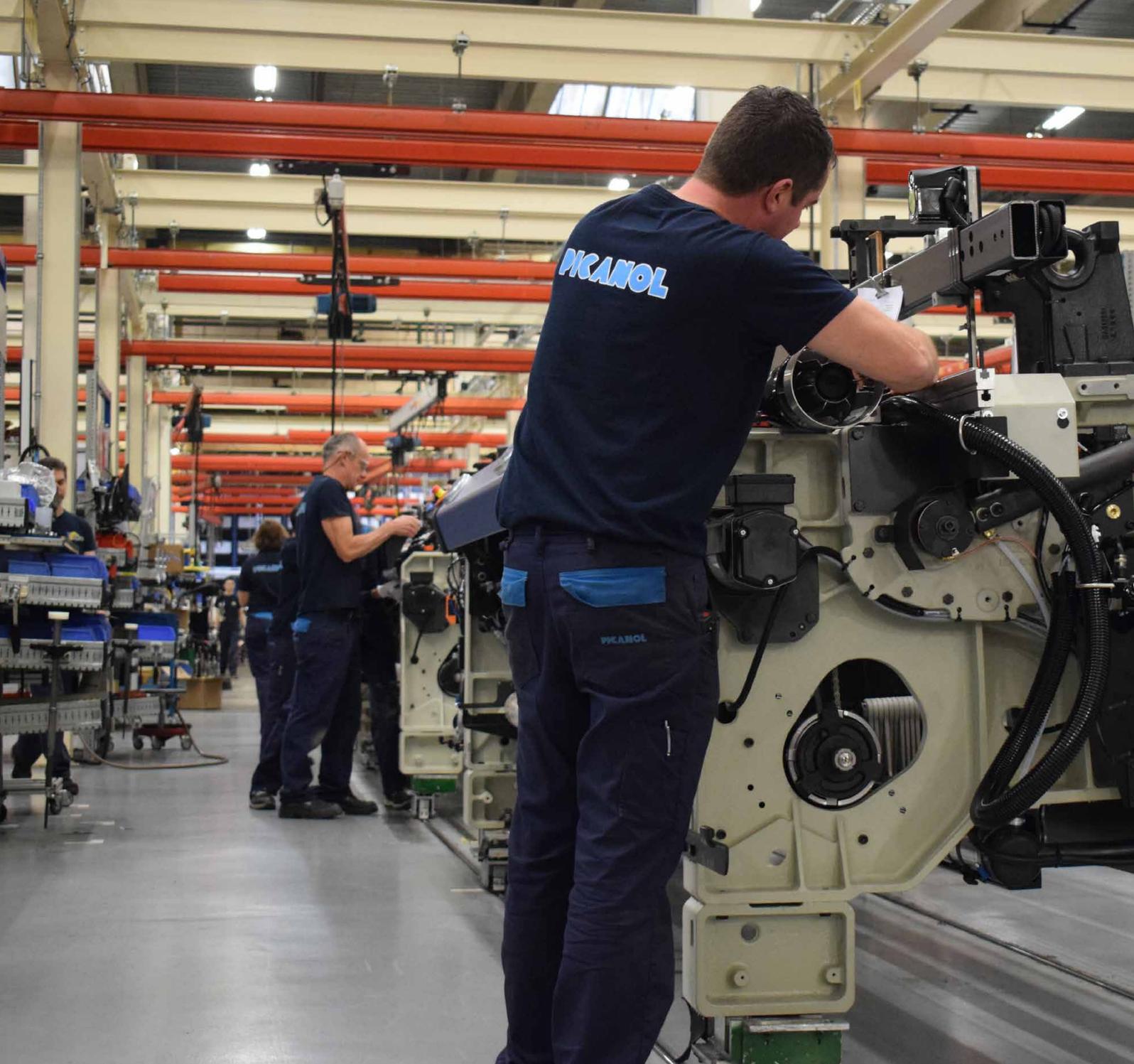
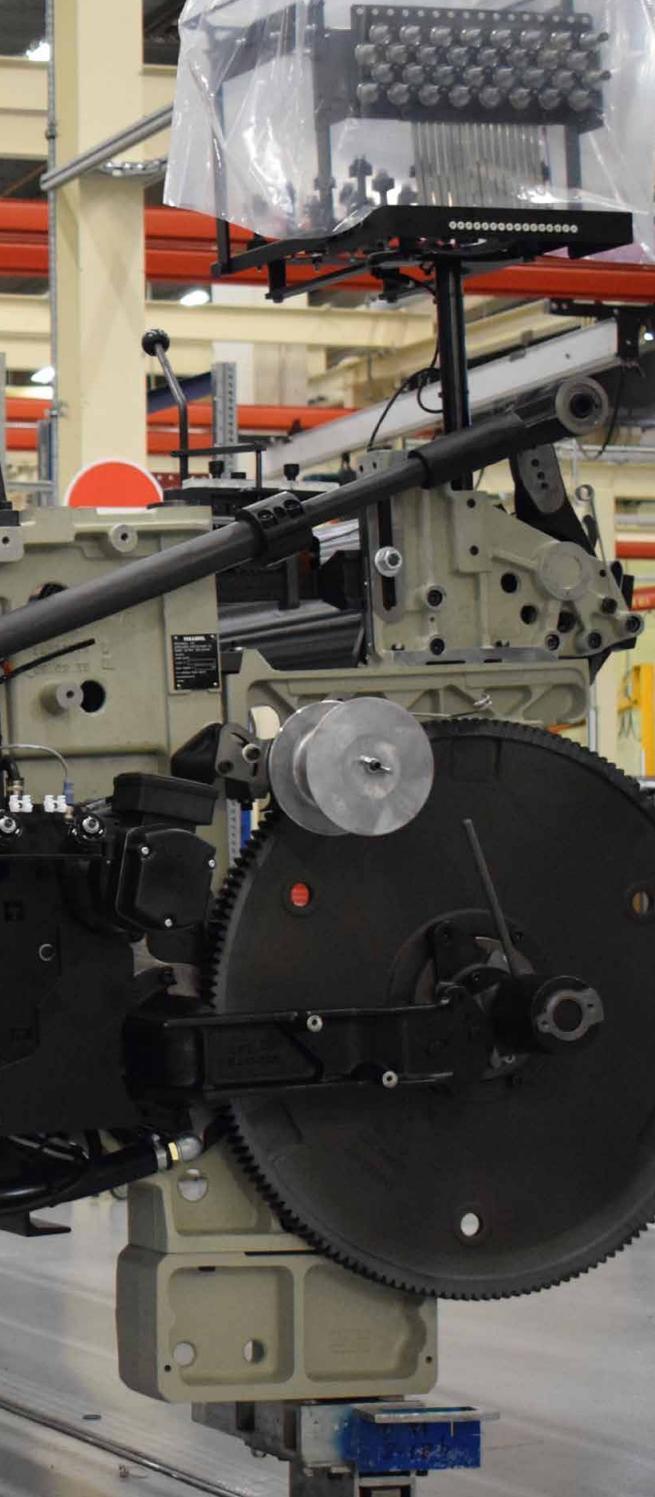




# Sustainability report 2019





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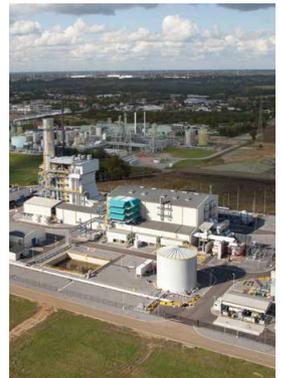
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# About Picanol Group

Picanol Group is a diversified industrial group and it is active worldwide in mechanical engineering, agriculture, nutrition, 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 2019. 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 the group's other activities (in particular those that fall under Tessengerlo Group), please refer to Tessengerlo Group's sustainability report at [www.tessengerlo.com](http://www.tessengerlo.com).



# Global presence

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



## Belgium

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

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

## Europe

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

## America

**Brazil**  
Picanol do Brasil: **M, S**  
**Mexico**  
Picanol de Mexico: **P, 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 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 84 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 2020 and beyond. Therefore, in Ypres, 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 [www.picanolgroup.com/en/sustainability](http://www.picanolgroup.com/en/sustainability).



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.

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:

## **Our people**

Within Picanol Group, we continuously invest and take good care of our greatest strength: our people.

## **Our planet**

At Picanol Group we limit the impact of our activities on our planet by thinking, deciding and acting in a sustainable way.

## **Our community**

From Picanol Group, we work actively together with the environment in which we live and work in order to meet the expectations of our stakeholders.

Within this framework, 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](http://www.picanolgroup.com)).

### **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.

### **Risks relating to social, personnel and environmental affairs**

Picanol Group periodically analyzes the risks associated with its activities. All key employees are interviewed about their risk assessment, and an evolution is assigned to the various risk factors. The various risks are assessed according to their impact on and the vulnerability of the company. Based on this, action plans are drawn up and evaluated on an annual basis by the Management Committee and the Audit Committee.

#### ***Picanol Group may not be able to recruit or retain key personnel***

In order to develop, support and sell its products, Picanol Group must recruit and retain skilled employees with specific expertise. The implementation of Picanol Group's strategy may be undermined by Picanol Group's inability to recruit or retain key personnel, or by the unexpected loss of experienced personnel. Picanol Group's success also depends on its ability to maintain a good relationship with its employees. A significant majority of Picanol

Group's employees in several of its activities are affiliated to a trade union. Work stoppages or strikes, which usually occur in the renegotiation of collective agreements, may adversely affect Picanol Group's ability to carry out its activities. It is impossible to guarantee that an increase in labor costs would not have an adverse impact on Picanol Group's activities, its operating results and financial situation.

#### ***Picanol Group's activities are subject to environmental regulations, compliance with which could incur substantial costs and also give rise to disputes on environmental issues***

The activities of Picanol Group are subject to environmental regulations of national, state and local authorities; in some cases even regulations that impose strict liability. As a result, Picanol Group may be held liable, which can have an adverse impact on its activities. Environmental regulations in the markets in which Picanol Group operates are becoming increasingly stringent, with more and more emphasis on enforcement. Although Picanol Group has included a budget

for compliance with environmental laws and regulations in its future investment and operating expenses, there can be no assurance that Picanol Group will not be subject to significant environmental liability or that applicable environmental laws and regulations will not change or become stricter in the future.

For a complete overview of the risks related to the activities of the company, we refer you to the 2019 annual report of Picanol Group.

### 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 2019. This sustainability report contains data from the GRI Guidelines on reporting on sustainable development (version 'core criteria') 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.

**For any questions or comments regarding the sustainability report of Picanol Group, you can contact us by writing to [sustainability@picanol.be](mailto:sustainability@picanol.be).**





## Our people

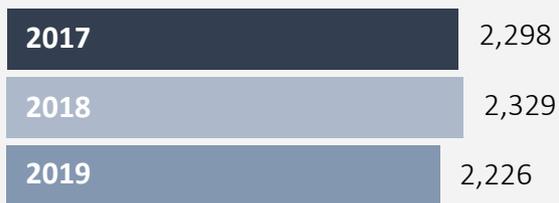
At Picanol Group, we are convinced that our employees make the difference and are decisive for the competitiveness of the company.

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.

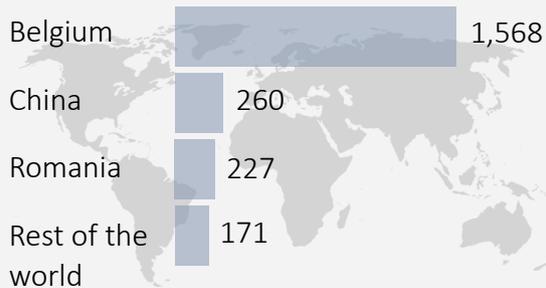
# Employment

Picanol Group employs 2,226 employees worldwide, who together comprise more than 35 different nationalities.

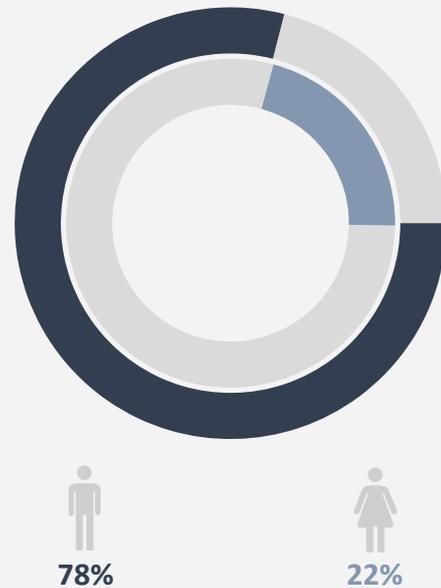
## Number of employees worldwide \*



## Geographical distribution



## Employees by gender



\* headcount



# Training

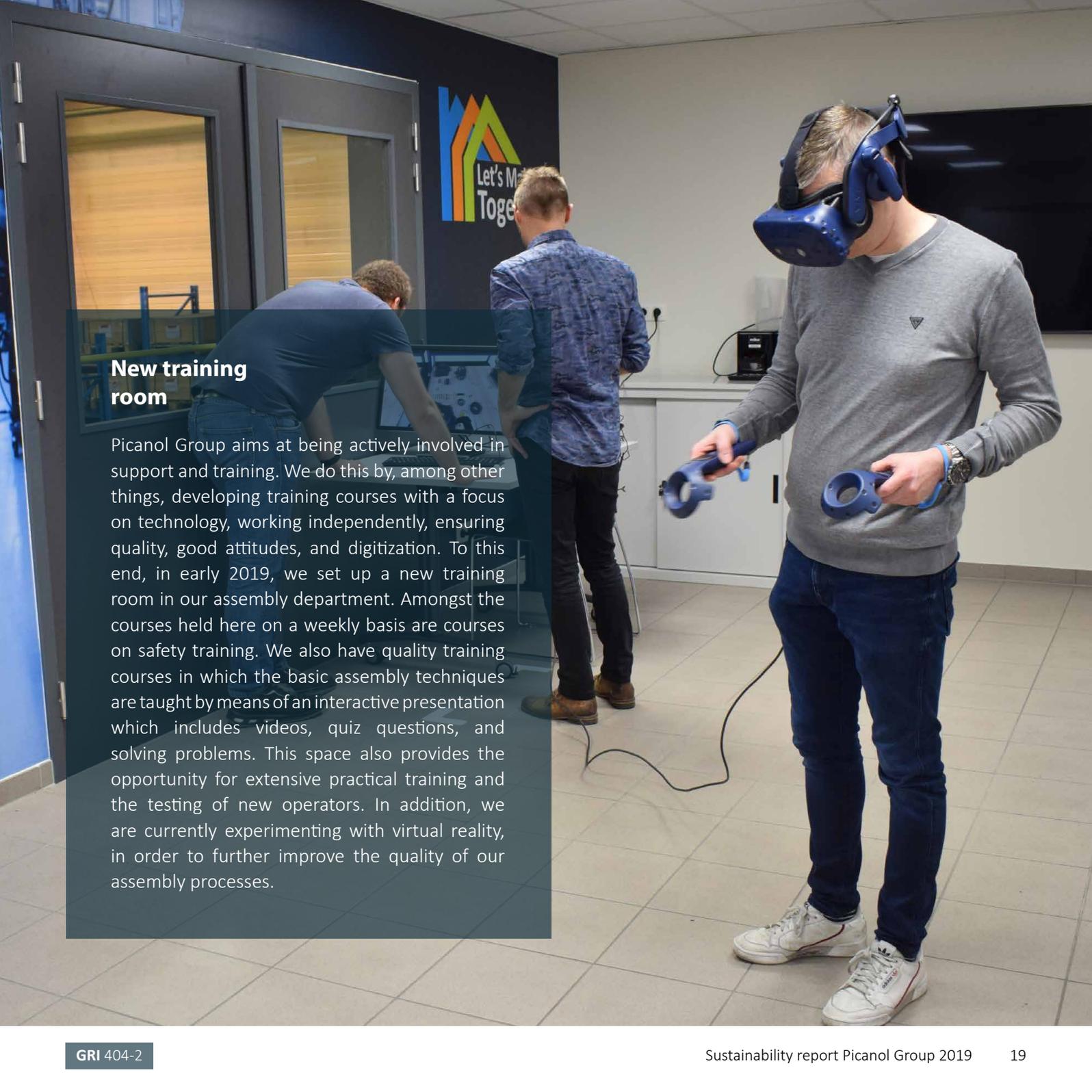
Today, Picanol Group is a global leader. And we can only maintain this position in the future if we continue to invest in our employees. Within Picanol Group, we therefore help our employees to develop their talents to the maximum.

We offer training, personal coaching and support from the group in the workplace, thus investing in sustainable employability. We are committed to providing people with the knowledge and training they need to carry out their work thoroughly.

This ensures that every new employee receives a personal training and development plan at the start, as well as a basic training in which the rules and regulations of the company are explained. In addition, and depending on the job to be performed, extra training courses are organized, such as ERP systems, CAD/CAM software, welding training, ESD training, safety training, etc.



In 2019, 56% of the Picanol Group employees completed at least 8 hours of training. Picanol Group will continue to focus on this in 2020 with the aim of giving every employee at least 8 hours of training.



## New training room

Picanol Group aims at being actively involved in support and training. We do this by, among other things, developing training courses with a focus on technology, working independently, ensuring quality, good attitudes, and digitization. To this end, in early 2019, we set up a new training room in our assembly department. Amongst the courses held here on a weekly basis are courses on safety training. We also have quality training courses in which the basic assembly techniques are taught by means of an interactive presentation which includes videos, quiz questions, and solving problems. This space also provides the opportunity for extensive practical training and the testing of new operators. In addition, we are currently experimenting with virtual reality, in order to further improve the quality of our assembly processes.

## Mentor training

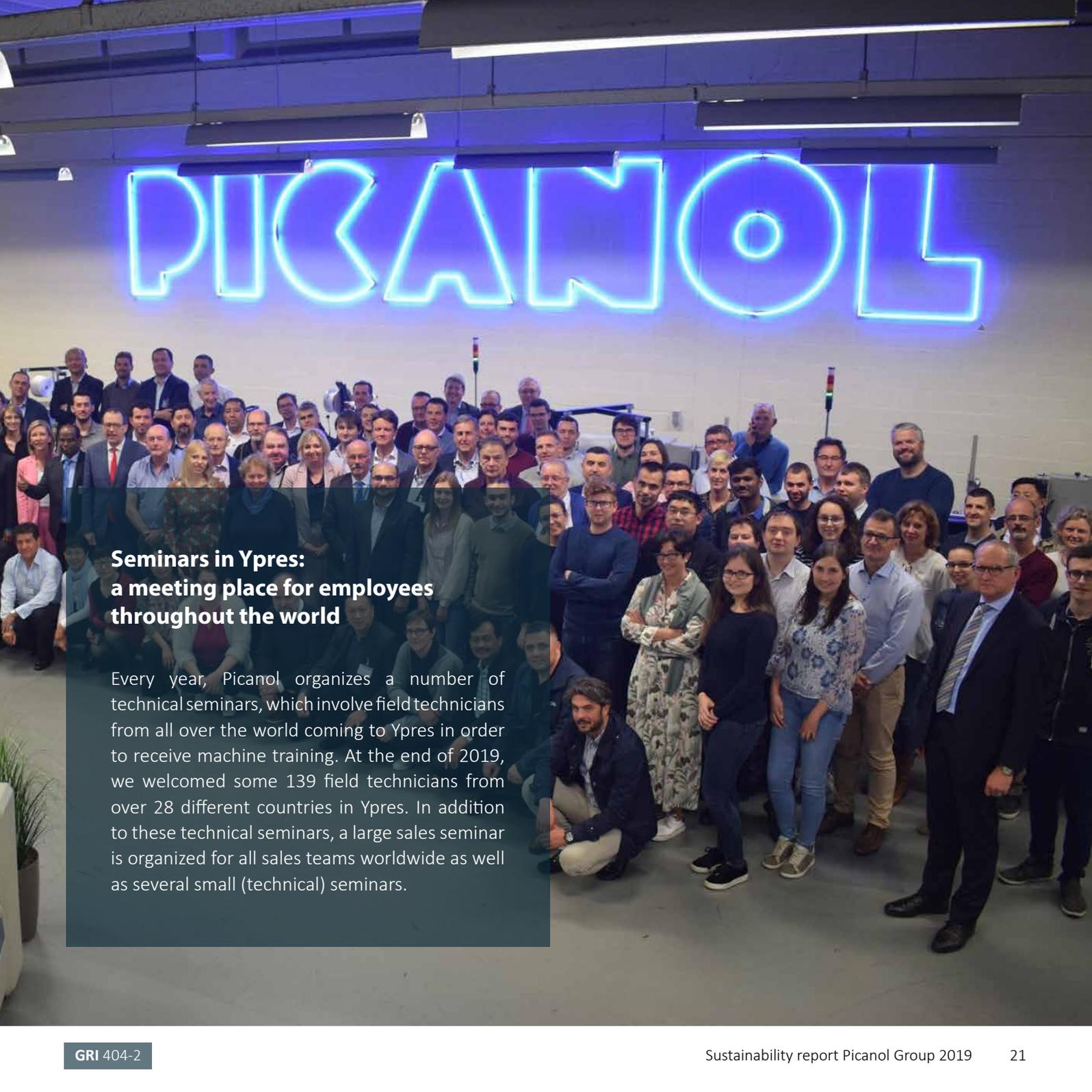
To better support the introduction and training of new colleagues, we started mentor training sessions in 2019. In some departments, new employees are already being assigned a mentor, for guidance on the commencement of new jobs or for support in learning new assignments. The training course supports mentors by teaching them new skills to help them optimize their ability to guide newcomers. The training sessions are intended for both experienced and inexperienced mentors, in order to further hone their techniques and allow them to exchange experiences with each other.



## Leadership Essentials

We are also strongly committed to supporting managers in their leadership roles. We are therefore putting together a leadership development process, which includes various initiatives. For example, in 2019, we launched 'Leadership Essentials'. This is a new forum, in which a group of senior managers meet on a quarterly basis in order to work interactively on various leadership themes, such as interview techniques, priorities in talent management, and much more.





# PICANOL

## **Seminars in Ypres: a meeting place for employees throughout the world**

Every year, Picanol organizes a number of technical seminars, which involve field technicians from all over the world coming to Ypres in order to receive machine training. At the end of 2019, we welcomed some 139 field technicians from over 28 different countries in Ypres. In addition to these technical seminars, a large sales seminar is organized for all sales teams worldwide as well as several small (technical) seminars.

### Learning network for foremen

In 2019, we started the initiative 'Pitstops for foremen'. A pitstop is a learning network in which leaders can learn from each other, and it is part of the overall training program. We work on topics that the foremen themselves determine, which involves learning via the mutual exchange of good practices.



### New trainers in The Cube

Since our technology box, The Cube, was created in 2018, more than 1,500 colleagues from Ypres and other locations around the world have become acquainted with a variety of new technologies that are coming our way. Examples include exoskeletons, Virtual and Augmented Reality, 3D printing and cobots. In total, more than 400 technology visits were organized, using the services of various trainers.





## Introduction day for new colleagues

Every year, Picanol Group organizes a number of introduction days for all new employees in Ypres. The new colleagues are invited to a company presentation and a tour around the company premises, which is then followed with a presentation by the members of the management team in which they provide information about their departments and future plans.

## Top Evenings

The fact that our training courses do not always have to be directly related to our activities is proven by the numerous inspiring Top Evenings that were organized in 2019. For example, the marketing strategist Kurt Ostyn came to tell us how we as an organization can adapt to the people, employees, and consumers of the 21<sup>st</sup> century, and how men and women play a different role in this area. In addition, the top sports coach Paul Van Den Bosch gave us tips on how best

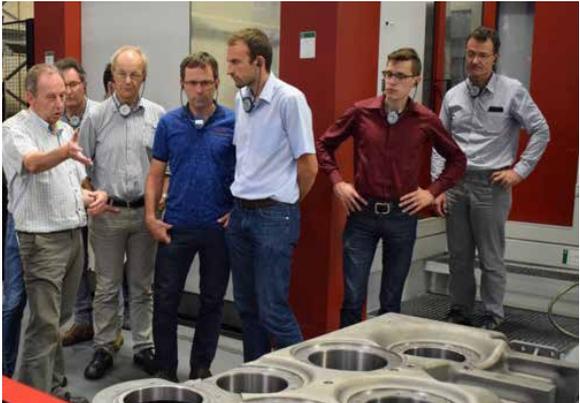
to use energy and what we can do to limit our energy loss. Another successful evening was enjoyed with Elke Geeraerts, who talked about 'Authentic Intelligence', or how people always win from machines thanks to the power of our brains. Finally, Steven Vromman, also known as 'Low Impact Man', came to give us some insight into how we can live within the boundaries of one planet.



## Technology forums

As part of Let's Make it Together, we organized several technology visits to recent investment projects in our company in 2019. During these technology forums, the operation of recently installed machines is explained by colleagues who work with or are closely involved in the operation of the machine every day.

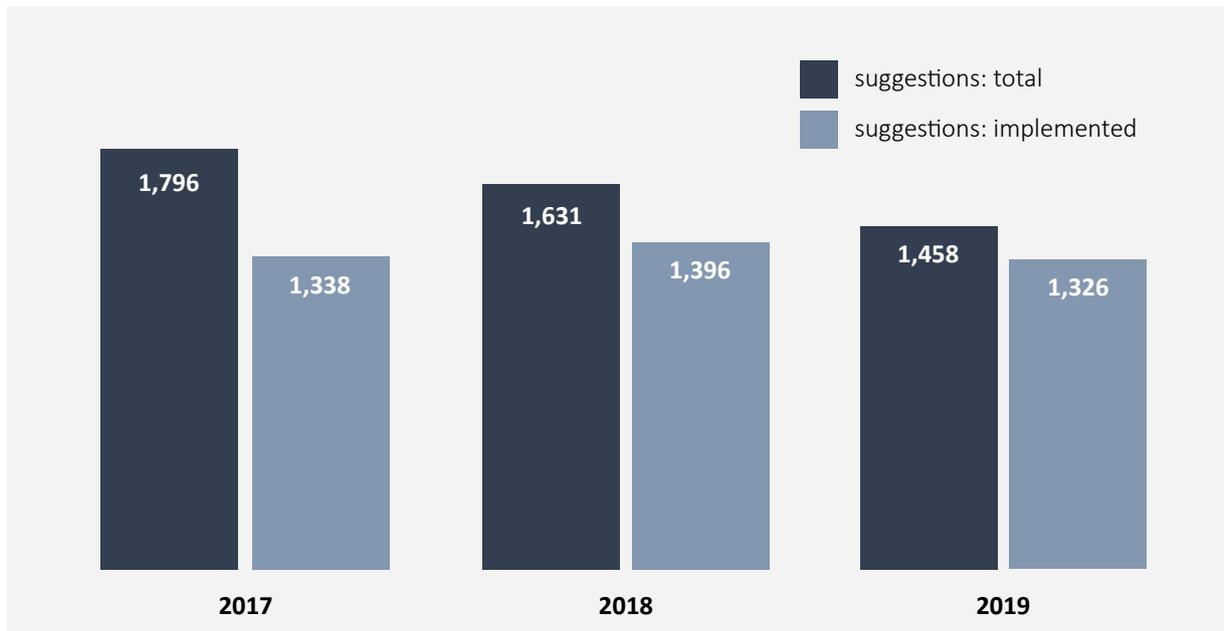
In these one hour forums, employees from all departments – in small groups of 12 people each – are taught about how the latest machines work and the benefits of recent investments through a presentation and a visit to the production sites.



# Suggestions

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. 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. This way, we want to work with our employees on building an even stronger company for the future.

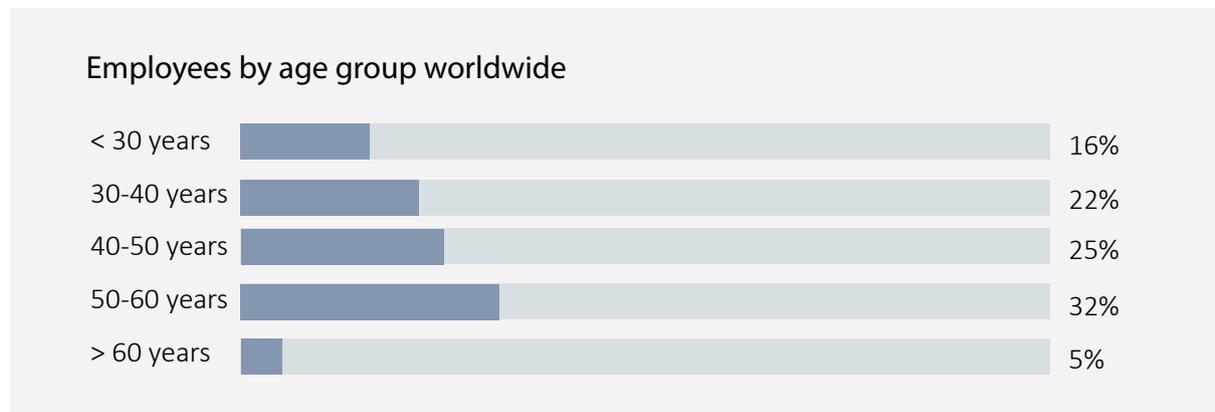




# Sustainable employment

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. Sustainable employment therefore requires attention for, among others, ergonomics, anti-burnout programs, active relaxation and motivation for healthy living.





## **Workshops on fitness at work for manual workers and office workers**

In 2019, we organized several workshops on fitness at work for both manual and office workers. The workshops for the office workers focused on six simple exercises, which were specifically aimed at the problems resulting from long periods of sitting still and using a screen. During the workshops for the manual workers, (shift) workers were taught various relaxation techniques and exercises aimed at reducing stress and improving sleep. The exercises help one start the day feeling rested, to develop more energy, and to better deal with possible insomnia – all of these areas are important for those who work different shifts and have an irregular sleep pattern.

# 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. Picanol Group has set a target of maximum 30 lost time accidents per 1 million hours worked.

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

In 2019, Picanol Group reached the target of realizing less than 30 lost time accidents per 1 million hours worked. There was a reduction in both the frequency and severity of lost-time accidents.

In 2019, the focus was on the safe behavior of every one of our employees. After all, safety must be our first priority at all times and everywhere. We want everyone, at every level of the organization, to remain committed to paying the necessary level of attention to the issue of safety.

In 2019, we set up or intensified specific activities for each department, paying extra attention to:

- Targeted safety training;
- Raising awareness regarding general safe behavior and the correct observance of existing safety procedures;
- Coaching executives.

In this context, we started a new safety campaign in the Assembly department, which included topics such as 'internal transport' and 'moving around'.

In the Foundry, we gave the green light for our renewed 'Safety@Proferro' campaign. In the first phase we want to give our managers, who set an example when it comes to safety, a decisive and guiding role.

Training courses were also organized for colleagues who perform a safety job. A safety job is one that can endanger others, such as that of a forklift truck driver, overhead crane operator, etc.

The focus is now on developing these initiatives and, in the coming years, to continue the positive trend of ensuring the decline in accidents experienced in 2019.



## New safety, health and environment guide

Safety, health and the environment are important issues for Picanol Group. We want to create a safe, healthy, and environmentally conscious working environment for every employee, but we can only achieve this if everyone actively participates. To this end, we have compiled all safety, health and environmental information and guidelines into a practical guide, a copy of which has been supplied to every employee. The guide includes

emergency procedures, personal protective equipment information, and guidelines regarding visitors, the environment, ergonomics, and work clothing. It also includes information on internal transport, the use of machines and the steps to follow in the event of an accident at work. In order to focus attention on the publication of the new guide, the safety monitors have presented every employee with a useful first aid kit.



## Health

As an organization, we want to fully commit to fitness at work. We are convinced that efforts in the field of physical and mental health, exercise and support result in less stress, more energy and higher labor productivity. The well-being of our employees is extremely important, because healthy employees lead to a healthy company.

In 2019, we once again participated in various sporting events, including the McBride run, a half marathon between Ypres and Poperinge, the Wings for Life App run in Ypres and, for the first time, the Natuurloop in Zonnebeke. We also staged the annual soccer competition between our companies and a cycling tour in and around Ypres was arranged for our (former) colleagues.

# 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, the annual cycling tour, Happy Hours, and numerous other activities, such as the soccer match and various running and walking events. For the youngest children, we organize the annual St Martin's celebration – the St Nicholas of the region. Events are also regularly organized by the local branches, such as the Chinese New Year, local holiday celebrations, and team building activities.





## St Martin's day in Ypres

St Martin and his helpers visit the Westhoek area on November 11 every year and they also stop at Picanol Group. All children aged up to eight years can visit the Saint, get a photograph with him, and also receive a gift. Furthermore, there are fun activities on the agenda, such as a clown act and face painting for kids. And of course delicious food for everyone – which leaves both the younger and older attendees very satisfied.





## 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;
- avoiding surplus stock when phasing out products.

### ESTOMAD

Picanol was involved in the European ESTOMAD project (Energy Software Tools for Sustainable Machine Design), during which a design method was developed for the model-based ecodesign of drive trains in machines. This design method allows the energy efficiency of a drive train along with the functional behavior to be modeled during the design of a machine. This allows machines to be physically modeled and simulated.

Our R&D Engineers succeeded in modeling the energy flows of the main drive train of a rapier weaving machine, together with its functional behavior. This enabled Picanol to optimize the machine design from an early design stage, with a focus on energy efficiency. The results achieved will also help to improve development processes for machines in the future.



### **Life-cycle analysis**

Picanol is in close contact with suppliers of IT tools to allow for life-cycle analyses of the weaving machines, using CAD tools and product configurators.

### **Data-driven**

All Picanol weaving machines of the latest generation are now also connectible, which allows all relevant data from the machine to be collected in the Cloud. This data is also used within our own R&D department for further analysis and optimization. In this way, control algorithms can be evaluated and adjusted to further improve the energy consumption and performance of the weaving machines.

### **Sustainable materials**

In the selection of production materials and technologies, systematic attention is paid to the recyclability of the various components.

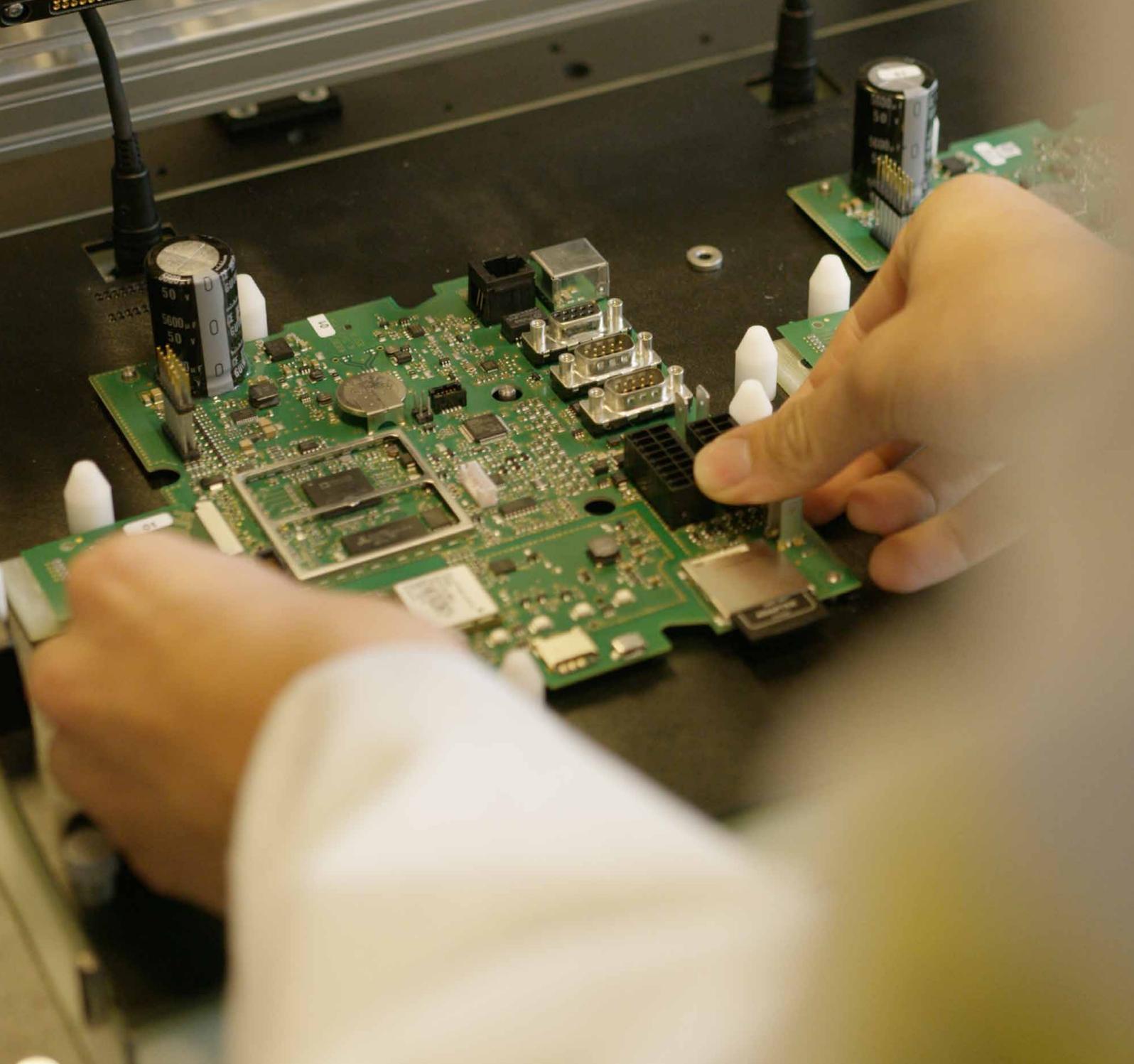
For the design of the electronics for the weaving machines, the following matters are taken into account:

- materials are ROHS compatible (Restriction of Hazardous Substances);
- materials are REACH compatible;

- conflict minerals are avoided;
- ...

### **Supplier Code of Conduct**

The Supplier Code of Conduct forms an integral part of the contract that PsiControl concludes with its suppliers. This allows PsiControl to ensure compliance with all applicable laws and regulations of the countries in which business activities are carried out, in order to act in a fair and ethical manner. As a condition for doing business with PsiControl, all suppliers are expected to comply with the standards and laws relating to respect for human rights, environmental protection and product and service safety, as specified in the Supplier Code of Conduct. Suppliers must also comply with the rules as described in the REACH Regulation. REACH is a system for registration, evaluation, authorization and restriction of chemical substances that are produced in or imported into the European Union. REACH stands for Registration, Evaluation and Authorization of Chemicals.



## **Energy consumption**

For more than 20 years, Picanol has mainly used proprietary SR (Switched Reluctance) motors for its airjet and rapier weaving machines. These motors are characterized by their high performance and energy efficiency, without the use of rare (magnetic) materials. We are also working on topology optimization. This means that our engineers further optimize the geometry and design of oscillating parts, or parts that move back and forth around a fixed point of the weaving machine. The aim of this optimization is that the weaving machine needs to move less mass and therefore consumes less energy and material.

## **Waste**

In addition to the basic fabric, a weaving machine also produces some waste, which is necessary to make the main process function efficiently. Through new developments, Picanol strives to systematically reduce or even avoid this kind of waste. In 2019, Picanol launched a number of new optional features that make Picanol weaving machines even more efficient in terms of yarn usage. One example is Ecofil4C, which completely eliminates waste on the left side of a rapier weaving machine. Depending on the type

of fabric involved, this can save several thousand euros per year, per machine, in weft material.

## **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 high-tech**

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.



## Launch of new OmniPlus-*i* weaving machine

With the introduction of the OmniPlus-*i* in 2019, Picanol set a new benchmark in airjet weaving machines. Picanol weaving machines have always been designed with great attention placed on ensuring maximum performance. The Smart Performance principle focuses on guaranteeing the highest industrial speeds on the market, even under difficult conditions. With the new OmniPlus-*i* we achieve this thanks to a completely new reed movement. More insertion time enables the smooth processing of even less than perfect yarns. Further reduction of energy consumption and durability are embedded in the machine design. With a modified distance between the nozzles, the new OmniPlus-*i* offers more stable insertion and thus new opportunities for the further reduction of air consumption, which is further aided by optimized algorithms. In addition, the OmniPlus-*i* is equipped with the highly energy-efficient SUMO motor. This motor emits less heat during weaving, which reduces energy costs for air conditioning in weaving mills equipped with OmniPlus-*i* machines. In addition, there are a number of new features that minimize textile waste. In other words, sustainability is built in.

## 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.

### Data Driven



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 ARVDIIPlus, 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, children deal 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.

# Energy

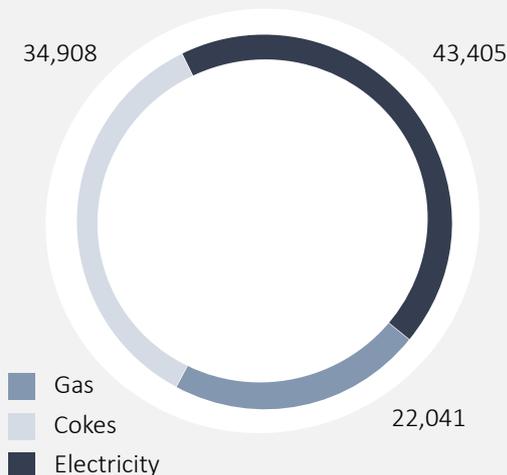
An important pillar in the environmental policy of Picanol Group is the efficient use of energy to limit the ecological footprint.

## EBO

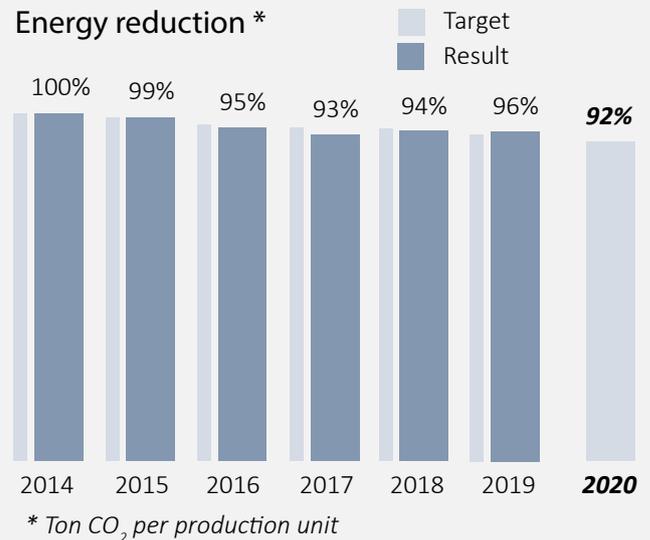
Picanol Group has endorsed the Energy Policy Agreement (EBO in Dutch) of the Flemish Government. This is an agreement between industrial companies and the Flemish Government aimed at contributing towards the realization of the European CO<sub>2</sub> equivalent and

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. The existing energy plan has therefore been reviewed in 2019. An action plan was drawn up in this regard, and it was approved by the competent authority.

Energy consumption (MWh)



Energy reduction \*



Energy consumption in 2019 was higher than that of previous years. This increase in energy consumption cannot be attributed to a single cause or a single installation, but it can be observed across several departments. In 2019, the following energy-saving measures, among others, were applied:

- Adapted, energy-efficient lighting and heating for new factory investments and factory renovation projects.
- The Taccone molding and casting line closed after more than 50 years. The Taccone line was an energy inefficient production line that was characterized by major energy losses. The activities of the Taccone have now been taken over by the more energy efficient HWS production line, which means a huge saving in compressed air.
- Reduction of gas consumption by the afterburner (which breaks down oven gas dioxins), using the recently reconditioned control system for the stove dome. This allows the operator to respond to production fluctuations and thus reduce the consumption of the afterburner.



# Waste

## Integrated waste management

For more than 10 years, the Picanol Group's business sites have been working according to the principle of integrated waste management. To this end, Picanol Group works together with an external partner, whereby employees of this partner support the waste management within the group.

The principle of integrated waste management means that everyone at the workplace needs to sort the waste generated in the appropriate waste bins. The external partner's staff then ensure that all of the collection bins are emptied in a timely and appropriate manner in the container park situated outside the buildings. Among other things, they use a roll-packer, with which the waste is compressed and compacted in a dumpster. This has the advantage of increasing the weight per dumpster and reducing the number of trips that need to be made. The registration of all the times the collection bins are emptied provides the various departments with the necessary information about the nature and quantity of the waste streams produced. It is also now possible to keep track of where the waste is going and ascertain its ultimate destination.

Since the introduction of integrated waste management, the amount of residual waste has been reduced considerably. This is on the one hand because of better sorting at the source, while on the other hand, it is due to a better knowledge of the different types of waste that is generated at our company. At our location in Ypres, approximately 60 different waste streams are collected separately and taken to a certified processing plant. In recent years, the sorting obligations for industrial waste have been further tightened by the government. Thanks to the integrated waste management system, Picanol Group was already ahead of this trend. The new waste stream requirements have already been collected and disposed of separately for a long time. In 2019, we carried out additional research and took action to further reduce the sand waste streams from our foundry.

## ISO:14001

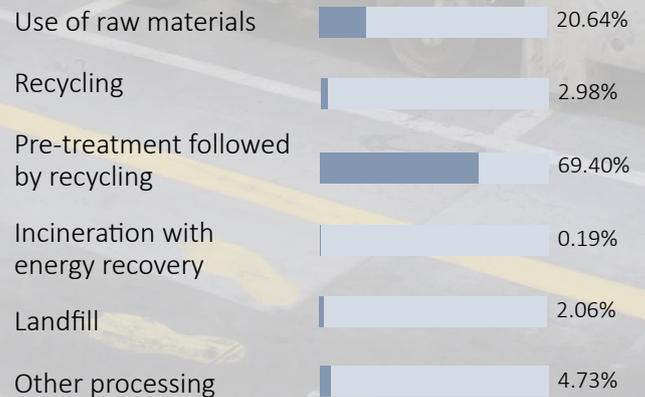
At the production site in Romania, the environmental policy is developed based on the ISO:14001 standard. ISO:14001 is an internationally accepted standard to manage and reduce environmental risks.



## Sorting: a shared responsibility

Everyone at the workplace needs to sort the waste generated and is provided with the necessary resources to achieve this objective. Waste bins are present at all workstations and these are emptied in waste collection areas and finally end up in larger collection bins. All of this takes place inside the buildings. Only then does the external partner responsible for waste management at Picanol Group's sites take action.

## From waste stream to final treatment



# Water

Picanol Group uses tap water (as sanitary and process water), surface water (as cooling water and process water) and rainwater (as sanitary and cooling 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.

## Wastewater treatment monitoring

The proper functioning of the wastewater treatment is monitored on a daily basis by the process operators of the surface treatment plant. The monitoring of the wastewater quality takes place with the aid of a wastewater measurement program, in which we take and analyze wastewater samples at regular intervals. In 2017, the wastewater treatment plant was expanded with an active carbon filter as the final treatment step. The quality of the discharged waste water is monitored by our own measurement program. In 2018 and 2019, it became clear that this active carbon filter has a positive influence on several parameters. The presence of suspended solids, BOD (Biochemical Oxygen Demand) and COD (Chemical Oxygen Demand), for instance, have continued to decrease.

# Emissions

During the production process in the foundry, sand is used on several occasions, which results in dust accumulating in various places. Therefore, dust from the installations and the workstations is extracted at the source as much as possible. These extractors are then connected to various dedusting installations.

In order to minimize diffuse emissions (i.e. emissions that cannot be traced back to point sources) and to manage the emissions to the greatest extent possible, numerous measures have been taken in recent years.

## Dust humidification

Dust from the dedusting installations of the Desanding department and the Deburring zone of the castings is collected in open containers. The dust from these installations is then collected in dumpsters and transported to external processors. To prevent the dust from being blown around during storage and transport, the dust is moistened with water. To this end, the dust filters have been equipped with humidifier installations.

## Monitoring emissions

Measuring equipment was installed on several chimneys of the dedusting installations to monitor the guided dust emissions online in a qualitative manner. An alarm level has been set for each dust filter, based on an independent qualitative dust measurement. This makes it possible to respond much faster to wear or breakdown of filter sleeves, so that an undesirable increase in dust emission can be avoided. The monitoring of the functioning of the air purification plants and the quality control of the emitted air takes place, on the one hand, through continuous qualitative measurements and on the other hand, with the aid of the measuring program 'air'. Each year, the emissions of all air purification plants are measured at least once by an external certified expert.

# Transport

## Shipment of weaving machines

Every day, containers leave the Dispatch department to take the Picanol weaving machines to all corners of the world. Most of our weaving machines are shipped from Ypres 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, Russia, Belarus and Uzbekistan. 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 (40 feet) 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 Ypres

The head offices of Picanol, Proferro and PsiControl are all located at one business site in Ypres. 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.



# 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.

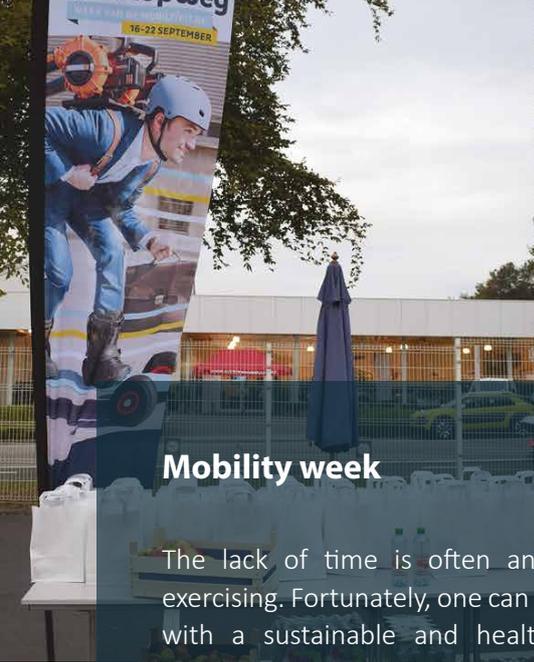
In 2019, an average of 486 employees per month came to work on foot or by bike, which accounted for an average of 31% of the total number of employees in Ypres.

## Bicycle lease plan

With this in mind, Picanol Group launched a bicycle lease plan in the spring of 2017, which allows employees to lease a bicycle at an advantageous price. In order to be valid, the bicycle must be used for more than 20% of commuting. We continued to actively promote the bicycle lease plan in 2018 and 2019, and to date more than 458 employees have already ordered a new bicycle via the group's bicycle lease plan.

## 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 CO<sub>2</sub> 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.



## Mobility week

The lack of time is often an excuse for not exercising. Fortunately, one can combine exercise with a sustainable and healthy commute to work. During Mobility Week 2019, we organized numerous initiatives for our employees. For example, colleagues who come to work by bike or on foot were welcomed on a red carpet and received a fun, healthy gift. During a workshop on bicycle safety, participants were made aware of the risks of cycling using a virtual reality bicycle simulator. In this way, they learned to correctly anticipate and react to unsafe situations and were given specific tips on reducing risks and avoiding accidents. We also organized a bicycle tour and a bicycle repair workshop.





# Sustainability Inside

RELAY MODEL DISTANCE	
ARVO I Plus	
SUMO DRIVE CONCO	

LAYER



## 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 stakeholders, including our:

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

# 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.

## 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.



## 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 Ypres, with a total surface area of 270 m<sup>2</sup>. 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 Ypres, 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.

## Let's grow together

Picanol launched a new campaign in 2019, which builds on the Let's grow together campaign of 2015. Once again, children play the leading role in the story, but this time Picanol focuses on children who show us what the future will look like, with regard to their behavior and habits. This behavior is increasingly evident in our everyday life: we pay digitally, communicate wirelessly, and increasingly expect everything to work automatically and immediately.

This is the inspiration – the point of reference – for everything Picanol has in mind regarding new developments. Smart and efficient performance, a natural focus on sustainability, a passion for data, and intuitive control. These are the principles on which the latest developments – and thus our future – are based.

After all, Picanol wants our customers to be ready for the future – whatever that future may bring – and we also want, now more than ever before, to make our mark on the future of the weaving industry. **Let's grow together.**





## ITMA Barcelona 2019

In June 2019, Picanol participated in ITMA Barcelona. ITMA is the most important, four-yearly textile machinery fair in the world. The new machines and functions that Picanol showed at ITMA – and the premiere of our new OmniPlus-*i* in particular – attracted a lot of interest from (potential) customers in the textile sector. Not only did Picanol stand out thanks to our state-of-the-art technology, but also because of the drive behind our many new developments. In addition to five new airjet weaving machines and five rapier weaving machines with numerous new developments, Picanol also demonstrated a rapier weaving machine in jacquard version and a terry airjet weaving machine, on the Bonas and Stäubli stands respectively. The success of our participation in ITMA is the joint success of the Picanol team, which played an important role, both ‘on-stage’ and behind the scenes.

## Brand new app

In the run-up to ITMA, Picanol launched a brand-new app, which contains all of the information about our weaving machines, our new calculators, and a new functionality for viewing advertisements in augmented reality, among other things. Our new, integrated calculators, which are made available centrally in the app, simplify the lives of our customers. For example, they enable real-time calculations by using the yarn count converter, the fabric length and weight calculator, and the remaining warp calculator.





## PsiControl at ISH



In 2019, PsiControl took part at ISH in Frankfurt am Main, This is the world's largest trade fair, which focuses on the sustainable and efficient management of water and energy in buildings. Many leading companies demonstrated their innovations in the areas of bathroom design, energy-efficient heating, air conditioning, and building solutions and renewable energy. PsiControl presented its experience in Human Machine Interfaces and showed its range of customizable, cost-effective, embedded platforms, which can be used to control, monitor and optimize HVAC solutions. The IoT Box concept was also presented – this is a modular box for connecting the electronics of devices.

## PsiControl at Caravan Salon

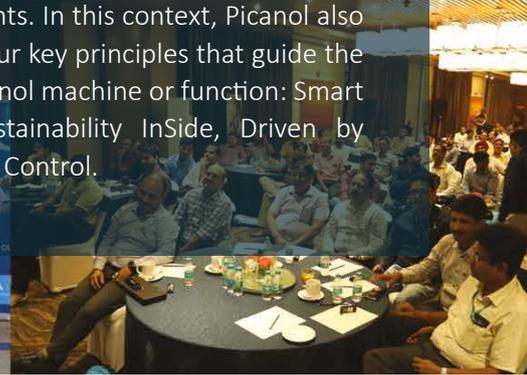


PsiControl participated in the Caravan Salon event in Düsseldorf for the first time in 2019. This is the biggest international event for caravans and camping. PsiControl presented its latest innovations in HMI, steering and connectivity, with a focus on caravans. The caravan sector has been seriously on the rise in recent years, which has resulted in a high demand for connectivity and user-friendly controllers. This unquestionably offers PsiControl a lot of opportunities. PsiControl aims to provide an answer to the needs and wishes within the caravan sector through its existing technologies, accumulated competencies, and extensive knowledge.



## Customer days in India

In the fall of 2019, Picanol organized several customer days in the north and south of India. In total, more than 900 weaving machine managers, technicians, and other professionals were welcomed. The customer days offered the opportunity to present our latest developments in the field of air and gripper technology. One of the highlights during the customer days was Industry 4.0 and how Picanol integrates Industry 4.0 into our production process and latest developments. In this context, Picanol also focused on the four key principles that guide the design of any Picanol machine or function: Smart Performance, Sustainability INSide, Driven by Data and Intuitive Control.



## 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.

Every year, Picanol Group organizes dozens of company visits so that students can take a look behind the scenes of the production of our high-tech weaving machines, the foundry and mechanical finishing activities as well as our electronics department. Experienced guides take the pupils and/or students on a tour from the foundry to the weaving machine demo room.

During these company visits, Picanol Group not only receives students from local secondary schools, but also colleges and universities from, among other places, Kortrijk, Ghent, Leuven and Brussels. There are also several foreign schools that visit the group in Ypres, such as students of RWTH Aachen (Germany) and HEI (France). In addition, a number of school visits from Belgium to our production site in Suzhou, China, are organized each year.



**779**

students visiting Picanol Group  
in Ypres in 2018.

Or



**33**

schools and/or class groups in total.



### Visit from Geography teachers

In November 2019, 15 Geography teachers visited our production site in Ypres to get a look behind the scenes of our entire production process – from scratch to finished product. The focus was on the sustainability of our processes and products.

## Agoria Company Tour



Picanol Group also participates in the Agoria Company Tour every year, during which Industrial and Civil Engineering students as well as students Professional Bachelor in Applied Informatics, Electronics-ICT and Electromechanics are introduced to the technological industry. The Agoria Company Tour offers students a unique opportunity to get to know the real-life business community, to take a closer look at technologies and technical processes, and to gain insights into future job opportunities in the labor market.

## Visiting PsiControl



In 2019, PsiControl developed an interactive program to give students a taste of the real-life work experience. During a visit to PsiControl, students get a glimpse behind the scenes – not only of production, but also of the R&D departments, labs and test rooms. And they are presented with a challenging dismantling assignment in which they have to solve different problems, as a group, to prevent a fictitious bomb from going off.



## Technical Academy

As part of the Technical Academy program, an initiative of VIVES University of Applied Sciences, we received 25 children of 'Vrije Basisschool Sint-Juliaan' to get them acquainted with technology. Research results from VIVES show that children, after taking part in the Technical Academy, have more ambitions to choose a technical job and think less about the gender stereotypes when it comes to technology.

# 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 or job offers.

## Campus recruitment

During the course of 2019, Picanol Group participated at the following job fairs:

- Job fair Ypres
- JobExpo VTI Ypres
- JobExpo VTI Menen
- Jobhappening Kortrijk
- Odisee KU Leuven-  
technology campus Gent
- KHBO KU Leuven Kulab- VIVES  
industry day
- JobExpo VTI Poperinge

During these job fairs, our colleagues from Human Resources and some young employees of the group, which may, depending on the job fair, be either R&D engineers or IT colleagues, engage in conversation with interested students. This way, students can get acquainted with our activities and our job offers, and they are able to learn more about how it is to work for Picanol Group.

Any interested students are invited to visit Picanol Group after the job fairs, where they can take a look behind the scenes of our production departments and talk one-on-one to employees who are active in their field of interest.

# PICANOL GROUP



**PICANOL**



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## Internships

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.

## Theses

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.

## Student workers

In addition to theses and internships, there are also many students who come to Picanol Group for vacation jobs. As a result, Picanol Group has a lot of students working in the different holiday periods as well as during the school year.





# Sponsorship



## Donation of toys for St Martin's day

Every year, Picanol Group supports various organizations and events through targeted sponsorship. This sees us donate approximately 75 toys to Ons Tehuis, together with some typical, seasonal treats, such as speculoos biscuits and chocolate figures. Ons Tehuis is a collaboration between OCMW Ypres, Kortrijk, Poperinge,

Waregem and Wervik, for the care and guidance of children and young people placed by the Youth Court or the Committee for Special Youth Assistance. The toys are distributed to the children during the period around St Martin's Day.



## Fabric

Picanol Group also donates many rolls of cloth to various organizations and associations, on an annual basis, for shows, games and events. In 2019, for example, there was the cultural festival in Ypres which had a 1960s theme, where the organizing team created fun activities using rolls of cloth. Children were able to make and decorate

their own teepees, in the style of the Woodstock music festival. The rolls of fabric are woven at Picanol Group during tests or demonstrations of our weaving machines.





## Winterhappening, for the benefit of Music for Life

In December 2019, we organized several actions as part of The Warmest Week of Music for Life. For example, soup was sold in all departments, a yoga session was organized, bags of chips were sold at the turnstiles, lasagna lunches were organized, hundreds of Profcakes were baked, and a real walking tour took place along the fortifications. The highlight of all these activities was our Winterhappening, in which many colleagues joined forces to set up various activities. Examples included the sale of bratwurst, croques, tapas, waffles and Proferro beer, a tombola, Nintendo videogames, and much more. All of these 'warm' activities were aimed at raising money for De Lovie and MUG-Heli, two charities that were chosen by our employees. We are therefore very proud that together we raised a grand total of 9,563.99 euros. Given the success of all the activities, Picanol Group decided to contribute by increasing the total amount to 14,000 euros, so that De Lovie and MUG-Heli would receive 7,000 euros each.

# Partnerships



## Workplace learning

During the last school year, Picanol Group received 10 students from 't Saam Diksmuide as part of the workplace learning program. With workplace learning, secondary school pupils come to the workplace to learn about certain topics that cannot be addressed at school. First they get an introduction day, during which they experience the necessary safety arrangements and get acquainted with our products and departments. After that, the students work on the shop floor for a few days. The students work

at workstations where they can carry out small and repetitive assembly work. This workplace learning introduces the students early in their school careers to work on a real work floor, and with real colleagues. Both the students and teachers of the participating schools are very positive about the concept of workplace learning. And our own employees are also enthusiastic about guiding these young people and teaching them something new.



### Reforestation and clearance operations

PsiControl, together with its colleagues at its Rasnov site, is committed to participating in the national reforestation program in Romania. With this program, which fights global warming, Romania aims to bring together as many people as possible to plant new trees, including on the mountains near Rasnov. Our colleagues at

PsiControl also participate in clean-up actions, in which they go out together to clean up waste along the urban fringe and thus help to build a natural environment that is free of waste.

### Agoria: track & trace event

Our colleague, Jeroen Vangheluwe (IT Manager Applications), gave a presentation at the Agoria track & trace event in October 2019. He talked about the importance of harmony between production and logistics at Picanol Group, as part of Industry 4.0, and how Objective Picanol Group's MES and WMS systems help our growth as a digital company.



### Agoria: Be the Change

Shortly after Agoria's Annual Event – which brings together more than 150 students from a wide range of courses on the theme of 'Be the Change' – a number of young people visited Picanol Group's factory in Ypres, to get to know the manufacturing industry. The students visited our production departments, demonstration room and technology box, The Cube, and they were impressed by all of the activities that they encountered. They saw that a 'classic' industry can indeed be an example of cutting-edge technology and, above all, high quality – contrary to their expectations.



## Flanders Make

Picanol Group works closely with Flanders Make, which provides support to companies in the manufacturing industry on the basis of high-tech research. Picanol collaborates, for example, with research groups, including uGent. Projects we started or worked on in 2019 included:

- Further optimization of the insertion process and underlying algorithms, to reduce energy demand per insertion;
- Controlling the complexity of our products, e.g. by standardizing components;
- ...



## Westhoek. De nieuwe wereld.

In 2018, Westhoek launched a regional campaign, 'Westhoek. De nieuwe wereld' (The new world). The campaign promotes the Westhoek region as the pre-eminent place to live, work and do business. In this context a number of PsiControl colleagues collaborated in 2019 on short report 'fragments', in which they talk about the benefits that played a decisive role in their decisions to live and work in the Westhoek region.



# GRI index

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