Sustainability Report 2013
The world around us, our shared concern

Bekaert’s global Corporate Social Responsibility (CSR) strategy is centered on four main pillars: our responsibility in the workplace, in the marketplace, towards the environment and towards society. Our CSR efforts and activities are therefore focused in such a way that balanced consideration is given to the interests of all respective stakeholders, i.e. employees, customers, shareholders, partners, local governments and the communities in which we are active.

Bekaert’s CSR report 2013 is based on the GRI G3 Guidelines/the GRI Sustainability Reporting Framework. Global Reporting Initiative (GRI) is a non-profit organization that promotes economic sustainability. GRI has concluded that the report fulfills the requirements of Application level C. Bekaert’s responsible performance in 2013 has been recognized by its inclusion in the Ethibel Excellence Index (ESI) Europe - a reference benchmark for top performers in terms of corporate social responsibility based on Vigeo’s research - as well as in Kempen SRI.

Our responsibility in the workplace

Learning and Development

In order to encourage the continuous development of all employees, the company’s group targets are deployed into team and personal targets for everyone. Bekaert’s performance management system enables the evaluation of teams and individuals in relation to the set targets, as well as in relation to their way of working.

Bekaert’s leadership compass serves as a guide for leadership behavior: it combines the corporate values of integrity, trust and resilience and working in a better together spirit with accountability and leading by example.

Bekaert attaches great importance to offering continuous learning and development opportunities to its employees. Such programs not only include technical and function-specific training, but also leadership modules that help our people develop and cooperate in a global business environment.

In 2013, we continued ‘the Bekaert Leadership Journey’, a worldwide management development program that was launched in 2010. We proceeded with the worldwide roll-out of the second module which focuses on ‘leading with others’ and which emphasizes true cooperation towards achieving our company objectives and common aspiration.
Employee related data

- 26,385 employees at year end 2013

<table>
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<tr>
<th>Region</th>
<th>EMEA</th>
<th>North America</th>
<th>Latin America</th>
<th>Asia Pacific</th>
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<td>19854</td>
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<tr>
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<td>7122</td>
<td>10749</td>
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<tr>
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</table>

breakdown by employment type: Headcount versus FTE broken down by region:
- EMEA headcount: 5846 EMEA FTE: 5804
- North America headcount: 1589 North America FTE: 1586
- Latin America headcount: 7790 (there are no part time employed employees in Latin America)
- Latin America FTE: 7790
- Asia Pacific headcount: 11160 Asia Pacific FTE: 11145

- Average n° of training per employee category & per gender (cfr GRI KPI LA10):
  - On average 33 hours of training

- % of employees who received a performance review (cfr GRI KPI LA12):
  - Covered in a performance management system: 100 Managers, 100 White collars, 88 Blue collars
  - With link between performance & base pay: 100 Managers, 96 White collars, 60 Blue collars
  - With link between performance & variable bonus: 100 Managers, 85 White collars, 85 Blue collars

Fatal accident
We were confronted, in July 2013, with a fatal accident in Slovakia. Bekaert’s top management and employees sincerely regret the loss of our colleague. A thorough investigation was conducted to ensure that all necessary precautions are put in place to prevent any further casualties at the workplace.

Renewed safety dynamics
Safety has always been a key priority at Bekaert. To keep safety top of mind, we implemented an update to our internal safety model, the Safety Tree. Based on a renewed safety aspiration, profound risk management, an interdependent safety culture, improved monitoring & management systems and continued best practice sharing, our improved safety model created renewed dynamics for safety. The fatal accident in 2013 shocked the Bekaert community and raised safety awareness at all of our locations around the world.
Measuring and improving safety

The Bekaert safety policy is deployed through the Safety Tree model and monitored via the Bekaert Safety Evaluation System (BEKSES). In 2013, regular BEKSES audits (based on OHSAS 18001) were carried out in a substantial number of plants. In other plants, an action plan based on the 2012 audits was implemented.

Care for health

Because we attach great importance to a healthy working environment, we continued to invest in automated handling equipment and other workplace ergonomics in 2013. We also formulated a vitality program, which will be implemented in the course of 2014.

International Health and Safety day

In September 2013, Bekaert organized its sixth International Health and Safety Day. This year’s edition focused on hand & finger safety. Safety guidelines were provided and safety audits were performed. By organizing the International Health and Safety Day each year, Bekaert’s top management and all management teams reconfirm that the safety and health of all Bekaert employees around the world is and remains one of the company’s main priorities.
*Combined numbers include the results of the Bekaert consolidated plants and those of joint-ventures and associated companies.

Repeatability Index = Number of lost time accidents (LTA) per million worked hours.

Severity Index = Number of lost days due to occupational accidents per thousand worked hours

**Safety champions**
(number of years without LTA)

<table>
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<th>N° of plants</th>
<th>&gt;=7 years</th>
<th>&gt;= 6 years</th>
<th>&gt;=4 years</th>
<th>&gt;= 3 years</th>
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<td>4</td>
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Our responsibility in the community and in our markets

better together in the communities where we are active

Bekaert strives to be a loyal and responsible partner in the communities where we are active. We make a point of interacting with local governments in a transparent, constructive way, and we are firmly committed to complying with national legislations and collective labor agreements. Bekaert adheres to the Universal Declaration of Human Rights and the treaties and recommendations of the International Labor Organization.

better together by embracing diversity

At Bekaert, we acknowledge the importance of diversity – diversity of people, products, customers, suppliers, cultures and regions. We see diversity as an opportunity. better together by embracing diversity is not only a slogan; it is our aspiration.

We practice a two-fold hiring policy. First, our customers expect service from strong local teams, so we prefer working with people who are familiar with the conditions under which local businesses operate. Second, we focus on diversity of people. We set up teams consisting of talent from different nationalities, cultures and backgrounds, encouraging them to share their knowledge, strengths, experiences and perspectives with each other.

better together with customers and suppliers

All over the world, we aim to stay close to our customers. As such, we have production facilities and sales offices in 40 countries and help our customers and domestic suppliers develop their products and processes.

Our baseline better together sums up the unique cooperation between Bekaert and its business partners. We work closely with customers and suppliers by engaging in co-development projects, conducting feedback initiatives and satisfaction surveys, and performing industry analyses.

Market place related sustainability data:

- Our hiring policy states that every new employee receives a copy of our Code of Conduct which explains our policies and procedures with regard to business ethics.
- Hiring local plant managers: 75% of plant management is hired from the local community (cfr GRI KPI EC7)
- In 2013 Bekaert won the 2013 EIPM Peter Kraljic Excellence Award for “Value creation – extended enterprise”, which is handed out by The European Institute of Purchasing Management (EIPM). This award validates Bekaert’s excellence in purchasing processes and is the result of a performance assessment based on the EFQM Excellence Model and EFQM best practices.
Our responsibility towards the environment

better together for a cleaner world is one of Bekaert’s ambitions: we continuously strive to use fewer materials, cut energy consumption and reduce waste.

Bekaert’s concern for the environment is three-fold:

First, we seek to develop new, eco-friendlier production processes for our plants worldwide. In 2013, we continued to work on the ‘New Environmental Technologies’ project. This project was launched in 2011 in order to build up knowledge and expertise in environmental technologies and thereby boost the environmental performance of plants worldwide. Practical solutions that have been developed include the installation of a new evaporator type to treat the rinsing waste water and the installation of spray dryers which use recuperated heat.

In 2013, 95% of our consolidated plants worldwide were ISO 14001 certified. Bekaert’s full worldwide certification is an ongoing goal and an element in the integration process of newly acquired entities and of companies that are added to the consolidation perimeter.

Bekaert’s concern for the environment also involves investing in product innovations that allow for process improvements at the production sites of our customers. Our new generation tire cord types, such as the ultra-tensile range, enable our customers to simplify their production processes and make them more environmentally friendly. Our Dramix® steel fibers used in the construction sector lead to less usage of steel compared to traditional concrete reinforcement products, less energy consumption and faster processing.

Lastly, Bekaert develops products that contribute to a cleaner environment. To name a few: our super and ultra-tensile steel cord for example answer the need for light-weight materials in cars. Other examples are stainless steel wedge wires used for oil and water filtration, cable-armoring solutions for green power transmission, and substitutes for solvent-based coatings.

Environment related sustainability data:

- Total water withdrawal 2013 (GRI KPI EN8): 8989 $10^3$m³
  - Total volume of water in m³ withdrawn by source type:
    - City water: 5719 $10^3$m (≈64%)
    - Ground water: 2425 $10^3$m (≈27%)
    - Canal/river water: 849 $10^3$m (≈9%)
    - Rain water collected for reuse: 0 $10^3$m³ (≈ 0%)

- Total water discharged by quality and destination (GRI KPI EN21):
  - The total volume of effluent discharged from wastewater treatment: 3127 $10^3$m³
  - The total volume of effluent discharged in cubic meters by ton end product: 1.05 m³/ton end product
  - Destination of the effluent discharged:
    - surface water (lake, sea, river): 67%
    - canal: 8%
    - sewer: 25%
  - Treatment method:
    - Physicochemical treatment: 94%
    - Biological treatment: 6%
  - Re-use by another organization:
    - No: 94%
    - yes: 6% (directly to drink water plant)

Our responsibility towards society

Education projects form the backbone of funding and other community-building activities. In addition, we support local activities and projects for social, cultural and economic development, as well as for disaster relief.
**Supporting educational and training initiatives**

We believe that education and learning are the key to a sustainable future. Accordingly, we support initiatives worldwide that focus on helping the communities we are active in through education and learning.

In China, Bekaert has built strong relationships with various schools. In 2013, Bekaert and its employees donated gifts, books and sporting goods to the Lianying Primary School (Shanghai), the Shuang Lu Primary School (Chongqing) and the Weihai Xiyuan School (Weihai) on the occasion of International Children’s Day.

![Children studying]

Our plant in Izmit (Turkey) supported a library for the Ulubatlı Hasan Primary School.

Prodac, our plant in Peru, supports the ‘Learning for growth’ program, which aims to improve primary school teachers’ performance in mathematics and communication. The program includes workshops for not only teachers, but also parents and members of the local education community. It is a cooperative effort between Prodac, Cayetano Heredia University and a project called ‘Businessmen for Education’.

In Brazil, Bekaert is a partner in the Welding City program, which aims to train ‘at-risk youth’ in welding methods so as to increase their opportunities on the job market.

**Supporting social and community initiatives**

We support community initiatives that aim to improve societal conditions in the places where we are active.

In India, Bekaert contributes to the economic development and well-being of communities where we are active. In the Thiruvalur District, for instance, a natural resource management program was set up which focuses on water and agriculture. The health camp initiatives that were launched in 2012 to address the health care needs of the local people continue to be organized.

In Brazil, Bekaert continues to support long-term initiatives like Citizens of Tomorrow, a program through which employees and their families collect funds to help children and teenagers with social and educational needs. Also in Brazil, Bekaert supports various health initiatives that are geared towards detecting and treating sight and hearing problems.
The Akron (Ohio, US) office supported the United Way’s annual “Day of Action” by voluntarily providing local non-profit health and human services in the local community.

What would you like to know about Bekaert?

www.bekaert.com

Other CSR-related reporting is available in the Shareholders’ Guide 2013, available on bekaert.com (investor’s datacenter) and in the Group’s Annual Report 2013, also available on bekaert.com.
Statement
GRI Application Level Check

GRI hereby states that BeKaert has presented its report "BeKaert Group-wide CSR report 2013" to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 9 May 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organisation that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audiovisual material, this statement only concerns material submitted to GRI at the time of the Check on 17 April 2014. GRI explicitly excludes the statement being applied to any later changes to such material.