The world around us, our shared concern

Bekaert’s global Corporate Social Responsibility (CSR) strategy is centered on four main pillars, namely 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 our respective stakeholders, i.e. employees, customers, shareholders, partners, local governments and the communities in which we are active.

Bekaert’s CSR report 2012 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 fulfils the requirements of Application level C. Other CSR related certificates valid for the reporting year 2012 regard Vigeo, Ethibel Excellence Index and Kempen SRI.

Our responsibility in the workplace

Our people

In response to rapid and structural changes in the global solar energy market, to growing uncertainty in other markets, and to longer term overall instability, Bekaert implemented a major realignment program in 2012. The company has done the maximum possible to mitigate the social impact for the affected employees by offering a fair severance plan and by offering guidance toward re-employment. Excluding the population entitled to an early retirement settlement, more than 80% of the people in Belgium were re-employed by year-end 2012. In China too, most people have entered into a new job very fast.

Seizing opportunities of change

Apart from the initiatives and solutions to ease the social consequences for the affected employees, Bekaert also attached great importance to guiding its teams through these turbulent times. Interactive sessions with managers across the globe were set up to understand and listen to employees’ concerns, hopes and expectations and to answer their questions. Special efforts were also made to provide adequate coaching tools to the managers at those sites experiencing major changes.

We continued ‘the Bekaert Leadership Journey’, a worldwide management development program that was launched in 2010. In 2012, we introduced the second module which focuses on ‘leading with others’ and emphasizes truly working together in order to achieve our company objectives and our common aspiration.
Employee related data

- 27,198 employees at year end 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>TOTAL</th>
<th>EMEA</th>
<th>North America</th>
<th>Latin America</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue collars</td>
<td>20,246</td>
<td>4,107</td>
<td>1,222</td>
<td>5,803</td>
<td>9,114</td>
</tr>
<tr>
<td>Male</td>
<td>19,376</td>
<td>3,706</td>
<td>1,160</td>
<td>5,691</td>
<td>8,819</td>
</tr>
<tr>
<td>Female</td>
<td>870</td>
<td>401</td>
<td>62</td>
<td>112</td>
<td>295</td>
</tr>
<tr>
<td>White collars</td>
<td>4,986</td>
<td>1,294</td>
<td>279</td>
<td>1,685</td>
<td>2,088</td>
</tr>
<tr>
<td>Male</td>
<td>3,372</td>
<td>850</td>
<td>177</td>
<td>1,214</td>
<td>1,491</td>
</tr>
<tr>
<td>Female</td>
<td>1,614</td>
<td>444</td>
<td>102</td>
<td>471</td>
<td>597</td>
</tr>
<tr>
<td>Management</td>
<td>1,606</td>
<td>638</td>
<td>177</td>
<td>243</td>
<td>548</td>
</tr>
<tr>
<td>Male</td>
<td>1,361</td>
<td>556</td>
<td>149</td>
<td>217</td>
<td>439</td>
</tr>
<tr>
<td>Female</td>
<td>245</td>
<td>82</td>
<td>28</td>
<td>26</td>
<td>109</td>
</tr>
<tr>
<td>TOTAL Male</td>
<td>24,469</td>
<td>5,112</td>
<td>1,486</td>
<td>7,122</td>
<td>10,749</td>
</tr>
<tr>
<td>TOTAL Female</td>
<td>2,729</td>
<td>927</td>
<td>192</td>
<td>609</td>
<td>1,001</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>27,198</td>
<td>6,039</td>
<td>1,678</td>
<td>7,731</td>
<td>11,750</td>
</tr>
</tbody>
</table>

- Average n° of training per employee category & per gender (cfr GRI KPI LA10):
  - On average 26 hours of training
- % of employees who received a performance review (cfr GRI KPI LA12):

<table>
<thead>
<tr>
<th>% of population</th>
<th>Managers</th>
<th>White collars</th>
<th>Blue collars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered in a performance management system</td>
<td>100</td>
<td>100</td>
<td>88</td>
</tr>
<tr>
<td>With link between performance &amp; base pay</td>
<td>100</td>
<td>96</td>
<td>60</td>
</tr>
<tr>
<td>With link between performance &amp; variable bonus</td>
<td>100</td>
<td>85</td>
<td>85</td>
</tr>
</tbody>
</table>
**Safety first**

Because our people are our most important asset, safety comes first, always. Providing a safe working environment for all employees is key to us.

*The right safety attitude*

Investigations show that the majority of workplace accidents are caused by human factors rather than by machine related hazards. A good attitude towards safety is the best way to avoid accidents. The right behavior starts with acting proactively and implementing the right mindset. Based on experiences within our plants in Brazil and Ecuador, we introduced an assessment system that aims for improved safety awareness and provides a behavioral risk profile that is used to define specific training programs.

*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 2012 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 2011 audits was implemented.

*International Health and Safety day*

In September 2012 Bekaert organized its fifth International Health and Safety Day. This year’s edition focused on electrical safety. Safety guidelines and checklists were provided and most of the plants performed safety audits. Dedicated training programs have been introduced, to keep electrical safety always in mind. By organizing the International Health and Safety Day on a yearly basis, Bekaert’s top management and all management teams reconfirm that the safety and health of all Bekaert employees worldwide is and remains one of the main priorities.
Safety related data: GRI KPI LA7

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

*Combined numbers include the results of the Bekaert consolidated plants and those of joint-ventures and associated companies.
Severity Index = Number of lost days due to occupational accidents per thousand worked hours

In 2012 both the repeatability and severity index increased compared to 2011. This was a result of footprint changes (divestment of plants with very good safety results & acquisition/consolidation of entities where safety performance is subject to improvement as part of their integration process within the Bekaert Group.)

**Safety champions in consolidated plants**

<table>
<thead>
<tr>
<th>(number of years without LTA)</th>
<th>&gt;=9 years</th>
<th>&gt;= 6 years</th>
<th>&gt;=5 years</th>
<th>&gt;= 3 years</th>
<th>&gt;= 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>N° of plants</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>10</td>
</tr>
</tbody>
</table>

Bekaert Hlohovec AS, Slovakia: 9 years without LTA

*Combined numbers include the results of the Bekaert consolidated plants and those of joint-ventures and associated companies.*
Bekaert Engineering (Ingelmunster, Belgium) celebrated 1000 workdays (3 years) without LTA.

We also celebrated safety champions in two of our Brazilian joint-venture plants
  • BMB-Belgo Mineira Bekaert Artefatos de Arame (Itaúna, Brazil): 12 years without LTA
  • Belgo Bekaert Arames (Contagem, Brazil): 6 years without LTA
Our responsibility in the community and in our markets

**better together in the communities where we are active**

Bekaert strives to be a loyal, responsible partner within the communities where we operate. 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, of products, of 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.

Our hiring policy is two-fold: firstly, 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.

Secondly, 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, it is our approach to stay close to our customers: we have production facilities and sales offices in 40 countries. We buy raw materials as much as possible from domestic suppliers and help them develop their products and processes too. By doing so, we avoid long and unnecessary transports.

We never ignore the demands of tomorrow in the development of new products today. This includes, among other things, the use of materials with improved properties and environmentally friendly processing.

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. In 2012, Bekaert celebrated 60 years of cooperation with tire manufacturers. Several initiatives, such as a Customer Day, were organized giving us the opportunity to thank our customers for their trust, to demonstrate our commitment to them and to discuss current and future needs.

At Bekaert we deal openly and honestly with all business partners. We comply with generally accepted business standards, laws and regulations, and we conduct our operations in accordance with the principles of fair competition.
**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.

- Bekaert won the 2012 EIPM Peter Kraljic Excellence Award for "Supplier Relationship Management", granted by The European Institute of Purchasing Management (EIPM). This award validates Bekaert's excellence in purchasing processes and relationship management and is the result of a performance assessment based on the EFQM Excellence Model and EFQM best practices.

- Bekaert was granted the Preferred Supplier award by Schneider Electric for its consistent high performance in quality of supplies, service level, productivity, competitiveness, innovation, sustainable development and responsiveness. Bekaert has been a long-time business partner of Schneider Electric in developing and supplying Dramix® Green steel fibers for precast electrical cabins.

- Hiring local plant managers: 75% of plant management is hired from the local community (cfr GRI KPI EC7)
Our responsibility towards the environment

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

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

On the one hand, we develop new, eco-friendlier production processes for our plants worldwide. In 2012, we executed audits in no less than 90% of our plants to check the implementation of our internal procedures for avoiding the pollution of soil and groundwater. Action plans were defined to take proactive measures and keep awareness for the environment top of mind. We continued to work on the ‘New Environmental Technologies’ project that was launched in 2011 in order to build up knowledge and expertise in environmental technologies and thereby boost the environmental performance of plants worldwide. Some examples include the increased recuperation of chemicals through improvement of the scrubbers, the treatment of waste lubricants, and improvement projects toward attaining zero disposal of copper and zinc. In 2012, 90% of our consolidated plants worldwide were ISO 14001 certified. Bekaert’s full worldwide certification remains an ongoing goal and an element in the integration process of newly acquired entities and of the companies that have been added to the consolidation perimeter.

Secondly, Bekaert invests in product innovations that allow for process improvements at the production sites of our customers. Special wire coatings, for example, can eliminate certain process steps for our customers and hence improve environmental impact as well as the production cost.

Thirdly, Bekaert also develops products that contribute to a cleaner environment. To name a few, we manufacture super and ultra-tensile steel cord that answers the need for light-weight materials in cars, 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 2012 (GRI KPI EN8): $8943 \times 10^3 \text{m}^3$
  - Total volume of water in m$^3$ withdrawn by source type:
    - City water: $5113 \times 10^3 \text{m}^3$ (~57%)
    - Ground water: $2357 \times 10^3 \text{m}^3$ (~26%)
    - Canal/river water: $646 \times 10^3 \text{m}^3$ (~7%)
    - Rain water collected for reuse: $0 \times 10^3 \text{m}^3$ (~<0%)
- Total water discharged by quality and destination (GRI KPI EN21):
  - The total volume of effluent discharged from wastewater treatment: $3262 \times 10^3 \text{m}^3$
  - The total volume of effluent discharged in cubic meters by ton end product: $1.053 \text{m}^3/\text{ton end product}$
Our responsibility towards society

Educational projects form the backbone of funding and other community-building activities. Additionally we support local activities and projects for social, cultural and economic developments as well as for disaster relief.

*Supporting educational and training initiatives*
We believe that education and learning form the key to a sustainable future. Therefore, we support worldwide initiatives that focus on helping, through education and learning, the communities we are active in.

In China, Bekaert has built strong relationships with various institutes such as the Weihai Welfare Home for Children. In 2012 Bekaert set up a program to donate medical and rehabilitation equipment to the Rehabilitation Center for Children with Cerebral Palsy. The center is the first community-based rehab facility in Shandong Province, providing free rehabilitative care and special education to all children with cerebral palsy in Weihai city.

On the occasion of the International Children’s Day in June, our plant in Lipetsk (Russia) supported the orphans who live in foster families in the Gryazi District. Bekaert carefully selected and funded gifts for each child, taking in consideration their individual needs for education.

Prodac, our plant in Peru, received recognition from Fundades, a local organization that collects and sells waste paper for recycling purposes. The funds generated are used for annual scholarships.

*Supporting social and community initiatives*
We support community initiatives that aim at improving societal conditions where we are active.

In India Bekaert contributes to the economic development and well-being of communities where we are active. For instance, in the Thiruvallur District, health camps were organized in several villages to address the health care needs of the people and assist them through a long term plan.
In Brazil, Bekaert continues to support long-term initiatives like Pro-volunteer, a program through which employees volunteer for the training, orientation and promotion campaigns of local charity institutions with a special focus on initiatives that help children with social and educational needs.

The team in our plant in Rogers (US) annually supports the United Way program in collecting funds to support local community initiatives such as daycare for disabled people, youth activities or health services.

What would you like to know about Bekaert?

www.bekaert.com

More detailed financial figures are available in the Shareholders’ Guide 2012, available on bekaert.com (investor’s datacenter)
Statement
GRI Application Level Check

GRI hereby states that Bekasit has presented its report “Bekasit Sustainability Report 2012” 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 this 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, 15 March 2013

Nelmara Arimex
Deputy Chief Executive
Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization 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 organizations 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 audio visual materials, this statement only concerns material submitted to GRI at the time of the Check on 8 March 2013. GRI explicitly excludes the statement being applied to any later changes to such material.