



Innovation



Sustainability



Reliability



Polish Building Creator Award for Thermofibra

Awards 2022



Italian Jury Award for Elegant Thermofibra in the category "Sustainability"



Deceuninck Germany was nominated for the first edition of the German SDG Award



G22 Sustainability Initiative of the Year Award (UK)

Some of our Sustainability Achievements

19,800 tonnes recycled in our recycling factory

14.4% recycled material in our products

37,000 tCO₂e emissions avoided through the use of own PVC recycle

Commitment to the Science Based Targets Initiative

VinylPlus Product Label for Elegant, Elegant Thermofibra, Zendow, Zendow#neo and Twinson in Europe

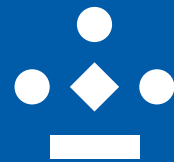
Latest Innovations Elegant Thermofibra / Innergy AP

Our reporting framework
Global Reporting Initiative (GRI)





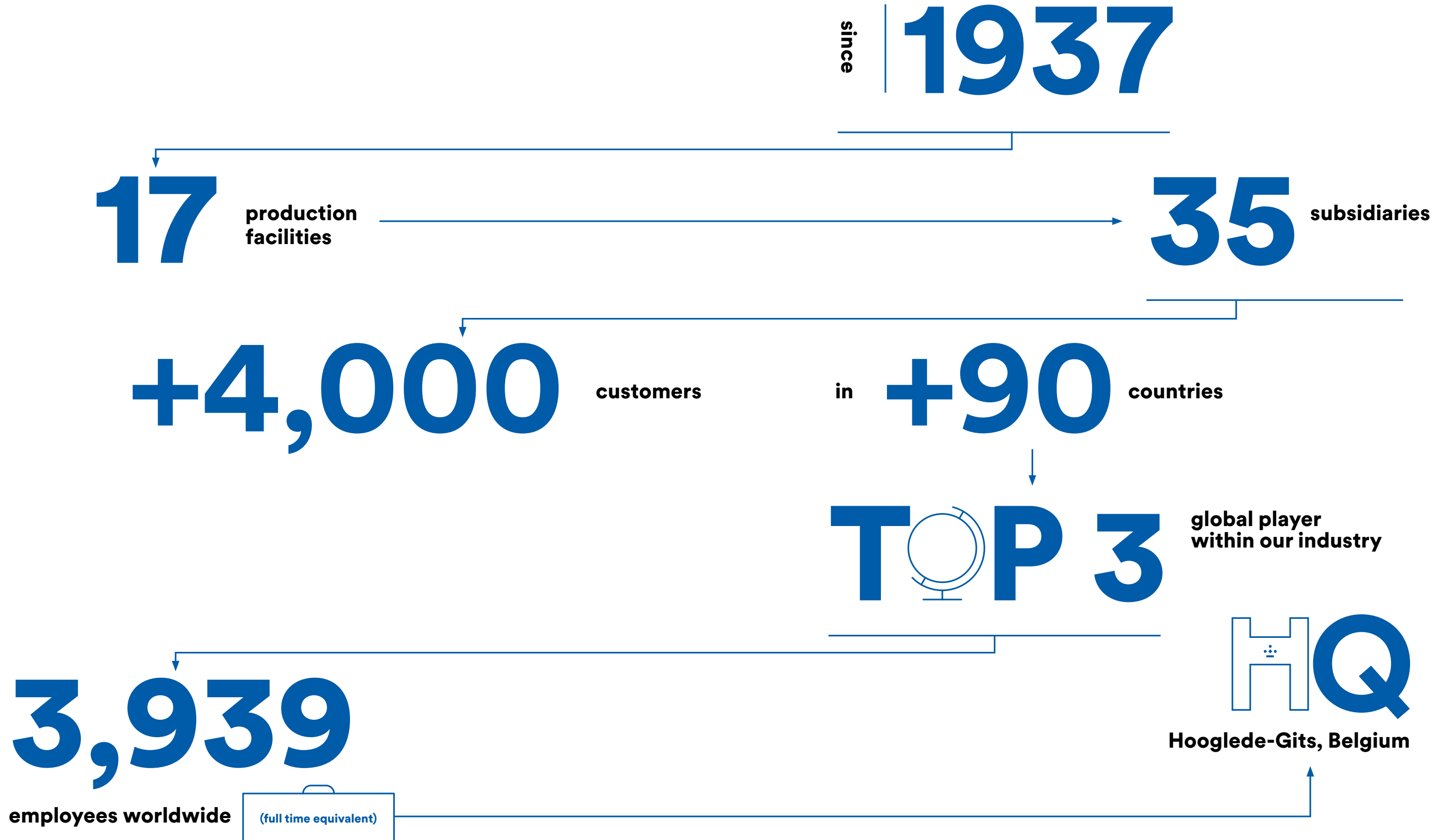
2. Report of the Board of Directors



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- 2.1 Who we are**
 - 2.2 Purpose and Values**
 - 2.3 Products and Innovations**
 - 2.4 Risk and Governance**
 - 2.5 Sustainability**
 - 2.6 Financial Performance**



Deceuninck in numbers





Activities

Designer, Manufacturer, Recycler

The Group is active as designer, manufacturer and recycler of multi-material (PVC, aluminum and wood composite) window, door and building solutions.

The window and door solutions include a wide range of window and door system profiles, complemented by the residential screening product range.

The building solutions include products for exterior (such as decking or cladding) and interior applications.

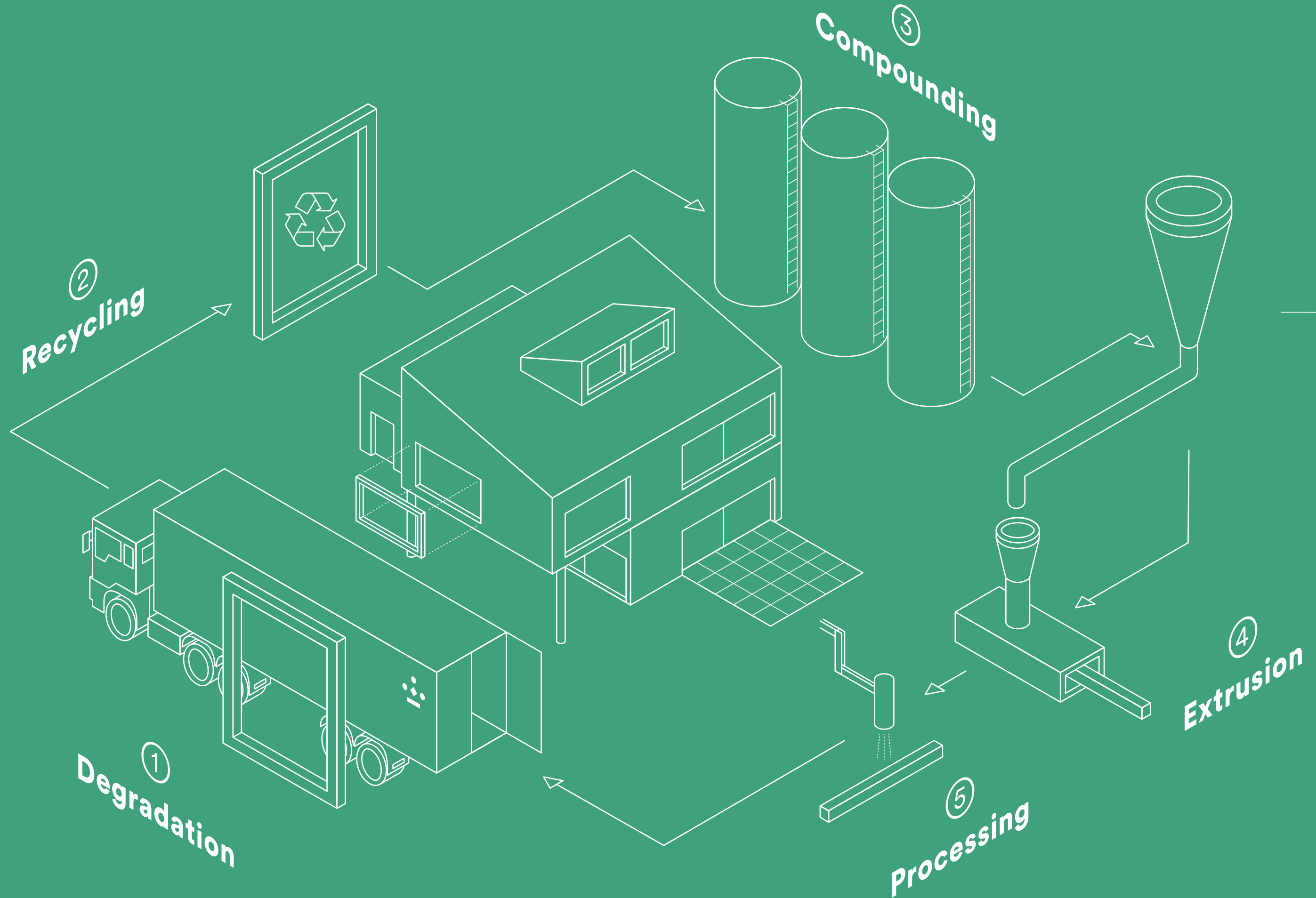
The basic technology used by the Group is extrusion of PVC. Deceuninck's integrated production process includes compounding, tooling, extrusion of seals and profiles, printing, adhesion of decorative foil and recycling.

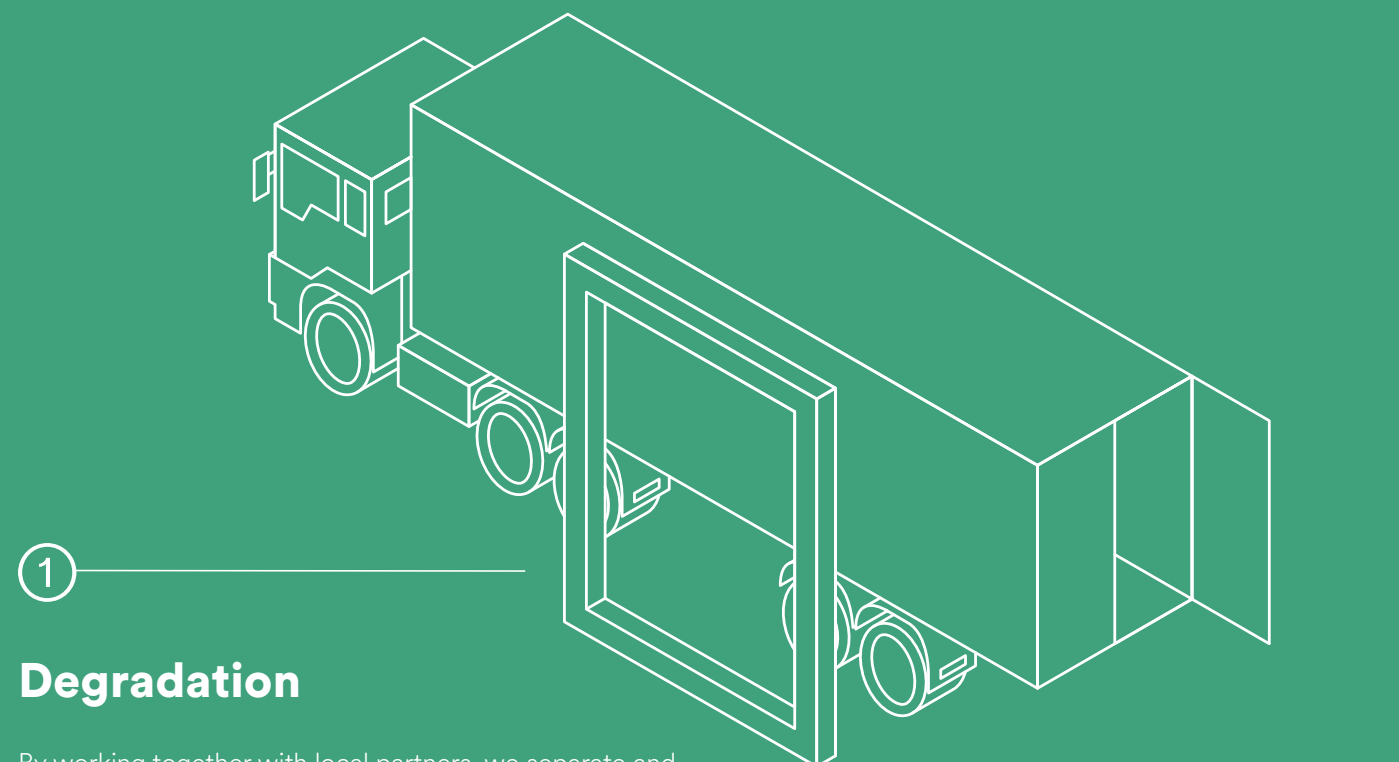
What is extrusion?

The Group's main business activity is the transformation of a PVC dryblend (powder) into a rigid PVC profile. PVC resins are produced from two components derived from natural raw materials, being ethylene (oil, gas) (43%) and chlorine (salt) (57%). Unlike other plastics, PVC resins are only partially derived from fossil raw materials. Three basic processes are used in PVC resin production, resulting in suspension PVC (S-PVC), emulsion PVC (E-PVC) and bulk polymerisation.

Our commitment to the circular economy

The Group's commitment to close the loop is clear by the investments that are made in the state-of-the art recycling plant in Diksmuide (Belgium), making Deceuninck Group one of the largest u-PVC recyclers of Western-Europe.

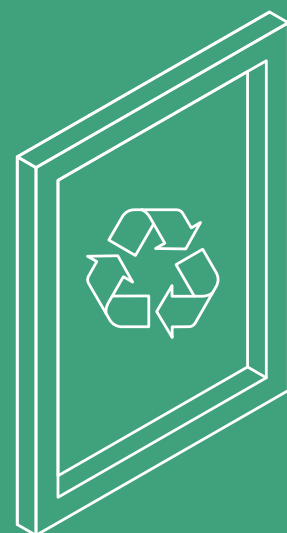




1

Degradation

By working together with local partners, we separate and collect post-consumer PVC profiles as much as possible at source. This requires a lot of effort, but ensures that we get these materials at our recycling site at the highest possible quality and the lowest possible economic and ecological cost.



2

Recycling

When the old windows and doors arrive at our recycling site, they contain many other materials. Through these 4 steps we transform old windows into raw material to produce a new window:

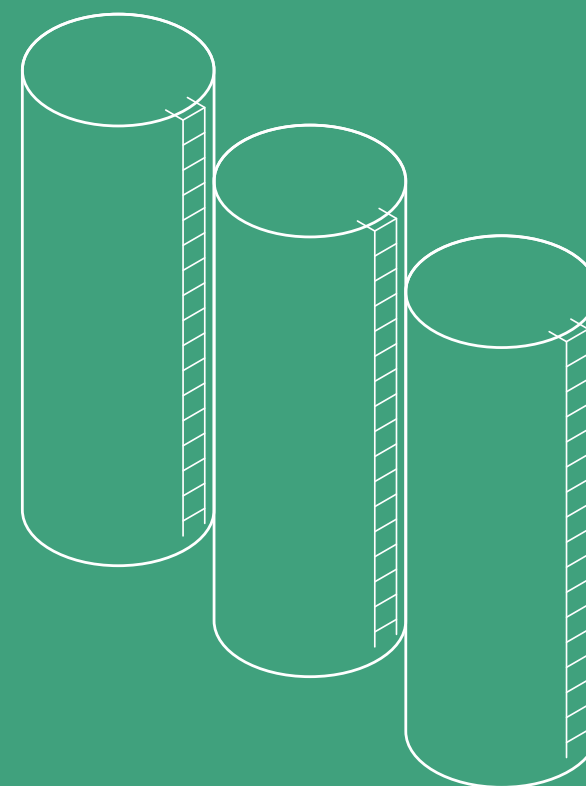
- Pre-sorting: the material is crushed and mainly metal and mineral fractions are removed
- Grinding and washing: the material is pulverized and washed to separate the remaining dirt from the PVC
- Re-sorting: we mainly remove rubbers, wood and the last metals present and sort the flow by colour
- Granulation: the smallest contaminations are removed before we make granulate that is used as a high-quality raw material.

3

Compounding

The PVC resin is mixed with additives in a mixing tower to form a homogeneous and dry powder. Each mixing tower consists of a number of floors for the storage of the additives, for weighing the components, for intensive mixing into a PVC powder and for cooling. No chemical reaction takes place, the production process only involves physical mixing.

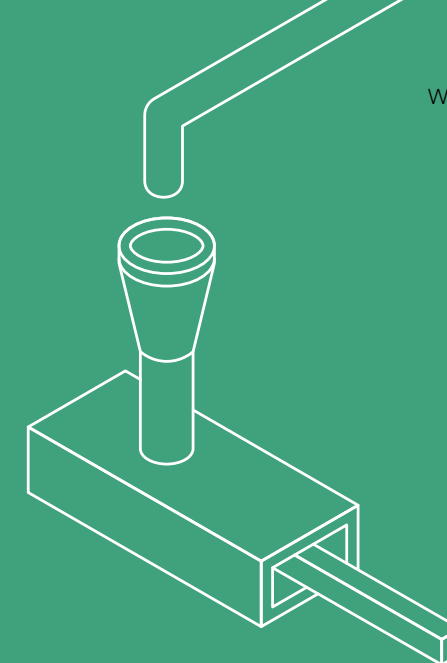
The PVC powders are transported to the stock silos and to the 'finished product' silos after sieving. They are then transported to the various sites of the group.



4

Extrusion

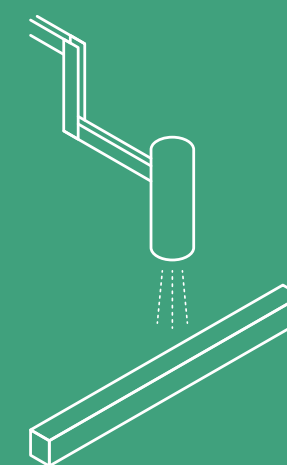
The PVC compound is heated in the extruder and pushed through a mold that determines the shape. The profile is kept in the right shape in calibers, cooled by cooling water and cut to length. In addition to classic extrusion lines, we have co-extrusion to combine recycled material with new raw material, foam, thermal reinforcements (with steel wire) and cofirex (with fiberglass) lines.



5

Processing

The profiles get a lacquer layer using a classic paint spraying process or are covered with a foil by means of a hot melt adhesive, which gives the profile a classic wood structure or modern look.



Customers and Markets

Supporting + 4,000 customers in + 90 countries across the world



2.2 Purpose and Values

Our Purpose

Building

We build towards a global market leading position in window & door profile systems.

- We strive to be a top 3-player globally, with robust partnerships with our customers
- We invest in our offer for PVC & aluminum window & door profiles
- We reinforce our offer with building profiles for the outer building shell

We build our culture, teams and competencies.

- We focus on and live our values
- We operate as a global group
- We engage with our employees



Sustainable

We create innovative products that contribute to sustainable living.

- We design windows, doors and building profiles with the best insulation values
- ... that last for a very long time
- ... that are made from recycled base materials and are recyclable

We produce sustainably.

- We set the standard for our industry, following Science Based Targets
- We invest in recycling technology and facilitate waste stream collection
- We mitigate our environmental impact as much as possible

Home

We design high-end products for a comfortable and desirable home.

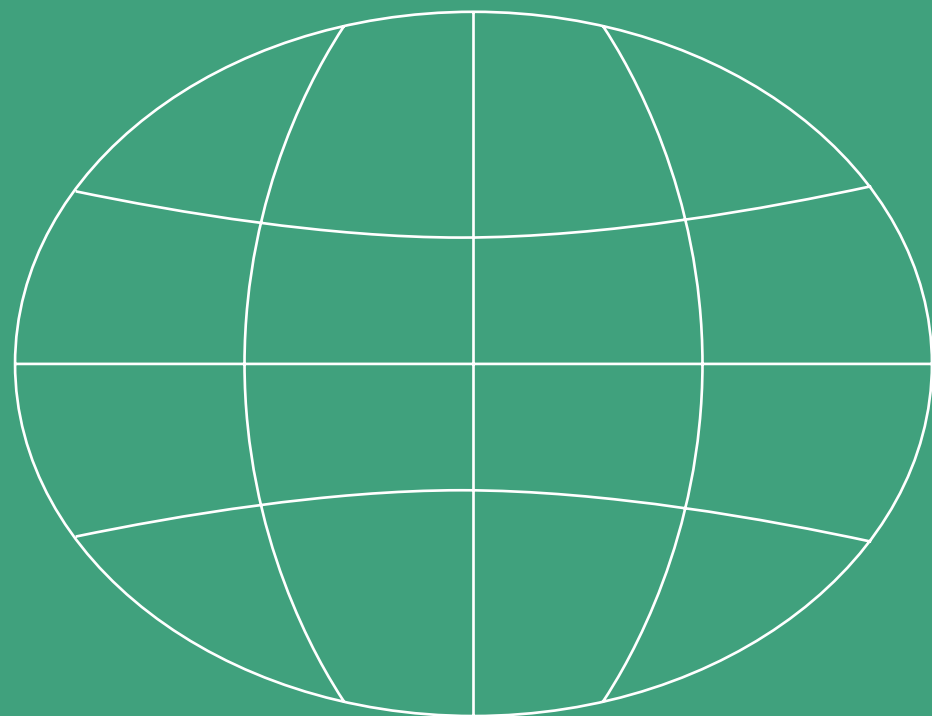
- We promote classy, esthetic solutions
- We offer hybrid concepts (Alu/PVC)
- We have fully recycled products

We see Deceuninck as a home for our global teams.

- We ensure safe working conditions for all
- We provide an inclusive and trusting environment
- We foster a culture of innovation and entrepreneurship

2.5 Sustainability

2.5.1 The World We Operate in



Global trends impact our current and future operations and create risks and opportunities for our business. Below, we summarize some of the most important trends and their possible impact on our business model and sustainability strategy.

Climate Change

The European Union wants to be climate neutral by 2050 (Green Deal). As a consequence, companies - using energy, water and affecting biodiversity - increasingly take into consideration the impact their activities have on carbon emissions, while these efforts will be regulated in the future.

On the climate adaptation side, climate change already impacts the type of housing in some regions (ex. stilt houses) and, due to increasing physical effects of climate change, will do so even more in the future.

Impact on Our Business

Our products have a superior quality and long lifespan. With optimal thermal insulation characteristics, they ensure energy savings.

Because we recycle PVC, we save potential CO₂ emissions by avoiding to source virgin raw material.

We set carbon reduction targets in alignment with the Science Based Targets.



Inflation and Energy Disruption

Record levels of inflation affect businesses in many ways, especially when it comes to cash flow. It impacts the spending power of businesses and consumers, which reduces the demand for goods throughout the economy. On top, the invasion of Ukraine has disrupted the global energy market, with a volatile energy market and rising energy prices as a consequence.

Impact on Our Business

Inflation is high in all our key areas. The economic environment leads to a slowdown in the construction market.

Rising energy costs encourage to invest in own production of renewable energy and energy efficiency.

Environmental, Health and Safety Impacts of Products

We see rising expectations and information needs of policy makers and consumers about the environmental performance of products and exposure to potentially harmful chemical substances in products. This is also driven by the societal debate around the harmfulness of plastics. However, all too often no distinction is made between single use plastics and more durable use of plastics.

Impact on Our Business

A risk-based approach towards exposure to potential hazardous substances which ensures that our products can be safely used.

Calculate environmental performance of products during their lifetime.

Proactive communication on the added value of our products and our efforts to invest in a circular economy.

Talent Attraction and Retention

Companies face increased competition to attract and retain a skilled workforce. Answering the pressure on

the labor market, it is not only important to attract more people, but also to attract a more diverse range of talents. The need for on-the-job training increases in the fast-moving working environment.

Impact on Our Business

HR focus on employee engagement and a training programme with a welcome package and on the job training.

A diverse workforce as an essential part of our DNA.

Demography and Urbanisation

Global population growth leads to an increasing demand for housing. At the same time, regulation evolves, leading to (for example) building bans on new grounds which favorably impacts renovation of existing housing or noise-isolating characteristics of housing becomes increasingly important in an urbanization context.

Impact on Our Business

The building renovation is expected to positively impact our sales in the coming years.

Our products have optimal acoustic characteristics due to the superior thermal insulation.

Disrupted Supply Chain

The world has been confronted with unprecedented shortages of raw materials which led to record high prices and delays in supply chains. While the effect played less in 2022 than in 2021, it remains a point of attention in the future.

Impact on Our Business

Investments in recycling and using recycled content in production as part of the solution to mitigate the risk of resource scarcity





Our Stakeholders

The impact of these trends creates a strategic imperative to address the expectations of a broad range of stakeholders to create long-term value. Achieving our aspiration of building a sustainable home cannot be done without considering the interests and expectations of our stakeholders. The Group cares about their needs and keeps an open dialogue.

Stakeholder	Expectations	Interactions	Actions
Employees	Fair treatment and good working conditions Health, safety and well-being Career development	Annual performance review Deceuninck Intranet Annual employee survey	Safety training and awareness programs Talent management Remuneration benchmarks Teambuilding Diversity policy
Customers	Qualitative products Service and technical support Information sharing Data security Solid financial performance Circular product solutions	Customer service Preferred Partnerships Customer training programs Commercial fairs	Development and manufacturing of products that meet the highest quality standards Focus on service and dedicated technical support teams Digital transformation Communication on product circularity
Investors	Creation of shareholder value Risk management Transparency ESG performance	Investor road shows and general meetings Press releases Dedicated webpage	Solid financial performance Transparent financial information Integrated reporting ESG ratings participation
Suppliers	Shared growth and innovation Ethical business practice	Daily contacts in the field Supplier Code of Conduct	Supplier audits Supplier engagement on decarbonization
Local Community and Neighbors	Local recruitment Local environment protection Charity	Social and other media	Local recruitment campaigns Charity
Regulator, Governments, Associations, Experts	Compliance with regulations Knowledge and experience sharing Health and environmental performance of our products Climate action Corporate governance	Participation in working groups and consultative bodies Ad-hoc dialogue with local government Cooperation with experts on R&D projects	Building a compliance culture with policies, trainings and awareness programs Communicate how our products contribute to the EU Green Deal Climate reduction strategy



2.5.2 Strategy

Materiality Analysis

The Group has a clear commitment to act with respect for people, society and the environment. Sustainability is an integral part of our business model and thus our sustainability strategy is an integral part of our corporate strategy. To deliver our sustainability ambition and have our voice in the market, a solid financial performance and substantial market share is key. The financial aspects are detailed in the financial statements.

People, Planet and Community are the three main pillars of our sustainability strategy. We have defined an overall mission statement for each pillar and linked it to the most relevant material topics.

The material topics for our business and our stakeholders have been defined taking into consideration the following input information: the global trends, analysis of the sustainability frameworks, the expectations of our stakeholders, our risk assessment and a peer review. The sustainability frameworks which served as inspiration topics are the UN Sustainable Development Goals (SDGs),

the Sustainability Accounting Standards Board (SASB), the Chemical Standard and the Global Reporting Initiative (GRI).

We have defined how the material topics contribute to the UN Sustainable Development Goals. The SDGs consist of 17 global goals to reach by 2030. While we support all SDGs, our approach focuses on the 9 SDGs where we can have the most impact. In addition, SDG 17 (global partnerships for sustainable development) is to us an overarching aim to reach our ambition.

We conducted an internal assessment in 2022 to re-evaluate the significance of the material topics. We concluded that the material topics are still valid. In 2023, we will re-assess the materiality analysis, in particular the 'double materiality' consideration and stakeholder engagement, in preparation of the CSRD (Corporate Sustainability Reporting Directive).

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	People	Planet	Community
Our Mission	We build a sustainable home for our people, based on our core values. We create the conditions for a good working environment and an inclusive workplace. We train our people to have the necessary skills and competencies to be successful in their role and their contribution to the realization of the Company objectives.	We help to build an energy efficient home. We create long lasting, low maintenance building products with top insulating properties. Our products are created with the lowest ecological footprint and can be fully recycled at end-of-life. We invest in lowering the ecological footprint of our operations.	We deliver added value to our customers and end-consumers through our solutions and services. We offer top performance in quality and service through trusted customer partnerships. We uphold the highest health and safety product standards. Our employees and suppliers adhere to ethical working standards.
Our Priorities	Human capital Talent management Health, safety & wellbeing Diversity	Recycling Use of recycled material Product insulation Greenhouse gas emissions Energy efficiency & renewable energy Waste generation Water withdrawal	Health & safety of the end-user Business ethics Sustainable sourcing Community engagement
Related UN SDGs			



Governance

Our governance system is based on a clear definition of roles and responsibilities between the following actors:

- The Board oversees and approves the sustainability commitments. Environmental, social and community related risks and opportunities are an integral part of the risk management process and are reviewed by the Audit Committee.
- The Executive Management proposes the strategy, approves the targets and monitors the execution.
- In 2022, we have appointed a Group Chief Technology and Operations Officer (CTO / COO) who holds executive responsibility over the sustainability related performance.
- The Group Sustainability Manager reports to the CTO / COO and coordinates the integration of sustainability into the organisation, identifying bottlenecks, drawing up action plans and providing input for the sustainability strategy together with different departments and the regional EHS leaders.
- Sustainability progress is an important topic on the agenda of every meeting of the Executive Management and Board of Directors.

The Board of Directors

oversees & approves the sustainability commitments



The Executive Management

defines strategy, approves targets and monitors execution



The Sustainability Manager

deploys the sustainability strategy together with the business

Reporting Framework and Scope

The report is drafted with reference to the GRI (Global Reporting Initiative) Standards.

The information in this chapter is provided for our main markets (Europe, Turkey, North America) and Colombia. Numbers for the reference years 2021 and 2020 are provided when comparative data is available.

Building a sustainable home is a continuous journey. We are committed to continuously improving our reporting. During 2023-24, we will review our targets, KPI's, data collection and risk assessment in the context of the upcoming CSRD (Corporate Sustainability Reporting Directive).

2.5.3 People



Ambition

The success of our company depends on our ability to attract and retain skilled staff who have a thorough knowledge of and are familiar with our markets, technology and products. We want our people to thrive, to feel well and safe while working at our premises. We must ensure respect towards each other and we expect everyone to handle in accordance with our business values: Trust, Top Performance and Entrepreneurship.

Trust: We embrace transparency. Trust is given and received.

Top Performance: We strive to improve every day, are accountable and act in a result-focused way.

Entrepreneurship: We take actions spontaneously and strive for innovation. We respect and reward initiative.

Our ambition is to attract and retain talent by encouraging our people to learn and to develop themselves, by investing in their health and safety and by protecting their fundamental rights. We create an inclusive workplace that is open to everyone and embraces the diversity of our people.

Results and Targets

Employment

	2022	2021	2020
Number of employees	3,939	3,709	3,660
New employee hires	1,037	1,577	1,153
Employee turnover rate	20%	40%	31%
Temporary employees	448	173	136

Talent Management

	2022	2021
Percentage of white-collar employees who received a formal, automated performance review	84%	70%

We aim at creating a culture of excellence by establishing a tangible link between learning, performance and compensation, succession planning and knowledge transfer, by providing training that supports strategic organizational objectives and by fostering a culture of continuous improvement that values organizational learning.



“Our people are the driver of our activities. We believe that great people deliver great results”

In terms of personal development, we encourage internal and international mobility, enabling employees to move to other countries to pursue their ambitions within the Group. We also organise technical trainings, safety trainings & safety awareness workshops, and stress management sessions. We develop leadership and people management competencies, project management and skill trainings such as languages and IT skills.

In 2022, the automated Performance Review process was reviewed in the Group, both in terms of content and process. This was linked with the company strategy and named the ‘Deceuninck Together Ahead Dialogue’.

The purpose of Deceuninck is ‘Building a sustainable Home with the best team’. To build our teams, trust is key. The Deceuninck Together Ahead Dialogue enables to build trust in the teams:

- It is an important step in a continuous feedback culture,
- It gives the opportunity to connect with and to engage the employees,
- It provides more attention to career aspirations and the well-being of employees,
- Expectations can be aligned, strategic goals and personal development goals can be set.

Our goal is that our business results are achieved with the best team and that our core values Top Performance and Entrepreneurship can grow within an environment of Trust.

Together

- To align Company, Manager and Employee
- Focus on mutual challenges and growing together

Ahead

- Focus on the future: agreeing on actions
- Challenging the status quo
- Insight into future career ambitions

Dialogue

- Open conversation and feedback

The extreme pressure on the labor market has returned to more normal market conditions in 2022. Also, the Group has paid more attention to connect employees by improving internal communication, incorporating the value of ‘trust’ in the corporate culture and creating fun moments where colleagues can get to know each other better. This has led to a positive evolution in the turnover figures. To respond more flexibly to evolutions in the market we have hired more temporary employees in 2022.



Deceuninck UK was awarded the Investors In People (IIP) Silver accreditation in recognition of the measures implemented to further reward and support the workforce.

Data availability note: We do not structurally track the training hours in a comparable way across the Group but will do so as from 2023. We will implement a learning management system linked to e-learning, content providing and knowledge management.

Health & Safety



	2022	2021	2020
High-consequence work-related injuries			
Number:	2	1	0
Rate*:	0.3	0.2	0
Work-related injuries with lost time			
Number:	86	110	87
Rate*:	13.1	17.4	14.4
Number of lost days	1,616	1,808	1,260
Number of fatalities	0	0	0

*Calculated based on 1,000,000 hours worked

Building a sustainable home can only be done in a healthy and safe working environment. By investing in prevention, training, making available safe working tools and monitoring and reporting efforts, we get closer to achieving our aspirational goal of zero accidents.

Our ambition is clear: provide a safe working environment to all employees, contractors and visitors that work at or visit a site of the Group.

Our EHS management system includes a clear governance structure on group, regional and site level, coordinated by regional EHS managers and with management involvement to review preventive and corrective actions and define targets. Deceuninck Turkey applies the ISO 45001 Occupational Health and safety management system and in our US plants the Federal



& State Occupational Safety & Health Administration Standards are applied. 31 % of our workers is covered by a management system based on legal requirements or a recognised standard and audited by an external party. Risk assessment is a central element of our EHS management system. Potential risks are assessed periodically and after an accident, changing of any procedure, material or machine. The risk assessment reports contain risks, lost days, causes and corrective and preventive actions. Risks are mainly linked to high-tension electricity, use of chemicals, moving parts of machines, loading and unloading, work at height, slipping and ergonomics. Every employee is required to report unsafe situations and takes steps to correct them immediately. Incidents and near-misses are reported to the local EHS responsible. Contractors follow the same incident management and reporting procedures.

Several actions have been taken in 2022 to eliminate the hazards and minimize risks linked to the accidents that happened, for example: repairs of machinery and infrastructure, training to operators and temporary workers, a training and awareness campaign.

We have set up a new immediate accident reporting system on European and Group level in 2022. We have stepped up our efforts to embed a safety culture in our workforce. '10 Golden Rules' to prevent injuries and incidents were communicated throughout the Group. Behavioral based safety rules are essential to increase safety awareness, on all levels of the organization.

Every site has specific targets linked to frequency and severity rate.

our 10 GOLDEN rules



Unsafe conditions: stop work and inform your supervisor.



Accident or near miss: inform your supervisor immediately.



Only use machines or equipment when you are trained and authorized to.



Only enter warehouse areas when you are authorized to.



Use the marked walkways and keep them clean.



Keep distance from material handling equipment.



Don't walk under loads.



Use your Personal Protective Equipment correctly.



Keep your machines and working areas tidy.



Be alert to fire and never smoke outside of designated smoking areas.





Deceuninck Turkey



Employee Engagement

It is a strategic priority of the Group to keep employees engaged and connected to our company and each other. A strong employee engagement is an enabler to a good working culture, reduction of employee turnover, increase of productivity and better relations with stakeholders.

An employee survey is a means to measure and monitor employee satisfaction and take targeted action where needed. In 2022, we increased the number of employee surveys.

- Employee surveys were presented to employees in all the European countries in which Deceuninck is active, except in Spain. In Belgium, a global survey was set up in 2021. Based on the results, an action plan was developed around the priorities: Communication, Wellbeing, Development, Community & Organizational structure and division of roles.
- In Turkey, an Employee Opinions survey was set up at the end of 2022, with a particularly high participation rate of 90%. Once we understand the root causes of

some outcomes, the aim is to work out detailed action plans, throughout the organization.

- Personnel surveys are set up in DNA on a regular basis: a baseline Annual Employee Satisfaction Survey, an update survey, a Culture Improvement Survey, as well as bi-weekly small in person-sessions on specific themes such as Teamwork and Positive Work Environment. The feedback leads to improvement actions such as the Culture Improvement Teams of blue collar and white collar employees to generate solutions on our focus areas.

Engagement includes information exchange and negotiations with labor unions. We recognize the right of any employee to join or to refrain from joining a labor union. When employees or their close family members encounter exceptional, serious economic and/or health difficulties, we see how we can support them by providing the necessary assistance.





Diversity



	2022	2021	2020
Percentage of employees per gender			
Women	15%	14%	16%
Men	85%	86%	84%
Percentage of employees per age group			
Under 30 years old	22%	22%	-
30-50 years old	58%	58%	-
Over 50 years old	20%	20%	-

Data availability note: we do not track amount of nationalities on Group level.

We respect cultural differences. We believe that diversity of people and ideas provides the Group with a business advantage. An inclusive workplace also gives access to the labour market to its fullest extent.

We value and respect the unique character and contribution of each person. Treating each other with dignity, respect and fairness is the foundation of good business. Discriminating against any employee or person with whom we do business on the basis of age, race, colour, religion, gender, disability, national origin, sexual orientation is not permitted. The recruitment, remuneration, application of employment conditions, training, promotion and career development of our employees are based on professional qualifications only.

We have a zero-tolerance policy against discrimination and harassment. Employees can confidentially report any case through the internal whistleblower procedure. Every occurrence is investigated and a remediation procedure is foreseen, if applicable.

Our ambition is to increase diversity in terms of age (meaning having employees represented in all age categories), in terms of gender and nationality. We also invest in the inclusion of our diverse workforce, for example by offering language and culture trainings.



2.5.4 Planet



Ambition

We understand that we have an impact on the environment in which we operate. Our planet gives us food, fresh air, clean water, etc., but the strain on natural resources has a negative impact. The world continues to experience increasing concentrations of greenhouse gases, extreme weather conditions, rising sea levels and waste generation. As we affect climate change through our operations and products and climate change might affect our business continuity, we have a responsibility to minimize the environmental impact of our operations.

Historically, our focus has been on designing and developing innovative products with high insulation values, in order to reduce energy loss and minimize carbon footprint in the use-phase, in combination with major investments in recycling. Since 2022, we combine this focus with a carbon reduction strategy in our production processes, our energy consumption and the sourcing of raw materials. We will accelerate in the coming year, by carefully managing how we source materials, how we design products, how we produce, how we deliver the products to our clients and how – and how much – they are recycled at the end of their long lifetimes.

We operate in markets with different strict and evolving environmental requirements. Compounding and storage of hazardous industrial materials involves an environmental risk, especially as environmental legislation and regulations change over time. Failure to comply with existing or future environmental legislation and regulations may result in criminal or administrative penalties, which could have a material adverse effect on our financial results and operations.

Results and Targets

Our Recycling Activities



	2022	2021	2020
Input volume material recycled in our recycling plant (tonnes)	24,107	23,500	22,000
Weight of PVC material recycled (tonnes)	19,804	17,400	14,000





“Our vision on circular economy: our PVC products are designed to be 100% recyclable, we recycle in a closed loop system at superior efficiency and we manufacture long-lasting, low-maintenance products with less virgin material”



Our sector leadership in circular economy is clear by the investment in the state-of-the art recycling plant with advanced recycling technologies in Diksmuide (Belgium). Centrally located in Europe, we supply recycled PVC to our extrusion plants.

Recycling post-industrial waste of our own production facilities and customers is what we have been doing since 2012. All our facilities grind their waste materials as much as possible locally and re-use it on the production site. As such, we avoid transport to Diksmuide or other local recyclers.

A circular economy goes further and closes the loop of post-industrial and especially post-consumer PVC profiles, coming from demolition and renovation works. By collecting these waste streams, the Group has a firm ambition to further increase the recycling volumes in the coming years towards the maximum capacity of the recycling plant: 45,000 tonnes.

We expect the inflow of material to increase significantly, because the EU Green Deal results in more renovation projects which will lead to more PVC materials becoming available for recycling.

We already collected post-consumer waste and external post-industrial waste in cooperation with partners and have further expanded our services with a partnership with 10 recycling hubs in Belgium and flexible solutions for the window fabricators in 2022.

The high-tech fully automated sorting line enables an optimal sorting of the materials and output quality. Quality is a key requirement to be able to use the post-consumer materials closed-loop in the production of new profiles.

We set up R&D projects with universities and other knowledge and industry partners to investigate how we can valorise the waste fractions for which we have

not found a circular solution yet. Examples are: the "SUPR² project", investigating possibilities to reduce the mechanical wear of the recycling line, "Pocomic" investigating micronization as a pretreatment for granulation and "Remadyl," a project that aims at recycling PVC additivated with hazardous legacy substances.

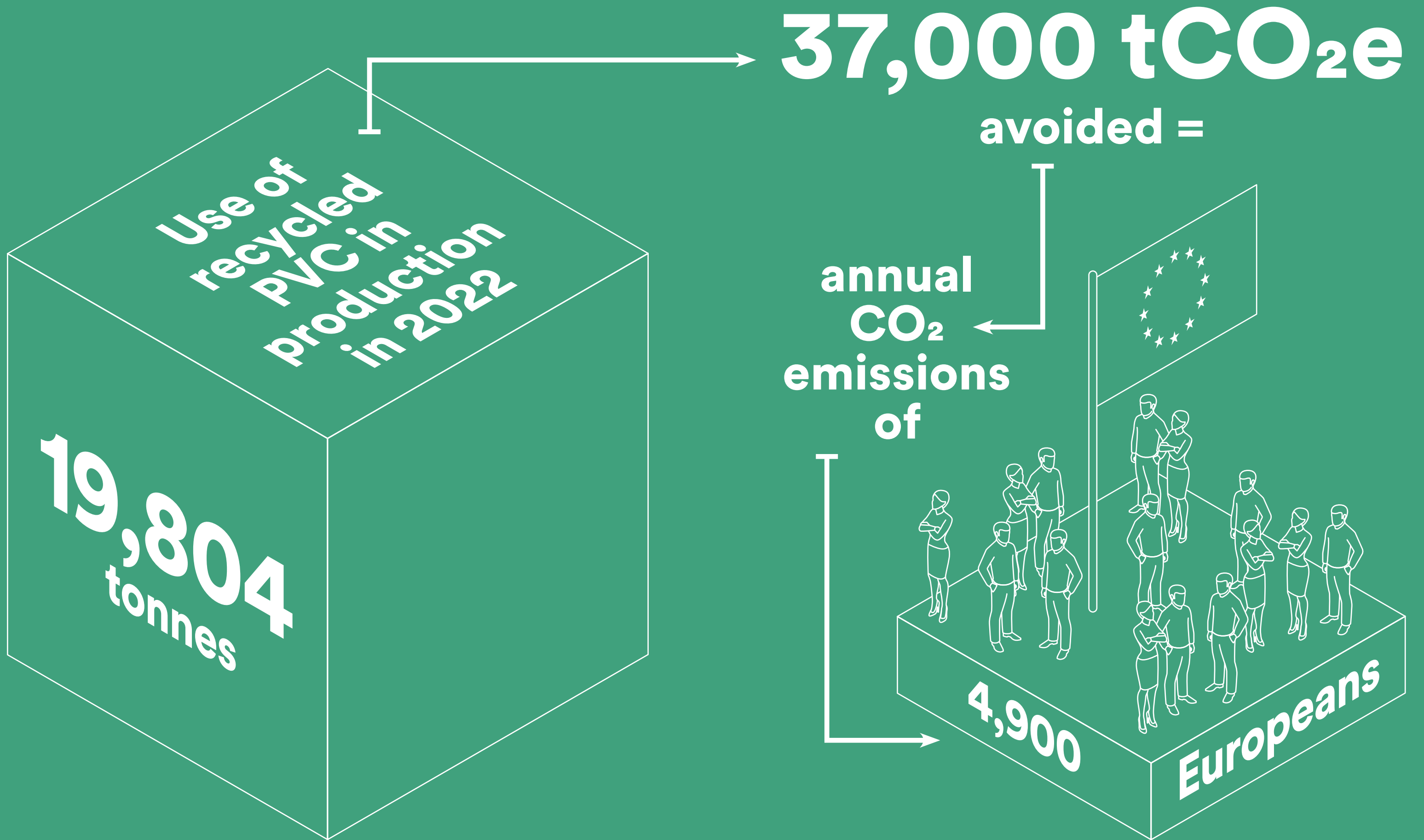
By recycling, we directly contribute to the waste prevention that would otherwise go to landfill or be incinerated. However, we realize that our recycling activities also have an environmental impact. Our recycling factory is therefore fully part of the energy reduction efforts in our carbon reduction strategy.

Our recycling activities are independently audited by EuCertPlast. This certification aims at environmentally optimal plastics recycling processes. As such, we contribute to the Recovinyl and Vinyl Plus 2030 European recycling objectives.

The Group recycled 24,107 tonnes of post-industrial and post-consumer rigid PVC waste in 2022, resulting in 19,804 tonnes of high-quality recycled PVC.

In 2023, we will keep investing in our recycling activities to be upgraded towards an output capacity of at least 21,000 tonnes – leading to significant reduction of our ecological impact and making us one of the largest PVC recyclers of Western-Europe.







Use of Recycled Material



	2022	2021	2020
Share of recyclable products	100%	100%	100%
Share of recycled input PVC materials used	14.4%	14.9%	13.3%

Product design to be 100% recyclable is one of the key principles of our circular economy commitment. PVC is a valuable material that can be recycled at least 8 times without losing its mechanical characteristics. Installed for at least 35 years, it has a potential lifecycle of 280 years or more.

The use of recycled materials is one of the main design criteria used by our product design teams in the design process. They apply the "Design for Recycling" guidelines of EPPA, the European Trade Association of PVC Window System Suppliers.

The quality of the recycled material is paramount to ensure the quality of the end-product. Therefore, we invest in fully automated recycling processes that

eliminate other waste streams from the PVC fraction. All recycled materials we use, comply with the applicant quality certifications.

Our recycling activities are complemented with investments in co-extrusion production lines that combine virgin with recycled PVC in our product manufacturing. In 2022, we have invested 2 million euro in new co-extrusion lines. We will continue our investments in the coming years.

We have intensified our efforts to collect and recycle cut-offs from our clients. Both DNA and Deceuninck Turkey have initiated 'take-back' programs at the end of 2022.

In 2022, on average 14% recycled PVC material was used in production. Calculated against the total input material used, this is a combination of post-consumer waste - mainly sourced from our own recycling plant, post-industrial waste originating from our own production and pre-consumer waste from our customers.

Deceuninck North America is certified for the recycled content in window lineals via the external certification



agency GreenCircle. As such, we are the only North American PVC window lineal supplier. The certification covers claims for recycled content, in accordance with US criteria for recycled content of building products.

The Elegant product range for windows and doors contains high levels of recycled content, between 15 % and 30%. Phoenix is the newest addition to the Elegant product range and available since January 2022 in the Benelux. As a fully recycled profile, it is our strongest circular product achievement so far.

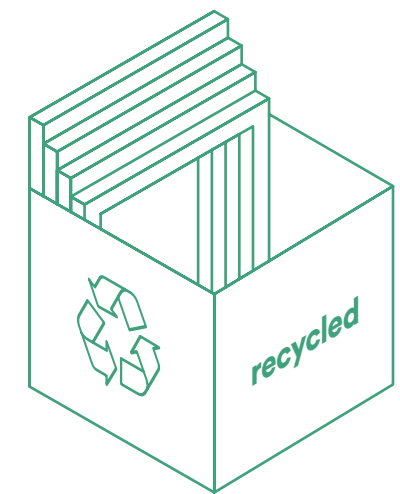
Through the above measures, we aim to gradually increase the share of recycled content in production in the coming years.

Volume of materials used to produce the products (tonnes)

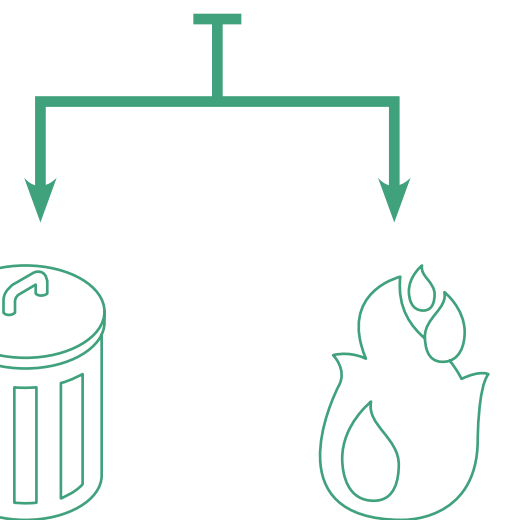
	2022	2021
<i>Raw materials (tonnes)</i>		
PVC resin	126,000	200,000
Additives	35,000	41,000
Decorative foil	2,000	2,000
<i>Reinforcement materials (tonnes)</i>		
Reinforcement materials (steel, steelwire, fiberglass)	7,500	7,500



**Our ambition:
to save
2.3
million
old windows**



from



landfill or incineration



Product Insulation



40% of fossil fuels in Europe is used for heating buildings, which represents 36% of energy-related greenhouse gas emissions. The Group's mission is to develop products that reduce the heating and cooling loss and thus reduce the energy intensity of a building.

PVC building products provide superior insulation performance and are the most economical solution for insulation. The use of new PVC windows at least halves energy consumption, assuming that a 30-year-old window is replaced leading the house to comply with passive house standards.

National building codes are gradually introducing stricter insulation and ventilation targets to meet legal requirements. Governments worldwide are deploying policies that impose stricter energy performance requirements, such as, for example, the revision of the EU Energy Performance of Buildings Directive expected in 2023, one of the key initiatives of the EU Renovation Wave strategy which aims for nearly zero energy buildings (NZEBs). Or the US Federal Building

Energy Code for Federal buildings. It is also expected that, in 2023, Turkey will upgrade requirements for heat insulation in the Building Energy Regulation.

Our design teams constantly innovate on building products with improved energy performance at an even lower weight.

The Elegant range for windows and doors profiles, based on the uniquely developed iCOR principle, is the result of this product design value into practice. It uses the new iCOR platform of profile combinations and introduces a central gasket for maximum thermal and acoustic performance. Adding the unique ThermoFibra technology combined with Forthex, which make steel reinforcements redundant, Deceuninck is able to manufacture profiles for large windows with a significantly lower weight, a better U-value and a faster processing time.

Thermal properties of windows and doors are calculated according to parameters of thermal transmission of the PVC frame (Uf) and glazing (Ug). As system owner, the critical parameter is the Uf, which is determined during the design phase. Based on this, we have several Passive



House Components Certifications: in the EU for the Zendow#neo, Elegant Infinity and Elegant ThermoFibra Infinity systems (climate zone warm). Deceuninck Turkey received the first Passive House Component Certification for PVC Windows in Turkey with the Winsa-Revotech window range from the German Passive House Institute.

Environmental Product Declarations (EPD)

Environmental Product Declarations (EPD) present the results of a life cycle assessment (LCA) of a product. The Group participates to the EPDs of EPPA (European Trade Association of PVC Window System Suppliers), updated in 2022 for double-glazed windows and triple-glazed PVC windows. An EPD for Twinson massive decking is available and work has been initiated to establish an EPD for the complete Twinson product range (terrace and claddings). Finally, we will publish EPD's for our products on the French market in 2023.

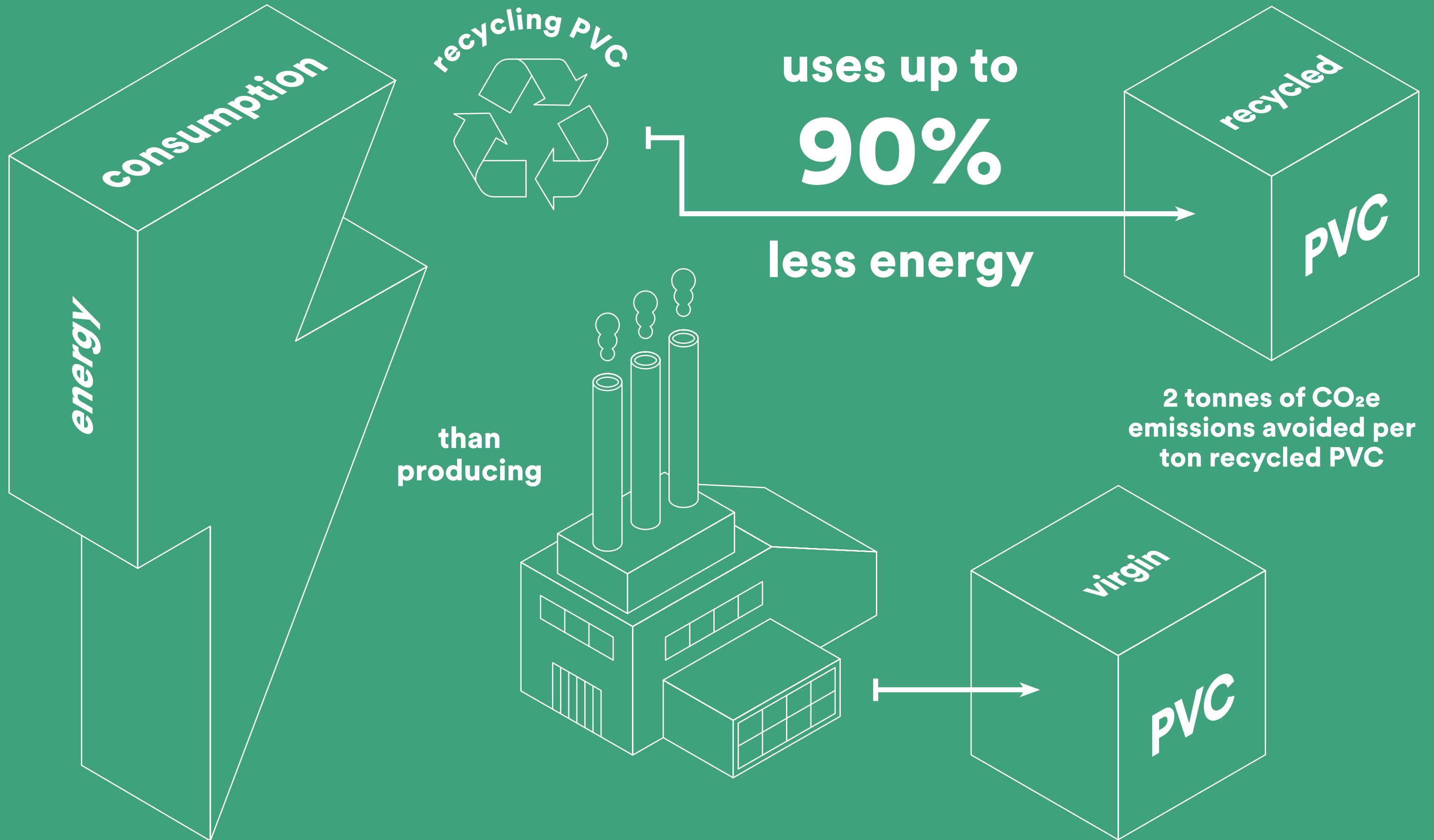
VinylPlus Label

The VinylPlus label is applicable for the product ranges Elegant, Elegant ThermoFibra, Zendow, Zendow#neo, and Twinson in Europe. The voluntary label by VinylPlus, BRE and the Natural Step confirms that our products and processes apply to the highest quality, performance and

sustainability standards. The external audit certifies the policies, processes, products and performance on the following criteria:

- Responsible Sourcing – traceability of raw materials
- Controlled Loop Management – reduce waste and increase use of recycled material
- Organo-chlorine Emissions – PVC sourced from ECVN chartered suppliers
- Sustainable use of additives – cadmium and lead-free products, additives used contribute to lower ecological footprint
- Energy and climate stability – energy efficiency improvement and use of renewable energies above national legal requirements





Greenhouse Gas Emissions

	2022	2021	2020
CO ₂ e emissions Scope 1 (tCO ₂ e)	12,916	18,573	19,875
CO ₂ e emissions Scope 2 - Location based (tCO ₂ e)	48,413	59,694	54,110
CO ₂ e emissions Scope 2 Market based (tCO ₂ e)	45,763	58,751	53,675
GHG emissions intensity Scope 1,2	0.33	0.34	0.34
CO ₂ e emissions Scope 3 (tCO ₂ e)	468,458	595,771	502,904
GHG emissions Scope 3 intensity ratio	2.3	2.50	2.49
Total CO ₂ e emissions (tCO ₂ e)	527,136	673,096	576,455
Total GHG emissions intensity ratio (tCO ₂ e/tonnes)	2.50	2.90	2.79
CDP score	C	D	N/A

Deceuninck Group has committed to the ambitious Science Based Targets initiative (SBTi). This global collaboration enables businesses to set targets in line with the level of decarbonization needed to reach the goals of the UN Paris climate agreement. We are expecting a validation in 2023 of the targets we have submitted for validation mid-2022.

- Deceuninck commits to reduce absolute Scope 1 & 2 emissions by 60% by 2030 from a 2021 base year. This requires a relative emission reduction of 75% per ton of product produced.
- Deceuninck commits to reduce Scope 3 emissions 48% per ton product produced by 2030 from a 2021 base year.
- Deceuninck commits to reach net-zero GHG emissions across the value chain by 2050.

Our carbon reduction roadmap includes investments in energy efficiency in operations and electrification, a phase-out of fuel oil as well as production and sourcing of renewable energy. Targets for Scope 3 emissions are linked to cooperation with suppliers to lower carbon raw materials, intensifying our own recycling efforts and efficiencies in logistics.

Unsurprisingly, the impact of the indirect emissions in the supply chain is very large, as for the manufacture of PVC (polyvinylchloride) two main feedstocks are needed: chlorine and ethylene. Ethylene is mainly derived from non-renewable fossil fuels, either crude oil or natural gas (and also shale gas). Raw materials (Scope 3) contribute to 77% of our total carbon footprint, 58% is linked to virgin PVC resin. To make tangible steps towards reaching the Scope 3 sustainability ambitions, we started in 2022 an open dialogue with key PVC resin suppliers about capabilities and objectives, as a basis to identify the suppliers that are best suited to co-drive sustainability.

The second largest contributor comes from the energy consumption in our operations (13%), Scope 1 and 2 emissions together. The use of electricity accounts for the largest share (9%), following by natural gas use (2%). Other contributors to energy consumption, to a much lower extent are the use of fuel oil and propane as well as leakages of refrigerants. In 2022 we have prepared a detailed roadmap on site-level with energy efficiency actions linked to pre-defined priority axes. We have also prepared an investment plan to increase the roof solar pv production on several sites. The implementation of these actions will intensify as of 2023.

Logistics also represent an important share (8%) of CO₂e emissions, largely influenced by road transportation. Company cars, commuting, waste and business travel each represent < 1% of our climate impact.

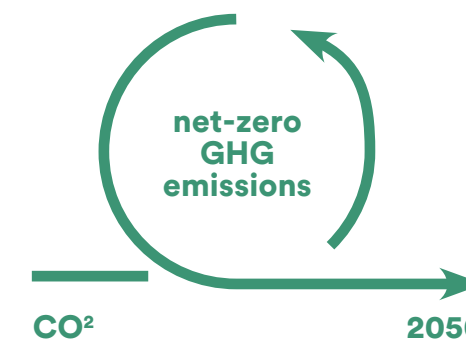
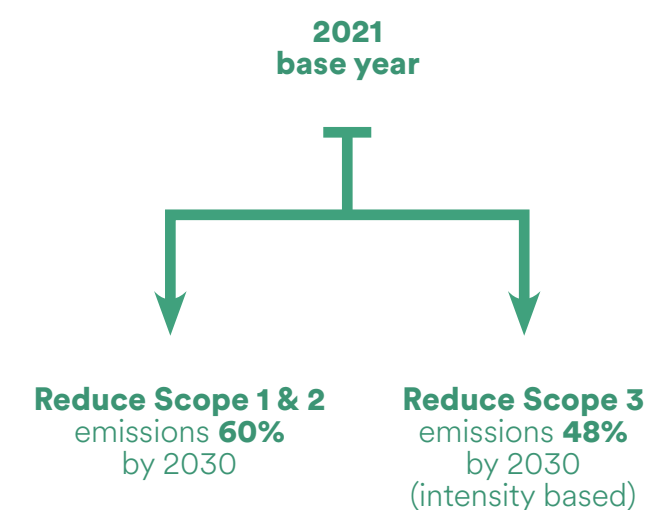
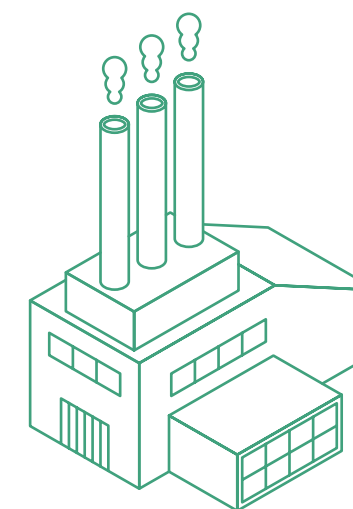
Fluctuations per site directly reflect the quantities of raw materials processed. Monroe (US), Menemen (TR) and Kartepe (TR) together represent 50% of our total footprint.

Emissions have decreased by 22% between 2022 and 2021. Between 2020 and 2019 there was an increase of 13%. These evolutions are mainly linked to the evolutions in raw materials. We also notice a first effect of our efforts in 2022 in energy efficiency in operations.

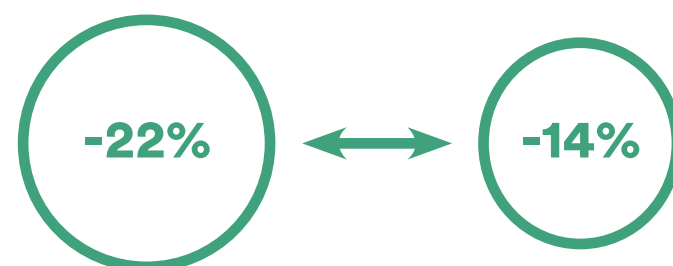
ESG rating

As of 2021, Deceuninck participates to the CDP climate change questionnaire. On a scale from A to D-, Deceuninck has received a C score, a clear improvement compared to the D score awarded in 2021. We intend to improve our scoring year over year through a targeted approach on the key elements targets, strategy, governance and risks.

Our ambition



tCO₂e emissions 2022 versus 2021



“We strive to continuously improve the environmental performance of our operations, with energy efficiency and renewable energy as key parts”

Energy Management



	2022	2021	2020
Total electricity consumption (MWh)	173,294	186,386	173,413
Total natural gas, propane, lpg consumption (MWh)	52,143	94,074	87,626
Total fuel oil consumption (MWh)	4,216	5,580	4,170
Total energy consumption (MWh)	229,653	286,041	265,209
Energy intensity: total energy consumption / production volume (MW/tonnes)	1.11	1.24	1.29
Percentage of electricity use from renewable sources	17%	16%	17%

As part of our commitment to sustainability and climate change mitigation, we strive to continuously improve the environmental performance of our operations, with energy efficiency and renewable energy as key parts. Energy efficient production processes, electrification as well as sourcing and producing renewable energy have an impact on the carbon footprint directly. It also

is an opportunity for the optimization of manufacturing processes and energy cost reduction.

We have started a structured energy efficiency analysis on Group level based on a predefined priority setting focused on the biggest contributors to energy consumption and quick wins in the extrusion plants, which amount for the highest electricity consumption due to the production characteristics. We kicked-off intercompany workshops to learn from each other's experiences. As such, we started the roll-out of the following measures, which will largely generate effect as from 2023:

- Installation of electrical and air flow meters on machinery, tools that allow to monitor energy consumption in a detailed way
- Replacements of lighting systems
- Standardization and optimizations of calibration tables
- Decrease of pressure level of compressed air
- Increase of the cooling water temperature
- Electrification of forklifts

The share of renewables in the energy mix is a mixture of a trigeneration power system used in Turkey, the purchase of Renewable Energy Certificates (REC) in

Europe and own production of solar PV in Turkey and Europe, respectively for 7%, 9% and 1%. We managed to increase the share through the purchase of more REC. The share will further increase in 2023 because of the planned installation of Solar PV in European and Turkish plants and the expansion of REC purchases in Europe.

Our production facility in Bogen is ISO 50001 certified. Our production sites in Belgium, Turkey and the United Kingdom are ISO 14001 certified. The two Belgian sites (Hooglede-Gits and Diksmuide) were part of the energy efficiency covenant 'EBO' until the end of 2022.

Water Management



	2022	2021	2020
Total water withdrawal (m³)	269,487	230,514	216,927
Water intensity: total water withdrawal/production volume (m³/tonnes)	1.22	1.01	1.05
Total water withdrawal per subcategory (m³)			
Rainwater	14,313	17,684	-
Groundwater and surface water	35,547	30,140	-
Drinking water	205,727	182,690	-
Total water withdrawal in areas with water stress (m³)	196,995	180,397	-
Water withdrawal in areas with water stress per subcategory (m³)			
Rainwater	14,313	17,684	-
Groundwater and surface water	33,380	28,931	-
Drinking water	149,302	133,782	-

Responsible water management is another aspect of our efforts to make our production processes more environmentally friendly. Water, once an abundant natural resource, is becoming a more valuable commodity due to the physical effect of climate change and overuse. Water



Deceuninck HQ, Hooglede-Gits (Belgium)

is an inherent part of extrusion processes, as it is used to cool the PVC material upon completion of extrusion. We therefore must use it responsibly, especially in water stress regions.

Responsible use of water is an ongoing point of attention. We monitor water consumption, we are implementing measures to reduce water usage by investing in filtration systems and water re-use, we maximise the use of rainwater and take preventive treatment measures against soil and ground water contamination. In the coming years, we will intensify the management approach on responsible water use in the plants located in water stress areas, notably reuse of wastewater in extrusion processes.

Location of the plants in areas with high water stress (where the water demand exceeds the supply) are: Menemen and Kartepe (Turkey), Gits and Diksmuide (Belgium) and Borox (Spain).

Waste Management



	2022	2021	2020
Total volume of waste (tonnes)	12,848	14,136,121	14,545,714
Waste intensity (kg/tonnes)	62.12	61.7	70.3

In line with our dedication to a circular economy, an effective waste management in our operations is a priority for Deceuninck. Reducing waste streams is not only good for the environment but also for business, as it lowers waste processing costs.

We have local waste management policies and processes in place that help us to monitor waste streams, minimize waste volumes and close the loop for the difficult-to-recycle waste fractions originating from our production processes. The waste management hierarchy, central to



our waste management approach, is as follows:

- We check if we can reduce or eliminate the waste stream
- We focus on the re-use of PVC waste streams as raw material in our own production
- We process it with a third party in most environmental neutral way, which means in order of priority: recycling / incineration with energy recovery / incineration without energy recovery
- We try to avoid and eliminate landfilling

Our operations and R&D teams work on several projects to reduce the PVC waste in production. We have launched an analysis with our suppliers to assess the share of recycled plastic in packaging materials in Europe. We are engaged in the voluntary initiative Operation Clean Sweep where we pledge to prevent resin pellet, flake and powder loss. This has led to several actions taken in our compound and recycling plant in Diksmuide.



2.5.5 Community



Ambition

Our daily driver is to produce exquisite, innovative, sustainable and safe building products, while playing an active role in the communities we operate in, upholding the highest ethical business standards and expecting the same from our business partners.

Our production and distribution activities are subject to possible liability risks related to our products and our supply chain (human rights violations, bribery and corruption). Any act of non-compliance can have a negative impact on the reputation of the Group, on the activities and on the value of the share. We have taken measures to protect our customers and to ensure that our employees and our suppliers act in accordance with applicable laws, as well as the highest standards of integrity and ethical practice.

Results and Targets 2022

Health and Safety of the End-User

	2022	2021	2020
Number of incidents of non-compliance with health & safety regulations and voluntary labels	0	0	0

It is critical to the Group to manufacture top quality products. Health and safety are an essential quality element, meaning that we do not tolerate that our products harm the end-users during their lifetime. Products must be designed, produced and serviced to the applicable product standards and should comply with regulations and contractual obligations.

We notice that potential health and safety impacts are an area of growing concern especially in Europe, driven by evolving European legislation. We cooperate in this policy making progress by sharing knowledge and experience in the most transparent way.

We adopt several quality standards and labels as a guideline for the design and manufacturing, backed by



tests performed in our company labs and approved by external certification partners. The tests are based on several national quality standards and cover a range of potential health and safety related impacts throughout the lifecycle: heat transmission, air and water tightness, reaction to fire, compliance with REACH and VOC regulation ...

The CE mark signifies that products sold in the EU have been assessed to meet high safety, health and environmental protection requirements. PVC profiles are not subject to CE marking, unlike PVC windows and doors. The CE marking of those finished products is provided by the window manufacturer, based on tests and reports provided by Deceuninck. All window profiles put on the market in the EU and Turkey have the necessary test reports for CE marking. PVC cladding products in Europe are subject to CE marking. A Declaration of Performance is published on our website and directly available to the customers.

Our PVC profiles containing post-consumer recycled material put on the market in the EU are consultable in the SCIP database. This EU database, established under the EU Waste Framework Directive, is intended to support consumers in making safer buying choices and

support waste managers in identifying Substances of Very High Concern containing products (SVHC) present in a concentration above 0.1% weight by weight (w/w). Lead free test reports of the virgin PVC compound are available for all products. In the context of the European REACH legislation, the EU Commission has proposed a ban to use the heavy metal lead in PVC products with a conditional derogation for the recycled rigid PVC. We are, with our industry association EPPA, closely following the discussions at European level. The proposal is currently being discussed by the EU Parliament, next steps will follow in 2023.

The elements 'Responsible use of additives' and 'Material traceability down the supply chain' are part of the externally audited VinylPlus product label in Europe (see above).



Business Ethics



	2022	2021	2020
Rate of new joiners (white collars) who completed the Code of Conduct e-learning	72%	85%	79%
Number of incidents of non-compliance	0	0	0

The Group considers business ethics as an integral component of our company’s business values. Our reputation and financial performance depend on the conduct of our employees when dealing with business partners, company assets, information, etc. The Group wants to foster a stimulating work environment in which every person is treated fairly, placing emphasis on trust and respect, the need to apply the highest standards of professional behaviour, safety and rejection of all forms of discrimination.

The policies and procedures related to anti-discrimination, anti-bribery and anti-corruption are set out in our Human Rights Policy and our Code of Conduct for employees. Violations are unacceptable and should be raised with an appointed trust person, a member of

the management team, the Group Compliance Officer or to the Chairman of the Audit Committee. In addition, the Group Internal Audit audits adherence to the policies.

To make sure that all of employees have the same understanding of the Code of Conduct principles, new joiners follow an e-learning program as part of the onboarding process. The program explains the main principles and rules of the Code of Conduct and covers topics such as anti-bribery and anti-corruption, ethics, data protection, quality and sustainability. The training is currently only available for white collars. We plan to extend the training to all employees in 2023.



Business Ethics in The Supply Chain



	2022	2021	2020
Number of suppliers who signed the Code of Conduct	456	49	18
Percentage of spend covered by signed Code of Conduct	55%	-	-

We expect our suppliers and subcontractors to comply with the same ethical standards as we do. The principles, policies and procedures in terms of ethics are set out in the Supplier Code of Conduct and the Human Rights Policy. These are based on the ILO Declarations on Fundamental Principles and Rights at Work and detail our minimum expectations in supplier standards, including health and safety, labour practices and human rights, environmental protection, ethics and fair business practices.

Our priority in 2022 was increasing the number of suppliers who sign the Supplier Code of Conduct. We focus on the key suppliers in terms of spend. These typically include the raw material suppliers.

As of 2023 this supplier commitment will be part of the procurement protocol for new supplier contracts. Our goal is to have a supplier commitment representing 70% of our spend in 2023.

A high-level risk screening showed that the large majority of the suppliers operate in low-risk countries. Nevertheless, we want to avoid all inherent and residual risks, notably linked to human and environmental rights. We will therefore conduct a more detailed risk mapping based on severity and likelihood of occurrence in 2023. Based on the outcome, we will decide on supplier awareness and control actions.



Data Protection

The Group's main activity is not the processing of personal data. However, in the interest of our company, our employees and our business partners, the Group is committed to do the utmost to protect personal data against unauthorized users and operates in accordance with the applicable rules and legislation. Non-compliance could lead to privacy claims and loss of reputation.

In 2022, the Group has launched a Security Awareness e-learning programme to explain the main principles and rules of Security Awareness. The Privacy Statement, available on our website, details the related policy.

In 2022, no security breaches of privacy or loss of data were reported.

Community Engagement

	2022	2021
Project support for health and education	€ 94,155	€ 42,000

As a Group active in more than 90 countries all over the world, we have a role to play in society. We want to ensure that more people can participate in a prospering society regardless of their backgrounds. We therefore support charity projects, both bigger and smaller ones, hoping to make a difference for each and everyone involved. Apart from the monetary sponsorships we also support a variety of causes in-kind.

We mainly focus on projects in the field of health and education. Health research enable scientists to improve the prevention and quality of healthcare. Education helps underprivileged young people to grow towards independency and to open opportunities on the labour market.

A selection of projects we have supported:

- The Deceuninck C3 Compassion for Community and Causes programme in US: sponsorship of Wreaths Across America, local youth baseball, high school football, ...
- YouthStart: organisation that stimulates self-confidence among young people seeking opportunities and the opportunity to pursue their ambitions. They provide support and education to become an independent and selfsufficient individual.
- Fundraising actions for the Belgian charity event 'De Warmste Week'.

