deceuninck



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Performance 2016

Message from the Chairman & the CEO



In 2016 we made further progress on our mission to 'Build a Sustainable Home' with innovation, ecology and design as its corner stones.

On the eve of the 80th anniversary of the company we can look back on a successful 2016. Deceuninck is well on track to strengthen its position as a leading producer of beautiful, energy efficient and fully recyclable window and door systems.

In 2016 Deceuninck achieved the highest consolidated sales and REBITDA since the financial and economic crisis of 2008/2009. Consolidated sales rose by 4.1% to € 670.9 million, driven by strong business development especially in Turkey and the US despite challenging market conditions in Turkey and the sale of our US decking business. Negative FX has to a large extent

been compensated by price increases. REBITDA rose by 16.5% to € 65.1 million or 9.7% on sales.

In 2016 we made further progress on our mission to 'Build a Sustainable Home' with innovation, ecology and design as its corner stones. We developed various innovative product ranges including for instance a new aluminium window profile system in Turkey and the award winning roller shutter box range for Western Europe. We also acquired a ventilation system which will allow us to complement our product range and developed a new painting system, Aluroc, which will ensure colour consistency across all our products, whether PVC or aluminium.

In parallel we further optimized our manufacturing footprint. In Turkey, the construction of the new Menemen factory and the integration of the Gebze factory in the Kartepe facilities have been finalised. This will allow us to serve our customers from two state-of-the art facilities by Q2 2017.

Our US manufacturing capacity has been expanded thanks to the successful start of a new facility in Fernley, Nevada, which will allow us to better serve US West Coast Customers.

Despite the increased uncertainty in some of our end markets and the significant increase in raw material prices we remain positive about our long term potential. The Board therefore decided to propose to the Annual General Meeting to increase the dividend to € 0.03 per share.

We pay special tribute to Pierre Alain and the significant contribution he has made to our company. Under his Chairmanship, Deceuninck has undergone a successful transformation.

He leaves a business which is well placed for future profitable growth. We wish him the best of luck.

Finally we would like to thank all our business partners worldwide for their trust and especially all of our employees worldwide for their dedication and contribution.

Francis Van EeckhoutCEO

Paul Thiers
Chairman

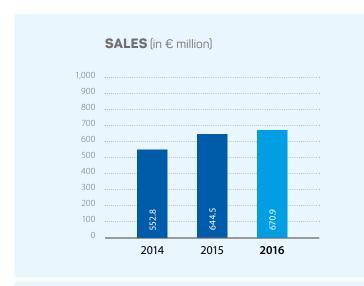


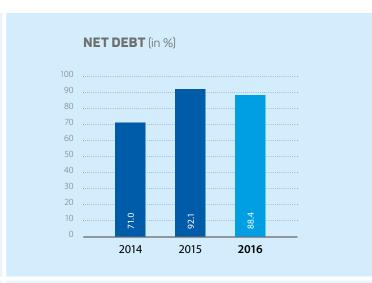
Key figures 2016

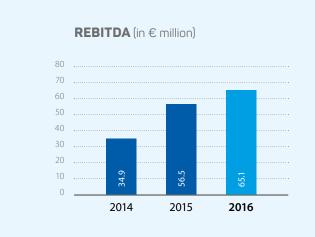
KEY FIGURES (in € million)	2014	2015	2016	VARIANCE %
CONSOLIDATED INCOME STATEMENT				
Sales	552.8	644.5	670.9	4.1%
REBITDA'	34.9	55.9	65.1	16.5%
EBIT	14.3	26.9	36.1	34.5%
Net profit	10.5	13.3	21.0	57.1%
CONSOLIDATED STATEMENT OF FINANCI	AL POSITION			
Equity	264.5	269.3	275.0	2.1%
Net financial debt	71.0	92.1	88.4	(4.0%)
Total assets	503.7	562.6	601.1	6.8%
Capital expenditure	31.3	38.7	79.4	105.0%
Working capital	124.6	142.9	111.1	(22.2%)
Capital employed	379.2	397.9	402.6	1.2%
RATIOS				
Net profit on sales	1.9%	2.1%	3.1%	
REBITDA/sales	6.3%	8.7%	9.7%	
Net debt/REBITDA	2.03	1.65	1.34	
EBIT/Capital employed	3.8%	6.7%	9.0%	
HEADCOUNT				
Total Full Time Equivalents (FTE)	3,434	3,593	3,682	

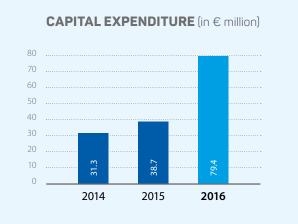
(1) EBITDA has been redefined as EBIT excluding depreciations of fixed assets and amortization of goodwill. REBITDA has been redefined as EBITDA excluding non-recurring costs or benefits such as capital gains or major restructuring programs.

KEY FIGURES PER SHARE	2014	2015	2016
Number of shares as at 31 December	116,806,640	135,039,121	135,382,446
Market capitalisation as at 31 December (in € million)	204.4	328.1	306.2
Net profit per share as at 31 December (in €)	0.09	0.10	0.15
Book value per share (in €)	2.26	1.99	2.03
Gross dividend per share (in €)	0.020	0.025	0.030
Share price at 31 December (in €)	1.75	2.43	2.26













Milestones 2016

MARCH

- + Francis Van Eeckhout appointed CEO
- + Deceuninck Ltd. starts lamination activities in Calne (UK)
- + Egepen Deceuninck customers are served from the new
 Menemen Distribution centre







JULY

Turkey: launch of iQ aluminium window system



OCTOBER

- + Paul Thiers appointed
 Chairman of the Board
 of Directors
- + Deceuninck opens extrusion plant and distribution centre in Fernley, NV to grow market share on the West Coast of US

DECEMBER

- + Deceuninck recycling in Diksmuide (BE) doubles processed volumes
- + Breakthrough of glass fibre reinforced PVC window profiles
 - Production volume of (GFR)
 window profiles increases by >60%
- + US: eos patio door wins innovation award of Doors & Windows Magazine

FEBRUARY

Operational consolidation in Turkey. Winsa & Pimapen customers are now served from Kartepe extrusion & lamination factory and new distribution centres



APRIL

- + Inoutic/Deceuninck in Bogen (DE) celebrates its 60th birthday
- + Inoutic/Deceuninck launches
 Eforte fusion, a hybrid
 aluminium clad PVC window
 system with a wood clad on
 the interior side



+ Consolidation of logistic activities in Central Europe: new distribution centre in Swarzedz (PL) to better serve customers in Poland, Czech Republic, Slovak Republic, Hungary and Baltic States.

JUNE

Deceuninck establishes

Decalu NV for the development
and marketing of aluminium
window & ventilation systems







AUGUST

Deceuninck finishes **prestigious sound barrier project** (length 20 km, height 3 m) along TGV line Nïmes-Montpellier. Deceuninck sound barriers are made from recycled PVC.



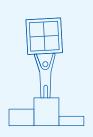
Storbox 2.0, the new roller shutter box wins innovation **award at Equip'baie**, the leading trade fair in **Paris** (F)







Deceuninck 2016



TOP 3 DESIGNER & MANUFACTURER

OF PVC WINDOW SYSTEMS AND BUILDING PRODUCTS















STRONG FOCUS ON
BUILDING A
SUSTAINABLE
HOME



15 PRODUCTION SITES



LOCATED IN **12 COUNTRIES** IN NORTH (2) AND SOUTH (1) AMERICA, EUROPE (8), RUSSIA (1), TURKEY (2) AND ASIA (1)



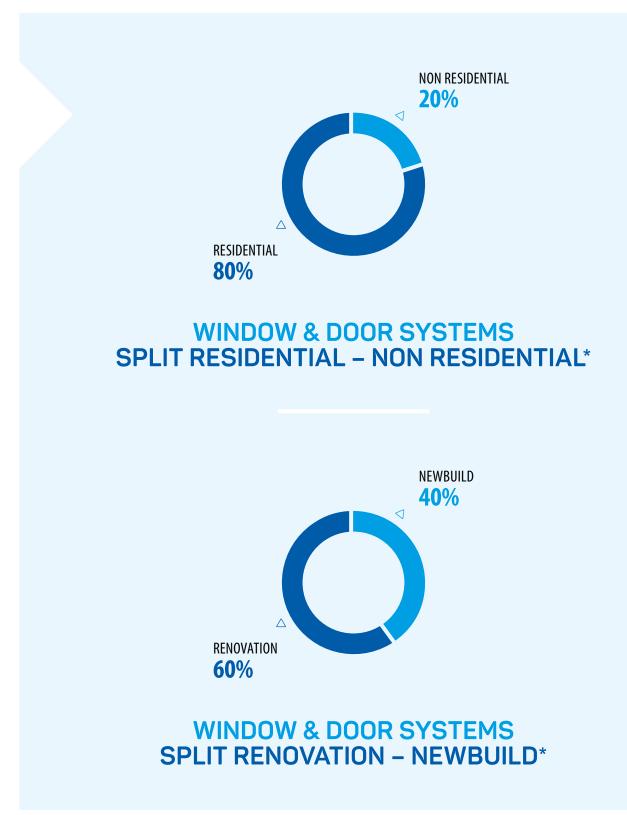


21 WAREHOUSES

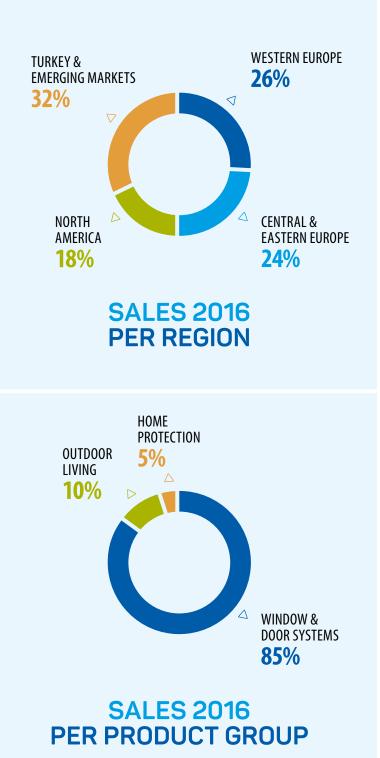


LOCATED IN **18 COUNTRIES** AT THE ABOVE PRODUCTION SITES AND 6 IN ADDITION: EUROPE (3), BRAZIL (1), INDIA (1) AND AUSTRALIA (1)

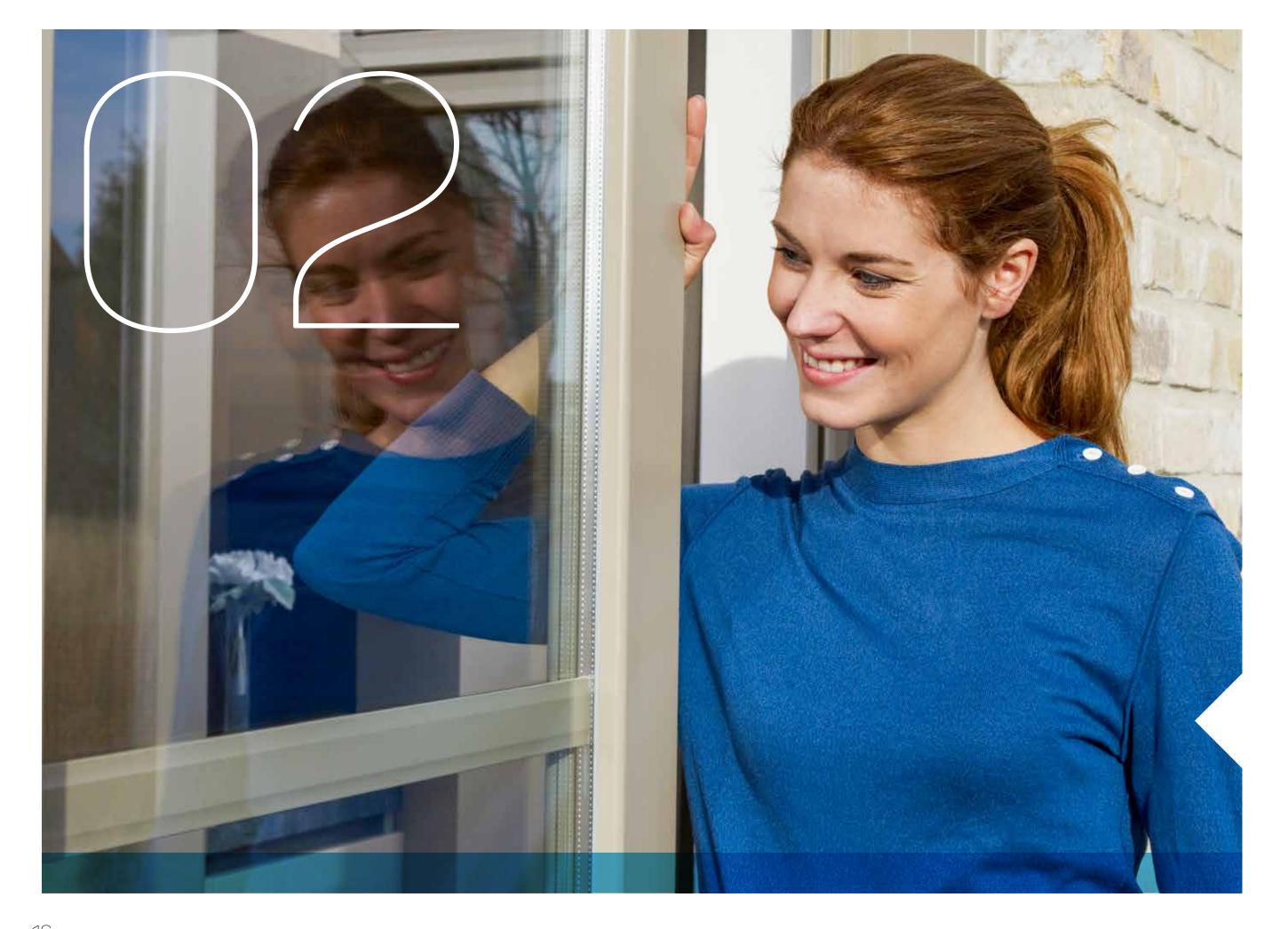
Deceuninck 2016







(*) Management estimates



Our vision & operating priorities 2016

Our vision

Consistent with our building a sustainable home ambition we relentlessly pursue to bring superior value to our customers by designing beautiful, energy-efficient and fully recyclable window, door and home protection systems, which we supply with superior quality and service driven by a top performing and passionate team and enabled by a solid free cash flow.

Operating priorities 2016

The operating priorities 2016 is the concrete action plan 2016 of our long term vision to build a sustainable home.

For its implementation Deceuninck differentiates between:

- 1. Activities that strengthen the core
- 2. Activities beyond the core

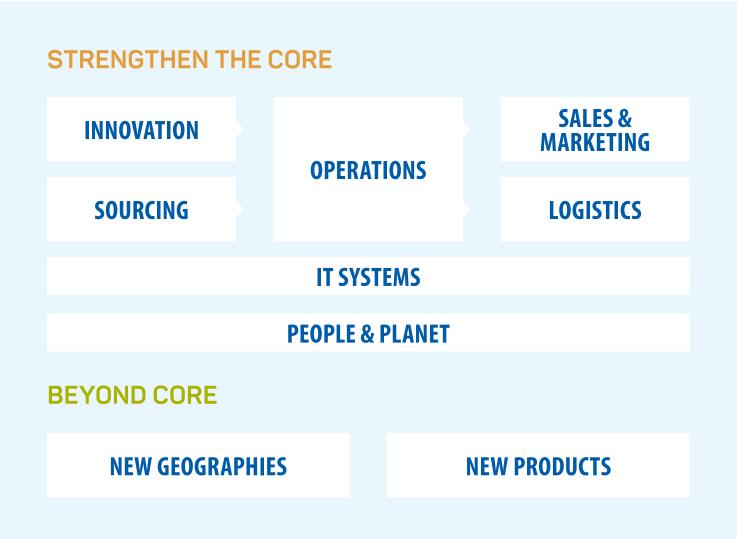
All parts in Deceuninck's value chain contribute to the realisation of our vision.

A few examples of activities that strengthen the core:

1. Innovation: Deceuninck started the commercialisation of a new roller shutter box, Storbox 2.0 and further rolled out the new iSlide#neo glass fibre reinforced sliding door in Western Europe. In the US Deceuninck further developed Rovex, an advanced pultruded polyurethane fibre glass reinforced composite, which is ideally suited for door frames

- 2. Operations: Deceuninck expanded its capacity in the US and Turkey with the construction of two new factories (Fernley in the US and Menemen in Turkey). Further in Turkey Deceuninck successfully integrated the Gebze extrusion plant into the Kartepe plant.
- 3. Sales and Marketing saw strong business development in the West Coast of US and in Turkey. Deceuninck continued to grow further in South America via its facility in Chile.

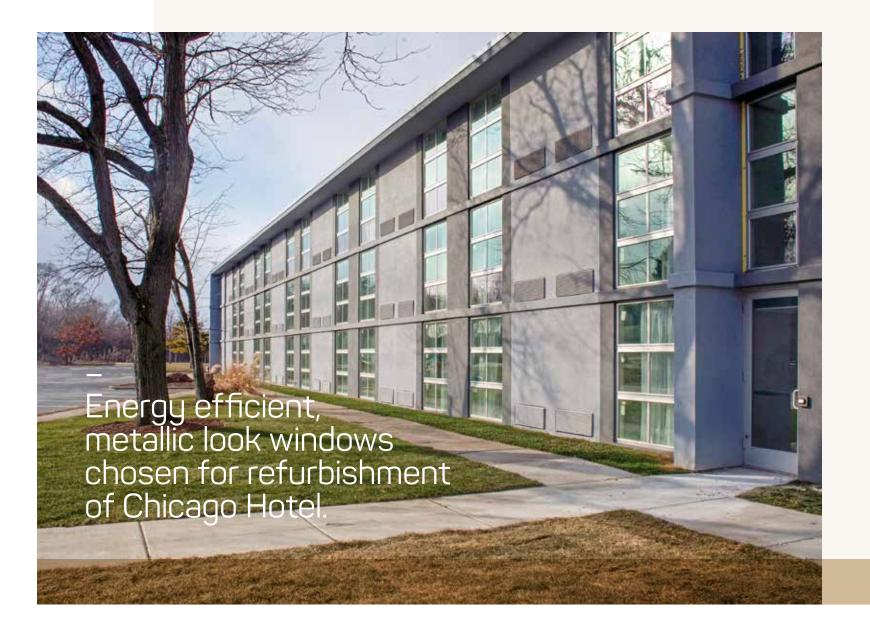
Examples of activities beyond the core are the strong business development in the West Coast of the US and as far as new products are concerned the commercialisation in selected markets in Europe of the Isora aluminium window system and the innovative Tunal ventilation system. In Turkey Deceuninck also started commercialising a wide variety of aluminium window under the brand name iQ.



Replacement windows provide hotel with energy efficiency

Burr Ridge (Chicago), Illinois (USA)

When a national hotel chain was looking to refurbish one of their properties in the cold climate of the Northern United States, near Chicago, Illinois, the architectural specification required replacement windows that improved the energy efficiency of the building while still maintaining the look of the original aluminium windows.





Lindsay windows are an excellent partner because of its quality, service, delivery and sales support.

WINDOW DEALER Guaranteed Exteriors

WINDOW MANUFACTURER Lindsay Windows Illinois

PRODUCT
Revolution Tilt & Turn®

COLOUR 261 (colonial white)

COLOUR FINISHING Decorative film (foil) Exterior Metallic Silver

The Perfect Partnership

Window Dealer, Guaranteed Exteriors know that by partnering with Lindsay Windows and Deceuninck they could provide the ideal solution. "When we met with the architect, we knew the project required an energy-efficient window system that could provide the metallic anodized look. With Lindsay Windows and Deceuninck we were able to deliver a PVC window system that met both requirements," explained David Bernat, President of Guaranteed Exteriors.

"Deceuninck North America has been our PVC supplier for many years, and we have a strong partnership," said Senthil Rajamanickam, owner of Lindsay Windows Illinois.

"Deceuninck's range of best-in-class product profiles and color options sets them apart. Their innovative extruded exterior laminate colours provide us with the capability to match the look of aluminium materials while providing greater energy efficiency and overall performance."

Lindsay Windows are a certified member of the **Deceuninck Commercial Alliance**, an integrated program of technical, engineering and marketing support for manufacturers targeting commercial projects.

Revolutionary Performance

Deceuninck's **Revolution Tilt & Turn®** windows incorporate the style, thermal performance and overall performance required from commercial building projects. The window system is tested to meet or exceed standard industry tests, assuring a long life of performance and customer satisfaction. The seven chamber frame and sash design improves thermal, water and sound performance.

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Zero energy project: where production outstrips consumption

Groevenbeek Noord, Ermelo (The Netherlands)

Groevenbeek Noord in Ermelo is a Dutch wide scale newbuild project for zero energy residential buildings. Zero energy means that the energy consumption of the building does not exceed the energy production. This very ambitious project was realised with **Deceuninck Zendow#neo Royal premium** windows, because of the extremely high insulation performance, the appealing design and the sustainable character of the windows.







> The latest generation of Zendow#neo Royal premium window frames widely exceed the energy requirements specified by the new Dutch Building Regulation (het Nederlandse Bouwbesluit). They will result in significant savings on the heating bills of the house owners of the residential living area 'Groenbeek Noord'. As such Deceuninck contributes substantially to the zero energy goals of this residential area in Ermelo.

BUILDER Municipality Ermelo

BUILDING CONTRACTOR Van Wijnen Projectontwikkeling Midden B.V.

WINDOW MANUFACTURER Ploeg Kozijnen

PRODUCT Deceuninck Zendow#neo Royal Premium

COLOUR 1019 (warm white) ± RAL 9010

COLOUR FINISHING Decorative film (foiled)

Well known reputation

Van Wijnen Projectontwikkeling Midden B.V. developed and realised the project together with the municipality of Ermelo and various local stakeholders. The entire project consists of 39 homes.

"This residential project is considered as unique due to the limited number of installed building elements, its sustainable purpose and the interesting housing cost" claims Chris Zijlmans, Project developer at Van Wijnen.

"Deceuninck PVC windows were mainly chosen for the excellent reputation of Deceuninck's window manufacturer and installer Ploeg Kozijnen.

Ploeg Kozijnen is a certified **Deceuninck Preferred Partner** that is widely known for its experience with large scale residential building projects.

To meet the project specifications related to zero energy Ploeg Kozijnen opted for **Zendow#neo Royal premium** frames."

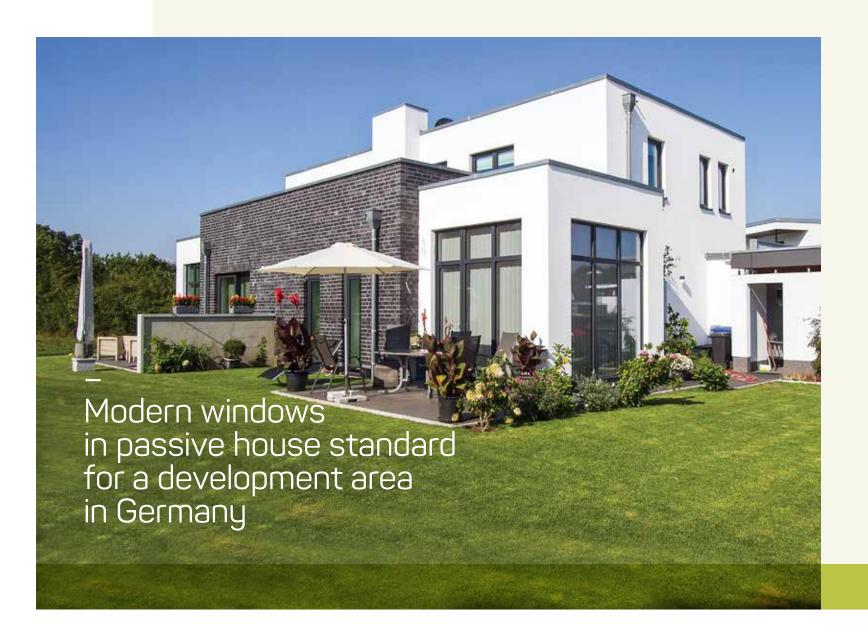
Super insulating Linktrusion frame technology

The main frames of traditional PVC windows are reinforced with galvanized steel inserts. Zendow#neo Royal premium uses the alternative Linktrusion technology for its frames. This technology improves the thermal insulation performance significantly. The outer frame uses a thermal reinforcement, which is a foamed PVC reinforcement with embedded steel wires. For the 82mm sash profile continuous glass fibre strips are embedded in the outer skin of the profile during the extrusion process. As a result a highly sustainable, water and wind tight solution is offered. The excellent thermal performance combined with the excellent sound insulation performance results in a superior insulation and energy performance.

Domherrengarten, 5 houses with each 5 flats

Ramelsloh, rural district Harburg (Germany)

In Harburg, north of München, a development area with stunning flats opted to choose for Inoutic windows, more specifically, they opted to choose for Inoutic's window system **Eforte**. Why? Because of its excellent Uf-value, which determines the thermal performance of building elements.





Modern look of windows in anthracite suitable for the cubical form of the houses.

BUILDING CONTRACTOR Günter Effinger Bauausführungen GmbH & Co. KG

WINDOW MANUFACTURER Theodor Zink GmbH Fenster und Türen, 29303 Bergen

PRODUCT Inoutic Eforte

COLOUR Dec. 072 Anthracite

COLOUR FINISHING Decorative film (foiled)

"The Inoutic products offer the unique combination of meeting the customer aesthetics and architectural needs while simultaneously offering the best available technology on the market.

Over the past 35 years there was an optimal partnership fit with Inoutic, and this will undoubtedly last for many years to come. For the 'Domherrengarten' we opted for the window system Eforte, because of its excellent Uf-value of 0.95, which allows for the manufacturing of passive house windows. A further convincing argument for the builder was the high stability performance of the window system"

PHILIPP ZINK,
MANAGING DIRECTOR AND OWNER

Highlights of the project

- + Passive house standard Uw = 0.8
- + Windows with solar control glazing
- + Modern look of windows in anthracite suitable for the cubical form of the houses

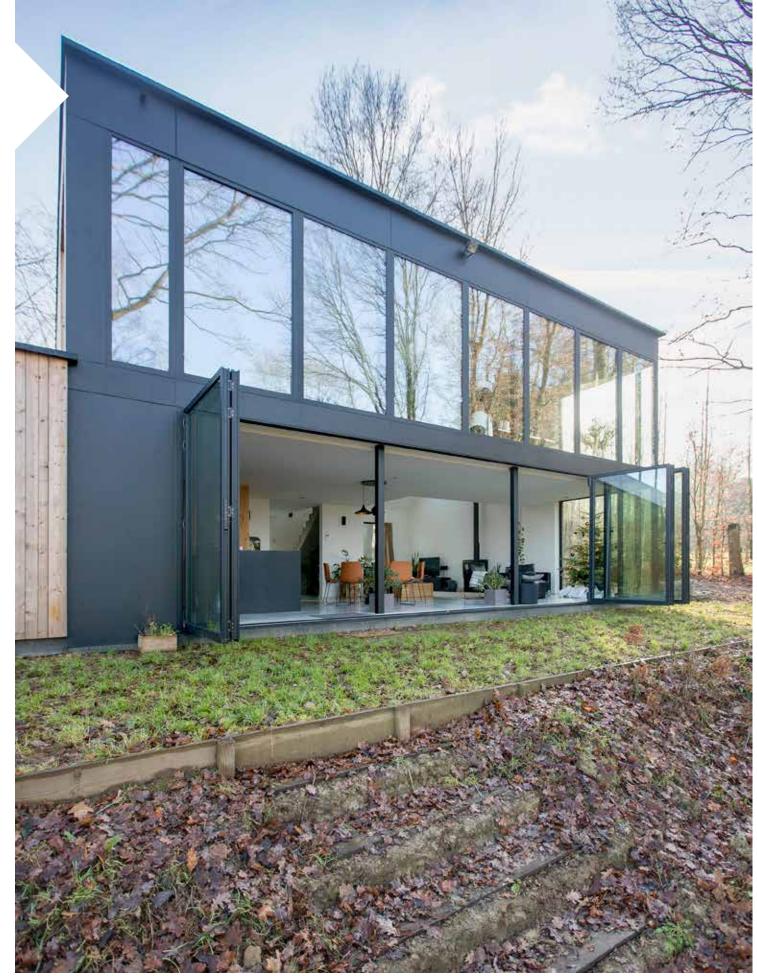


> QATAR: CITY DOHA COUNTRY





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> TAIWAI

> BELGIUM: REFERENCE DECALU OUDENAARDE

Visibility

OUR BRANDS







www.whydeceuninck.co.uk





DECEUNINCK SHOPS



SOCIAL MEDIA

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DECEUNINCK AT RENOWNED INTERNATIONAL TRADE FAIRS



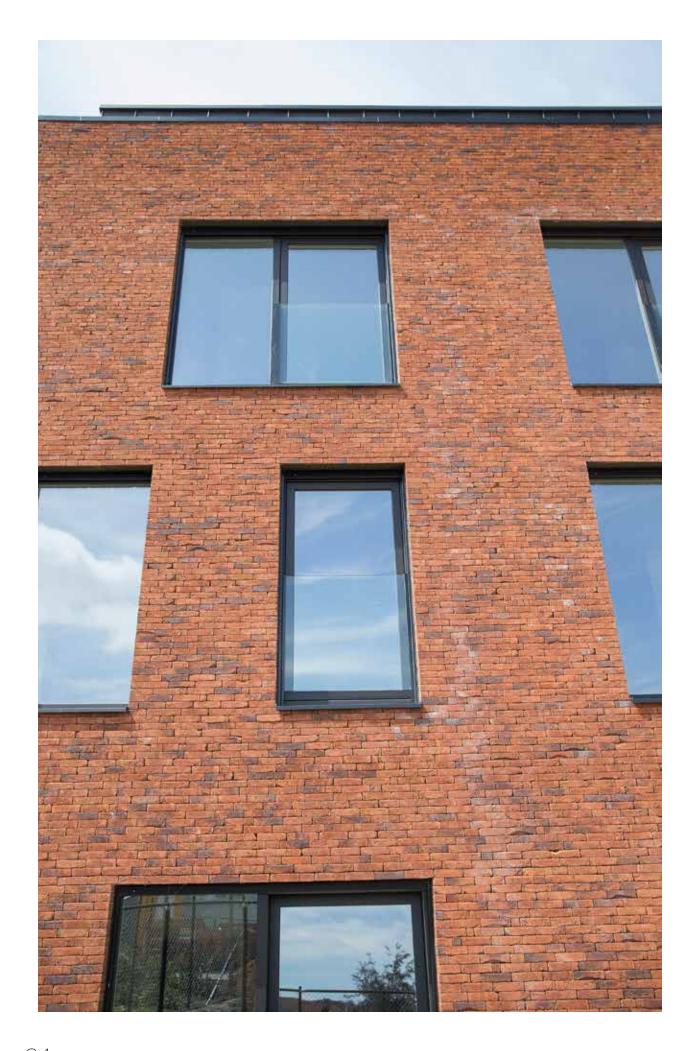


> Deceuninck booth at South American Fesqua trade fair in São Paulo (Brazil)

> Inoutic booth at the biennial international trade fair Fensterbau in Nürnberg (Germany)

Our products & innovations









Windows & Doors

PVC windows and doors

Innovation, ecology & design are the main drivers for new product development for windows and doors. Deceuninck's ambition is to offer the highest possible insulation and overall performance at the lowest possible material consumption. Deceuninck's window systems are designed to meet the highest energy savings requirements. They provide a perfect balance between energy efficiency and comfortable living. Their high-quality energy-efficient characteristics improve the quality of life in many ways. PVC windows and doors offer excellent thermal and acoustic insulation, high security and an original colour palette.

The nicely designed window framing material can be equipped with the most commonly used glazing ranging from high performance double glazing up to 56mm triple glazing. Passive house insulation values (Uw \leq 0.8 W/m²K) can be met by means of standard triple glazing. Eforte, the high end window line on the Inoutic platform in Central and Eastern Europe, is certified as a passive house suitable system by the internationally renowned ift testing institute in Rosenheim (Germany). Eforte is a top of the range system that makes no compromise when it comes to ultra energy-efficient living.

In Western Europe the high end market is served with Zendow#neo windows and doors. Zendow#neo uses Linktrusion technology and offers superb insulation values that meet the nearly zero energy building specifications Europe is gradually imposing for new public and private buildings.





Combining traditional design and expert craftsmanship, Deceuninck energy-efficient doors feature endless design combinations to complement any façade. A wide variety of styles engineered for years of performance.

Deceuninck's high quality PVC front doors boast excellent thermal insulation values as well as exceptionally high strength. The distortion-free and very stable frame design can be further enhanced using corner keys. Our **Zendow#neo doors**, with linktrusion technology inside, offer a higher stability and strength which makes the need of steel reinforcements redundant. They have a slimline design and have been developed to make larger doors. All doors can be equipped with multi point locks and special fittings to attain a very high burglary protection. Deceuninck doors provide protection against adverse weather conditions and offer a high level of security.

Deceuninck front doors can be fitted with all commercially available PVC, glass, aluminium and composite panels and elegantly accentuate the architectural style of new buildings. They can also be easily integrated in the façade of old buildings using different installation and mounting methods.

Next to the PVC and Zendow#neo doors with linktrusion technology Deceuninck also offers **Zentrada panel doors**. These steel panel doors are designed with Deceunincks Rovex technology and PUR foam. Combining these 3 materials for the panel door with a PVC frame adds distortion free new design possibilities to its front door systems.

In addition to the main PVC window and door systems
Deceuninck offers a vast range of sliding systems, such as
the slimline **Tecnocor** system, the more robust but elegant **Monorail** system, but also the heavy duty Lift & Slide systems.
Deceuninck's sliding doors extend the living room into the
garden, terrace or balcony to create a generous space for living.

The unique Deceuninck Linktrusion technology has also been introduced in the new sliding door **iSlide#neo** system, that was launched at the end of 2015. Integrating endless glass fibre reinforcing in the sash profiles has allowed to reduce the profile sections to an absolute minimum. Furthermore, the mechanical assembly makes it possible to join different profile sizes, whereby the central section is now only 35mm wide. Avoiding the use of steel reinforcements has at the same time improved the thermal insulation by 30%, and reduced the material usage by 40%. Having maximised the glazing surface and light intake, without compromising the system's performance, makes the iSlide#neo excel in both design and performance.

In Turkey Deceuninck offers Camoda, a glass balcony system.

Colour finishing

Colour technologies are applied in function of regional market requirements. All regions offer window systems with single or double sided, laminated decorative films (predominantly wood structures). In Western Europe Deceuninck offers Decoroc, a powder coated look on each of the four sides of the profile, for high end residential and commercial markets. Deceuninck developed a unique colour range named Aluroc by Deceuninck to ensure colour consistency between aluminium and PVC parts in the façade of a house.





DECALU

Aluminium window and door systems

In selected markets Deceuninck offers window and door systems in aluminium. Aluminium is light, elegant but also strong (burglar resistant), durable (resistant against all weather types) and easy to maintain.

Aluminium windows and doors are sustainable products. They have a long life time and can be recycled at end of life.

In some selected markets in Europe Deceuninck offers **60- and 80-series** aluminium windows and sliding systems (standard, retro,hidden sash). Contemporary aluminium profiles have an excellent thermal performance thanks to the thermal breaks used. The 80-series have a wider thermal break (ideal for triple glazed windows and low energy houses).

The standard windows have a smooth exterior which make them ideal for neutral and timeless styles. The profiles used are slim and discrete which make them a good option for renovation projects and modern projects.







The retro windows are built in the same structural manner but the exterior profile is 10mm deeper creating a profile with depth view. This gives the windows a rustic retro feel, ideal for classic and traditional houses.

In the hidden sash windows the aluminium frame of the window sash is concealed behind the frame resulting in an extremely slim frame. These windows are ideal for modern architecture projects.

To match the colour of Deceuninck's aluminium windows & doors with Decoroc PVC windows and doors Deceuninck developed a unique colour range named **Aluroc** by Deceuninck. The Aluroc colours have the same look and feel as **Decoroc** – ensuring colour consistency between aluminium and PVC parts in the façade of a house.

In Turkey Deceuninck offers iQ aluminium windows, doors and sliders. they are available in a wide range of widths and colours for both newbuild and renovation.



Interior finishing products

Deceuninck's PVC ceiling, wall and floor coverings as well as internal window boards and finishing trims enable endless interior decoration possibilities, from the most traditional to the most modern.



Home Protection

Roller shutters

In all markets except for North America Deceuninck completes its window platforms with roller systems that are specifically designed to meet local market requirements.

The very good thermal and acoustic insulation values of Deceuninck roller shutters contribute towards an energy-efficient building design, and help save heating costs. They guarantee privacy, help protecting against burglars and bad weather conditions and are a highly efficient and aesthetically appealing shading solution.

Deceuninck roller shutters are easily and securely installed on the window frame using a clip-on adapter. It is possible to optionally fit the roller shutter with a fly screen and fully integrate the roller shutter box into the building envelope.

Deceuninck's new roller shutter platform Storbox 2.0 won the innovation award at the trade fair Equip'baie in Paris (France).

Next to fulfilling the highest insulation requirements, its new way of assembling enables a high level of automation. To enable an easy & secured installation on all kinds of windows, multiple solutions are available

Deceuninck roller shutters are designed to fit any kind of window (wood, PVC or aluminium) and are available in a wide range of colours.

Louvre Shutters

Deceuninck louvre shutters are designed to meet country specific requirements. They combine high quality with a wide range of designs, panel options and colours. Deceuninck louvre shutters are designed to meet all individual end consumer needs for an aesthetically nice shading solution. Deceuninck louvre shutters are available in a wide range of decorative films and colour coated finishes.









Aluminium ventilation and shading solutions

With the Tunal platform, Deceuninck has acquired a vast range of aluminium ventilation and shading solutions.

This further strengthens Deceunincks product offering to comply with its mission to build a sustainable home.

Good ventilation goes hand in hand with highly insulated and airtight dwellings to prevent health risk linked with among others, condensation & allergens.

The ventilation solutions diverge from trickle vents to on glass and top-vents, fullfulling the country specific requirements or advices. Equipped with the patented self regulating flap, the top range products ensures the supply of fresh air without draught.

Shading contributes to prevent overheating and therefore reduces the energy consumption used for cooling. It is therefore as important as good thermal performance of the window.

Based on a modular platform of profiles the shading can be either fixed to the façade or movable sliding louvres.

The cantilever solar shading has a wide variety of louvre blades, designed to meet the architectural needs. The modular system is applicable for horizontal and vertical shadings.

Next to the fixed shading, the sliding louvre system offers several designs, creating a functional, highly aesthetical shading system. Combining the design of the frame with open, closed or even wooden blades, it all results into a contemporary, elegant solution.

Complementary with the shading system, the louvre screen/façade system contains all solutions needed for façade cladding and wall louvres, ensuring a perfect match of design and good technical performances.



Outdoor living

Woodcomposite products for decking, cladding and fencing

Deceuninck decking combines the benefits of wood with the unique properties of PVC. By combining the natural look of wood and the low maintenance of PVC into a single new base material, our **Twinson** outdoor flooring solutions meet all comfort demands with regard to your patio planks. This sustainable decking will transform both the appearance and performance of your terrace.

Terrace is ideal for residential applications such as patios and garden paths, whilst **Terrace+** is more appropriate for applications demanding a more architectural touch. Terrace **Massiv** has been recently developed to further increase the performance of Twinson decking. It is an ideal product for commercial or public applications.

In Europe Deceuninck offers excellent, low maintenance and long lasting fencing solutions.

Fences are either made of woodcomposite Twinson panels or designed with PVC profiles (Grandparc).

The Twinson fencing kit combines a standard decking solution in a robust and designful fence in harmony with a Twinson decking.



Rooflines and wall claddings

The finishing of your home must be both aesthetic and durable, and Deceuninck's wall cladding and roofline systems certainly fulfil these two requirements.

Deceuninck cladding systems are available in multichamber PVC, cellular foam or Twinson woodcomposite material.

All of them are 100% recyclable.

Deceuninck offers a wide range of roofline, soffit and fascia products. They offer durable protection of your newbuild or refurbished home. Deceuninck roofline products are easy to install, require low maintenance during a 50+ life time and are available in a wide range of colours and textures.

The premium Twinson cladding system heralds a new generation of external wall and gable cladding. By combining good insulation with the Twinson cladding system, you can optimise the external thermal insulation of your façade. Result? Lower energy bills and less CO₂ emissions. Deceuninck has used all its ingenuity to combine elegance and functionality in a single product. Twinson wall cladding is available in open and closed versions.

Deceuninck's PVC cladding offers the best quality/price performance. It is available in a variety of shapes and colours. The cladding programme includes coextruded PVC external cladding using Cyclefoam technology, which can be finished with an embossed texture. A mass coloured PVC top layer guarantees the durability and low maintenance, both basic characteristics that are highly appreciated by the house owner.







Sound barriers

Cyclefoam technology is used to manufacture sound barriers. As such they are easy to handle and install. Deceuninck's ability to coat profiles allows the company to offer sound barrier solutions that meet the aesthetic requirements of infrastructure architects.

With its Cyclefoam sound barriers Deceuninck addresses two environmental issues simultaneously. It offers a solution for recycling and processing post-consumer rigid PVC into new high-quality applications and tackles the problem of noise pollution. Cyclefoam sound walls are used both for infrastructure works and private applications. For infrastructure works they are installed along motorways, airports and railways throughout Europe.

As a private application Cyclefoam sound walls are an ideal product to reduce noise created by sporting events, play areas, schools.

In industrial applications Cyclefoam sound walls are used to reduce noise from airconditioning, industrial sites, high tension transformer houses, etc.

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Operational & commercial footprint





Corporate Social Responsibility

Our people

We are here to build a sustainable 'home' for our people and our customers. We build long lasting relationships and intimacy, based on our core values.

Deceuninck Group's HR Managers agree that, in order to further develop the Human Resources department in a professional and responsible manner, a digital platform needs to be implemented that enables them to manage the data regarding Deceuninck's human capital in a better way.

This is why Deceuninck has decided to invest in an integrated solution that covers all HR processes and that, at the same time, will be available for staff members and managers through a self-service portal. This modern HR Software will enable the HR department to gain insight into the performance, competence and remuneration of the staff members and talent in general within the organization in the future. It will allow the HR managers to take faster and better founded support, given the fact that the required data and reports will be available for consultation from wherever and at any moment. The preparatory work with respect to Master data has started, i.e. the choice of the right IT architecture and a selection of the digital and cloud based platform. Digitalization implies the use of less paper and, in doing so, ensures that Deceuninck contributes to a smaller ecological footprint.

Several young graduates have started on various positions within the framework of the international training program for talented young graduates and are now ready for the next challenge on their track. Project Management, among many other training initiatives, has been offered to a group of staff members and will be repeated, allowing Deceuninck to improve the quality and the efficiency of its projects.







The seeds for a Leadership Development Program have been sown during an international HR meeting. Deceuninck opts for a modular system that deals with the basic principles of Leadership, such as Situational Leadership, conducting efficient interviews and Coaching skills. The HR Team Leads develop the modules, with the aim to implement them on an international level later on. In doing so, Deceuninck wishes to strengthen the value 'Top Performance'.

The multiple efforts in the field of diversity have borne fruit: e.g. quite a lot of women have started as operator extrusion and lamination, as well as forklift driver in the production departments. Language lessons for foreign language speakers have been organized, enabling them to accelerate their integration. But also managers attended language lessons, in order to facilitate the communication with new staff members. The family nature of Deceuninck reflects positively on the events involving the families in all countries: family picnics, Saint Nicholas party ... For the second time Deceuninck won the 'Respect for Human' award at the occasion of the Employment Fair in Turkey, in which a substantial number of large companies participated.

Deceuninck has a clear commitment to act with respect for people, society and environment as well as to create a safe, healthy and learning workplace for its employees. Deceuninck considers it an ethical responsibility that each individual employee worldwide leaves his or her workplace without injury.

This commitment related to its employees remained a major challenge and required a clear focus of each of the local managers.

Deceuninck cares about the community

For Deceuninck 'People' reaches beyond our customers and our own staff and their families. Deceuninck feels it has a role to play in society and therefore supports charity projects worldwide including North and South America. In 2016 Deceuninck made among other three major donations to charity projects. Two of them are situated in Belgium a third one concerns the microfinancing of farmers in Haiti.



Move forward

With the campaign 'Move Forward', the fund 'Research & Innovation' of Dienstencentrum Gid(t)s was launched. This fund supports scientific research and the development and implementation of innovating technologies in care and work for people with disabilities. Deceuninck supports this fund and helps to build a better future for children, youngsters and adults with disabilities.





The Kouter Kids

Kouter Kids in Kortrijk (Belgium) is a charity organisation that takes care of children from a problematic education environment, such as poverty, drugs and alcohol abuse. With the financial support of Deceuninck the organisation was able to buy a minibus so that they can more easily be transported to a doctor, hospital or school, but also leisure activities such as soccer training, dancing, music, drawing lessons etc. The Kouterkids aims at focussing on meaningful and useful leisure activities

Studio Hive Five

Studio Hive Five is a charity project in Haiti founded and managed by Philip Deceuninck, grandson of Benari Deceuninck. (www.studiohivefive.com) with the support of the 'Koning Boudewijnstichting'.

Studio Hive Five strongly believes in the strength of a collective brain made out of people who reflect about issues such as health, low-cost eco housing, food scarcity and education. The organisation Studio Hive Five brings people together with different skills, beliefs and backgrounds. Just like a beehive where bees use their different skills to reach their goals collectively.

In this way Studio Hive Five aims at creating a network of people that are willing to support less fortunate people. Studio Hive Five strongly believes in mutually strengthening and enriching the identity and culture of less fortunate and wealthier people on our planet.





Just like bees pollinating flowers, Studio Hive Five aims at supporting several local initiatives. Its vision is to find projects from locals which need a helping hand and have an important value for the needs of the local people. Using their experience with the local people and country Studio Hive Five gives them the freedom in growing their own way.

Studio Hive Five does not believe in just giving money or goods, but instead in cross-pollinating and enriching each other. Giving a project a value both for the investors and the users. Like in nature where no energy is lost, Studio Hive Five seeks ways to grow its financial contributions based on the PPP model: people, planet and profit.

Working with Deceuninck feels like working at home

Deceuninck aspires to be an employer of choice, for every function and throughout all divisions. We've asked four employees of Deceuninck, from different backgrounds and working within different departments, about their work experiences within the company.

If you like seeing the world and everything it has to offer, Deceuninck is the place to be. "I've travelled many miles, first from Siberia to Moscow, and later on to Belgium, to work with Deceuninck," says Igor Gorgots, our Group Operational Excellence Manager.

We look for talent all around the globe. "I used to work for Elumatec in Turkey, which is an equipment supplier," tells Moez Mohamedali, International Business Development Manager. "One day, my client in Dubai was looking for an alternative supplier. I contacted several manufacturers, but Deceuninck impressed me. During the contract phase I clearly impressed them as well, as they made me an offer. Knowing them, and their outstanding reputation, for a long time, it was an opportunity I couldn't refuse."



Within Deceuninck, if you want to grow, you can.

Plenty of opportunities

Also Isabel Delahaye, Finance Manager for the Western European Region, switched to the other side of the table after we spotted her talent while working with Ernst & Young. Now she is the Finance Manager for the Western European region, after starting out as a Chief Accountant in the year of 2005. Why did she make that switch? "Because Deceuninck gives you the chance to develop, there are plenty of opportunities here."

"Within Deceuninck, if you want to grow, you can. It's up to you to grab that opportunity", agrees Filip Geeraert, Regional Director US. "If you are a hard worker, and you want to grow in the organization.

Deceuninck is the company you want to work for. And they give you the tools to do it, through various seminars and learning and development programs."

Professional and personal growth

For Igor, this learning curve was materialised by several English language courses organized by the company. Also, he attended multiple business trips to European business sites to gather experience and study corporate standards regarding production. And last but not least, his permanent move to Belgium, which, in his words, boosted

his development in many ways. "They care about employees on a high level and open opportunities for further realizations in your professional and personal potential. They implemented a lot of know-how and knowledge in me," knows Igor.



We act as an intermediary lawyer, firm on both sides. That is how we create client loyalty.

Through those seminars, our employees learn to embrace our core values. "This is our motto: we are employed by Deceuninck, but we are definitely paid by our customers. We act as an intermediary lawyer, being firm on both sides. That is how we put our clients in a position of brand loyalty," says Moez.

Implementing those values allowed Deceuninck to grow. And its employees grew along with it. Everyone wants to achieve sustainable growth and combine this with their own ambitions. "I've been working here for 20 years now, and I can proudly say that I have built a great team, which resulted in making our North America branch a successful subsidiary. But I want to achieve even more", says Filip. "We have just opened a new facility in Nevada. My ambition is to triple its output in the next few years."

Family values matter

And altough we may have become a multinational player, for everyone at Deceuninck, it remains clear that we have not forgotten about our family values. "It is all very professional, buy they don't forget that they are a family company. You feel at home here", says Moez. "Even low and middle managers got a text message from the CEO on New Year, that is something rare to see."

But upholding the family values isn't the only thing that makes Deceuninck a great place to work. Asking our employees to describe the company in a few words, terms that popped up in many cases were candor, entrepreneurship, progressive, stable, reliable and people-oriented. "We feel the respect every day. And that is very important, concludes Isabel.



> EMPLOYEES OF DECEUNINCK FLTR Moez Mohamedali, Isabel Delahaye, Filip Geeraert & Igor Gorgots

Our planet

We are here to help you build a home that is more energy-efficient to live in. 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.



Product and process innovation goes beyond energy efficiency

The greenest raw material is the one that you do not consume

National building codes are gradually introducing stricter insulation and ventilation targets in order to meet European insulation legislation (EPBD – Energy Performance of Buildings Directive). The EPBD is the main legislative instrument at EU level to achieve energy performance in buildings. The Directive requires Member States to set performance standards for buildings; apply energy performance certificates (EPCs) to buildings; and ensure that from the end of the decade only 'nearly zero energy buildings' (NZEBs) are built.

To manufacture PVC (polyvinyl chloride) two main feedstocks are needed, chlorine and ethylene. The ethylene is mainly derived from non-renewable fossil fuels, either crude oil or natural gas (and also shale gas). PVC uses less than 1% of fossil fuels consumed worldwide. 40% of fossil fuels is used for heating buildings. Deceuninck's vision is to use this 1% to significantly reduce the 40% for heating or cooling buildings.

Plastic building products are lightweight, require low maintenance and provide superior insulation. Plastic products save energy and reduce CO₂ emissions. In order to preserve natural resources Deceuninck is continuously developing PVC and composite products that drastically help reduce the energy that escapes from buildings through windows and walls. PVC and PVC composite products are the most economical solution for insulation.

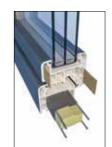




At Deceuninck we believe that true sustainability goes beyond energy efficiency

Deceuninck's latest window designs provide an improved energy performance at an ever lower weight. Deceuninck's latest product developments assure the best insulation at the lowest material consumption.

For Western Europe Deceuninck launched Zendow#neo®: a new generation energy efficient window system, meeting tomorrow's energy efficiency needs.



Zendow#neo uses **Linktrusion** technology. Linktrusion has been developed to substitute badly insulating steel reinforcements in traditional PVC windows.

Linktrusion links continuous glass fibre strips within the main profile extrusion. The Linktrusion approach also led

to the development of the Zendow thermal reinforcement, a reinforcement profile with steel wire, embedded in PVC foam extrusion.

Recycling

At the end of 2012 Deceuninck started recycling postindustrial waste and end-of-life rigid PVC windows and shutters in Diksmuide (Belgium). The factory has a capacity of 20,000 tonnes. PVC is a valuable material and should not end up in a landfill or incinerator.

Old dismantled windows can be returned to Deceuninck for recycling. For the collection and transport Deceuninck cooperates with waste management companies, builders, window fabricators and installers within a radius of 500km including Northern France and Western Germany.

50 years ago Deceuninck started designing 100% recyclable products. This investment guarantees a closed loop for all PVC and composite products Deceuninck puts on the market.

Deceuninck Recycling focused its efforts in 2016 on a more selective intake of rigid PVC postindustrial and postconsumer waste and an improved presorting. A new granulation line was installed which improved the quality of the granulates produced. New technologies for processing recycled PVC into new products and further new products have been developed in order to increase the volume of recycled PVC in new building products, in line with both European and national trends towards a circular economy model.

Overall Deceuninck recycled 9,400 tonnes of postindustrial and postconsumer rigid PVC waste in 2016, almost doubling the volume that was recycled in 2015. Part of it is reused by Deceuninck for the transformation into high added value products, such as new window profiles and thermal reinforcements. Interior wall cladding and internal sills made from recycled PVC are finished with a decorative film. Sound barriers made from recycled PVC are either laminated or coated. Deceuninck Recycling is EuCertplast certified.

In 2016, Deceuninck continued its support for Vinylplus (www.vinylplus.eu). VinylPlus is the voluntary commitment of the PVC industry in Europe. Among its most significant achievements was the establishment of an infrastructure for the annual collection and recycling of PVC.

The VinylPlus commitment includes an ambitious set of sustainable development targets centered on five commitments:

- + Controlled Loop Management. Achieving a quantum leap in recycling rates of PVC (target 800,000 tonnes/ year by 2020) and the development of innovative recycling technologies;
- + Addressing concerns about organochlorine emissions;
- + Ensuring the sustainable use of additives;
- + Enhancing energy efficiency and the use of renewable energy and raw materials in PVC production;
- + Promoting sustainability throughout the whole PVC value chain.

As a founding member of EPPA (www.eppa-profiles.org), through its contribution to the Vinyl Foundation, Deceuninck endorses the VinylPlus commitment.



Reducing the ecological footprint

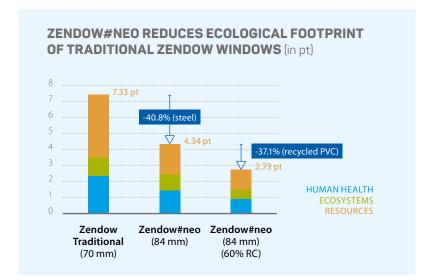
Window systems

An LCA (Life Cycle Assessment) or ecological footprint calculation made by Futureproofed (www.futureproofed.com) shows that the latest Zendow#neo premium window frame has a 40.8% lower impact as compared with the traditional Zendow window frame. Lower heat loss of the Zendow#neo window frame during the 50 years use phase accounts for 90% of the improved ecological impact.

As a result major environment gain comes from further improvement of the insulation degree of the framing material. In Zendow#neo premium pultruded glassfibre reinforcements in the PVC window sash and embedded steel wires in cellular foam reinforcement for the outer frame replace the badly insulating steel reinforcements. Zendow#neo premium offers 30% better insulation.

Replacing 60% of the virgin PVC by recycled PVC could result in a further ecological footprint gain of 37%.

Production sites in Belgium (Gits and Diksmuide), Turkey (Izmir & Kartepe) and the United Kingdom (Calne) are ISO 14001 certified.



Source: Futureproofed. Comparative LCA assessment of two PVC window systems – Zendow traditional and Zendow#neo. (2014)

ISO 14001 certification takes into account a number of prevention principles to limit or prevent the impact for people, the environment and the neighbourhood. The Plan-Do-Check-Act approach of ISO 14001 results in continuous improvements of the environment performance based on procedures and instructions. All five production sites concluded their ISO 14000 environmental audit successfully in 2016. The Belgian production sites in Gits and Diksmuide are already certified up to the latest standard ISO14001/2015.

The Belgian production site in Gits succeeded in renewing its 'Charter Duurzaam Ondernemen' (Charter Sustainable Entrepreneurship). By signing the Charter Sustainable Entrepreneurship, companies and organisations commit themselves to realise a concrete and structured action plan for ten themes: Corporate Governance, Social responsibility, Communication and dialogue, People-friendly Entrepreneurship, Risk Management, Sustainable investment, purchases and product & service development, Chain management, Climate change and energy, Quality of the direct environment and Sustainable logistics and mobility.

The Charter Sustainable Entrepreneurship is based on the 'to measure is to know' principle and the implementation of concrete actions.

The results of this action plan are assessed by a team of independent experts who constructively come up with points of interest and options to do better in these fields. Companies that signed the Charter Sustainable Entrepreneurship and that are evaluated positively, receive a certificate that is valid for a year.

Deceuninck signed the then called Environment Charter in 1999. It was one of the first companies to support the Charter Sustainable Entrepreneurship in 2007.

Inoutic in Bogen is ISO 50001 certified. The energy management system ISO 50001 specifies the requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy security and energy use. The standard aims to help organizations continually reduce their energy use, and therefore their energy costs and their greenhouse gas emissions.





A systematic energy management system is based on detection of all energy flows in the company and the evaluation of the state of energy efficiency, especially important for the energy consuming equipment such as: extrusion systems, injection moulding machines, laminating machines, compound mixing, heating, cooling, water and compressed air supply. ISO 50001 certification helps production site in Bogen to critically review and improve all processes to reduce energy consumption per processed kg.

All worldwide production sites further focussed on scrap reduction as well as reduced energy & water consumption.

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This annual report is available in Dutch and English.

Dit jaarrapport is verkrijgbaar in het Nederlands en het Engels.

Responsible editor

Wim Van Acker Representative of Fienes BVBA CFO

Creation

www.linknv.be

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Deceuninck NV

Bruggesteenweg 360 B-8830 Hooglede-Gits (Belgium) T +32 51 23 92 11 F +32 51 22 79 93 info@deceuninck.com

www.deceuninck.com