

S U S T A I N A B I L I T Y R E P O R T

2020

Communication on Progress

Our Statement of Continued Support

To our stakeholders:

In 2020, Materialise entered its fourth decade in 3D printing. We were also, along with the rest of humanity, propelled into a difficult new world. The COVID-19 pandemic has created much suffering and come with a tremendous economic cost, and while we are proud of how we've responded so far, standing up and coming together with our industry, working towards a common goal, we recognize that it's not enough. It is time to take even bolder steps and discard what is not future-proof and sustainable. Our mission of making the world a better and healthier place is more critical than ever.

This year, I am especially pleased to confirm that Materialise reaffirms its support of the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption. And with this annual Sustainability Report/

COP, we summarize the progress we have made against these principles to date, and pledge to continually improve their integration into our business strategy, culture, and daily operations.

Pushing the boundaries of innovation and creativity, continually setting the bar higher, and improving the planet and the lives of those around us are aims that are enthusiastically embraced at all levels within our global organization. Together, we will continue in our journey to make the world a better and healthier place.

Yours sincerely,

Peter Leys
Executive Chairman



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Our Sustainability Strategy & SDG Priorities

In 2017, as a natural continuation of our mission to create a better and healthier world, Materialise first pledged to support the UN Global Compact, and not long after, we formed our first sustainability team, added CSR as a key enabler to our company’s strategic framework, and created our first sustainability strategy. Since the beginning, this strategy has been focused on creating shared value, so on integrating social and environmental concerns into our business operations and product and service offerings, as well as enabling new solutions and business models that balance these concerns with economic requirements. This has been complemented by a philanthropic program which supports charitable initiatives around the world.



In 2020, as a result of a materiality assessment, we identified six priority Sustainable Development Goals (SDGs): Good Health & Well-Being (3), Decent Work & Economic Growth (8), Industry, Innovation & Infrastructure (9), Responsible Consumption & Production (12), Climate Action (13), and Partnerships for the Goals (17). For 2021, we will continue to focus on these same SDGs, and strengthen our strategy with new, longer-term, 2025 objectives based on the theme: ‘Empowering the Choice for Sustainability’. For further information, please see page 41.

About Materialise

When Materialise was founded in 1990, our goal was to enable new uses for the extraordinary potential that 3D printing offers. Since then, we have leveraged our experience to create a range of software solutions and 3D printing services, which together form a backbone for the 3D printing industry.

Our open and flexible platforms enable players in industries such as healthcare, automotive, aerospace, art and design, and consumer goods, to build innovative 3D printing applications that make the world a better and healthier place.

Headquartered in Belgium with a public listing on the NASDAQ stock exchange and approximately 2185 people in 20 countries worldwide, Materialise combines one of the largest groups of software developers in the industry with one of the largest 3D printing facilities in the world. Ultimately, we empower our customers to transition towards a digital manufacturing process and to launch innovations that have the potential to forever change the faces of their industries.

THE MATERIALISE MISSION

The Materialise mission has remained unchanged since our company was founded by CEO Fried Vancraen more than 30 years ago.



Our mission is to innovate product development that results in a better and healthier world, through our software and hardware infrastructure, and an in-depth knowledge of Additive Manufacturing.”

MATERIALISE AT A GLANCE



170

million EUR revenue



+2185

employees



3

business units
reporting structure



+265

patents granted



active in

20

countries



+190

3D printers



+50K

patients helped yearly



92%

of largest metal AM
System Manufacturers
use Materialise software

ORGANIZATIONAL STRUCTURE

Materialise NV is a publicly-held corporation which trades on the NASDAQ stock exchange. We operate 27 offices in 20 countries worldwide with headquarters located in Leuven, Belgium. Most of our offices are subsidiaries and include the Materialise companies ACTech, Engimplan, RapidFit and RS Print. Our main manufacturing facilities are located in Belgium, Czech Republic, Poland, USA, and Germany.



Materialise Offices

ASIA/OCEANIA		EUROPE		AMERICAS
Australia	China	Austria	Italy	Brazil
India	Japan	Belgium (3)	Poland	Colombia
Malaysia		Czech Republic	Spain	USA (2)
		France (2)	Sweden	
		Germany (3)	Ukraine	
		Hungary	United Kingdom (2)	

Materialise is divided into 3 business units: Manufacturing, Software, and Medical, and financial results from our worldwide operations are reported in consolidated form and according to these business units.

Full details can be found in our annual report: investors.materialise.com/sec-filings

3 BUSINESS UNITS AND SUB-BRANDS



SOFTWARE	MANUFACTURING	MEDICAL
<p>Dedicated 3D printing tools for:</p> <ul style="list-style-type: none">Design fixing, data & build preparationProcess control & simulationWorkflow optimization and automationE-commerceProduction planning, logistics and operations management <p>www.materialise.com/en/software</p>	<ul style="list-style-type: none">Certified manufacturingDigital supply chainsRapid prototypingDesign & engineeringConsulting servicesSolutions for various industries, including aerospace, automotive, eyewear, footwear, healthcare, and industrial equipment <p>www.materialise.com/en/manufacturing</p>	<ul style="list-style-type: none">3D printing at point-of-care3D surgical planningPersonalized medical devices3D Medical image-based research and engineering <p>www.materialise.com/en/medical</p>

Materialise Magics 3D Print Suite · Materialise Mindware · Materialise Mimics Innovation Suite

Fair Business Practices & Governance

LEADERSHIP

Materialise has a ten-member Board of Directors, including our company founders Wilfried Vancraen and Hilde Ingelaere, who also serve as CEO and Executive Vice President respectively. The Executive Committee is comprised of twelve members including our CEO, Executive Chairman, CTO, CFO, CIO, COO, Chief Legal Officer, one Executive Vice President, three Vice Presidents, and a Global HR Director.

Full details are publicly available on the governance pages of our investor relations website: <https://investors.materialise.com/board-of-directors> and <https://investors.materialise.com/management>

SUSTAINABILITY MANAGEMENT

Our Corporate Social Responsibility (CSR) team, which manages and executes our sustainability program, is primarily based in our headquarters in Leuven, Belgium. The team is headed by our Director of Quality, Risk, and Compliance, who reports directly to our CEO.

In 2020, our CSR team expanded to 16 primarily part-time members, including a full-time CSR Coordinator, as well as local sustainability champions (“Ambassadors”) at HQ and spread across our international entities.

GUIDELINES & POLICIES

Code of Conduct & Ethics

The Materialise Code of Conduct & Ethics was created to provide guidelines for conducting the business of Materialise to the highest standards of business ethics. This Code applies to all Materialise directors, officers, consultants and other employees, and the Code has been incorporated into the Materialise training program to ensure that all employees have read and understand what is expected.

The Materialise Code supports all of the Ten Principles of the UN Global Compact and is available publicly on our website at:

investors.materialise.com/governance-documents

Connected to this Code, we operate an anonymous hotline, available 24 hours per day, 7 days per week, which employees can call should they have any concerns or questions.



Quality Policy

At Materialise, we implement quality in everything we do. This means we are continuously improving ourselves, enabling every employee and manager at Materialise to make a commitment guaranteeing quality in compliance with regulatory requirements.

We have dedicated ourselves to innovating product development that contributes to a better and healthier world as well as aiming to fully understand, anticipate and satisfy the needs of our customers, suppliers and partners.

We provide the backbone for 3D printing technology, and by implementing the Materialise Quality Policy, we are able to deliver high-value service and products to our customers in our three main areas of expertise: manufacturing, software and medical.



Materialise values quality management principles according to ISO 9001:2015, with a strong focus on customer satisfaction and continuous improvement. On a regular basis, we perform customer surveys or customer journey workshops to receive customer input. This triggers and enables us to constantly improve the entire organization.



Materialise touches individual lives with our medical devices and every resulting story is personalized. Each step in designing and manufacturing personalized medical devices and medical device software follows the regulatory focused quality management system for medical devices compliant to ISO 13485:2016 to ensure safe and effective products.



As providers of high-quality prototypes, production tools and cutting-edge software, we've already enjoyed a long collaboration with the aerospace industry. Since adopting specific aerospace industry standards, we have received EASA Part 21G and EN9100:2016 certification. This allows authorized delivery of airworthy additive manufactured end-use parts.

By obtaining these certifications, we've proven to meet the industry demands in:

- [Quality and safety](#)
- [Reliability and traceability](#)
- [Project management and administration](#)

Environmental Policy

As a 3D printing company with industrial and medical production facilities, Materialise has a responsibility towards the environment around us and we're moving towards a sustainable future with our environmental management system (EMS).

Our EMS allows us to understand, address and minimize our ecological footprint. With this policy in place at our headquarters in Belgium, and our ISO 14001:2015 certificate, we are making a commitment to protect the environment and to comply with European environmental legislation, regulations and customer-specific requirements in all of our operations, processes and services.

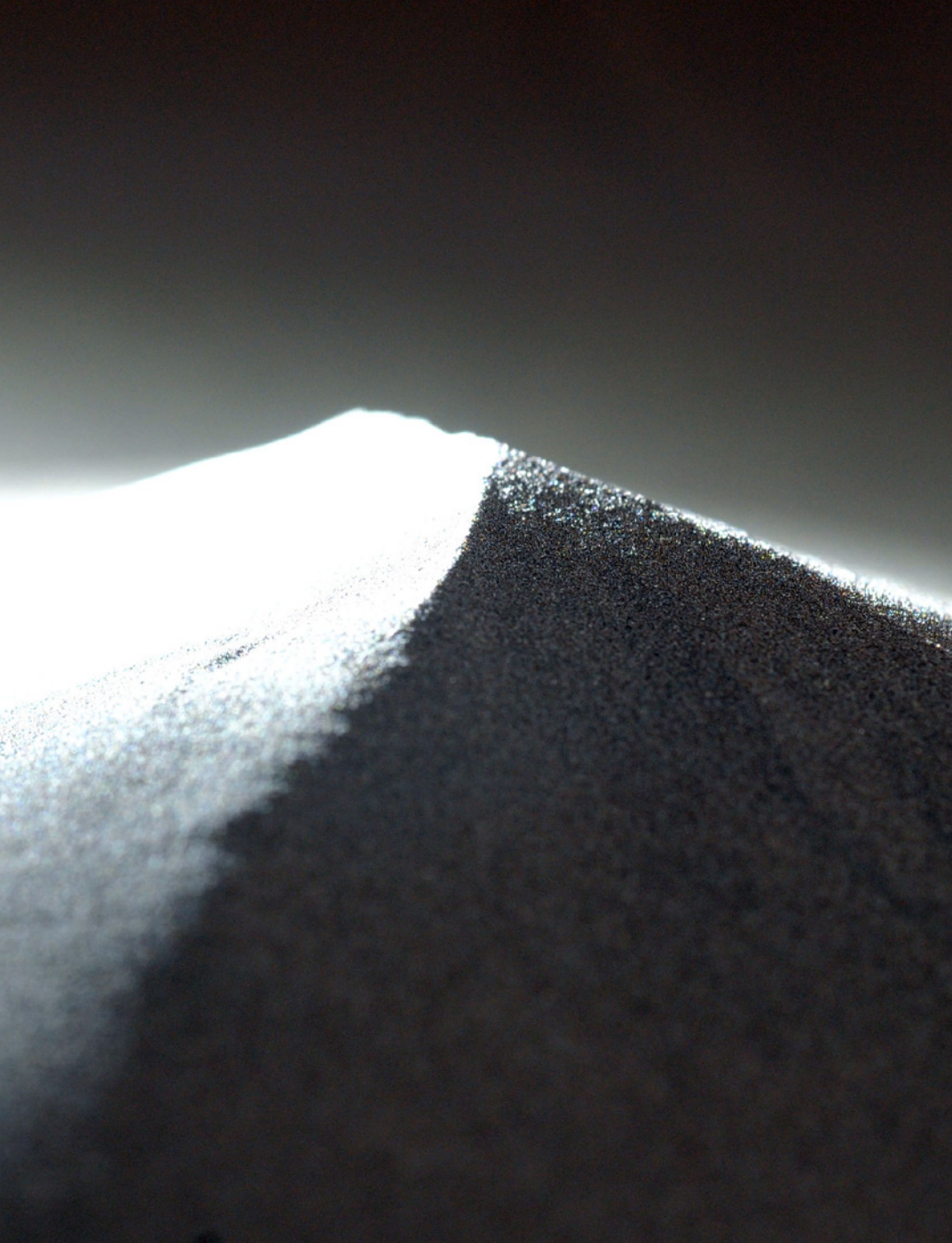


The EMS focuses on:

- Reducing raw material usage by controlling spills and rejected parts
- Minimizing waste through recycling and proper waste disposal
- Efficient water and energy use
- Minimizing the use of harmful solvents
- Encouraging environmentally friendly commuting

But we know we can keep doing better. We remain committed to continual improvement and each year, we set relevant targets, measure, review and report our performance. We also make sure everybody gets involved – our employees all receive environmental awareness training and are actively encouraged to participate in Materialise's EMS.





Supply Chain Policy

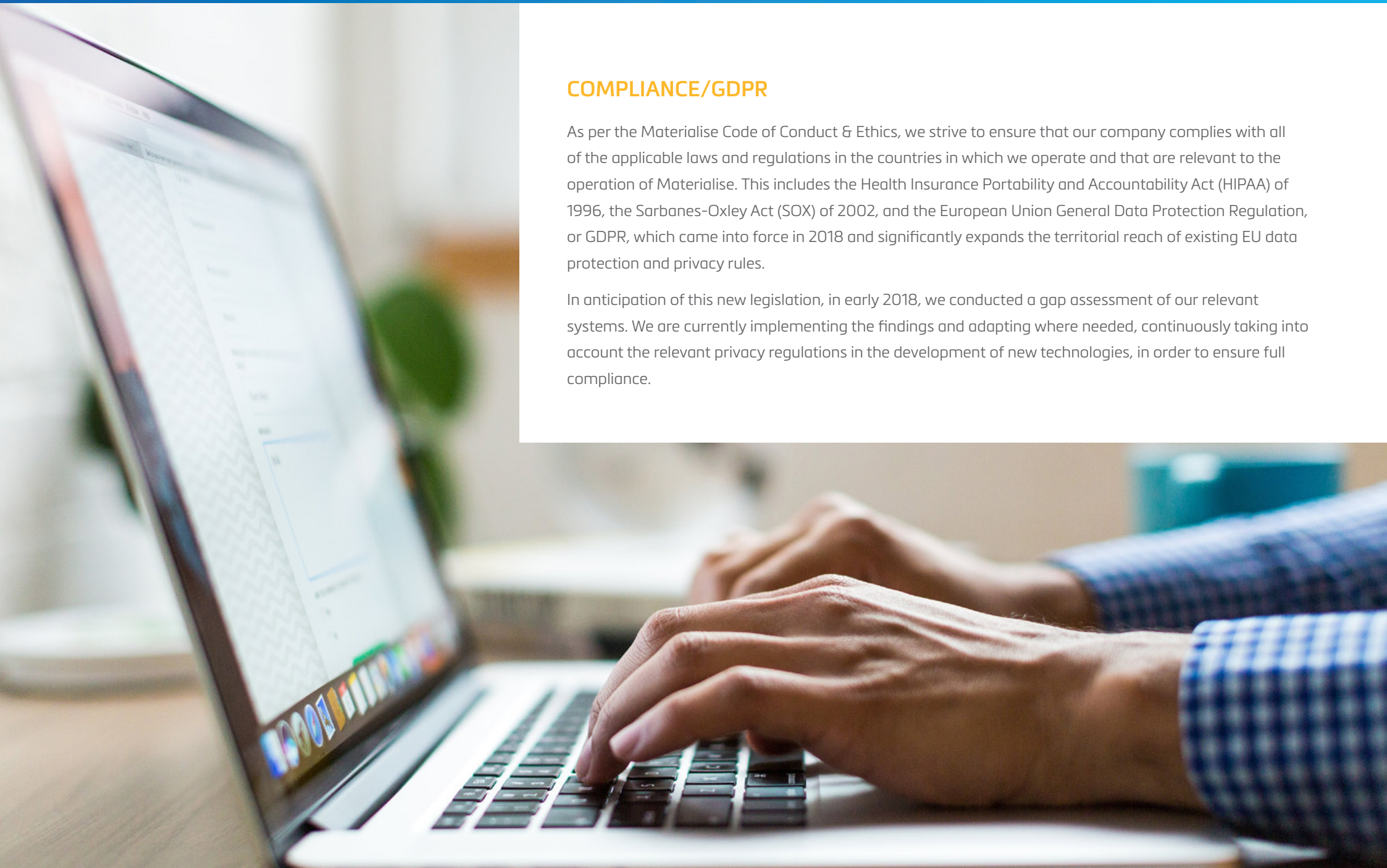
The Materialise Supply Chain Policy aims to foster sustainable procurement and support the driving elements that shape us as a company: innovation, co-creation, people, and quality. All employees have been encouraged to apply and share the policy.

Our global Supply Chain Policy supports all of the Ten Principles of the UN Global Compact and has been actively communicated to our suppliers. It requires that they share data regarding their own sustainability programs, and encourages them to be accountable, ethical, respectful of human rights, and innovative. Each year the policy is reviewed and updated as necessary. In 2020, it was revised to include more rigorous Human Rights and Environmental requirements and controls. The latest version is publicly available on our website at: www.materialise.com/en/about-materialise/supply-chain-policy

COMPLIANCE/GDPR

As per the Materialise Code of Conduct & Ethics, we strive to ensure that our company complies with all of the applicable laws and regulations in the countries in which we operate and that are relevant to the operation of Materialise. This includes the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the Sarbanes-Oxley Act (SOX) of 2002, and the European Union General Data Protection Regulation, or GDPR, which came into force in 2018 and significantly expands the territorial reach of existing EU data protection and privacy rules.

In anticipation of this new legislation, in early 2018, we conducted a gap assessment of our relevant systems. We are currently implementing the findings and adapting where needed, continuously taking into account the relevant privacy regulations in the development of new technologies, in order to ensure full compliance.



Description of Actions and Measurement of Outcomes

Below are descriptions of the progress Materialise has made against our 2020 priority SDGs and each of the Ten Principles of the UN Global Compact. To the extent they are available, performance indicators and quantitative data are also provided.

WORKERS

PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
PRINCIPLE 2	make sure they are not complicit in human rights abuses.
PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
PRINCIPLE 4	the elimination of all forms of forced and compulsory labor;
PRINCIPLE 5	the effective abolition of child labor; and
PRINCIPLE 6	the elimination of discrimination in respect of employment and occupation.



People are the heart of Materialise. Our ability to provide innovative, meaningful solutions and applications is dependent on the contribution of the talented people both within Materialise as well as those throughout our global supply chain. We owe our success to our people, and one of our primary objectives is to ensure work environments where all employees feel not just safe and healthy, but where they can go beyond, where they can grow and thrive.

Safe and Healthy Offices and Production Facilities

All Materialise offices and facilities around the world are safe, suitable and sanitary, and comply with local needs and legislation. In addition, employees at all levels are required to comply with all health and safety laws, regulations and policies relevant to their positions. We take this very seriously, and failure to comply can result not just in civil and criminal liability but also termination of employment. When the COVID-19 pandemic hit, additional measures were introduced for those who couldn't work at home, including the installation of hands-free door openers, the distribution of 3D printed masks and hand sanitizer, and the creation of socially-distanced work areas, ensuring that the impact of the virus on our people was kept to a minimum.



At ACTech and Materialise HQ, where our primary production facilities are located, there are 74 and 16 employees respectively, who are trained in first aid and can be contacted in case of injury. We also have 37 fire prevention officers at ACTech and 14 at HQ, responsible for ensuring that employees evacuate safely in case of emergency. These officers receive training on a regular basis. The remaining Materialise facilities are organized in this regard according to national laws.

Primary Production Facilities

HQ: 80% office workers, 20% production workers

	Total # of employees	# employees trained in first aid	# fire prevention officers	Total # of workplace accidents	Total # of work accidents resulting in death or serious injury	Total # of days of sick leave due to work accidents
2019	650	20	14	3	0	56
2020	630	16	14	2	0	27

ACTech: 30% office workers, 70% production workers

2019	402	77	20	19*	0	435
2020	389	74	37	6*	0	330

*Accidents that occurred either at work or during the commute to/from work resulting in an incapacity to work for more than 3 calendar days and a report to the "Berufsgenossenschaft" trade association.

Harassment-Free Workplaces

Materialise prohibits harassment based on race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or any other characteristic protected by law, in any form, whether physical or verbal and whether committed by supervisors, nonsupervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive or racially degrading objects or pictures. Where harassment or discrimination is uncovered, prompt corrective action is taken, which may include disciplinary action by Materialise, up to and including, termination of employment.



In addition to the anonymous hotline connected to our Code of Conduct and Ethics, which received no complaints in 2020, we also employ 4 Confidential Advisors who can provide guidance and mediation, and are bound by confidentiality and will behave consistent with the law. In the last major survey, conducted at Materialise HQ in 2018, 70% of employees participated anonymously, and the potential negative outcomes of sexual harassment, discrimination, bullying, and violence were all below the relevant benchmarks. And in a follow-up survey conducted in 2020 for Materialise operations worldwide, 72% of employees participated anonymously, and the organization themes of “Proud of Materialise”, “Materialise as an Employer”, and “Positive Contribution to Society” were all clearly above the relevant benchmarks.



4

Confidential Advisors

70%

of employees participated
in the last major surveys

Formalized Fair Employment Policies

Materialise operates offices around the world including in emerging countries such as Colombia, Ukraine, and Malaysia, and is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. This commitment is outlined in our Code of Conduct and Ethics, and to reinforce it, in 2019, as per one of our COP objectives for the year, we introduced a new anti-discrimination hiring policy, which we continued to roll out in 2020.

We do not participate in any form of forced or compulsory labor, including within our supply chain (Supply Chain Policy, page 13). Employees have the right and are free to

join trade unions. Employees must comply with all applicable labor and employment laws relevant to their jobs, and are aware that a failure to do so can result in civil and criminal liability, and termination of employment.

In 2020, no complaints to our anonymous hotline were received and at Materialise HQ, which are our primary office and production facilities, 1% of our workforce had a disability, 39% were women, and our approximately 630 employees represented 40 different nationalities. Looking on a worldwide basis, our approximately 2185 employees represented over 50 different nationalities, and women represented 36% of our workforce, (excluding Engimplan). For further details, please see the charts below.

Gender Diversity Materialise Worldwide

2019 2020



women in workforce

36% > 36%
+0%



women in people
management positions

35% > 37%
+2%



women on Director's
Committee

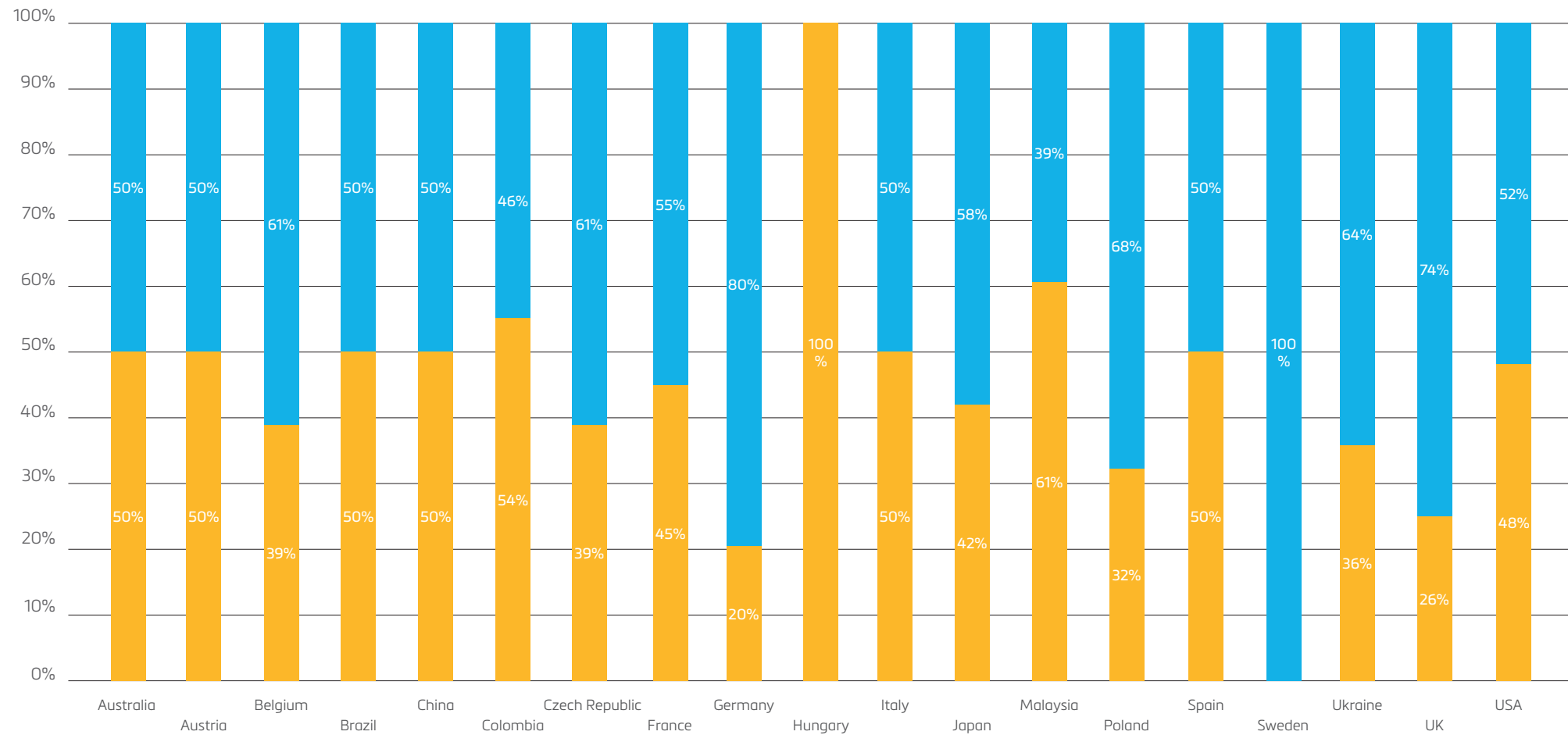
33% > 33%
+0%



women on Board of
Directors

20% > 20%
+0%

Gender Diversity Materialise Worldwide





Wage Band & Performance Evaluation Systems

Materialise has a formalized wage band system to ensure 'equal pay for equal work'. The system conforms to national legal standards and is regularly benchmarked against industry standards. This system is fully in place in our operations worldwide. In addition, based on local needs, more than 70% of our worldwide employees also benefit from additional medical insurance and retirement provisions.

Materialise also has a formal performance evaluation system, with evaluations occurring twice annually, to ensure that all employees have the opportunity to shape their career paths. A comprehensive training program is available to all employees to further support career development and personal growth. In 2020, on a worldwide basis, approximately 57% of employees benefitted from additional training. This is down 12% over 2019, primarily due to various COVID-19 measurements.

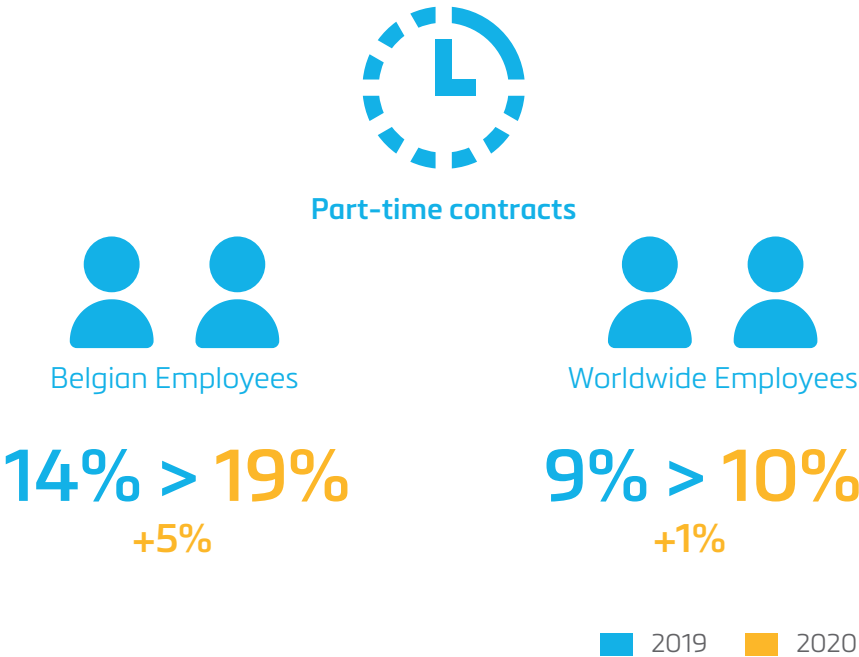


Wellness and Lifestyle Support

At our offices around the world, Materialise normally offers a variety of programs to help employees live healthy lives. These initiatives frequently include no-smoking policies, fresh fruit deliveries, flu shots, a variety of sports classes, and bike leasing programs. In addition, our offices are equipped with kitchen facilities, fresh drinking water, tea and coffee. In 2020, due to the COVID-19 pandemic, our focus shifted to homeworking, and introducing new measures such as flextime to keep employees safe and enable them to adjust their work schedules to suit these uncertain times.



For those Materialise employees for whom homeworking was not an option, additional measures were introduced on-site, including the installation of hands-free door openers, the distribution of 3D printed masks and hand sanitizer, and the creation of socially-distanced work areas. Part-time contracts also continued to be available to help support work/life balance:



Top Employer Certification

In 2020, for the second consecutive year, we completed the program to achieve certification for excellence in employee conditions by the Top Employer Institute. The Top Employer designation for Belgium, where our HQ is located, was awarded to us again in January 2021. We received our highest scores in the areas of: Business Strategy, Leadership, Talent Acquisition, Engagement, Ethics & Integrity and Sustainability. And in 2021, we are committed to focusing on our areas of improvement which include: Digital HR, Work Environment, Learning and Well-Being.



Supply Chain Policy

At Materialise, we recognize that we owe our success not just to the workers who are direct employees, but also to those who are located all along our supply chain. As previously outlined on page 13, our Supply Chain Policy was updated in 2020 to include more rigorous Human Rights requirements and controls, to ensure that our suppliers respect internationally recognized human rights and strive to be aware of and act on any violations throughout their own supply chains.



ENVIRONMENT

The world is facing critical challenges connected to climate change, and Materialise is committed to supporting the environment and the communities in which we do business. We recognize that tackling climate change is our responsibility and a necessity, both for the long-term future of our business and the world in which we live.

PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges;
PRINCIPLE 8	undertake initiatives to promote greater environmental responsibility; and
PRINCIPLE 9	encourage the development and diffusion of environmentally friendly technologies.



Environmental Management System

As previously mentioned on page 12, Materialise runs a company-wide environmental management system (EMS) that seeks to understand and above all minimize our effect on the environment. With this policy in place at our headquarters in Belgium, and our ISO 14001:2015 certificate, we are making a commitment to protect the environment and to comply with European environmental legislation, regulations and customer-specific requirements in all of our operations, processes and services.

All Materialise employees receive environmental awareness training and are actively encouraged to participate in our EMS. To ensure engagement, compliance, and continuous improvement, every year, we set relevant targets, measure, review and report our performance. For example, at Materialise HQ, in 2020:

- Water consumption, which was reduced by the COVID-19 pandemic but still played an important role in our production, dropped from 19.9 liters per day per full-time employee, to 13.3. Under normal circumstances, the expected consumption level was 25-35 liters/day/employee (based on an average Belgian company).
- Our continued focus on quality further ensured waste production was minimized.
- Our 1051 solar panels generated over 217,000 kWh of energy, up 35% over 2019.
- An insect hotel along with an additional 200 trees and plants were installed on our property to support birds and bees and promote biodiversity. We also committed to the “Bye Bye Grass Charter” and the “Green Deal” for the Flanders region where our HQ is located.

As well, in 2020, internal audits were completed to enable expansion of our ISO 14001 certification to our Polish facilities in 2021, and we further developed plans to support prototype recycling. In addition, we were awarded a bronze medal in recognition of our EcoVadis CSR rating, and continued to actively push strategies to further reduce manufacturing waste through improved machine reliability. In 2020, an additional 0.7 million Euros was invested in research projects, bringing our total investment, as at December 31, 2020, to 2.5 million Euros.

ISO 14001
certification

EcoVadis
BRONZE
MEDAL

2.5M
invested to reduce
manufacturing waste

Carbon Footprint Assessment

In 2020, we completed our third consecutive Carbon Footprint Assessment for Materialise operations worldwide. The assessment followed the Greenhouse Gas (GHG) Protocol guidelines for clarifying the origin of emissions and for reporting purposes, and the Bilan Carbone Protocol for categorizing emission flows.

Carbon Emissions in thousands of tonnes, Materialise Worldwide:

	Scope 1	Scope 2	Scope 3	TOTAL
2017	0.9	3.7	10.7	15.3
2018	1.4	5.5	12.7	19.6
2019	1.4	6.1	12.8	20.3

Further to the conclusions of the assessment, which identified Scope 3 (travel), and Scope 2 (electricity) emissions as being the largest contributors to our footprint, in 2020, we finalized a new Sustainable Travel Policy and Carbon Budget, and continued to convert our worldwide operations to 100% green energy. In 2021, we will beta test this new policy and budget in selected offices before rolling it out worldwide, and complete the energy conversion in our remaining facilities.



In 2020, we also joined the Belgian Alliance for Climate Action (BACA) and as a result have committed to setting Science Based Targets for our worldwide operations within two years. By 2025, we aim to cut our carbon emissions worldwide by 50%.



Life Cycle Assessments

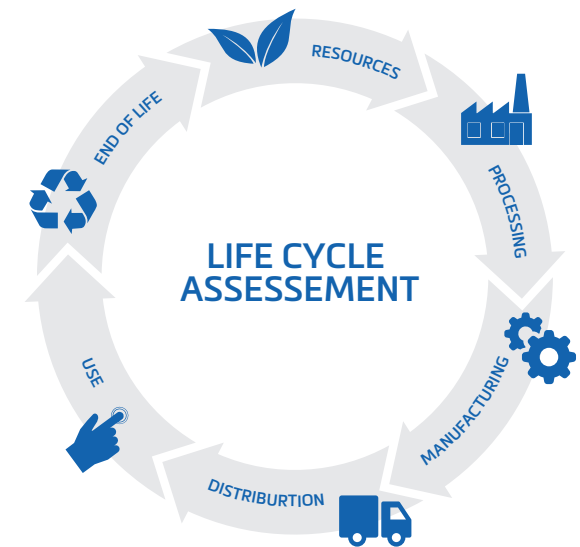
In partnership with BASF, in 2020, we completed a Life Cycle Assessment (LCA) for the production of one million pairs of shoe midsoles, assessing the environmental impact in all stages of the product life, and comparing three 3D printing technologies with a conventional manufacturing technology (polyurethane casting). In addition, we began a similar study for insoles, and, in collaboration with Nyenrode Business University and the consultancy PerfoVision, a separate study was completed comparing the 3D printing technology of Selective Laser Sintering with CNC for eyewear.

To date, although there is little empirical research, it has been generally assumed that 3D Printing is an environmentally friendly technology. However, according to our recent LCA research, for large series of identical products, 3D printing is currently not the most sustainable choice and has a bigger impact on climate change and the depletion of fossil fuels compared to the conventional manufacturing technology. At the same time, our research also indicates that 3D printing typically offers advantages for the production of smaller or customized series that can be produced locally.

In 2021, we will complete the insole LCA with BASF that was started in 2020, as well as at least one new LCA. We recognize that this research is critical in clarifying our impact and ensuring that we invest in the most relevant innovation and technologies to make the 3D printing process more sustainable.

Supply Chain Policy

As previously outlined on page 13, our Supply Chain Policy requires that our suppliers be accountable for both their own impact as well as the impact of their supply chains on not just society and the economy, but also on the environment, and in 2020, we updated our policy to include still more rigorous environmental requirements and controls. Our suppliers should be transparent in any decisions or activities that impact the environment and be able to demonstrate this transparency through their management systems. We encourage a focus on continual improvement. This includes seeking more sustainable alternatives for existing needs and integrating sustainability into all existing procurement practices to maximize sustainable outcomes.



COMMUNITY

At Materialise, we recognize the important role we play, not just in relation to our workers and the environment, but also to the communities around us and those in which we operate. We are committed to helping create a more just, inclusive, and healthy society. And we are also committed to sharing our know-how, technology and resources to empower meaningful, sustainable change.

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.



Personalized Medical Devices

Materialise is recognized as a pioneer and world leader in personalized medical devices. These devices include shoulder, hip, knee, osteotomy, and cranio-maxillo facial (CMF) surgical guides and implants, that are designed and 3D printed based on the anatomical data of the patient. In other words, they are specifically designed to accurately fit.

As one of the first companies to introduce personalized solutions into the operating room, and helping patients and surgeons all over the world, we have seen firsthand the impact personalized medicine can have. These devices add more predictability into the surgical setting and allow for the treatment of even the most challenging clinical conditions. They can help reduce the number and duration of treatments, improving patient lives, saving costs*, benefiting society and the environment through reduced travel and hospital stays, and freeing up valuable medical workers and other healthcare resources, which can then be redirected to others in need.



In 2020, we helped more than 50,000 patients and to date, have printed more than 350,000 personalized devices.



* Tack P, et al. Do custom 3D-printed revision acetabular implants provide enough value to justify the additional costs? The health-economic comparison of a new porous 3D-printed hip implant for revision arthroplasty of Paprosky type 3B acetabular defects and its closest alternative. Orthop Traumatol Surg Res (2020), <https://doi.org/10.1016/j.otsr.2020.03.012>

Anti-Corruption

Materialise has a zero tolerance policy with regards to any form of corruption, extortion, or bribery. Our Supply Chain Policy, as outlined on page 13, requires that our suppliers behave ethically and promote ethical behavior throughout their supply chains. And as mentioned on page 10, our Code of Conduct & Ethics clearly outlines our guidelines for doing business consistent with the highest standards of business ethics. All employees, directors, officers, and consultants are expected to adhere to these standards. Failure to do so will result in appropriate discipline, which may include civil damages, criminal fines, and termination of employment or removal from our board.

The specific areas that our Code covers include, but are not limited to: Conflicts of Interest, Insider Trading, Relationships with Suppliers, Relationships with Customers, Gifts and Entertainment, Financial Reporting, Compliance with Laws and Regulations including Laws Covering Bribery & Kickbacks, and Government Interactions. Our Code is publicly available at: <http://investors.materialise.com/governance-documents> and employees can anonymously report any suspected incidences of corruption to the already mentioned hotline, which in 2020, received no calls.

Charitable Activities

Every year, Materialise supports a selection of charitable initiatives around the world. Our focus tends to be on those projects that engage our people and/or technology, and always, we aim to empower meaningful, sustainable change. Below are some of our key activities from 2020.

Our Response to COVID-19

One of the main strengths of 3D printing as a manufacturing technology is its speed. This feature was ever more important during the COVID-19 pandemic in which our healthcare systems and everyday tasks crossed unprecedented hurdles.

From the very start of our company thirty years ago, our focus has been on creating a better and healthier world. We stand behind this mission particularly in moments of crisis, and as a result developed new solutions, including personal protective equipment, hands-free door openers and critical medical devices, to help our healthcare systems and individuals stay safe. Many of these items were donated to hospitals and other organizations in need around the world, including in India and South America. And the design file for the door opener was made available free of charge and downloaded more than 100k times from our website, helping communities across the globe.

<https://www.materialise.com/en/3d-printing-response-to-covid-19/initiatives>





A Banana for Every Woman

In 2020, to celebrate the 30th anniversary of Materialise, we donated approximately 2000 banana plants, one on behalf of each of our employees, to the Foundation Hubi & Vinciane for their Banana for Every Woman project. By providing plants and training sessions in banana cultivation, crop processing, budgeting and sales skills, this initiative aims to improve nutrition in Benin, West Africa, and provide women with financial autonomy.

<https://www.materialise.com/en/blog/30-years-sustainability-gift>

Benin Summer School

One of our long-standing initiatives, the Benin Summer School project aims to improve the education levels and employment opportunities for less advantaged teenagers in West Africa by providing them with the opportunity to access higher education scholarships and potentially go on to positions that will enable them to contribute to their communities. In 2020, with the COVID-19 pandemic, this initiative could not run as usual, but we continued to provide financial assistance to ensure that those students already in the program could continue their studies, and to support those who had graduated to find or create meaningful work. To date, since the program's inception in 2012, 128 students have participated and 24 have received scholarships.



Silk Road Project





Another long-standing initiative, the Silk Road project aims to address educational inequalities in China by introducing elementary and middle school students to 3D printing via a "dream classroom" bus. In 2020, due to COVID-19, the bus made fewer stops than usual, however still to date, since the project's inception in 2015, it has visited about 200 schools across China and more than 50,000 students have participated.



<https://www.materialise.com/en/sustainability/social-engagement>

Partnerships & Certifications

At Materialise, we believe partnerships are critical to making a meaningful difference, significant change can't be made in isolation, and we collaborate with numerous organizations around the globe in order to achieve our sustainability objectives.

African Drive	 <p>A spin-off of the Benin Summer School, an initiative Materialise and the charity Hubi & Vinciane created to offer mentorship to young West African entrepreneurs, African Drive aims to create positive economic and social impact in countries with poor global infrastructure and few formal economic activities. Materialise provides expertise, as well as technological and financial support to African Drive projects. https://www.africandrive.be/</p>	B Corp	 <p>In 2020, Materialise began its journey towards B Corp certification with two in-house B Leaders. After completing the initial prescreen process, we changed our company Articles of Association to lock our company mission and ensure all stakeholders are considered. Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. https://bcorporation.eu/</p>
AMGTA	 <p>Not long after the Additive Manufacturer Green Trade Association (AMGTA) launched in 2019, Materialise joined as a participating member in 2020. The AMGTA is a non-commercial, unaffiliated organization open to any additive manufacturer or industry stakeholder that meets certain criteria relating to sustainability of production or process, and aims to promote the environmental benefits of AM over traditional methods of manufacturing. https://amgta.org/</p>	BACA	 <p>Recognizing that organizations have a major role to play in addressing the climate crisis, Materialise was among the first to join the Belgian Alliance for Climate Action (BACA). Formed by WWF and The Shift, BACA serves as a platform and support for companies that are serious about their climate ambitions and champions the setting of 'science-based' targets to reduce greenhouse gas emissions. https://www.belgianallianceforclimateaction.org/</p>

BASF



In 2019, Materialise began collaborating with strategic partner BASF on sustainability focused research, specifically Life Cycle Assessments (LCAs). For further details, see page 28. In addition to being the world's largest chemical producer, BASF is a recognized leader in the field of sustainability.

<https://www.basf.com/>

KU Leuven University



Materialise has a long-standing relationship with KU Leuven university, including collaborating on numerous projects such as our first Carbon Footprint Assessments. KU Leuven is the largest university in Benelux.

<https://www.kuleuven.be/>

EcoVadis



EcoVadis is the only universal sustainability ratings provider and the world's largest, creating a global network of more than 65,000 rated companies. Materialise joined the EcoVadis platform in 2017 and in 2020, they awarded us a bronze medal for our EcoVadis CSR rating, putting us in the top 50% of all the companies they rank. <https://ecovadis.com/>

Leuven 2030



Materialise is a supporting member of Leuven 2030. Leuven 2030 is a non-profit organization focused on creating a climate-neutral future for the city of Leuven, Belgium where Materialise HQ is located. With similar ambitions, we regularly work together, sharing knowledge and serving as sparring partners.

<https://www.leuven2030.be/>

Hubi & Vinciane



One of the official charities of choice of Materialise, Hubi & Vinciane partnered with Materialise to create the Benin Summer School project which provides mentorship to young West African entrepreneurs, university scholarships, and support for initiatives that stimulate the local economy and social progress.

<https://hubi-vinciane.be/>

Nyenrode Business University



In 2018, Materialise began collaborating with the department of Supply Chain Management at Nyenrode Business University and the consultancy PerfoVision on sustainability focused research. For further details, see page 28.

<https://www.nyenrode.nl/>

Perfovision



In 2018, Materialise began collaborating with the consultancy PerfoVision and the department of Supply Chain Management at Nyenrode Business University on sustainability focused research. For further details, see page 28. PerfoVision specializes in Operational Excellence, Supply Chain and Lean & Agile management, Digital Transformation, and Industry 4.0

<https://www.perfovision.com/>

Top Employers Institute



In January 2021, for the second consecutive year, Materialise became one of only 72 companies in Belgium to receive 'Top Employer' certification, awarded by the Top Employers Institute. The Top Employers Institute is considered the global authority on recognizing excellence in people practices.

<https://www.top-employers.com/>

SIGN Fracture Care



The official charity of choice of our US office, SIGN gives the injured poor access to fracture surgery by donating orthopaedic education and implant systems to surgeons in developing countries.

<https://www.signfracturecare.org/>

The Shift



Materialise has been a member of The Shift since 2017. Originally the local chapter of the UN Global Compact, The Shift today is the Belgian meeting point for sustainability, and in collaboration with its members and partners, aims to bring about the transition towards a more sustainable society and economy. <https://theshift.be/>



CUSTOMERS

To date, although there is little empirical research, it has generally been assumed that 3D printing is a sustainable technology. However, as previously mentioned on page 28, our recent LCA research indicates that 3D printing may not be as sustainable as initially thought. Particularly with regards to large series of identical products, 3D printing seems to have a bigger impact on climate change and the depletion of fossil fuels as compared to the conventional manufacturing technology. At the same time, our research also indicates that it is in the production of smaller or customized series that can be produced locally that 3D printing typically offers sustainability advantages. We recognize that as we continue to develop new products and technologies to help our customers create innovative, meaningful applications, sustainability must consistently remain top of mind, and research is critical.

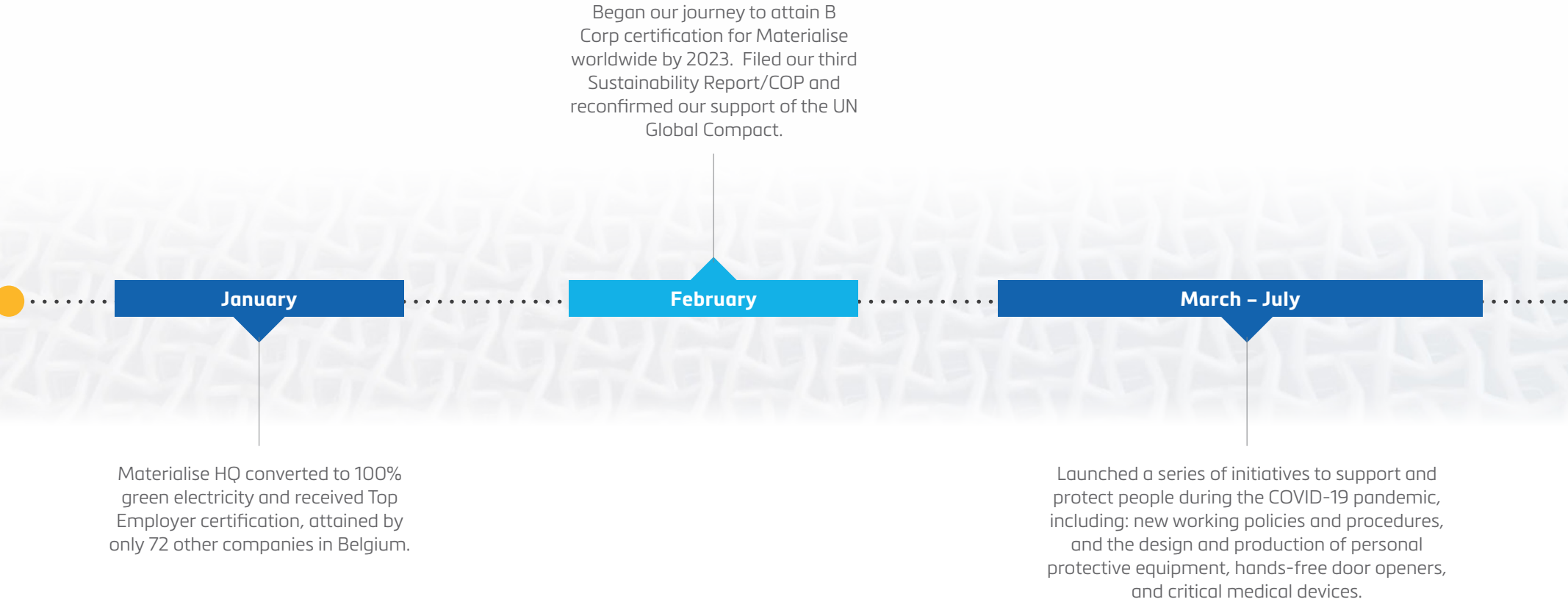
As discussed on page 26, in addition to our LCA research which will continue into 2021, we have a number of initiatives to address climate change and support the environment, including investing in research projects to reduce manufacturing waste through improved machine reliability. As per the goals we set out in our 2019 COP, in 2020, we announced the launch of a beta program for our customers with our new Bluesint PA12 technology which creates a path for eliminating waste in the 3D printing process. Specifically in laser sintering, Bluesint makes it possible to print with up to 100% re-used powder, drastically increasing the resource efficiency of this technology.



PRINCIPLE 9	encourage the development and diffusion of environmentally friendly technologies.
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2020 HIGHLIGHTS



2020 HIGHLIGHTS

Completed our first Life Cycle Assessment (LCA) in partnership with BASF, for the production of one million pairs of shoe midsoles, assessing the environmental impact in all stages of the product life, and comparing three 3D printing technologies with a conventional manufacturing technology. Grew our sustainability team to 16 members spread across our worldwide operations.

August

Completed our third consecutive Carbon Footprint Assessment for Materialise operations worldwide and updated our global Supply Chain Policy to include more rigorous Human Rights and Environmental requirements and controls.

September

October

Joined both the Additive Manufacturer Green Trade Association (AMGTA) and the Belgian Alliance for Climate Action (BACA), and committed to setting Science Based Targets for our global operations within 2 years.

2020 HIGHLIGHTS



2021 Objectives

For 2021, we will continue to build on the foundation that was laid in preceding years, furthering strengthening our sustainability strategy, as outlined on page 4, with the introduction of new, longer-term 2025 goals focused on 'Empowering the Choice for Sustainability'.

In this context, our 2021 objectives include but are not limited to:

- Completion of an update of our Carbon Footprint Assessment, roll out of a beta test of our new Sustainable Travel Policy and carbon budget, and conversion of our remaining offices to green energy contracts.
- Continued incorporation of sustainability considerations into strategic decision making processes and expansion of our sustainability team to include representation from most of our worldwide offices.
- Further investment in both machine and materials-related environmental research.
- Continuation of plans to extend ISO 14001 certification and introduce prototype recycling.
- An evolution of our non-financial reporting and a further move towards B-Corp certification.
- Completion of programs to support gender and ethnic diversity and roll out of new anti-discrimination hiring policy.
- COVID-19 permitting, resumption of charitable initiatives worldwide which are focused on sustainable solutions.



2020 Sustainability Report

Communication on Progress (COP)

For more information, please contact us at:
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