatives in 2021



Late summer bar

In September, Picanol Group opened the doors of its late summer bar, where colleagues could enjoy a drink and a snack together after working hours. More than 300 employees dropped by over four days for a friendly chat with their colleagues. For those who were unable to attend due to shift work, an alternative was provided in the workplace.



StuBru at Work

On October 25, 2021, the radio station Studio Brussel set up its StuBru at Work studio in the refectory of our Assembly department. This saw the presenters Joris Brys and Kirsten Lemaire play some of our employees' favorite songs for an entire day. In addition, some 10 colleagues were interviewed live on the station, sharing their personal stories about a particular song. Another reason to turn up the volume in the workplace and enjoy this special broadcast from the Picanol Group premises.



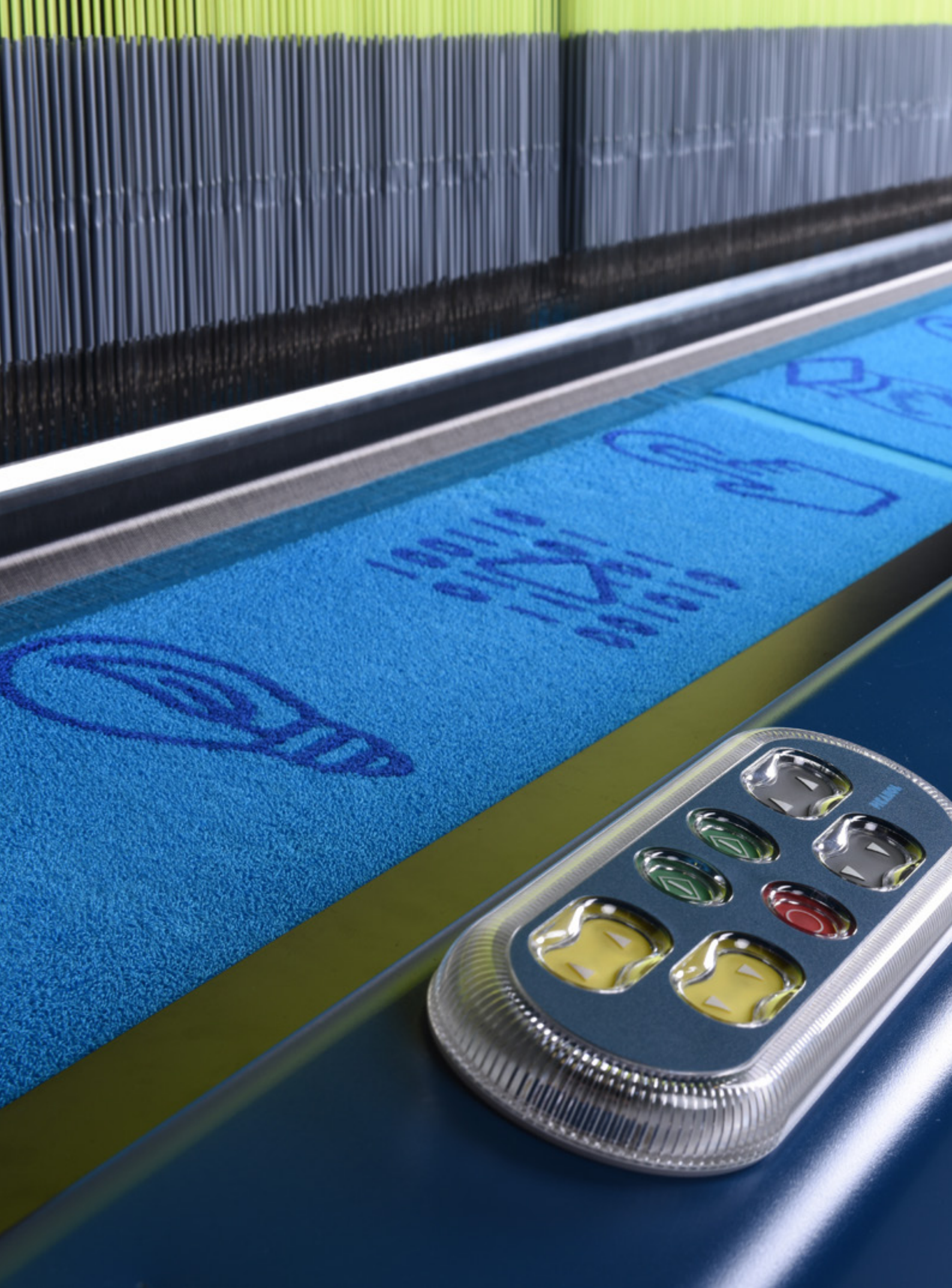
St. Martin's Day in Ieper

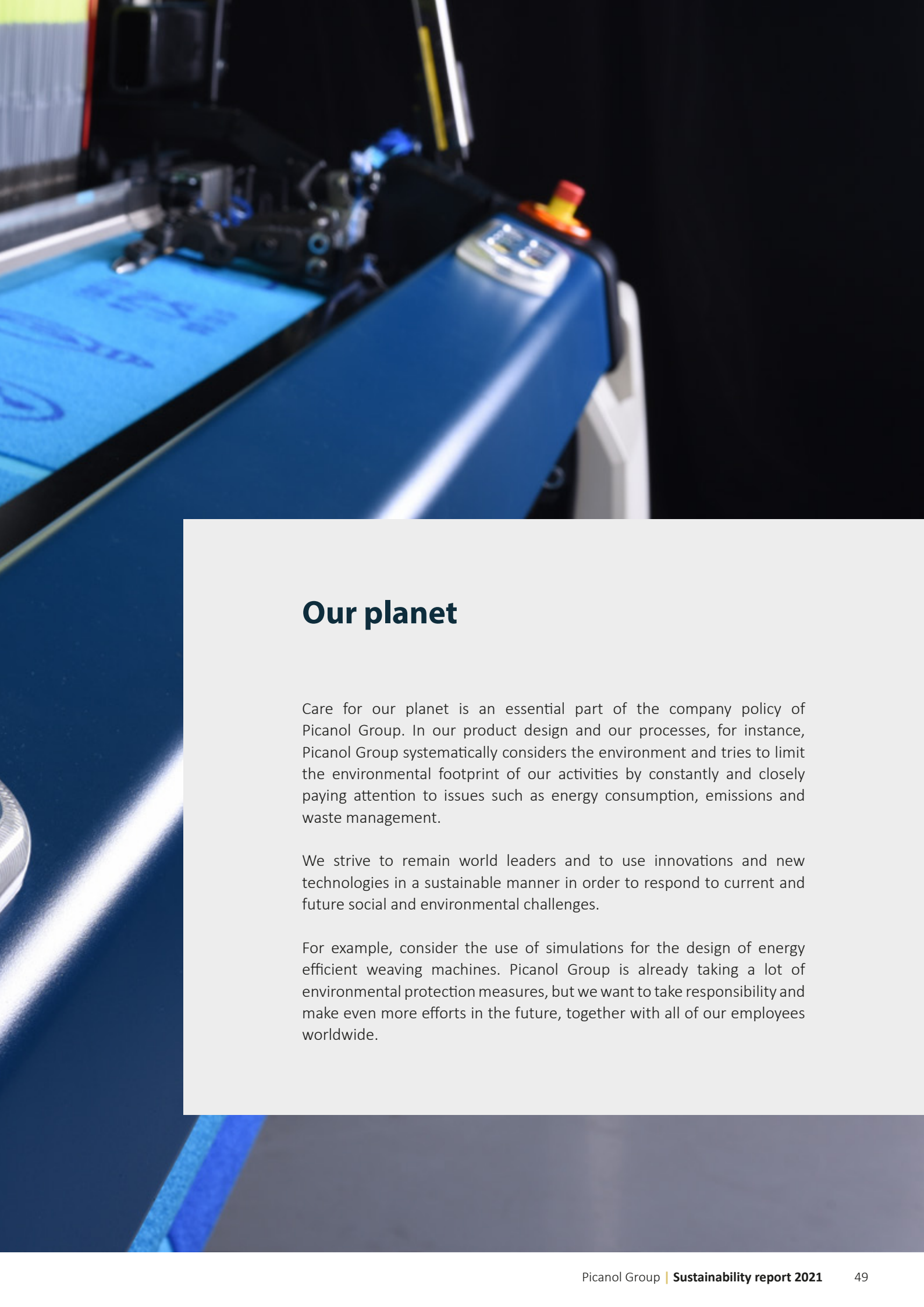
St.-Martin made his appearance on the Ieper premises at the start of November 2021, delighting more than one hundred children with gifts and bags of candy. The circus show, balloon twisting, and make-up were also popular with the many children, parents, and grandparents who attended.



New factory pre-opening in Romania

In the last working week of 2021, PsiControl organized a pre-opening visit to its new factory in Romania. All employees could visit the new building, in groups. For many, it was the first time they had seen the new factory. Reactions to their future workplace were unanimously positive. The visit ended in the cafeteria area of the building, where employees were treated to some local delicacies and were able to share their thoughts regarding the new factory.





Our planet

Care for our planet is an essential part of the company policy of Picanol Group. In our product design and our processes, for instance, Picanol Group systematically considers the environment and tries to limit the environmental footprint of our activities by constantly and closely paying attention to issues such as energy consumption, emissions and waste management.

We strive to remain world leaders and to use innovations and new technologies in a sustainable manner in order to respond to current and future social and environmental challenges.

For example, consider the use of simulations for the design of energy efficient weaving machines. Picanol Group is already taking a lot of environmental protection measures, but we want to take responsibility and make even more efforts in the future, together with all of our employees worldwide.

Sustainable designs and products

As a manufacturer of weaving machines, Picanol realizes that consciously dealing with energy is an inseparable part of product design and product development. In addition, more and more customers are opting for a machine that offers the best conditions in terms of total cost of ownership: they take into account not only the initial purchase price but also the maintenance and operational costs for the entire life-cycle of the machine. This is why Picanol considers energy efficiency and sustainability as important performance requirements. We start with a sustainable design and strive to deliver a sustainable product.

Sustainable designs

Platform design

In the platform design, attention is paid to the optimization of product complexity through modular platform design, the reduction of stock and non-added value and avoiding surplus stock when phasing out products. We strive to develop the most future-proof product platforms possible so that our customers can upgrade their machines when new options come onto the market in response to changing needs. As a result, our machines can be kept up-to-date and our customers can always benefit from new developments, for example in the fields of connectivity and digitalization.

Life cycle analysis

Picanol is in close contact with suppliers of IT tools that enable life cycle analysis of weaving machines by means of CAD tools and product configurators. Sustainability is one of the most important decision criteria in the selection and purchase of new PLM tools and add-ons.

Data-driven

All latest-generation Picanol weaving machines are connectable. And this is also true of the new generation of *Connect* machines, launched in 2021. As a result, all relevant data from the machines is collected in the cloud and made available to the customer. This data is also used in our own R&D department for further analysis and optimization. This enables the evaluation and adjustment of control algorithms to further improve the energy consumption and performance of our weaving machines.

Sustainable materials

When choosing production materials and technologies, systematic attention is paid to the recyclability of the various components. The following criteria are, for example, taken into account when designing electronics for the weaving machines:

- Materials are ROHS-compliant (Restriction of Hazardous Substances);
- Materials are REACH-compatible;
- Conflict minerals are avoided;
- Etc.

The ecological footprint of the production components is also always taken into account. In the design process, Picanol makes maximum use of the potential of our own foundry (Proferro). Converting scrap into added-value components on the same company site in Ieper involves minimal logistics.

Power consumption

Over a period of more than 20 years, Picanol has mainly used SR (Switched Reluctance) motors, developed in-house, for its airjet and rapier weaving machines. These motors are characterized by their high performance and energy efficiency, without requiring the use of rare (magnetic) materials. Work is also being done on topology optimization. This means that our engineers further optimize the geometry and design of the oscillating parts of the weaving machine. The aim of such optimization is to reduce the mass of the parts that the weaving machine has to move back and forth, which decreases the machine's energy and material consumption.

Built-in durability

In 2021, we further optimized the SR motors, as part of producing the new generation of *Connect* machines. The drive-train efficiency of Picanol weaving machines was already best-in-class, but by further refining the design, electromagnetic design parameters, materials, algorithms, and cooling, we have managed to further increase efficiency. Our customers thus benefit from a lower energy cost per square meter of fabric. New software algorithms designed for the airjet machines have also reduced their air consumption by around 10% – depending on the application. The drive, therefore, has an optimized canister package for lower energy consumption, an optimized oil cooling circuit for better performance, and built-in temperature monitoring. In addition, the *Connect* machines can be equipped with a Power monitoring module, which allows the user to closely monitor the energy consumption of each



machine. Each *Connect* machine also has a built-in sensor for ambient temperature and humidity, which helps to optimize climate control in the weaving room. Since raw materials are the biggest cost factors, each machine can also be equipped with raw material consumption monitoring.

Filling waste

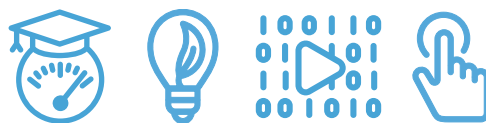
A weaving machine produces, in addition to the base fabric, some filling waste. This is necessary for the main process to function efficiently. Through new developments, Picanol aims to systematically reduce or even avoid this small amount of waste. For example, we have increased the application of EcoFill, an option for weaving with less weft residue in the expensive fabric segments, which we have now extended to more standard segments. As a result, it is now also possible to produce up to 3% less waste in these standard segments.

Total cost of ownership

In the development of our products, Picanol always strives to further optimize the real total cost of ownership of its customers. In addition to various projects aimed at dealing with the available energy as efficiently as possible and to convert the available raw materials as efficiently as possible into quality fabrics (avoiding second choice and waste), we also offer the customer products and concepts to optimize the weaving mill as a whole. The aim thereby is always generating more output with the same resources.

From scrap to hightech

Picanol Group is a fully integrated company: scrap is transformed into high-tech. For example, all steel scrap from poor quality parts or processing waste is reused during casting and the production of cast iron parts in the foundry.



Principles

The following four principles are always central to the development of our weaving machines:

Smart Performance

Performance is the prerequisite for a machine or function, and the obvious indicator here is the theoretical maximum speed. However, the difference between this theoretical speed and the effective speed under real conditions is often enormous. Our designers have taken up this challenge and looked for ways of building a machine that delivers top performance in practice. We use technology in a smart way to monitor the behavior of the yarn and the weaving process on a permanent basis. For example, we continuously adjust the parameters using sophisticated algorithms. This is what we call 'Smart Performance': intelligent machine design in combination with self-adjusting software, which enables the highest possible speed and the best performance in practice.

Sustainability Inside

Throughout the world, we are seeing a growing awareness regarding the issue of the ecological and social sustainability of production processes. Picanol has shouldered our responsibility for many years in terms of preventing waste and reducing energy consumption. We proved this with our ground-breaking Sumo drive concept, which was introduced in 1996. To this day, it remains the most energy efficient main drive available on the market. Sustainability is also about waste management. We not only reduce waste, but we also try to avoid it completely. Our EcoFill function serves as an excellent example. New developments, such as the Blue22 generation of prewinders, make it possible to minimize waste lengths, even while machines are running. In this area as well, technology has helped us exploit opportunities in ways that were previously unthinkable.

Driven by Data

Since the first introduction of weaving machine electronics in the 1970s, Picanol has been at the forefront of digitization. The systematic use of electronic controls and sensors has made it possible to generate data on a continuous basis. This, in turn, serves as input for various software programs that automatically adjust the operation of the machine for maximum efficiency. In addition to familiar applications such as ARVDIPlus, Airmaster and Optispeed, new functions for monitoring, automatic adjustment and remote troubleshooting, to name just a few, are becoming possible. We all know that digitization will become increasingly important in the coming decades. Data needs to be captured and made available for artificial intelligence, making production even more efficient. Picanol will remain a trendsetter in this area and we will continue to deploy Industry 4.0 within the weaving industry.

Intuitive Control

Nowadays, everyone deals with new technology both effortlessly and intuitively. We want the same when it comes to the interface with our machines. Just as with a smartphone or car, the machine's display is the interface that controls almost all of its functions. It must be wireless, robust and extremely user-friendly. The younger generations will accept nothing less! This user-focused approach must also be embedded in the design of the machine, making all operations simple, intuitive and self-evident.

Initiatives in 2021



Weave-Up

With Weave-Up, Picanol offers a wide range of upgrade possibilities, allowing our customers to get the very best out of their Picanol weaving machines, from minimizing energy costs to increasing the productivity and profitability of the machines. In 2021, several new Weave-Up features were added, including the PosiJet main nozzle set-up and the filling extractor with waste ribbon guide. In addition, our team is always available to share information with our customers on the options Picanol can offer to maximize the value of our weaving machines.



BlueTouch display

With the launch of the new generation of *Connect* machines in 2021, additional sensors were added to the *Connect* machines to better monitor correct machine settings and operation. This makes it possible to produce more first choice fabric, consume less energy, and produce less waste. Specific screens were also developed for the BlueTouch display to show the user how much energy and raw materials were consumed during the weaving process.

Sustainability in design, production, and assembly at PsiControl

PsiControl designs, develops, and produces custom-made controllers for numerous industrial customers, in sectors such as textile machinery, compressors, HVAC, and fleet management. Technology is of crucial importance here, but sustainability in design, production, and assembly is also paramount. All projects focus on a number of key differentiators:

Technology

Our customers expect solutions that go beyond a state-of-the-art level in order to get to and/or stay ahead of the competition. The technology used must also be cost-effective. Production of the controller systems must also be high quality and cost-efficient.

Quality

Design and production are aimed at keeping controller failures to an absolute minimum. This is also the reason that there are virtually no recovery activities at PsiControl, and therefore no waste flow.

Power consumption

Although the PsiControl systems generally consume little energy, the control of energy consumption – especially by wireless controller systems – is very important. PsiControl is therefore always looking for the most energy-efficient solutions in each design process and works closely with reliable manufacturers of electronic components in this regard.

Connectivity

Each new design is developed with great attention to connectivity. The connectivity of our systems is used to optimize processes and products, minimize energy consumption, and further reduce downtime through proactive interventions.

Platforms/modularity

Maximum use is made of the reuse of components and building blocks. This greatly reduces unnecessary stock and waste.

PsiControl analyses all product designs in the context of sustainability and waste policy. This is done within the framework of ROHS and REACH legislation. Analysis at PsiControl means investigating all product components regarding the presence and quantity of potentially hazardous and controlled materials. In the meantime, the analysis of the considerable number of electronic components used at PsiControl has been optimally automated with the help of databases and digital tools. Suppliers of mechanical parts are routinely surveyed. The results of these analyses are forwarded to our customers, so they can further utilize this data in relation to their end product. These product data are also registered in the European SCIP database (Substances of Concern In articles as such or in complex objects (Products)). This enables better recycling by waste processors, optimizing material re-use. The screening of all components used is an essential part of the design process at PsiControl.

Energy

An important pillar in the environmental policy of Picanol Group is the efficient use of energy to limit the ecological footprint.

EBO

Picanol Group has endorsed the Energy Policy Agreement (EBO in Dutch) of the Flemish Government. This is an agreement between industrial companies and the Flemish Government aimed at contributing towards the realization of the European CO₂ equivalent and the Flemish energy efficiency targets. The current Energy Policy Agreement was extended by the government until the end of 2022. Picanol Group has endorsed this extension and will therefore continue to commit itself to implementing all defined cost-effective measures.

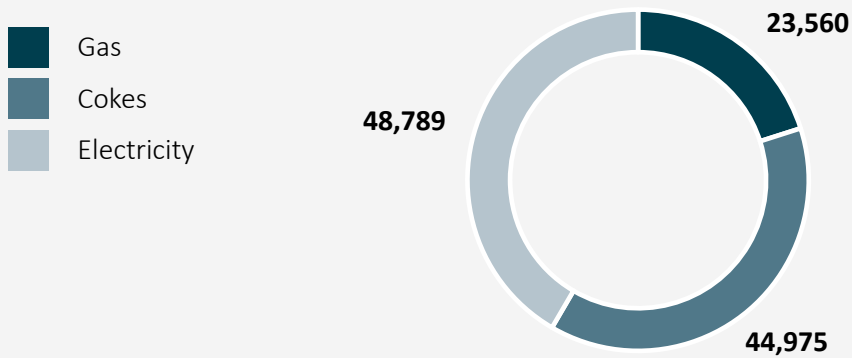
Absolute energy consumption has risen in proportion to increased production. Specific energy consumption and CO₂ emissions have fallen. This means that the target we set was not achieved. This is mainly due to increased automation in various departments. The foundry, for example, has invested heavily in additional robotic grinding machines in recent years. This makes it possible to avoid a lot of dangerous, manual work, but it also means that more energy is consumed. The new high-bay warehouse, with its automatic cranes, also results in additional energy consumption.

Proferro's melting department is responsible for more than one-half of its energy consumption. In recent years, many energy-saving measures have been applied in this department. We therefore also see that planned reduction in specific energy consumption and CO₂ emissions in the melting division is being achieved.

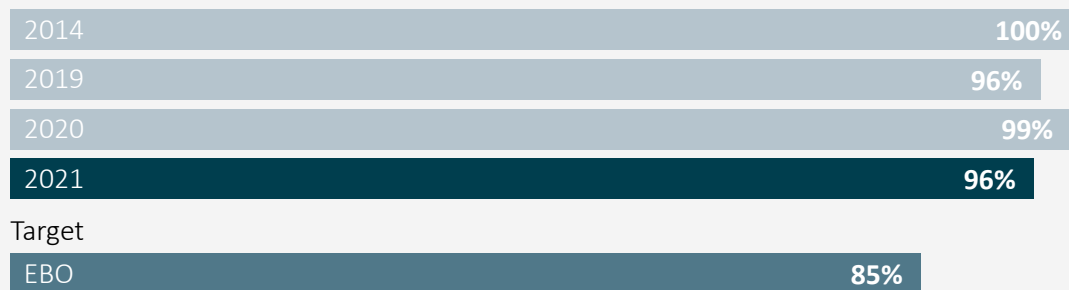
In 2021, the following energy-saving measures, among others, were carried out:

- Replacement of the existing lighting with LED lighting in the Proferro machining department;
- Complete inspection and partial replacement of the heat exchanger on the cupola furnace in the foundry.

Energy consumption in 2021 (MWh)
(scope 1 & 2)

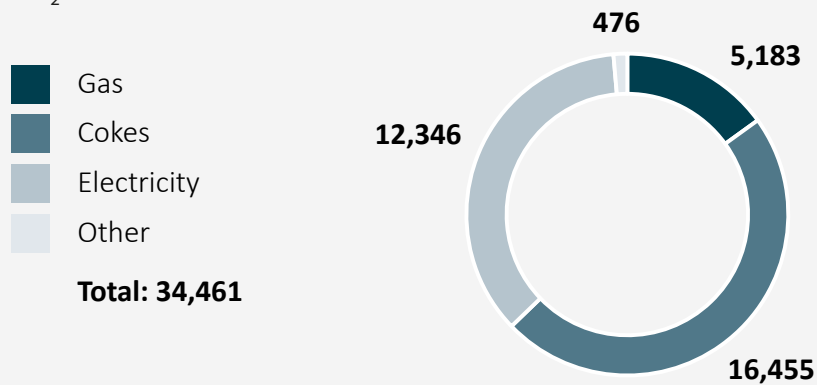


Energy consumption in leper compared to 2014 *



* Ton CO₂ per production unit

CO₂ emissions in 2021 (ton)



Sustainability is at the heart of the new leper headquarters

Picanol Group (Machinery & Technologies segment) is to build new headquarters in its hometown of leper (Belgium). The new building will accommodate 450 employees and it will be erected on the current company premises. The building will have 20,000 square meters of floor space (including 7,500 square meters of parking lot and basement). It will be equipped with the latest technology and materials to make it as sustainable and energy-friendly as possible. Among other measures, the building will make use of ground heat and solar energy. There will also be a green roof zone and the surrounding area will be landscaped according to the latest soft nature management insights. The start of construction work in leper is planned for the second quarter of 2022. The work will take up to two years to complete and the new head office is scheduled to open in 2024.



Side streams and waste

Integrated waste management

For more than 10 years, the Picanol Group premises in Ieper have worked according to the principle of integrated waste management. Picanol Group works together with an external partner for this purpose, with employees from this partner supporting waste management within the group.

In concrete terms, the principle of integrated waste management means that everyone in the workplace has to sort their waste, using the waste receptacles provided for that purpose. The external partner's employees then ensure that all collection containers are emptied in time, in the correct manner, in the container park outside the buildings. One of the tools they use is a roll-packer, which compresses the waste in the waste dumpster. This increases the content weight per dumpster and reduces the number of dumpster trips required. Collection container records provide the various departments with necessary information on the nature and quantity of the waste flows generated. It is now also possible to keep track of where the waste goes and what it is used for.

Since the introduction of integrated waste management, the amount of residual waste has been significantly reduced. This is due to better sorting at source and more knowledge about the different types of waste generated by the company. Approximately 60 different waste streams are separately collected at our Ieper site and transported to an accredited final processor. In recent years, the sorting requirements for industrial waste have been further tightened by the government. Thanks to the integrated waste management system, Picanol Group was ahead of the game. Waste streams had already been collected and disposed of separately for some time, ahead of these new requirements.

Total quantity of waste (ton): 30,519

Percentage recyclable waste



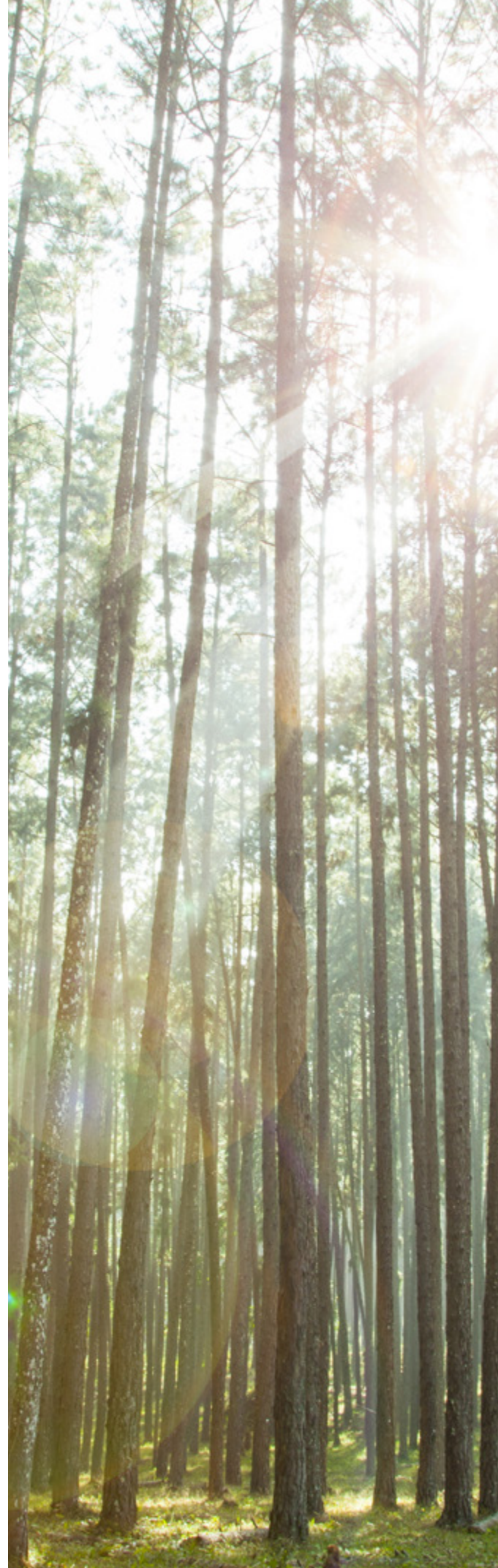
The absolute quantity of waste increased in 2021, in proportion to the increase in production. Thanks to integrated waste management there was a fast and flexible response to the increase in production and therefore to the accompanying increase in the amount of waste. In 2021, there was an ongoing commitment to thorough waste sorting at source in the workplace. The focus was on further sorting of different types of plastics. The main waste streams come from the foundry in Ieper. These are predominantly cast iron slag and waste sands. In 2021, a new application for processing green sand was also investigated.

ISO:14001

At the production site in Romania, the environmental policy is developed based on the ISO:14001 standard. ISO:14001 is an internationally accepted standard to manage and reduce environmental risks.

A shared responsibility

Everyone in the workplace is required to sort – and is given the necessary resources to do so. All workstations are therefore equipped with waste containers. These are emptied in waste collection zones and the waste ends up in larger waste containers. This all happens inside the buildings. Only then does the external partner responsible for waste management on the Picanol Group premises step in. Correct waste sorting is also only possible if every employee observes the applicable rules. These are regularly repeated and employees are continuously made aware of how to apply them correctly.



Water

Picanol Group uses tap water (as sanitary and process water) and surface water (as cooling water and process water). The largest amount of cooling water is used in the foundry. The melting zone has three cooling water circuits: for the cooling of the holding furnaces, jacket cooling of the cupola furnace and water cooling of the slag. To save cooling water, the three cooling water circuits are connected to each other. As a result, the drain water of the most critical cooling circuit serves as feed water for the next circuit. The drain water from the second cooling circuit is also used as feed water for the cooling circuit with the lowest quality requirements. Process water is mainly used in the surface treatment where metal pieces are phosphated and chromated in process baths. After the surface treatment, the pieces are cleaned in rinsing baths. The wastewater is purified in the wastewater treatment plant. To reduce the water consumption here, several measures have already been taken. This includes rinsing baths set up in cascade rinsing and rinse water from the most contaminated rinsing bath as feed water for the process baths.

In recent years, the group has made efforts to optimize water consumption in the foundry. As a result, specific water consumption in the foundry has been reduced by 25%.

Wastewater treatment monitoring

The proper functioning of the wastewater treatment plant is monitored daily by the surface treatment process operators. Wastewater quality is monitored with the help of a wastewater measurement program, requiring wastewater sampling and analysis at regular intervals. In 2017, the wastewater treatment plant was expanded to include an activated carbon filter, as an additional step in the process. The quality of the discharged wastewater is monitored by the in-house measurement program. In recent years, the activated carbon filter has proved to have a positive effect on several parameters. Among other effects, the presence of suspended solids, BOD (Biochemical Oxygen Demand), and COD (Chemical Oxygen Demand) have been further reduced.

The foundry uses two-thirds of the organization's total water consumption. Water consumption also depends on production volume. Specific water consumption per ton of cast iron (expressed as m³ per ton of cast iron) is, therefore, the relevant measurement for Picanol Group.

Total water consumption increased in 2021, but – thanks to continuous, close monitoring- we have seen a decrease in specific water consumption in the foundry (measured in m³ per ton of cast iron). Water-saving measures implemented in 2021 included:

- Close monitoring of discharged wastewater quality, with systematic monitoring of the proper functioning of the wastewater treatment plant and frequent, periodic, wastewater analyses.
- Discontinuing part of the surface treatment process (the phosphating line) in 2021. As a result, water and chemical consumption dropped, and the load on the wastewater treatment plant was reduced.
- Chromic acid is used on the chrome plating line. The use of chromic acid is subject to restrictions and may only be used if authorized by the European Commission. Picanol falls under authorization REACH/20/18/13, and aims to phase out the use of chromic acid. We are

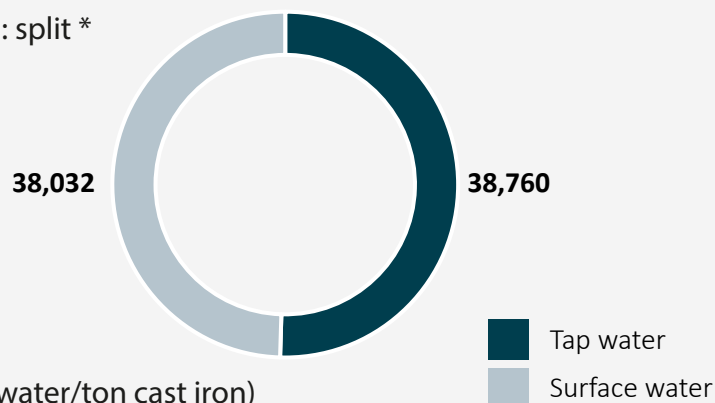
therefore actively seeking alternatives. In this context, Picanol has also joined the CTACSub Consortium which supports the authorized use of chromic acid while no technically feasible alternative is available.

- Today, Picanol Group does not use any PFOS-containing additives in its production process, and this has been the case since April 2009. Prior to 2009, an additive containing PFOS was used in chromium baths to suppress (chromium) mist. Due to historical residues in the chromium baths that have settled in the installation, there was a minimal PFOS discharge. Picanol Group had a temporary permit for this until autumn 2021, under which the discharge standard of < 2.5 micrograms/liter was observed. In recent years, various measures were implemented to remove PFOS from wastewater even more effectively (using an active carbon filter), as a result of which it is now below the detection limit of 0.1 microgram/liter and will no longer require a separate permit.

Water consumption (m³): total *



Water consumption (m³): split *



Water consumption (m³ water/ton cast iron)



* The 2020 sustainability report only covered water consumption at the Ieper plant. Meanwhile, the 2021 report also included the other entities.

Emissions

Sand is used in the foundry production process, which creates dust in several locations. Installation and workstation dust collection are therefore applied at source as far as possible. The collectors are connected to a variety of dedusting systems.

In recent years, numerous measures have been undertaken to minimize fugitive emissions (i.e. emissions that cannot be traced back to point sources) and to control stack emissions as much as possible. In 2021, all measured emissions easily satisfied the set emission limits.

Dedusting systems

Dust from dedusting installations in the casting de-sanding and deburring departments is collected in open garbage containers. Dust collected from these installations is then loaded into drop-off containers and transported to external processors (which use it as a building material in foundations, among other applications).

Emission monitoring

Measuring devices were installed on several de-dusting stacks for high-quality, online monitoring of ducted emissions. An alarm level could thus be set for each dust filter, based on independent, high-accuracy dust measurement. This allows for a much faster response in the event of worn or pierced filter sleeves, thus avoiding undesirable increases in dust emissions. The filter sleeves of some dust filters are also replaced annually, as preventive maintenance. Air treatment installation monitoring and emission-quality monitoring are carried out by means of continuous quality measurements, using a measurement program. The emissions from all air purification plants are measured at least once a year by an external, recognized expert.

Use of Ecocure Blue in the foundry

Chemicals are used in the foundry for the production of sand cores, including resins based on phenol. Proferro succeeded in significantly reducing the percentage of phenol-based chemicals while continuing to meet the requirements for mechanical properties. Thanks to close cooperation with our suppliers, we were able to come up with an improved, adapted product called Ecocure Blue, which contains less phenol.



Transport

Shipment of weaving machines

Every day, containers leave the shipping department to take the Picanol weaving machines to all corners of the world. Most of our weaving machines are shipped from leper to countries such as China, India, Pakistan, Bangladesh, Brazil and Turkey. 90% of our weaving machines leave for our worldwide customers by sea freight. Besides containers being transported by sea freight, weaving machines are also shipped by truck to customers in the European Union. More than 60% of all trucked goods transport is subject to route scheduling, in which the trucks are loaded so as to achieve the maximum number of deliveries while accumulating the minimum number of kilometers. The same principle is also applied to container loading, where initiatives are regularly taken to fill the containers as efficiently and economically as possible.

Reuse of unloaded containers

We strive to reuse as much as possible of the unloaded containers for export. This means that nowadays we reload approximately 10%-15% of the containers for export per month immediately after unloading. This allows us to avoid lost transports to and from the ports. In mutual consultation, our transporters also endeavor to reuse a maximum number of containers for export after import and vice versa.

One company location in leper

The head offices of Picanol, Proferro and PsiControl are all located at one business site in leper. The main advantages thereof are that we can work in one business location according to vertical integration, namely the production process from scrap to a fully finished weaving machine, and that we can minimize the costs and emissions resulting from transport.

Local service centers and service technicians

Picanol has invested heavily over the past few decades in building local service centers, which are staffed by highly qualified service technicians, in the world's major textile regions. Our highly-capable, customized service teams are able to respond quickly to the needs of our customers, anywhere in the world, without us having to dispatch teams from our headquarters in leper. This has paid off for our customers and our teams, despite closed borders and restricted air traffic in times of COVID-19.



Commuting

The mobility plan of Picanol Group is an important pillar in the pursuit of a reduced environmental footprint. We are convinced that the proportion of cars in terms of the commuter traffic of our employees must decrease. The aim of our mobility plan is therefore to make our employees aware that things can be done differently and better.

In 2021, an average of 493 employees came to work in leper either on foot or by bike, every day.

Electrification of the vehicle fleet

Today, the focus on sustainability and ecological footprint is an integral part of both our private and professional lives. And, of course, the greening of our vehicle fleet is an important part of this. Fossil-fueled cars will not disappear immediately, but electric cars will continue to become increasingly attractive. In this context, Picanol Group made considerable efforts to include more electric models in its 2021 leasing plan for company cars. This includes a revision of our car policy, with the focus on the electrification of the fleet.

Bike lease plan

Picanol Group in leper launched a bike plan in the spring of 2017 to enable employees to acquire a bike via a wage exchange system, which is subject to the bike being used for home/work commuting. The bike plan has been actively promoted in recent years, which has led to more than 800 bikes being acquired, with over 400 contracts still running in 2021.

Carpooling

Picanol Group offers all employees the possibility to carpool in cooperation with Taxistop. Employees interested in this initiative can register their commuting route and departure times on an online portal. This portal will indicate to them where, when and with whom they can travel to and from work together. Carpooling has many ecological, economic and social advantages. For instance, carpooling cuts down on CO₂ emissions, reduces congestion and creates a healthier living environment, reduces the costs per car and contributes to a good atmosphere among colleagues. Colleagues who carpool receive a fee for their commuting and structural carpoolers receive an extra tax benefit.

Initiatives in 2021



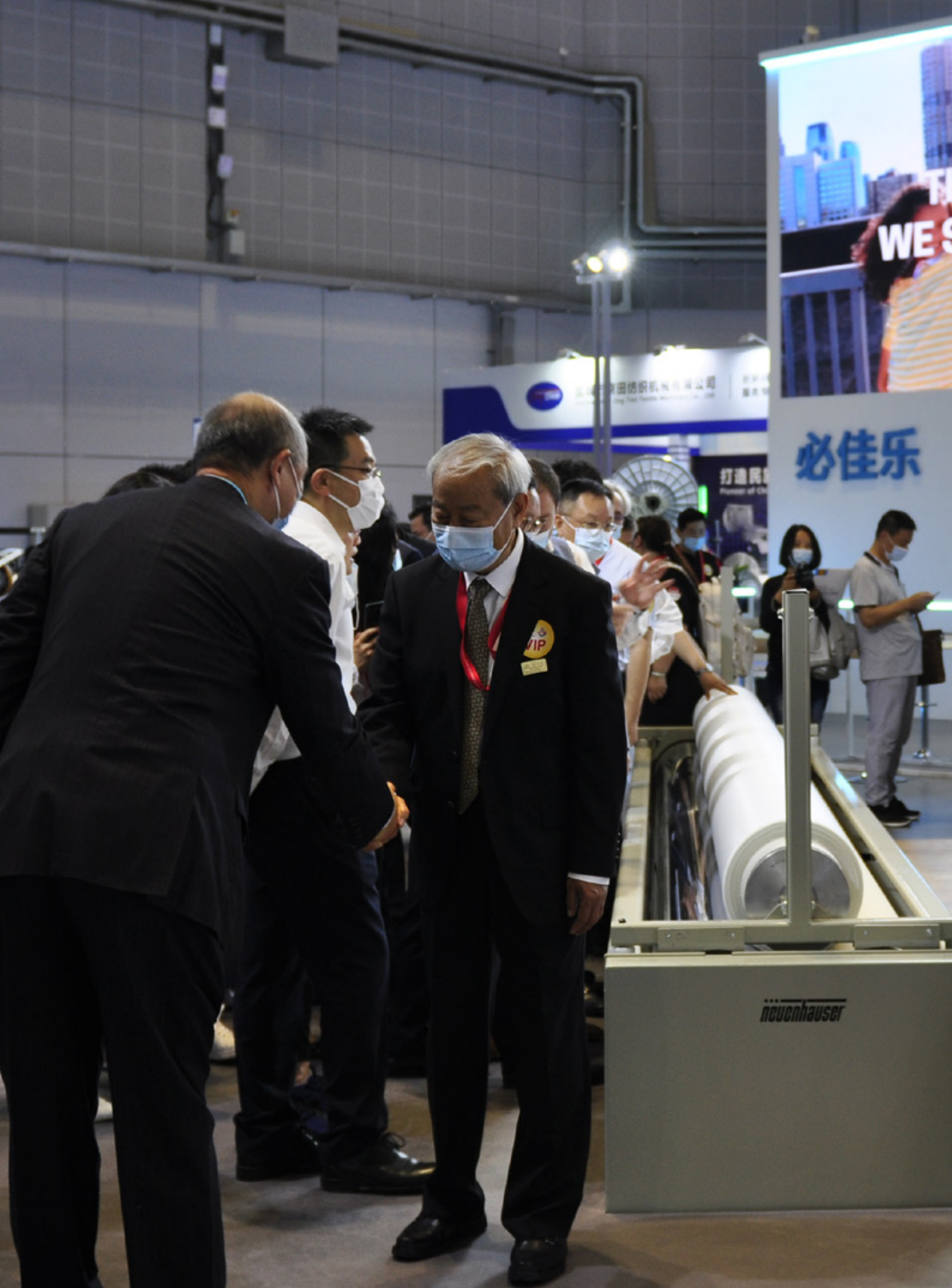
Mobility Week

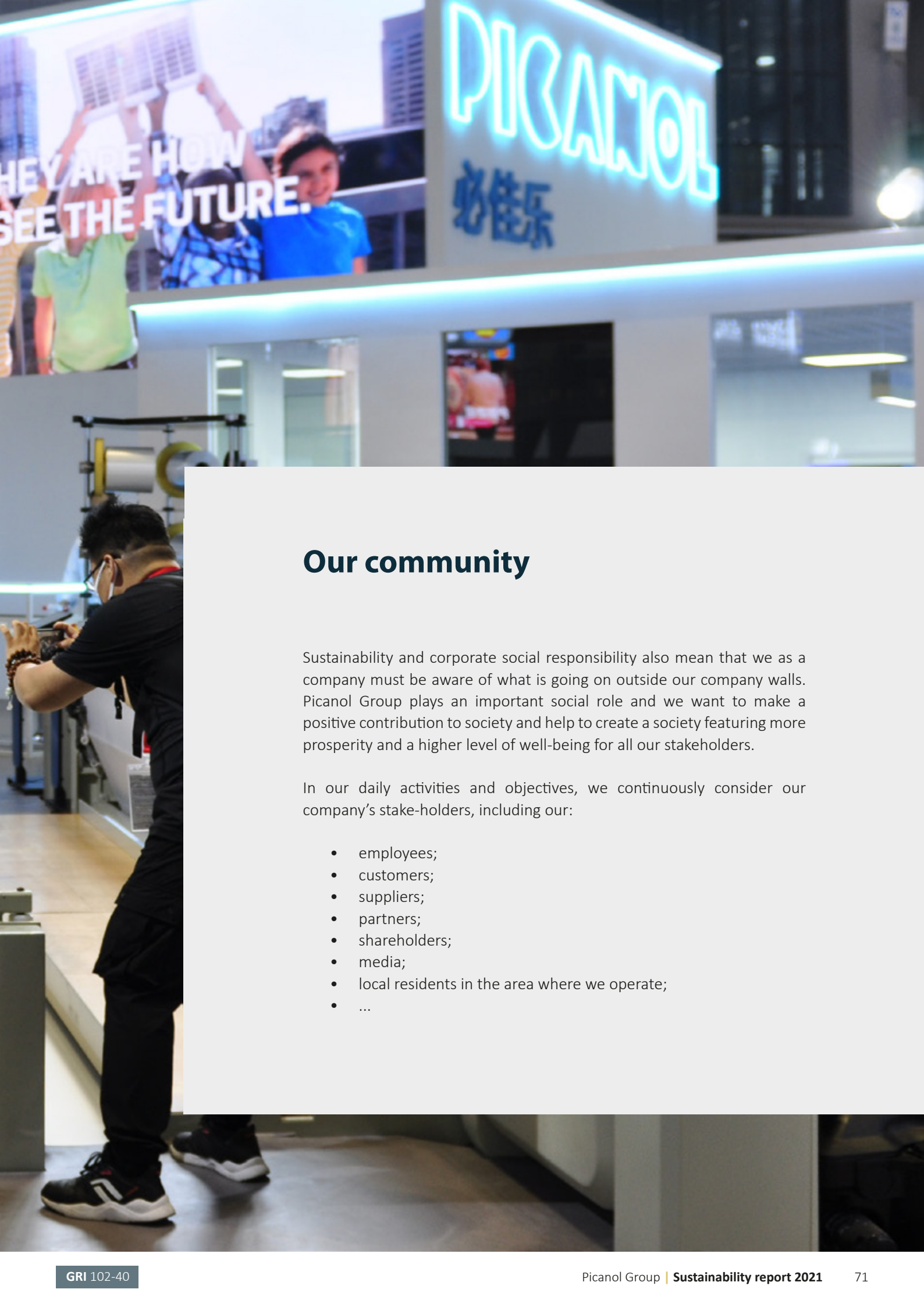
As part of Mobility Week, Picanol Group launched several initiatives to motivate employees to travel to work by bike, scooter, or on foot. The week started off with a healthy, fun treat for those who left their car at home. There was also a call to register commuting distances on Strava, under the hashtag "#goedopweg". To further promote electric bikes for commuting, Picanol Group installed new charging points in the main car park, where employees can safely park their electric bike. Finally, in cooperation with the City of Ieper, free bike registration was provided for all Ieper employees, in order to protect their bikes against theft.



Shared bikes

Since September 2021, Picanol Group has made a number of shared bikes available to employees for short trips within Ieper. These bikes can be accessed via a user-friendly app and have automatic, solar-powered locks. An evaluated trial of the shared bike scheme was started during Mobility Week. This showed that, with effect from September 2021, the shared bikes were used 78 times by 37 different users.





Our community

Sustainability and corporate social responsibility also mean that we as a company must be aware of what is going on outside our company walls. Picanol Group plays an important social role and we want to make a positive contribution to society and help to create a society featuring more prosperity and a higher level of well-being for all our stakeholders.

In our daily activities and objectives, we continuously consider our company's stake-holders, including our:

- employees;
- customers;
- suppliers;
- partners;
- shareholders;
- media;
- local residents in the area where we operate;
- ...

Business ethics

Picanol Group has a number of rules of conduct that apply to all employees and which must be adhered to by everyone. These rules of conduct describe our relationship with shareholders, customers, suppliers, colleagues, the press and society. These generally applicable policies, which include the Business Ethics Code or Professional Conduct, the Social Media Policy, the Communication Policy, the whistleblowing procedure and the IT Policy, are made available in Dutch and English on the Picanol Group Intranet.

Business ethics

The company has drawn up a Corporate Governance Charter as well as a code of ethics. All Picanol Group subsidiaries and employees worldwide comply with the laws and regulations of the countries in which they operate and are guaranteed to comply with their obligations. They trade in a fair and equitable manner, and they demand the same from their partners. The group's business practices comply with generally accepted international standards, which form the basis for their worldwide activities and relationships. For those who hold a position of authority in Picanol Group, this means, among other things, that they:

- Enforce “zero tolerance” for the violations of local/international laws, rules and regulations, and for violations of business ethics;
- Continuously ensure that all business transactions within Picanol Group are correctly recorded in line with accounting principles.

Bribery and corruption

Picanol Group complies with the basic principles of the Rules of Conduct to Combat Extortion and Bribery of the International Chamber of Commerce (ICC), 1999 revised edition, and the OESD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 1997. Employees of Picanol Group may never financially or otherwise bribe a party in order to obtain or retain contracts in violation of the law, rules and regulations by which the other party is bound. They are also not allowed to accept bribes in any form whatsoever.

Insider trading

As a listed company, Picanol Group is obliged to comply with various reporting obligations. The laws and regulations aim to ensure the integrity of the securities market and to guarantee public confidence in this market as a result thereof, and they apply in a variety of countries. Picanol Group has a strict insider trading policy and stringent procedures for disseminating information that may affect the market value of its shares. For further details, we refer you to the Corporate Governance Charter of Picanol Group: (www.picanolgroup.com/corporategovernancecharter).

Fair competition

Picanol Group adheres to rules for fair, free competition in markets all around the world. Picanol Group employees must not engage in unfair competition such as illegal price fixing, market fixing or any action that would distort, limit or prevent fair competition and thus violate antitrust laws.

Disclosure of business transactions

All business transactions of Picanol Group are recorded in full in accordance with internal accounting rules and legislation. Picanol Group is firmly against false and fraudulent information and reporting.

Care for people and the environment

Social and environmental protection are an important part of the group policy. All companies and employees of Picanol Group worldwide respect the fundamental human rights. Picanol Group explicitly does not permit child labor. In the field of human relations, the group does not tolerate discrimination or harassment based on race, color, sex, religion, origin, marital status, family circumstances, emotions, sexual orientation, disabilities or age. Picanol Group is committed to the well-being of its employees, customers and neighbors by ensuring that its activities and products do not harm either people or the environment. The ecological programs result from an active, forward-looking research & development policy based on prevention, a source-oriented approach and continuous improvement. The protection of employees, customers and neighbors against unacceptable risks takes precedence over economic interests and must not be compromised. In case of doubt, caution will prevail. The welfare policy is integrated into existing processes, activities and systems and takes into account the entire life cycle of products. Waste and waste products are minimized and optimally reused and recycled.

Professional behavior

In an increasingly competitive economic environment, Picanol Group values the capabilities, know-how and experience of its employees. Picanol Group considers its employees to be its most valuable strength and that the employees are the reason for its current market position. Therefore, employment with Picanol Group is subject to a strict professional Code of Conduct. This code describes the various obligations inherent to employment that are aimed at protecting the market position of Picanol Group and enabling the company to grow and expand.

Employment at Picanol Group is governed by a professional Code of Conduct and, where necessary, by a non-competition and intellectual property protection agreement, drawn up in accordance with national and international labor law.

Code of Conduct

In recent years Picanol Group has grown into an industrial group that is active on a worldwide basis in a variety of sectors. As we grew and expanded into new markets and territories, we maintained our unwavering commitment to performance with integrity. This is and will remain a central element in all our activities.

In this context, a new Code of Conduct has been launched in 2020, containing a set of rules that apply to all employees and which must be observed by all. In essence, the Code of Conduct is the roadmap for how we deal with laws and regulations in all regions in which our organization operates. Compliance with the Code of Conduct is mandatory for everyone and we insist that all our employees use it on a daily basis as a guide for all operations and activities.

In most cases, violations of the Code of Conduct can be reported to the employee's immediate supervisor. The latter must consider and respond to information provided and to the complaints and reports lodged. In the event of insufficient attention or response to a complaint, or if an individual is uncomfortable reporting an issue to local management, the matter can be submitted in confidence to the Compliance Officer. No formal complaints were received in 2021.

Training sessions will be organized in 2022, in line with the Code of Conduct. The Code of Conduct is available at www.picanolgroup.com/codeofconduct.



Customers at center stage

With our head office in Belgium and local offices in China, India, Indonesia, Turkey, the US, Mexico and Brazil, Picanol is able to build up strong and long-term relationships with all customers. Weaving machines are among the most important investments of our customers. Offering durable weaving machines with a long service life and ensuring that they are always in an optimal condition is crucial in order to safeguard the high value of their assets and to ensure that our customers can remain competitive in a globalized world.

Service

Picanol's strong focus on service and our personalized aftermarket team meet the specific requirements and requests of our customers worldwide. Our customers can only get the best out of their looms if these are properly maintained, work at the highest speeds and produce the best fabric quality. At Picanol, we are committed to helping our customers achieve these goals by providing rapid, highly-qualified support. Our local facilities enable us to respond quickly to our customers' needs, in their own language. In today's economy of fast fashion, short runs and rising production costs, the active running time of weaving machines is the only route to realizing increased profits. Picanol helps our customers to achieve this with the assistance of machine audits, maintenance programs, and performance advice.

Most of our service centers in the main textile regions have – in addition to highly qualified service technicians – print repair facilities and even mechanical workshops. These repair shops can quickly respond to any printed circuit board defects and repair them using the original spare parts. In addition, they allow us to work with minimal environmental impact: our sales and service centers in major textile regions significantly reduce the burden of travel, since most interventions can be handled by the local teams.

Spare parts and upgrade packages

Thanks to the genuine Picanol spare parts, our customers can count on our machines to continue to perform optimally. In addition, our customers can also expand their weaving options and/or improve the performance of their machines. This can be achieved by using the upgrade packages Picanol offers for installed Picanol machines. In this way, even older machines can remain competitive and flexible: life extension without compromises.



Training

Training is part of the deal that Picanol enters into with our customers. We consider it our duty to help our customers to improve both their skills and knowledge. To provide training, we have a modern technical training center in Leper, with a total surface area of 270 m². The training center has three fully equipped rooms, each of which feature weaving machines, openwork models, mini-workshops, etc. Thanks to this knowledge center, Picanol can train technicians of customers from all over the world in optimal conditions. In the event that customers are unable to travel to one of our training centers, our instructors go to the location of the customer in order to organize the training. Apart from Leper, Picanol also has two leading training centers in Suzhou (China) and Greenville (US). Our training centers are all specialized in technical training on weaving machines for operators, fitters and weaving managers. If a customer is unable to travel to one of our training centers, our instructors will give training sessions at the customer's premises. Picanol also provides many free training and instructional videos via its website, YouTube, and other social media channels. These offer clear, hands-on instructions so that customers can carry out interventions themselves and don't have to call in outside help.

Let's grow together

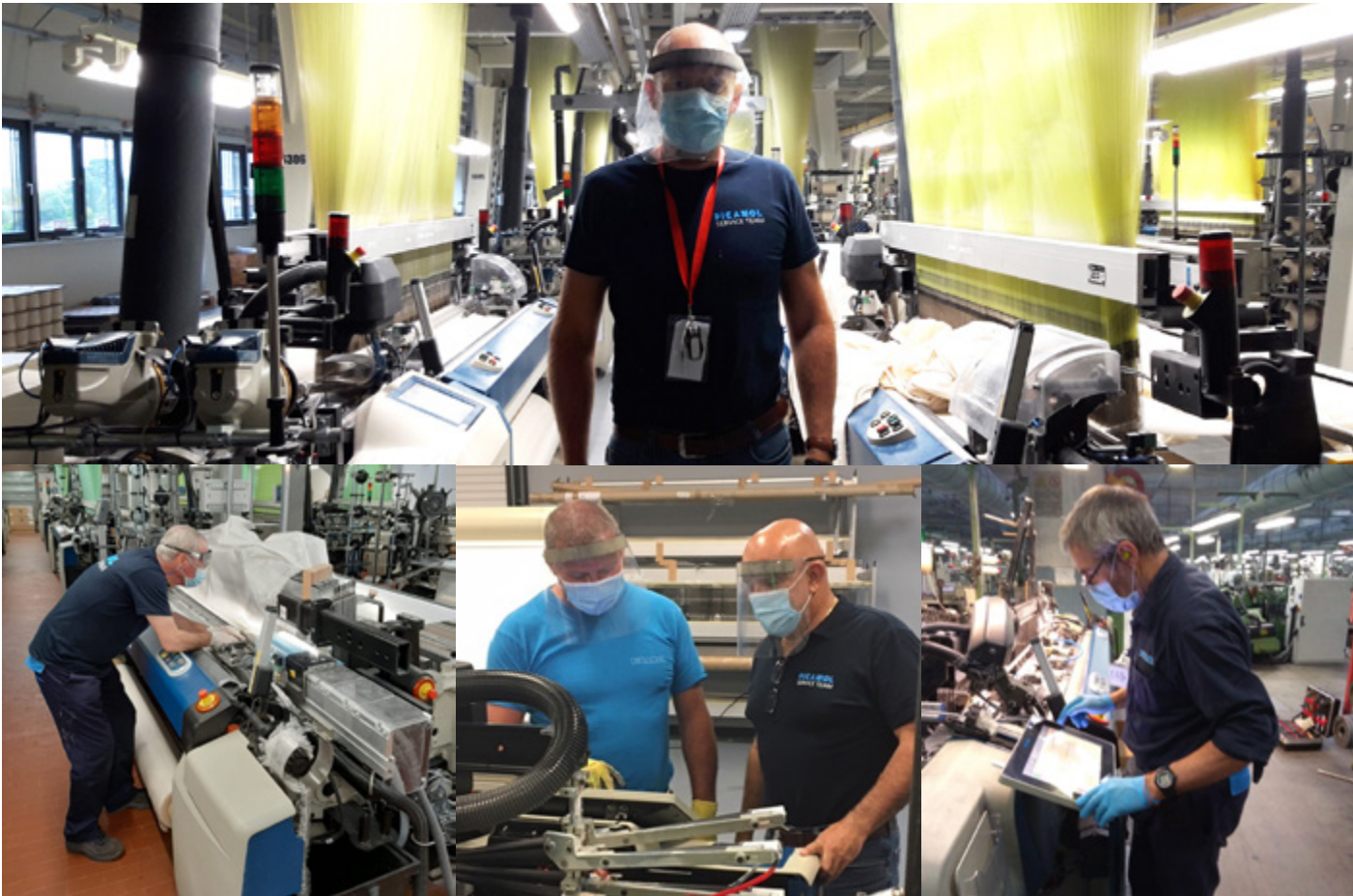
Picanol aims to grow, together with our customers, by offering the best mix of machines, functions, and services together with the know-how and insight of the Picanol team. Because growth is the essence of weaving, the essence of business, and the essence of the future.

Therefore, children play the leading role in our “Let's grow together” marketing campaign. The campaign focuses on children, showing what the future will look like via their behavior and practices. These are forms of behavior that we all increasingly display: we pay digitally, communicate wirelessly and increasingly expect everything to work instantly. This marketing concept is the reference point, for Picanol's attitude towards all developments and innovation – smart, with high performance; a natural focus on sustainability; driven by data and the need for intuitive control. New developments, and thus our future, are based on these principles. Because Picanol wants our customers to be ready for the future and, more than ever before, we also want to leave our mark on the future of the weaving industry.



Staying close to the customer

The global impact of COVID-19 has proven, once again, the importance of having a local presence and ensuring that we stay close to our customers. Due to the travel restrictions imposed by COVID-19, it would have been impossible to provide service to our customers in 2021 without having experts strategically positioned around the world. Picanol did not make this choice recently; it was made decades ago. We invested heavily, for example, in the construction of service centers in all major textile regions of the world. Now, more than ever, this is paying off for our customers. Our technicians are familiar with local customs, speak local languages, and know their colleagues in all factories personally. When assisting customers in 2021, our technicians naturally observed all necessary COVID-19 health measures, including social distancing, wearing a face mask, and disinfection.



Initiatives in 2021

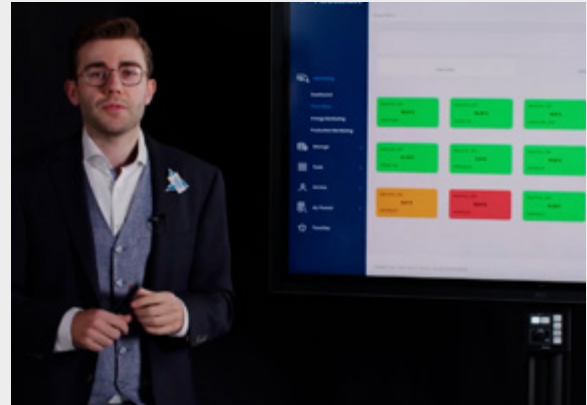


PicConnect

Picanol provides a wide range of functions, from industrial IoT to service-related applications, via PicConnect, our new, fully digital platform. PicConnect is a web-based application that is accessible through a web browser on any device. It acts as the gateway to all Picanol digital services. The platform is cloud-based and Picanol weaving machines can be connected to it in order to take full advantage of its capabilities. PicConnect enables weavers to react quickly to changes in the weaving operation, and it will have an immediate impact on the performance of weaving machines. In so doing, PicConnect brings weavers into the era of intuitive weaving.

One of the applications on PicConnect is energy monitoring, which monitors the power consumption of machines. In the case of airjet weaving machines, air consumption is also monitored. This gives a better understanding of the total energy flow in the weaving room, which helps to reduce overall energy costs and promotes adherence to the design principle of "Sustainability Inside."

Picanol has launched PartsLine in PicConnect. A new webshop for original Picanol parts, PartsLine offers a seamless online shopping experience that includes everything from quotations to viewing orders and invoices.



Virtual launch shows for PicConnect and *Connect* machines

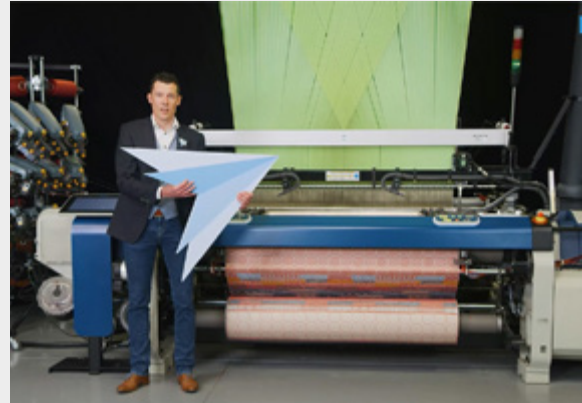
COVID-19 has made it necessary for Picanol to shift its marketing focus even more towards online activities in order to stay in touch with customers and prospects in these challenging times. Picanol, therefore, organized two series of virtual launch shows as part of the launch of the PicConnect digital platform and the new generation of *Connect* machines. During the PicConnect launch show, customers and prospects got a sneak preview of the online, cloud-based platform for our digital applications. This will be available with effect from 2022. The platform will not only change the way weavers interact with their machines but it will also have an immediate impact on the performance of the weaving machines. The new generation of machines, with their focus on connectivity and increased data availability, was presented at the *Connect* machine launch show. These machines deliver the required information and are packed with new functionalities that have never before been seen. This proves that "Driven by Data" is not just a slogan for Picanol, it's a commitment.

Initiatives in 2021



Remote support

Picanol is constantly looking for new ways of supporting our customers worldwide. Today's modern technologies such as virtual, augmented, and mixed reality provide remote, fully corona-secure tools and opportunities for training and assisting our customers. Microsoft's HoloLens 2 is a mixed reality device that allows us to provide remote live training and demonstrations. In cases of technical assistance, we can even demonstrate how technicians should work, on location. Where the customer also has such a device, Picanol can remotely guide the customer through the steps required to set up and optimize weaving machines.



E-learning and "How it works" videos

At Picanol we are always looking for the best ways to improve our team of technicians' skills and knowledge. This is a challenge for our organization and for our customers. Due to the travel restrictions resulting from COVID-19, it was not always possible in 2021 for our customers to attend training at one of Picanol's training centers. However, this didn't mean that we stopped offering the necessary training support to our customers. Our training team worked hard to develop e-learning videos so that customers could sharpen their skills without travelling. In addition, "How it works" videos were released in 2021, In the videos, Picanol employees provide detailed explanations of machine features, characteristics, and innovations.



Picanol showroom to be renovated

Picanol started renovating the showroom in 2021 and the new design is open and accessible. With its central reception area, the showroom will create the same (prospective) customer experience as a visit to an exhibition stand at a large textile machine exhibition. Renovation of the showroom is scheduled to be completed in the spring of 2022.



Picanol at ITMA Asia + CITME

Picanol participated in the seventh ITMA Asia + CITME trade fair, which was held from June 12-16, 2021. The mainly Chinese visitors experienced the premiere of our two new machines, GTMax-i 3.0S and GTMax-S. Our participation in this fair shows the strength of the local Picanol team in China which, with limited support from Ieper, built the stand, provided a professional welcome to attending customers and prospects, and demonstrated the machines.

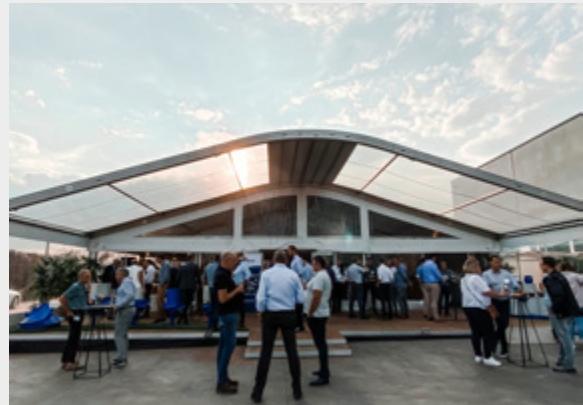
Picanol also participated physically in other 2021 fairs: Techtexil in Raleigh, NC (USA), Stich & Tex Expo in Cairo (Egypt), and GTex Textile Machinery Expo in Karachi (Pakistan).

Initiatives in 2021



Participation in Textile Intelligent Engineering

In July 2021, Picanol participated in the China Textile Intelligent Engineering event in Lanxi, Zhejiang, China. One of our colleagues gave a presentation on the sustainability and digitalization of both our factory in China and our Picanol weaving machines. Various machine functions, such as Ecofill, ERGO, Airmaster, and ARVDII+, were presented with an explanation regarding how they save energy and resources for our customers. The event was attended by more than 300 visitors and was also streamed live on the Internet.



Opening event for the new high-bay warehouse

On Monday, September 13, 2021, Proferro officially opened its new high-bay warehouse in the presence of Flemish Minister, Hilde Crevits. In mid-September, Proferro's customers also had the opportunity to visit our factory in Ieper, with the new high-bay warehouse being a highlight. Our sales colleagues presented Proferro's plans for the future and this was followed by a pleasant evening and walking dinner together with our customers.



PsiControl at Caravan Salon

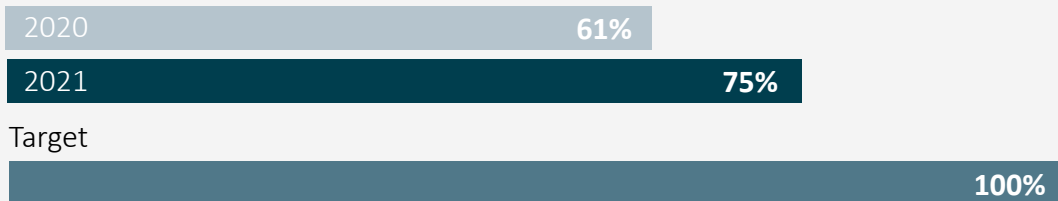
PsiControl participated once again at the Caravan Salon event in Düsseldorf. This is the largest international event for caravans and camping, which ran from August 28 to September 5, 2021. And it represented an opportunity for PsiControl to monitor the (future) needs of its current and future customers in the caravan sector. PsiControl's new technology in the fields of connectivity and user-friendly controls are contributing to the next generations of caravans and mobile homes. PsiControl showed off its latest innovations in HMI, control, and connectivity at the fair- innovations that are already being used by some leading brands.

Suppliers

Supplier Code of Conduct

Picanol Group introduced a Supplier Code of Conduct for Picanol and Proferro suppliers in 2020. PsiControl has had a Supplier Code of Conduct for some time. Supplier Codes of Conduct are an integral part of Picanol, Proferro, and PsiControl's supplier contracts. They record our honest and ethical approach to business and enable our compliance with the applicable statutes and regulations in the countries in which we conduct business.

Percentage of suppliers that have signed the Supplier Code of Conduct



The Picanol, Proferro, and PsiControl Supplier Codes of Conduct are on the Picanol Group website: www.picanolgroup.com/suppliercodeofconduct.

Social responsibility

Company visits

Picanol Group attaches great importance to fostering long-term relationships with universities, colleges and secondary schools that offer technical training, as well as with their students. An example is the dozens of company visits we normally organize every year so that pupils and students can take a look behind the scenes at our high-tech weaving machines, foundry, mechanical finishing operations, and the electronics department. Experienced guides then take the pupils and/or students from the foundry to the demonstration room containing our latest weaving machines. As a result of COVID-19, most group visits in 2021 were temporarily postponed.

Internships and theses

Every year, many students also work as interns within Picanol Group, including Engineering students, Communication and Marketing students, Office Management students or Commercial Sciences students. This includes both short and long internships and students from secondary schools and students from colleges and universities. This first introduction to the business world allows students to put their theoretical knowledge into practice, while we also offer them the opportunity to further develop their knowledge and skills. Encompassing such a wide range of activities, Picanol Group also appeals to a large group of students as a subject for their final project or thesis, or even PhD.

Students and campus recruitment

In order to maintain and strengthen the current position of Picanol Group, we are constantly looking for new, young and dynamic talent. Therefore, Picanol Group participates each year in various job fairs to introduce final year students to our internship and/or job offers.

However, most job fairs in 2021 were cancelled or postponed due to COVID-19. In order to stay connected with the students, we, therefore, employed other initiatives. Picanol Group thus participated digitally in the Hermes Job and Stage Event, VTK Gent Jobfair, VTK Leuven Jobfair, the Jobbeurs at Technologicampus Gent, and Jobhappening Kortrijk. These digital introductory events made it possible for students to discover more about the group and to meet our colleagues from Human Resources as well as young employees from the R&D and IT departments, among others. In this way, the students were able to learn more about our activities as well as our internship and job offers.



Initiatives in 2021



Workplace learning

Picanol Group welcomed a group of students for on-the-job learning in the autumn of 2021. The students were given the opportunity to work in various departments within the company and get some practical experience. This was a great opportunity for them to build on their theoretical knowledge with hands-on experience, and to discover what type of job suits them best.



CNC training center

The Vrij Technisch Instituut (VTI) in Ieper opened an innovative training center for mechanical folding techniques in 2021, in cooperation with a number of metal processing companies. This was an example of an educational project conducted in collaboration with a company in the region. The aim of the project is to set up and grow a CNC training center for second and third-grade technical (TSO) and vocational (BSO) students studying mechanics and mechanical design, in order to produce more, (fully) qualified technicians. Picanol Group is co-financing the project. Thanks to the support of local metalworking companies, the school's workshop will be expanded to include new CNC machines and accommodate other improvements. Investment in viable infrastructure, modern machinery and a well-organized learning environment is essential if this course is to attract students.



Toys for "Ons Tehuis"

Every year, Picanol Group supports various organizations and events via targeted sponsorship. In 2021, we donated gift vouchers for toys and candy to "Ons Tehuis" in Ieper. "Ons Tehuis" is a partnership between social service providers OCMW in Ieper, Kortrijk, Poperinge, Waregem, and Wervik, for the accommodation and guidance of young people. The gift vouchers and candy were distributed to them during the Christmas period.



National Ugly Christmas Sweater Day

Friday, December 17, 2021, was Think Pink's National Ugly Christmas Sweater day. Think Pink is the national breast cancer organization that supports breast cancer patients and their families. Picanol Group invited its employees to participate in the event and many of them wore their most cheesy Christmas sweaters in response. This helped to stimulate Christmas spirit in the workplace, but mainly involved Picanol Group supporting people faced with confronting cancer.

Initiatives in 2021



Reforestation in Romania

Two years ago, PsiControl and its colleagues at the Rasnov site in Romania committed to participate in Romania's national reforestation program. The program aims to bring together as many people as possible to plant trees in Romania, as part of the fight against global warming. This includes tree planting in the mountainous area near Rasnov. In 2021, two years after the planting campaign, the employees who had been involved had the opportunity to re-visit the area. They were pleasantly surprised to see that it had come to life with new greenery and trees. The visit to the newly-planted area ended with a relaxing dinner, enjoyed in the natural environment.



Sponsorship of two Romanian NGOs

PsiControl supports two NGOs in Romania, the ADDIP Association and the Asociatia Ingerii de langa noi. The ADDIP Association aims to increase the opportunities for social and professional integration among adolescents from foster care centers. This is done by providing help and guidance in the development of the relationship and social skills required for finding employment and in preparing for a responsible and independent life. The Asociatia Ingerii de langa noi is an organization that helps children with spastic cerebral palsy. The project provides physical and motoric, as well as educational, support.

Overview KPIs

Pillar	Topic	KPI	Target	2021	2020	2019
Our people	Employment	Number of employees worldwide		2,289	2,186	2,226
		% of women, total		24%	23%	22%
		% of women in management positions		21%	n/a	n/a
		% of employee turnover	< 5%	7.4%	n/a	n/a
		# of coaching sessions per employee	> 2	1.6	1.3	n/a
	Training	# of employees with min. 8 hours of training	100%	48%	36%	56%
		Average # of training hours per employee		36	20	32
		% of internal mobility		49%	n/a	n/a
	Employee engagement	# of suggestions		1,205	973	1,458
		% of suggestions implemented		83%	96%	91%
	Health & Safety	Lost time accidents: frequency (per 1 million hours worked)	0	28	17	23
		Lost time accidents: severity (per 1 million hours worked)	0	0.49	0.39	0.43
Our planet	Energy	Energy consumption (Mwh)		117,452	95,783	100,354
		CO ₂ emissions (tons)		33,988	n/a	n/a
		Energy consumption in leper compared to 2014	-8%	-4%	-1%	-4%
	Recyclable waste	as a % of all waste	100%	92%	93%	93%
	Water	Water consumption (m ³)		76,792	68,378	79,980
		of which is tap water		38,760	35,512	43,313
		of which is surface water		38,032	32,866	36,667
Water consumption (m ³ water per ton of iron)		1.05	1.08	1.16	1.25	
Our community	Suppliers	% of suppliers signing Supplier Code of Conduct	100%	74%	61%	n/a

GRI index

This sustainability report contains data from the GRI guidelines.

GRI standard			Page
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	102-2	Primary brands, products and/or services	4
	102-3	Location of the head office of the organization	5
	102-4	Number of countries in which the organization is active	5
	102-7	Size	18
Strategy	102-14	Statement by the Board of Directors on the relevance of sustainable development for the organization and its strategy	7
Ethics and integrity	102-16	Internally developed mission or statements of principles, codes of conduct and principles with an interest in CSR	8
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