

@ BEKAERT

better together

SUSTAINABILITY

REPORT 2015



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## The world around us our shared concern

Consistent with our better together aspiration, we relentlessly pursue to be the preferred supplier for our steel wire products and solutions, by continuously delivering superior value to our customers around the world. As a corporate socially responsible company, we believe that the best way to achieve sustainable success is by acting in the long-term interests of our customers, our shareholder, our employees, and society.

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, including employees, customers, shareholders, partners, local governments and the communities in which we are active. **(G4-24, G4-25)**



## Message of the CEO and the Chairman

Dear Reader,

At Bekaert, we recognize that our commitment to consistently driving value creation for our stakeholders has to take into account the broader economic, environmental and social impacts of our operations. We therefore consider the interests of customers, suppliers, employees, shareholders, communities and other stakeholders in all aspects of our operations.

2015 was a year of strong growth for Bekaert. We achieved 14% sales growth, reaching € 3.7 billion in consolidated revenue. If you want to learn more about our financial and operational performance, we invite you to read our 2015 Annual Report and our 2015 Shareholders Guide, both available on our website. We grew our leading position in tire markets thanks to the integration of Pirelli's steel cord activities, Bekaert's largest acquisition in history. We also grew our position in mining markets by acquiring and integrating a ropes plant in Australia; and our largest deal is yet to come, with the announced merger of the ropes and advanced cords activities of Bekaert and Bridon.

In doing this we take into account our responsibility in the workplace, in the marketplace, towards the environment and towards society.

We co-operate with customers and suppliers, we interact with local governments in a transparent and constructive way and strive to be a loyal and responsible partner in the communities where we are active.

Internally, we see our global transformational programs gain impact as they increase in speed and scope across the organization.

### Matthew Taylor - CEO



The Bekaert manufacturing excellence program, for instance, is aimed at increasing competitiveness by optimizing the company's safety, quality, delivery performance and productivity. We see clear benefits from this program which we began at the end of 2014 and are rolling out in all our manufacturing sites worldwide, over a period of four years. We also recently launched a customer excellence program to drive growth and margin performance. By understanding and responding better to our customers' needs and creating more value for them, we will both benefit from this program in the current and coming years.

By encouraging continuous development for our employees and by implementing a group-wide safety program to enhance the safety behavior and results, we take up our role as a responsible employer.

We develop products and processes that contribute to a cleaner environment and focus on risk prevention and management in all key processes.

We recognize that we also have a responsibility towards society. Our funding and other community-building activities are focused on education projects. In addition, we support local activities and projects for social, cultural and economic development.

In this report, you will find examples of how we are acting as a socially responsible company.

We want to thank our customers, partners and shareholders for their continued trust. And we want to thank our employees for their commitment and drive to take on the challenges to realize our goals.

### Bert De Graeve - Chairman of the Board



# Bekaert at a glance

## Who we are

Bekaert is a world market and technology leader in steel wire transformation and coating technologies. We pursue to be the preferred supplier for our steel wire products and solutions by continuously delivering superior value to our customers worldwide. Bekaert (Euronext Brussels: BEKB) was established in 1880 and is a global company with almost 30 000 employees worldwide, headquarters in Belgium and € 4.4 billion in annual revenue.



Steel wire ... We transform it, apply cutting-edge coating technologies, and specialize in continuously improving any properties of steel wire products. Explore the World of Bekaert...

## What we do

Bekaert employs unique metal treatment technologies to deliver a quality portfolio of drawn steel wire products and coating solutions on a global scale. We purchase more than 3 million tons of wire rod per year as our basic material.

Depending on our customers' requirements, we draw wire in different diameters and strengths, even as thin as ultrafine fibers of one micron. We group the wires into cords, ropes and strands, weave or knit them into fabric or process them into an end product. Our products reduce friction, improve corrosion resistance, or enhance adhesion with other materials. **(G4-8)**

## How we work

*better together* sums up the unique cooperation between Bekaert and its business partners. We create value for our customers by co-creating and delivering a quality portfolio of steel wire solutions and by offering customized services in all continents. We believe in lasting relationships with our customers, suppliers and other stakeholders and are committed to delivering long-term value to all of them.

We are convinced that the resilience, trust and integrity that bring our employees worldwide together as one team, form the fundamentals of sustainable and successful partnerships, wherever we do business.

## Our strategy

Our strategy is aimed at consistently driving value creation for our shareholders by cost effectively creating superior value for customers.

Our vision and core strategies form the foundation of a transformation of our business towards higher level performance. They have been the basis of the company's priorities and actions in 2015 and will continue to drive our focus in the coming years.

## Our vision

Consistent with our *better together* aspiration, we relentlessly pursue to be the preferred supplier for our steel wire products and solutions, by continuously delivering superior value to our customers around the world.

With this Vision statement, Bekaert has explicitly determined its 'field of play': it describes what we want to be, where we want to compete and invest in, and how we want to differentiate ourselves.

## Goal statement

Success is that we are:

A One Bekaert team with the passion to win by delivering the best value adding solutions for our customers in the most cost effective way, and through that, create value for our business.

## Our core strategies

Five core strategies form the basis of Bekaert's priorities and decision making process towards driving value and growth. These strategies put the company's vision into practice and reflect the direction and priorities:

1. bring the customer into the heart of our business;
2. drive growth by providing superior customer value;
3. accelerate Bekaert's technology leadership and speed-to-market in target products and processes;
4. leverage our scale to greater effect, and reduce our complexity to facilitate this;
5. deliver the value proposition we want to offer the customer, at the lowest total cost.

## About this report

### Reporting scope

This report covers the CSR KPI for all subsidiaries of the Bekaert Group. The scope has not been changed since the first report. **(G4-22, G4-23)**

### Reporting period

This report covers the activities between 1 January 2015 and 31 December 2015, unless stated differently and if relevant for the report. Bekaert reports annually on its sustainability performance. **(G4-28)** Bekaert published its first Sustainability report, conducted according to the C-level of the GRI G3 guidelines, in 2011 (data 2010). The second report was published in 2012 (data 2011). Initially we intended to start reporting biennially from 2012 onwards (2011-2012). However, due to significant structural changes in 2012 it was impossible to report comparable data. Therefore, Bekaert has chosen to continue to report annually. **(G4-22, G4-30)**

### Process for defining reporting content

The content of this report has been defined considering the most significant indicators of our activity, the impact of and commitment to the company's interest groups, the effort in sustainability and the level of detail established by model G4 of the Global Reporting Initiative (GRI) guidelines.

We have taken into account the present and future contribution of the activities in the improvement or the deterioration of social, environmental and economic conditions.

We have included the activities between 1 January 2015 and 31 December 2015, and we do so under the principles of transparency, objectivity and veracity.

This report covers the activities carried out by Bekaert worldwide, and has no limitations of scope or coverage.

For Bekaert, its stakeholders are all physical, legal or collective persons that are influenced directly or indirectly by the activities of the company. Identified stakeholders that Bekaert expects to consult the report: shareholders, employees, customers, suppliers and partners.

Our interest groups are the Bekaert employees, suppliers, customers, shareholders, partners, local governments and the communities in which we are active. **(G4-18)**

### Reporting principle

Bekaert's Sustainability Report 2015 was conducted according to the GRI G4 Guidelines of the GRI Sustainability Reporting Framework, in accordance "core option". Global Reporting Initiative (GRI) is a non-profit organization that promotes economic sustainability. Bekaert's responsible performance in 2015 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.

In 2015, Bekaert was awarded a silver recognition level from EcoVadis, an independent sustainability rating agency whose methodology is built on international CSR standards. This good result places Bekaert among the top 30% of performers evaluated by EcoVadis.

Bekaert has numerous corporate memberships at an organizational level, including (G4-16):

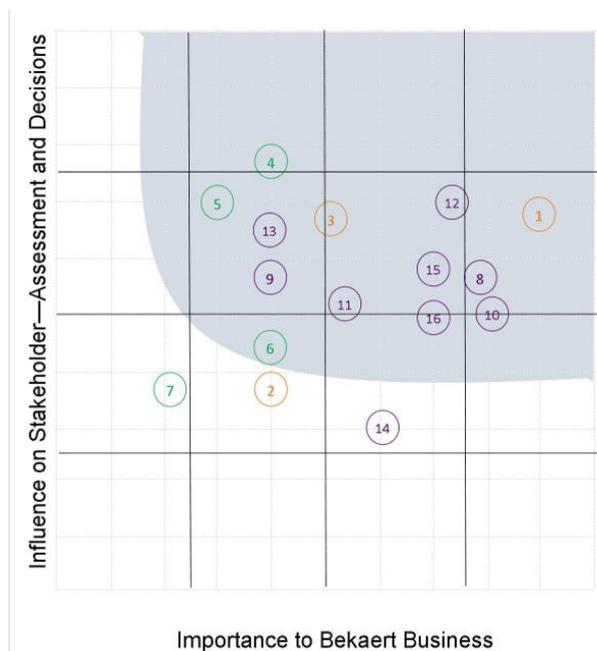
- Agoria
- Belgian Indonesian Chamber of Commerce vzw
- Chambre de commerce Belgo-Luxembourgeoise pour la Russie et le Belarus asbl - Belgisch-Luxemburgse kamer van Koophandel voor Rusland en Wit-Rusland v.z.w
- GUBERNA
- The Conference Board
- VKW West-Vlaanderen
- Vlaams-Chinese Kamer van Koophandel (VCKK)
- VOKA - Vlaams netwerk van ondernemingen

### Materiality assessment (G4-19, G4-20, G4-21)

To determine whether an aspect is material, a combination of internal and external factors has been used. In the matrix below, the materiality of aspects have been ranked according to the following criteria:

1. Influence on stakeholder decisions:
  1. Frequency of reporting requests by individual aspect
  2. Rigor/stringency of stakeholder criteria by aspect
2. Importance to Bekaert business:
  1. Efforts spent to improve performance and/or reporting scope
  2. Frequency and weight attached to the aspect in Bekaert reporting and communication

In the matrix below, the shadow area visualizes the material aspects included in this report.



#### Material aspects (per category):

##### Category Economic:

- 1: Economic performance of the company
- 2: Promotion of social & economic development in the community
- 3: Upstream sustainable supply chain

##### Category Environmental:

- 4: Energy & emissions
- 5: Water
- 6: Effluents & waste
- 7: CO2 from transport

##### Category Social:

- 8: Health & safety
- 9: Learning & development
- 10: Child, forced & compulsory labor
- 11: Freedom of association/collective bargaining
- 12: Anti-corruption (ethics)
- 13: Diversity & equal opportunity
- 14: Product & service responsibility
- 15: Human rights
- 16: Performance assessments

## General disclosure on management approach (G4-DMA)

### Sustainability 2020

Bekaert is developing a Sustainability 2020 program to determine priorities for the longer run. This program is GRI based and will include ambitions and objectives throughout the organization.

### Board of Directors (G4-34)

The main tasks of the Board of Directors are to determine the company's general policy, approve the strategy and supervise the activities. The Board of Directors is the company's supreme decision-making body in all matters, other than those in respect of which decision-making powers are reserved to the General Meeting of Shareholders by law or the articles of association.

The Board of Directors has established three advisory Committees; Audit and Finance Committee, Nomination and Remuneration Committee, and Strategic Committee.

### Bekaert Group Executive (G4-34)

The Bekaert Group Executive assumes the operational responsibility for the company's activities and acts under the supervision of the Board of Directors.

### Enterprise Risk Management

Bekaert's ERM responsibilities include among others, the following potential risks:

- overall pressure on profitability (e.g. general overcapacity in a weak economic environment);
- political/economic/social instability in emerging countries (e.g. Venezuela, Russia);
- globalizing competition;
- asset and profit concentration (e.g. in one city);
- intellectual property risk (overall and permanent risk);
- non-compliance risk with local regulations and with the Bekaert standards;
- wire rod price volatility and source dependency;
- evolution of environmental regulations;
- creditworthiness of customers; and
- the risk of failure of the banking system in specific countries.

## Correspondence (G4-7, G4-31)

NV Bekaert SA - Katelijn Bohez, Corporate Communications and Investor Relations Manager  
 President Kennedypark 18 BE-8500 Kortrijk, Belgium  
 - E-mail: [katelijn.bohez@bekaert.com](mailto:katelijn.bohez@bekaert.com)

T: + 32 56 23 05 11 - Information on Bekaert and on its 2015 economic performance is available in the 2015 Annual Report (G4-17).

## GRI G4 Content Index

'In accordance – Core option' (G4-32)



Content Index  
Bekaert



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### General Standard Disclosures

General Standard Disclosures	Page	Brief Description
<b>Strategy &amp; Analysis</b>		
G4-1	Pg 2	Statement from the most senior decision-maker of the organization
<b>Organizational Profile</b>		
G4-3	Pg 1	Name of Organization
G4-4	Pg 3	Primary brands, products and services
G4-5	Pg 3	Location of organization's headquarters
G4-6	Pg 3	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report
G4-7	Pg 5	Nature of ownership and legal form
G4-8	Pg 3	Markets served
G4-9	Pg 3	Scale of organization
G4-10	Pg 7	Number of employees
G4-11	Pg 8	Percentage of total employees covered by collective bargaining agreements
G4-12	Pg 12	Organization's supply chain

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G4-13	Pg 12	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain
G4-14	Pg 14	Report whether and how the precautionary approach or principle is addressed by the organization
G4-15	Pg 7	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses
G4-16	Pg 4	Memberships of associations national or international advocacy organizations in which the organization is involved

### Identified Material Aspects & Boundaries

G4-17	Pg 5	Entities included in the organization's consolidated financial statements or equivalent documents
G4-18	Pg 4	Process for defining the report content and the Aspect Boundaries
G4-19	Pg 5	Material Aspects identified in the process for defining report content
G4-20	Pg 4	Aspect Boundary within the organization
G4-21	Pg 4	Aspect Boundary outside the organization
G4-22	Pg 4	Effect of any restatements of information provided in previous reports, and the reasons for such restatements
G4-23	Pg 4	Significant changes from previous reporting periods in the Scope and Aspect Boundaries

### Stakeholder Engagement

G4-24	Pg 1	List of stakeholder groups engaged by the organization
G4-25	Pg 1	Basis for identification and selection of stakeholders with whom to engage
G4-26	Pg 8	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process
G4-27	Pg 8	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns

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## Report Profile

G4-28	Pg 4	Reporting period
G4-29	Sustainability report 2014	Date of most recent previous report
G4-30	Pg 4	Reporting cycle
G4-31	Pg 5	Contact point for questions regarding the report
G4-32	GRI Content Index	Report the 'in accordance' option the organization has chosen
G4-33	No external assurance	External assurance

## Governance

G4-34	Pg 5	Governance structure of the organization
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## Ethics & Integrity

G4-56	Pg 3 & pg 7	Organization's values, principles, standards and norms of behavior
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## Specific Standard Disclosures

Specific Standard Disclosures	Page	Omission	Brief Description
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### Category: Economic

#### Material Aspect: Economic Performance

G4-DMA	Pg 5		
G4-EC1	<a href="http://annualreport.bekaert.com/en/financial-review">annualreport.bekaert.com/en/financial-review</a> §5.2. , §5.3.& § 5.5. § 6,12		Direct economic value generated and distributed
G4-EC3	<a href="http://annualreport.bekaert.com/en/financial-review">annualreport.bekaert.com/en/financial-review</a> §6.15		Coverage of the organization's defined benefit plan obligations

#### Material Aspect: Procurement Practices

G4-DMA	Pg 5		
G4-EC9	Pg 13		Proportion of spending on local suppliers at

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significant locations of operation

**Category: Environmental**

**Material Aspect: Energy**

G4-DMA

Pg 5

G4-EN3

Pg 15

Part omitted: energy consumption of 10% of the plants

Energy consumption within the organization

Reason for omission: Energy data is monitored in a central database, in which 90% of the invoices worldwide is covered. We have the intention to further broaden the scope of invoices in the upcoming years.

Explanation: The information is currently unavailable.

G4-EN5

Pg 15

Part omitted: energy consumption of 10% of the plants

Energy intensity

Reason for omission: Energy data is monitored in a central database, in which 90% of the invoices worldwide is covered. We have the intention to further broaden the scope of invoices in the upcoming years.

Explanation: The information is currently unavailable.

G4-EN6

Pg 15

Reduction of energy consumption

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**Material Aspect: Water**

G4-DMA	Pg 5	
G4-EN8	Pg 15	Total water withdrawal by source

**Material Aspect: Emissions**

G4-DMA	Pg 5	
G4-EN16	Pg 15	Direct greenhouse gas (GHG) emissions (Scope 1)
G4-EN18	Pg 15	Greenhouse gas (GHG) emissions intensity

**Material Aspect: Effluents & Waste**

G4-DMA	Pg 5	
G4-EN22	Pg 15	Total water discharge by quality and destination

**Material Aspect: Supplier Environmental Assessment**

G4-DMA	Pg 5	
G4-EN32	Pg 13	Percentage of new suppliers that were screened using environmental criteria

**Category Social****Subcategory: Labor Practices and Decent Work****Material Aspect: Employment**

G4-DMA	Pg 5	
G4-LA2	Pg 8	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

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**Material Aspect: Occupational Health & Safety**

G4-DMA	Pg 5	
G4-LA5	Pg 11	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
G4-LA6	Pg 10 & 11	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
G4-LA8	Pg 8	Health and safety topics covered in formal agreements with trade unions

**Material Aspect: Training & Education**

G4-DMA	Pg 5	
G4-LA9	Pg 8 & 9	Average hours of training per year per employee by gender, and by employee category
G4-LA11	Pg 8	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

**Material Aspect: Supplier Assessment for Labor Practices**

G4-DMA	Pg 5	
G4-LA14	Pg 13	Percentage of new suppliers that were screened using labor practices criteria

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## Subcategory: Human Rights

### Material Aspect: Freedom of Association and Collective Bargaining

G4-DMA Pg 5

G4-HR4 Pg 13

Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

### Material Aspect: Child Labor

G4-DMA Pg 5

G4-HR5 Pg 7 & 13

Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

### Material Aspect: Forced or Compulsory Labor

G4-DMA Pg 5

G4-HR6 Pg 7 & 13

Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

### Material Aspect: Supplier Human Rights Assessments

G4-DMA Pg 5

G4-HR10 13

Percentage of new suppliers that were screened using human

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**Subcategory: Society**

**Material Aspect: Anti-corruption**

G4-DMA	Pg 5	
G4-SO4	Pg 13	Communication and training on anti-corruption policies and procedures

**Subcategory: Product Responsibility**

**Material Aspect: Customer Privacy**

G4-DMA	Pg 5	
G4-PR8	Pg 12	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

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## Our workplace



## Our employees

Our employees are our most important asset. They create the dynamics that characterize our international corporate culture.

### Employee related data

At year-end 2015 Bekaert had 27 149 employees on the payroll **(G4-10)**

	Region				TOTAL
	EMEA	North America	Latin America	Asia Pacific	
<b>Blue collars</b>	5 297	1 169	5 704	8 268	20 438
Male	4 705	1 122	5 573	7 948	19 348
Female	592	47	131	320	1 090
<b>White collars</b>	1 391	247	1 858	1 669	5 165
Male	933	163	1 322	1 199	3 617
Female	458	84	536	470	1 548
<b>Management</b>	616	152	269	509	1 546
Male	529	130	231	396	1 286
Female	87	22	38	113	260
<b>TOTAL Male</b>	<b>6 167</b>	<b>1 415</b>	<b>7 126</b>	<b>9 543</b>	<b>24 251</b>
<b>TOTAL female</b>	<b>1 137</b>	<b>153</b>	<b>705</b>	<b>903</b>	<b>2 898</b>
<b>GRAND TOTAL</b>	<b>7 304</b>	<b>1 568</b>	<b>7 831</b>	<b>10 446</b>	<b>27 149</b>

### Breakdown by employment type

Headcount versus FTE broken down by region

Region	Headcount	FTE
EMEA	7 304	7 242
North America	1 568	1 541
Latin America	7 831	7 831
Asia Pacific	10 446	10 427

Breakdown by contract type (permanent/temporary): in most cases employees with a temporary contract are not on our payroll, but are on the payroll of external organizations (Special Economic Zones, Employment agencies)

### Attracting and retaining talent

We support the United Nations Universal Declaration of Human Rights and the conventions and the recommendations of its International Labor Organization. **(G4-15)**

We are committed to provide equal opportunity in employment and to respect the rights and dignity of each employee. We recognize and appreciate the cultural identity in the countries in which we operate and do business. We promote equal opportunity and do not discriminate against any employee or applicant for employment on the basis of age, race, nationality, social or ethnic descent, gender, physical disability, sexual preference, religion, political preference, or union membership.

The recruitment, remuneration, application of employment conditions, training, promotion and career development of our employees are based on professional qualifications only.

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. All new managers are required to sign a compliance statement. **(G4-56)**

Our Code of Conduct covers key areas regarding human rights, child labor and forced labor **(G4-HR5, G4-HR6)**.

- Management: 100% of managers received the Bekaert Code of Conduct and are trained through specific management training programs. Annual renewal of acceptance of the Code of Conduct and training will be implemented in 2016 and will be monitored in the central "My Learning Tool" on the Bekaert Intranet.
- White & blue collars: 100% of employees received Code of Conduct, Code of Conduct integrated in labor contract.

All policies are available to all employees through the Bekaert Intranet.

We offer competitive salaries and benefits designed to enhance the financial, physical and well-being of our employees and their families. While our offerings differ from country to country and are often integrated with local social security, we provide a wide range of employee benefits that may include retirement benefits, healthcare plans, service awards, labor accident disability coverage and paid leave. For more detailed information on employee benefits we refer to [section 6.15 of the annual report](#)

## Benefits

Benefits provided to full-time and part-time employees that are not provided to temporary employees (as "interim workers"), by significant locations of operation (> 1000 employees) (G4 LA2).

	Belgium	China	Slovakia	US
Life insurance	yes	yes	yes	yes
Health care	yes	yes	no	yes
Disability and invalidity coverage	yes	yes	yes	yes
Parental leave	yes	yes	yes	yes
Retirement provision	yes	no	yes	yes
Stock ownership	no	no	no	no

## Communicating with our people (G4-26-G4-27)

We recognize the right of any employee to join or to refrain from joining a trade union. 82% of our employees worldwide are covered by collective bargaining agreements. (G4-11, G4-HR4)

All agreements with trade unions are at a local level and include the following (G4-LA8):

- Personal protective equipment
- Joint management-employee health and safety committees
- Participation of worker representatives in health and safety
- Inspections, audits, and accident investigations
- Training and education
- Complaints mechanism
- Right to refuse unsafe work
- Periodic inspections

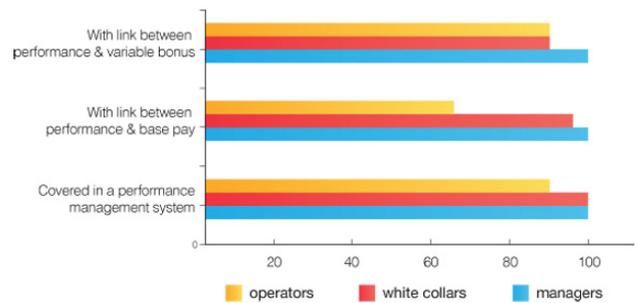
We encourage communication with our employees and their representatives.

- Direct information meetings are held in all plants worldwide, regular information meetings are scheduled with Unions in all unionized plants worldwide.
- Annually, we hold 4 interactive teleconferences/webcasts with all managers worldwide.
- We organize 1 International Management Conference worldwide per year.
- In 2015 we launched a new intranet that aims at stimulating information sharing, conversation and engagement.

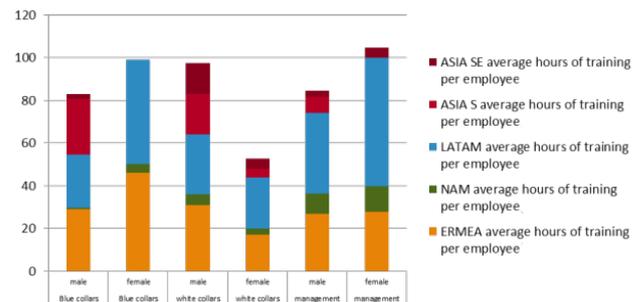
## Learning and development

In order to drive high performance and a continuous development of all employees, the company's group targets are deployed into team and personal targets for everyone. All employees received a performance review. Bekaert's performance management system enables the evaluation of teams and individuals as they relate to the set targets, as well as their way of working. In 2015 we started a program to innovate our performance management approach to further stimulate frequent performance and coaching dialogues and to increase the level of empowerment. This will further be implemented in the organization in the years to come. Bekaert attaches great importance to provide challenging career and personal development opportunities to its employees. Training 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.

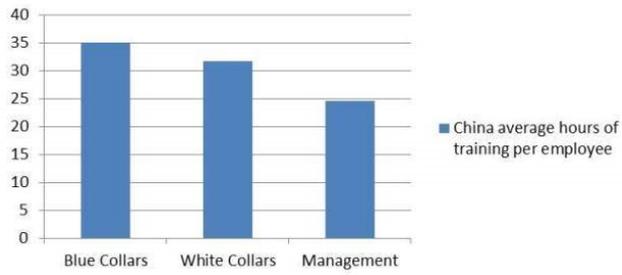
### Percentage of employees who received a performance review (G4-LA11):



### Average hour of training per employee category & per gender (G4-LA9): On average 27 hours of training



The above data are excluding China, as the information by gender was not available. However, this will be monitored as of 2016.



## Sustainable support tools

In 2014 Bekaert launched an internal Learning & Development portal and continued the implementation in 2015. In a first phase, the web based tool was rolled out for all managers worldwide. It provides an overview of all available trainings, both traditional classroom courses and e-learning modules. The portal also serves as a monitoring tool since it keeps track of each manager's training history.

# Health and safety

## 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 2015, BEKSES audits (based on OHSAS 18001) were carried out on a global scale and action plans were defined. In newly acquired plants and plants recently added to the consolidation perimeter, special efforts were made to align local safety management and practices with the worldwide Bekaert approach.

To increase safety awareness even further, Bekaert included all recordable incidents (versus lost-time accidents) in its 2015 internal safety reports.

Because we attach great importance to a healthy working environment, we continued to invest in automated handling equipment and other workplace ergonomics in 2015.

## International health and safety week

Bekaert has a long tradition of organizing an annual Health & Safety event worldwide. The central theme for this year's edition was "Everyone committed to health & safety". Bekaert plants worldwide were encouraged to share their best practices and learn from each other.

In our plant in Slatina (Romania), various initiatives were organized with the aim to stimulate our team and their families to more often use healthy alternatives for transport.



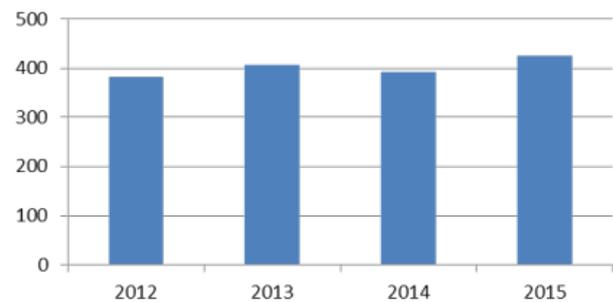
Over the course of the year, our plants worldwide have organized various local vitality initiatives such as healthy food campaigns, sports activities and mental health projects.

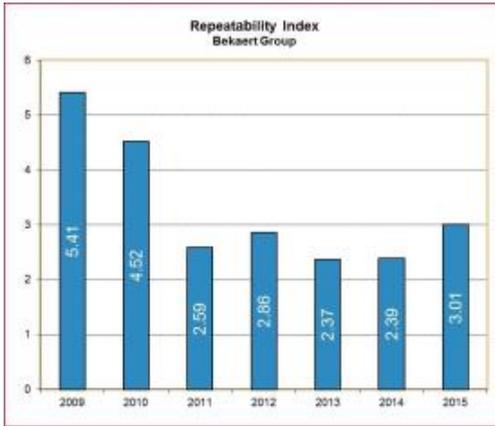
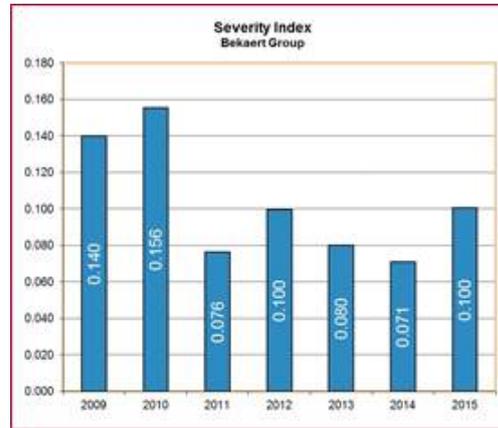
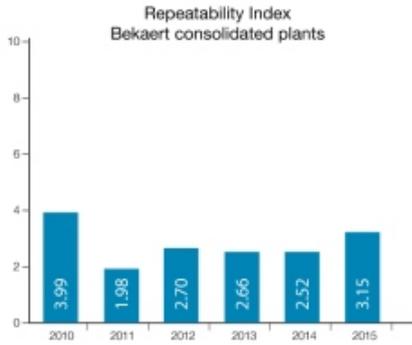


## Safety related data (G4-LA6)

In 2015 61% of all Bekaert employees were covered by the OHSAS 18001 standard.

Of the on average 27 hours of training per employee, 7 hours were safety related.



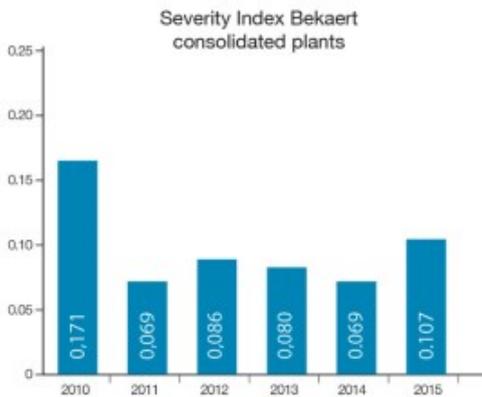


Severity Index = Number of lost days due to occupational accidents per thousand worked hours.

Combined numbers include the results of the Bekaert consolidated plants and those of joint-ventures and associated companies.

In 2015 both the repeatability and severity index increased compared to 2014. This was a result of footprint changes such as the acquisition/consolidation of entities where safety performance is subject to improvement as part of their integration process within the Bekaert Group, a trend we see as of mid-2015.

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



### Safety champions in consolidated plants

(Number of years without recordable incidents)

	>= 7 years	>= 5 years	>= 2 years	>= 1 years
N° of plants	1	1	3	7

### Health and safety committees (G4-LA5)

99.9% of our total workforce is represented in formal joint management-worker health and safety committees. They help monitor and advice on occupational health and safety programs. These committees operate at all levels of the organization.

## 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.

Also in acquisition deals, Bekaert attaches great importance to building open and constructive relationships with local government bodies and with social representatives from the start. This was particularly the case in the communities we entered as part of the Pirelli deal.

#### Co-creation and open innovation

Bekaert seeks international partnerships with universities and research institutes. In 2015, we continued to cooperate with academic institutions, technology clusters and research partners from different countries in order to bring an outside-in approach.

### better together with customers and suppliers

Bekaert has production facilities and sales offices in 40 countries and builds lasting relationships with customers and suppliers, wherever we do business.

We work closely with customers and suppliers by engaging in co-development projects, by conducting feedback initiatives and satisfaction surveys, and by performing industry analyses together.

Bekaert has not identified any substantiated complaints from customers regarding customer privacy and losses of customer data to our knowledge. **(G4-PR8)**

#### Elements in Bekaert's Supply Chain



### Description of Supply Chain (G4-12):

Steel wire rod is the main raw material used for the production of steel wire. Bekaert purchases different grades of steel wire rod from steel mills, transforms them and applies coating technologies. The wire products produced by Bekaert are shipped to industrial customers that further process our material into half- or end-products, or to end-customers or via distribution channels.

In 2015, Bekaert had more than 19,000 active suppliers of which 44% are based in EMEA, 6% in Latin America, 28% in North Asia, 16% in North America, 2% in India and 5% in South-East Asia.

Steel wire rod represents about 44% of the total Bekaert spend and is ordered from 120 different vendors. More than 80% of steel wire rod spend is allocated to 20 vendors. To ensure continuity of supply, the risk profiles of critical vendors are defined and evaluated. Single sourcing situations are mitigated by developing second sources and/or stock policies.

### Significant changes in the supply chain (G4-13)

Over 2015, major changes took place in the supply of steel wire rod. With the most relevant suppliers, a key supplier agreement is in place in order to intensify the relationship, and guarantee close cooperation in areas of supply chain integration, cost optimization, innovation and sustainability. Such key supplier agreements cover more than 50 % of the total steel wire rod spend.

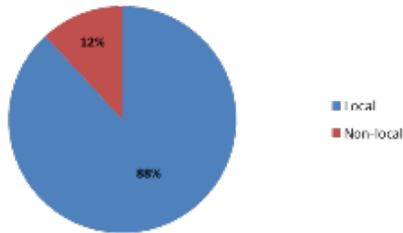
The allocation plan for steel wire rod has contributed to make optimal use of business opportunities, and to handle the limitations in the supply chain resulting from trade barrier challenges in several parts of the world.

In 2015, Bekaert's Purchasing function stepped up its engagement to enhance sustainability awareness and controls within our supplier base.

- For the top 10 suppliers by spend category we verified if the suppliers had a code of conduct in place, of which the principles are in line with the Bekaert Code of Conduct.
- Suppliers who did not have a code of conduct in place were asked to agree with the Bekaert Supplier Code of Conduct.
- So far, more than 40% of our global spend agreed to work with us in building sustainable supply chains.
- Shared targets and action plans for 2016 were defined with key suppliers, enabling us all to drive sustainability forward across the supply chain. **(G4-EN32, G4-LA14, G4-HR10)**

## Local spending (G4-EC9)

Definition of local = supplier and Bekaert company located in the same region: N-AM, LATAM, EMEA, N-ASIA, S-ASIA, SE-ASIA)



Bekaert recognizes the importance of responsible sourcing. In 2015 we continued to implement measures compliant with the Conflict Free Sourcing Initiative. This is an initiative of the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSi), that helps companies from a range of industries addressing conflict minerals issues in their supply chain.

We actively cooperate with global customers in sustainability programs. We support their CSR programs by implementing specific actions in our CSR policies and we joined sustainability initiatives and standards to serve specific customer requests.

## Close customer cooperation

We work closely with customers and suppliers by engaging in co-development projects. As part of one of the core strategies, Bekaert remodeled the innovation strategy in order to speed up R&D in co-creation with customers. The purpose is to make our R&D processes and priorities much more customer-driven. Our focus is being oriented toward fewer projects with faster and better innovation results, and to opportunities with bigger impact.

In co-creating new steel wire solutions with and for our customers, we increasingly sharpen our focus on the total value chain and consider disruptive innovations that envision the lowest total cost of ownership in our target markets.

## Shaping a sustainable value chain

Bekaert also cooperates with customers and suppliers by conducting feedback initiatives and satisfaction surveys, and by performing industry analyses together. Customer surveys are executed annually or bi-annually in all sectors and regions and are based on either standard methodologies or customized on request of the specific customer.

We actively cooperate with global customers, especially from the automotive, construction and energy related markets, in supporting their CSR programs by implementing specific actions in our CSR policies. Acting as a socially responsible supplier helps our customers achieve their sustainability targets.

## Market place related data

- Direct economic value generated and distributed: Data can be found in the Financial Review of our Annual Report 2015 [§5.2.](#), [§ 5.3.](#), [§ 5.5.](#), [§ 6.12](#)
- Anti-corruption policies and procedures: According to our global policy all employees (100%) receive the "Bekaert Code of Conduct" upon hiring, which describes the Bekaert anti-corruption policy & procedures. (G4-56, G4-SO4) This standard policy is coordinated by the regional HR managers and is available in 5 languages. 100% of managerial employees received the Bekaert Code of Conduct and are trained through specific management training programs. 100% of white and blue collar employees received the Code of Conduct (integrated in labor contract). Additional training is foreseen partially depending on the function (eg. Purchasing function 100% trained) and depends on the existence of relations with external contacts in general. During internal audits, the Group Internal Audit department regularly evaluates the anti-corruption policies and procedures, and advises on modifications where necessary. All policies are available to all employees through the Bekaert Intranet.

## The environment

better together for a cleaner world: we continuously strive to use fewer materials, cut energy consumption and reduce waste.

Bekaert's concern for the environment is applied in 3 domains: our continuous efforts to develop new eco-friendlier production processes for our plants worldwide, prevention and risk management and the development of products that contribute to a cleaner environment.

In the first domain, our ambition is to develop eco-friendlier production processes for our plants worldwide. In 2015:

- We have made progress in the treatment of used hydrochloric acid. A significant number of Bekaert plants outsource the treatment of used hydrochloric acid to external contractors. These contractors convert the waste acid into iron chloride coagulants used for water treatment. Lab scale tests have now been conducted to convert the used hydrochloric acid into an iron chloride solution, which will facilitate reuse by contractors. In one of our plants, the consumed hydrochloric acid is recuperated on-site, after treatment by a regeneration unit which converts the waste acid into iron oxides and fresh hydrochloric acid. The latter can be reused in the production process.
- In 90% of our plants in Europe and Asia Pacific all traditional lighting was replaced by LED lights. In 2016 the remainder of Europe and Asia will be completed and the program will be further rolled out in our plants in North and Latin America. This project will reduce the energy consumption for lighting by 50%. (G4-EN6)
- Excluding China 24% of electricity needs came from renewable energy sources. Including China (where power from renewable sources is scarce), 15% was from renewable sources. The success rate in sourcing from renewable energy sources largely depends on the availability of these sources and of data thereon. In Ecuador, to mention one, 100% of Bekaert's electricity consumption is from hydraulic energy. (G4-EN3)
- ProSoil, a global procedure was put in place to ensure precautionary measures are taken to avoid new soil and ground water contamination. Training has been provided to all regional Environment, Health and Safety managers throughout Bekaert. (G4-14)

Secondly, prevention and risk management play an important role in Bekaert's environmental policy. In 2014, an action plan was defined to prevent soil contamination. These plans were successfully implemented in 2015.

Responsible use of water is also a priority. In 2015 we expanded programs that aim to reduce water usage in the long term. We thoroughly analyzed and evaluated our water balance in order to set a standard for Bekaert worldwide.

For 2015, 95 % of our consolidated plants worldwide were ISO 14001 certified. ISO14001 is part of the ISO14000 internationally recognized standards providing practical tools to companies who wish to manage their environmental responsibilities. ISO14001 focuses on environmental systems. Bekaert's full worldwide certification is an ongoing goal; it is an element in the integration process of newly acquired entities and of companies that are added to the consolidation perimeter. Our recent acquisitions (Pirelli Steelcord, Arrium Ropes) already held the ISO 14001 certificate. The related plants keep their certificate as part of the Bekaert group. Bekaert also received a group-wide certification for ISO 14001 and ISO 9001. The ISO 9000 family addresses various aspects of quality management. ISO9001 sets out the requirements of a quality management system.

Lastly, Bekaert develops products that contribute to a cleaner environment. Ecology is an aspect that is considered already during the R&D phase of new products. In many cases, it is even a driving factor in product development. Newly developed products with ecological advantages are described in the Annual Report chapter on Technology Leadership.

Some Bekaert product examples:

- Amagnetic armoring wire for offshore wind mills. The exploration of offshore wind energy in Northern Europe has more than doubled over the past five years. This has stimulated more investments in windmill farms. Bekaert provides armoring solutions for subsea power cables that optimize transmission efficiency and prevent power loss.
- Customized drying and heating systems based on gas and electrical infrared drying technologies that increase efficiency and reduce energy. These systems are used in various sectors and applications such as the paper and board industry or converting and metal processing applications.
- Ternary Alloy Wire Coating (TAWI®) steel cord, reduces 80% of cobalt salts in tires.
- Water-based coated low carbon wires as a substitute to solvent lacquered products.

## Environment related data

### Energy (G4-EN3)

Fuel Consumption:

Total Energy consumption = 3 845 637 MWH

- Of which: Electrical Energy (incl. cooling) = 2 301 946 MWH
- Thermal Energy (Steam & Gas) = 1 543 691 MWH

Renewable energy:

- Excluding China (where power from renewable sources is scarce), 24% of electricity needs came from renewable energy sources
- Including China 15% was from renewable sources

### Energy Intensity Ratio (G4-EN5)

- Electrical Energy (incl. cooling) = 1.068 MWH/ton product
- Thermal Energy (Steam & Gas) = 0.716 MWH/ton product

Source of Conversion: Data provided by perspective plants.

Methodology: Energy data is monitored in a central database and is based on energy invoices.

### Reduction of energy consumption (G4-EN6):

In 90% of our plants in Europe and Asia Pacific all traditional lighting was replaced by LED lights. In 2016 the remainder of Europe and Asia will be completed and the program will be further rolled out in our plants in North and Latin America. This project will reduce the energy consumption for lighting by 50%.

Bekaert initiated a Bekaert Manufacturing System deployment with focus on all Operational Excellence aspects, including Energy Reduction:

- The program is initiated in 2015 and will be rolled out worldwide until 2017.
- The program is built around 3 focus areas:
  - Exploring & Improving the energetic status of the installed equipment.
  - Ensure that the plants have the adequate Energy Management Systems in place.
  - Increase the level of Energy Awareness & Skills on the work floor on all levels.

R&D programs have been set-up to explore new technologies and are being applied in the expansion programs.

## CO<sub>2</sub>

### Scope 2: (G4-EN16)

- Electrical Energy (incl. cooling) = 920 778 ton CO<sub>2</sub>
- Thermal Energy (Steam & Gas) = 280 046 ton CO<sub>2</sub>

### GHG Intensity Ratio: (G4-EN18)

- Electrical Energy (incl. cooling) = 0.4272 ton CO<sub>2</sub>/ton product
- Thermal Energy (Steam & Gas) = 0.130 ton CO<sub>2</sub>/ton product

Source of Conversion: Data provided by perspective plants.

## Water (G4-EN8)

Standard reporting and follow-up system Sensor (internal)

Total volume of water in m<sup>3</sup> withdrawn from any water source: 9 392 684.2 m<sup>3</sup>

Total volume of water in m<sup>3</sup> withdrawn from any water source by source type:

- city water: 5 573 851 m<sup>3</sup> (~=59.3%)
- ground water: 2 742 541.6 m<sup>3</sup> (~=29.2%)
- canal/river water: 794 798 m<sup>3</sup> (~=8.5%)
- rain water collected for reuse: 26 045.15 m<sup>3</sup> (~=0.3%)

Standard reporting and follow-up system Sensor; The total volume of effluent discharged from wastewater treatment: 3 274 325.1 m<sup>3</sup> (G4-EN22)

The total volume of effluent discharged in cubic meters by ton end product: 1.068 m<sup>3</sup>/ton end product

Destination of the effluent discharged:

- surface water (lake, sea, river, canal): 59.1% (2034162 m<sup>3</sup>)
- sewer: 40.2% (1383796 m<sup>3</sup>)
- irrigation: 0.6% (21088 m<sup>3</sup>)

Treatment method: Physicochemical treatment: 100%  
Re-use by another organization: There was no re-use by another organization in 2015.

## Society

Our funding and other community-building activities are focused on education projects. In addition, we support local activities and projects for social, cultural and economic development.

### 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. One initiative includes creating and improving safety awareness of children at the Lianying Primary School. Through games and tips, they learn how to protect themselves from dangerous situations during the summer holiday.

Another initiative in 2015 was to build a play room at the Xiyuan Primary School to improve children's imaginative capabilities.

In Brazil, Bekaert supports educational projects through various programs. In 2015 many projects focused on physical and mental vitality. Chess workshops and regional tournaments were organized in schools to improve logical thinking capabilities.

Bekaert Corporation (US) continued with the National 4-H Council launched in 2014. 4-H is the largest youth development and empowerment organization in the US, reaching more than 7 million 4-H youth in urban neighborhoods, suburban schoolyards and rural farming communities. Fueled by university-backed curriculum, 4-H'ers engage in hands-on learning activities in the areas of science, healthy living, and food security. Bekaert herewith expresses its engagement in helping America's largest youth development organization to create a positive change and a better future for young people.



### Supporting social and community initiatives

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

Inchalam, Bekaert's largest manufacturing subsidiary in Chile, donated Cercas Pro fences to the Santa Clara School in Talcahuano. This initiative is part of a pilot project at the national level in the country to protect pedestrians in the school areas.

Proalco Bekaert's subsidiary in Colombia, supported various local environmental initiatives such as awareness creation programs at schools and projects aimed at enhancing the local community recycling efforts.

In Brazil, our colleagues have been organizing a "voluntary action day" for many years. This event was also held in 2015: employees donated gifts and organized activities for the children in daycare in Contagem. Bekaert attaches great importance to health & safety inside and outside our plant operations. In Contagem, we supported the organization of a skate project with the aim of encouraging youngsters to practice sports. Other initiatives in Vespasiano, Itauna, Osasco and Hortolandia included football, tennis, taekwondo & skate board tournaments.



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