

 **BEKAERT**

better together

SUSTAINABILITY
REPORT
2017 · 2018



“

We conduct and grow our business
in a sustainable way
so that our stakeholders all benefit.

”





TABLE OF CONTENTS



THE WORLD AROUND US, OUR SHARED CONCERN

- 08 Our ambitions
- 10 Message from the CEO and the Chairman
- 11 Bekaert at a glance
- 13 About this report

6 THE WORLD AROUND US



OUR RESPONSIBILITY IN THE WORKPLACE

- 15 Our employees
- 21 Communicating with and engaging our people
- 23 Health and safety

14 OUR RESPONSIBILITY IN THE WORKPLACE



OUR RESPONSIBILITY IN THE MARKETS

- 31 *better together* in the communities where we are active
- 31 *better together* with our customers
- 35 *better together* with our suppliers

30 OUR RESPONSIBILITY IN THE MARKETS



**OUR RESPONSIBILITY
TOWARDS THE ENVIRONMENT**
39 Our concern for the environment
42 Environment related data

38 OUR RESPONSIBILITY
TOWARDS THE ENVIRONMENT



**OUR RESPONSIBILITY
TOWARDS SOCIETY**
45 Education & Society

44 OUR RESPONSIBILITY
TOWARDS SOCIETY



**ANNEXES AND
GRI CONTENT INDEX**
49 Materiality assessment
50 General disclosure on
governance and ERM
51 General information on
sustainability reporting principles
52 Memberships & associations
53 GRI content index

48 ANNEXES AND
GRI CONTENT INDEX

CHAPTER 1

THE WORLD
AROUND US



OUR SHARED CONCERN

References to GRI Standards

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. This is our Vision, our Field of Play.

GRI 102-40
GRI 102-42

With this Vision statement, we describe what we want to be, where we want to compete and invest in, and how we are running our business: *better together*.

better together sums up the unique cooperation within Bekaert and between Bekaert and its stakeholders. We are committed to delivering long-term value to all of them and as such, create sustainable business partnerships.



Our Company Values distinguish us and guide our actions. We conduct business in a socially responsible and ethical manner. To us, sustainability is about economic success, about the safety and development of our employees, about lasting relationships with our business partners, and about environmental stewardship and social progress. This way, Bekaert translates sustainability into a benefit for all stakeholders.

Our sustainability efforts and activities are 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. We do this in a structured way and have translated our ambitions for improvement into clear targets for the medium term and over the longer run.

Sustainability standards

Bekaert's Sustainability Report 2017 was conducted based on the GRI Sustainability Reporting Standards, Core option. Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. Bekaert's responsible performance in 2017 has also 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 2017, Bekaert was awarded a gold recognition level from Ecovadis, an independent sustainability rating agency whose methodology is built on international CSR standards.

In response to growing interest throughout the supply chain to report on the carbon footprint of operations and logistics, Bekaert also participates in the Climate Change and Supply Chain questionnaires of CDP (formerly known as the Carbon Disclosure Project).

SUMMARY AND PROGRESS ON OUR MAIN SUSTAINABILITY DEVELOPMENT TARGETS

KPI	Current	By 2020	By 2025
ECONOMIC			
Solid financial performance makes us generate economic value through employment, investments, dividends and payments to capital providers and governments. Our growth strategy aims to increase revenue, profit & ROCE.	<ul style="list-style-type: none"> » Underlying EBIT of 7.3% » € 273 million investments in PP&E worldwide » ROIC (8.7%) > WACC (8.0%) » Consistent dividend policy 	<ul style="list-style-type: none"> » We continue to invest, progressively improve profitability and believe that the improvements we are making in our business will allow us to move towards a 10% underlying EBIT margin over the medium term. » ROIC > WACC » Consistent dividend policy 	
PEOPLE			
Gender diversity	<ul style="list-style-type: none"> » Board of Directors: 33% » BGE: 22% » Next leadership level: 24% 	Gradual impact from recruitment/promotion policy driving diversity	<ul style="list-style-type: none"> » Board of Directors: 33% » BGE: 33% » Next leadership level: 33%
Integrity: Code of Conduct » annual commitment declaration » attached to labor contract	<ul style="list-style-type: none"> » 100% of managers » 80% of white collars » Operators: local policy 	<ul style="list-style-type: none"> » 100% of managers » 100% of white collars » 100% of operators 	Maintain
Safety: no harm to anyone at Bekaert	<p>two fatalities</p> <ul style="list-style-type: none"> » TRIR 7.10 » 40% SIF on accidents » 30% BeCare coverage 	<p>zero fatalities</p> <ul style="list-style-type: none"> » TRIR 4 » 30% SIF on accidents » 100% BeCare coverage 	<p>zero fatalities</p> <ul style="list-style-type: none"> » TRIR 2 » 20% SIF on accidents » 100% BeCare 2.0 coverage
ENVIRONMENT			
Energy consumption reduction » LED light program » overall energy intensity ratio ⁽¹⁾ • electricity • thermal » total energy consumption ⁽¹⁾	<ul style="list-style-type: none"> » Replacement complete (100%) -50% consumption in the plants • 912 kWh/ton: -3% • 568 kWh/ton: -10% » 4 780 GWh: -5% 	<p>Standard in all new sites 100% replacement in BBRG</p> <ul style="list-style-type: none"> • -8% • -14% » -10% 	<p>Maintain</p> <ul style="list-style-type: none"> • -13% • -19% » -15%
Renewable energy as a % of total energy purchased	25%	30%	40%
Exhaust » CO ₂ – scope2 ⁽¹⁾ • electricity • thermal	<ul style="list-style-type: none"> » GHG intensity ratio: <ul style="list-style-type: none"> • 446 kg CO₂/ton • 115 kg CO₂/ton » Total of 561 kg CO₂/ton: -5% » GHG intensity corrected with increased renewable share 	<ul style="list-style-type: none"> » -9% » -12% 	<ul style="list-style-type: none"> » -14% » -25%
Exhaust » CO ₂ – scope1 • Diesel exhaust internal transport vehicles	<ul style="list-style-type: none"> • Diesel powered forklift trucks and other vehicles 	<ul style="list-style-type: none"> » Gradual replacement » No lease renewal or purchase of diesel-powered forklifts unless there is no alternative. 	

SUMMARY AND PROGRESS ON OUR MAIN SUSTAINABILITY DEVELOPMENT TARGETS

KPI	Current	By 2020	By 2025
MARKETS			
Products and processes » innovation » impact of lighter tire innovations – scope 3 • annual CO ₂ savings attributable to Bekaert ST/UT tire cord	» 80% of global R&D programs target distinct benefits in terms of H&S and/or the environment • 850 million kg CO ₂	» H&S/environment classification addition to project management tool • 1 billion kg CO ₂	» 90% of global R&D programs target distinct benefits in terms of H&S and/or the environment • 1.3 billion kg CO ₂
Upstream supply chain » Conflict minerals » Supplier Code of Conduct » Supplier CSR audits and self-assessments Ecovadis	» 100% coverage and compliance from direct tin suppliers » 82% spend coverage » 30 audits – 42% spend coverage	» 100% coverage and compliance of tin/tungsten suppliers » 94% spend coverage » 35 audits – 60% spend coverage	» Maintain » 96% spend coverage » 40 audits – 75% spend coverage

GLOSSARY

GENDER		
Gender diversity %	Indication of the opposite gender share	
BGE	Bekaert Group Executive (per 31 December 2017: 9 people)	
Next leadership level	B13 and above managers excluding BGE (Hay classification reference)	
SAFETY		
TRIR	Total Recordable Injury Rate	(lost-time accidents + non lost-time accidents) / 1 mln worked hours
LTIFR	Lost Time Incident Frequency Rate	lost-time accidents / 1 mln worked hours
SI	Severity Index	lost (calendar) days / 1000 worked hours
SIF	Serious injuries and fatalities	accidents with life-threatening injuries and fatalities
BeCare	BeCare coverage %	% of employees trained in BeCare, Bekaert's global safety program
ENVIRONMENT		
kWh/GWh	Kilowatt per hour / Gigawatt per hour 1 GWh = 1 mln kWh	
Energy intensity ratio	The energy (electricity and thermal) used per ton of end product produced	
GHG intensity ratio	Greenhouse gas ratio or carbon dioxide (CO ₂) exhaust in kg per ton end product produced	
Scope 1 emissions	CO ₂ emissions from sources owned or controlled by us (in our plants)	
Scope 2 emissions	CO ₂ emissions from purchased/acquired electricity, heating, cooling and steam for consumption in our plants	
Scope 3 emissions	CO ₂ emissions that are a consequence of our activities, but from sources not owned or controlled by us	
Energy > CO ₂ conversion	Based on IEA/EPA rules	
GHG/CO ₂ baseline	For scope 2 emissions: reference base for savings = 2015, based on constant product mix (steel wire / steel cord activities) and adjusted with 5 additional production plants added since 2015 till now. Measured on the basis of energy purchase invoices.	
(1) Energy and CO ₂ targets	Targets 2020/2025 subject to the outcome of external expertise studies in 4 pilot plants in 2018 and subject to the pace of phased investments.	
LED light energy baseline	Reference base for savings = 2015	
Annual CO ₂ savings attributable to Bekaert ST/UT tire cord	For scope 3 emissions: CO ₂ emission of fuel x fuel savings for tires reinforced with Bekaert ST/UT steel cord. Calculated for passenger and truck tires on the basis of effective (& targeted) Bekaert sales; generally accepted conversion tables fuel/CO ₂ ; and test results of ST/UT on rolling resistance (results vary in function of tire design and other factors from 3% to 7%. In our calculations we took the lowest assumption (3%) as a parameter so that our data (actuals and targets) represent the absolute minimum impact of our products on CO ₂ reduction).	

MESSAGE FROM THE CEO AND THE CHAIRMAN

Dear Reader,

GRI 102-14

2017 was a year of solid growth for Bekaert. We achieved more than 10% sales growth, exceeding the € 4 billion consolidated sales mark for the first time in history.

Our robust organic sales growth exceeded the market averages in our industry as well as overall GDP growth. Moreover, our growth was value creating with ROIC well above WACC in 2017.

We recognize that our commitment to drive 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. We conduct and grow our business in a sustainable way so that our stakeholders all benefit.

Our company generates economic value through employment, capital investments, dividends, and payments to capital providers and governments. Driven by our growth strategy, we will continue to invest and we will progressively improve our profitability so we move towards 10% underlying EBIT margin over the medium term.

We co-operate with customers and suppliers to develop products and processes that contribute to a cleaner environment. We interact with local governments in a transparent and constructive way and we strive to be a loyal and responsible partner in the communities where we are active.

The worldwide participation of 30 000 employees in Bekaert's global transformation towards higher performance has added to the collective strength of our company. Our teams feel engaged and empowered to play their part on the transformation journey, to always do better, and to push our shared ambitions to greater heights.

Our Company Values distinguish us and guide our actions. We conduct business in a socially responsible and ethical way. We have translated our sustainability ambitions into clear targets so we make a positive contribution to our employees, to the environment, and to society as a whole.

We want to thank our employees for their commitment, energy and irreplaceable drive to always improve our capability, as One Bekaert team. And we want to thank our customers, partners and shareholders for their continued trust.



MATTHEW TAYLOR
CEO



BERT DE GRAEVE
Chairman

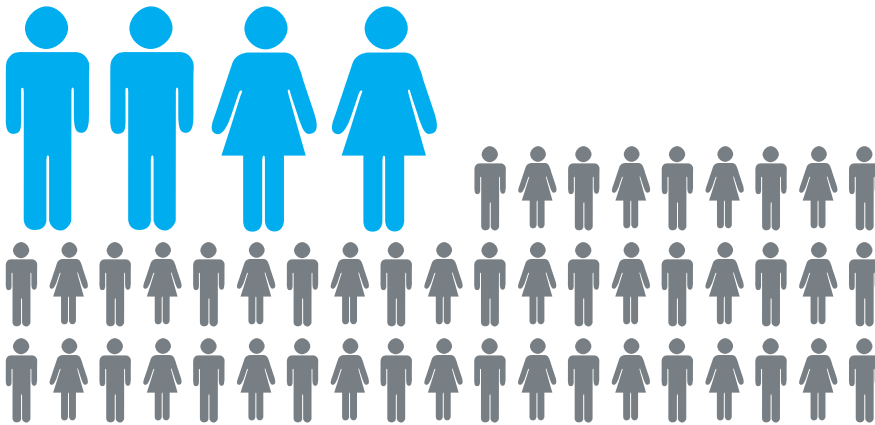
BEKAERT AT A GLANCE

Who we are

GRI 102-3

GRI 102-7

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 € 4.8 billion in combined revenue.



“
**A global company
with almost
30 000 employees
worldwide**
”

What we do

GRI 102-2

GRI 102-6

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. The coatings we apply reduce friction, improve corrosion resistance, or enhance adhesion with other materials.

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 the trust, integrity and irrepressibility that bring our employees worldwide together as one team, form the fundamentals of 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.

Our vision

GRI 102-16

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.

Our Long Term Core Strategies

Our 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. Drive the customer into the heart of our business
2. Value driven growth
3. Technology leadership and speed
4. Leverage scale, reduce complexity and reach lowest total cost
5. Engage and empower people

More information about how we implement these strategies is available in the "Strategy" chapter of the 2017 Annual Report.



“
Engage and empower people – a core strategy
”

ABOUT THIS REPORT

Reporting scope

GRI 102-48

GRI 102-49

This report covers the Sustainability KPIs for all subsidiaries of the Bekaert Group. The sustainability actions and respective indices and certificates cover the wholly and majority owned subsidiaries of NV Bekaert SA. This includes the subsidiaries of the Bridon-Bekaert Ropes Group, unless otherwise indicated.

Reporting period

GRI 102-50

GRI 102-52

This report covers the activities between 1 January 2017 and 31 December 2017, unless stated differently and if relevant for the report. Bekaert reports annually on its sustainability performance.

Process for defining reporting content

GRI 102-46

The content of this report has been defined considering the most significant indicators of our activities, the impact of and commitment to the company's interest groups, the efforts in enhancing sustainability and the level of detail established by the GRI Sustainability Reporting Standards.

Our interest groups are the Bekaert employees, suppliers, customers, shareholders, partners, local governments and the communities in which we are active.

More information on the reporting principles and materiality scope is included in Annex.



CHAPTER 2

OUR
RESPONSIBILITY
IN THE
WORKPLACE



OUR EMPLOYEES

As a company and as individuals, we act with integrity and commit to the highest standards of business ethics. We promote equal opportunity, foster diversity and we create a no-harm-to-anyone work environment across our organization. Our values are ingrained in our culture and connect us all as One Bekaert team.

GRI 102-16

We act with integrity · We earn trust · We are irreplaceable!

Embracing diversity

At Bekaert, we believe in working together to achieve better performance. As a truly global company, we embrace diversity across all levels in the organization, which is a major source of strength for our company. This applies to diversity in terms of nationality, cultural background, age or gender, but also in terms of capabilities, business experience, insights and views.

The Bekaert population counts about 50 nationalities and employment in 40 countries around the world. This **nationality diversity** is mirrored in all levels of the organization as well as in the composition of the Board of Directors.

GRI 405-1

	NATIONALITY DIVERSITY 31 December 2017			
	# people	# nationalities	# non-native ⁽¹⁾	% non-native
BOARD OF DIRECTORS	15	4	6	40%
Bekaert Group Executive (BGE)	9	4	3	33%
Senior Vice Presidents	16	7	6	38%
Next leadership level ⁽²⁾	87	17	39	45%
TOTAL LEADERSHIP TEAM	112	19	48	43%

(1) Non-native definition = other nationality than the one of the mother company's social seat (i.e. Belgium)

(2) Next leadership level = B13 and above managers excluding BGE and Senior Vice Presidents (Hay classification reference)

The manufacturing character of Bekaert's operations clarify a predominantly male population, particularly among operators and white collar technicians.

GRI 405-1

	GENDER DIVERSITY 31 December 2017		
	# people	% male	% female
Operators	21 750	95%	5%
White collars	5 895	71%	29%
Management	1 668	82%	18%
TOTAL BEKAERT EMPLOYEES	29 313	89%	11%

Bekaert is developing a **recruitment and promotion policy** which is aimed at gradually driving more diversity, including gender diversity.

This is visible in the broader diversity at the level of the Board of Directors and of the Bekaert Leadership team. Information about gender diversity in the Board of Directors can be found in the Annual Report 2017 (chapter Report of the Board: Corporate Governance).

Gender diversity in the Board of Directors and in the Top Leadership Team of Bekaert: GRI 405-1

	GENDER DIVERSITY 31 December 2017		
	# people	% male	% female
BOARD OF DIRECTORS	15	67%	33%
Bekaert Group Executive (BGE)	9	78%	22%
Senior & next leadership level(1)	74	76%	24%
TOTAL LEADERSHIP TEAM	83	76%	24%

(1) Senior Vice Presidents and B13 and above managers (Hay classification reference) excluding BGE

By 2025, Bekaert aims to reach a gender diversity ratio of 33% at each leadership level. GRI 405-1

Age diversity in Bekaert’s highest governance bodies: GRI 405-1

	AGE DIVERSITY 31 December 2017		
	# people	30-50 years old	over 50 years old
Board of Directors	15	20%	80%
Bekaert Group Executive (BGE)	9	22%	78%
TOTAL HIGHEST GOVERNANCE BODIES	24	21%	79%



“ Our employees are our most important asset ”

Employment data:

GRI 102-8

	SEGMENT					TOTAL
	EMEA	North America	Latin America	Asia Pacific	BBRG	
Blue Collars	5 419	1 053	4 848	8 722	1 708	21 750
Male	4 762	986	4 733	8 492	1 675	20 648
Female	657	67	115	230	33	1 102
White Collars	1 414	203	1 670	1 811	797	5 895
Male	919	127	1 159	1 381	586	4 172
Female	495	76	511	430	211	1 723
Management	653	154	255	513	93	1 668
Male	545	129	222	400	73	1 369
Female	108	25	33	113	20	299
Total Male	6 226	1 242	6 114	10 273	2 334	26 189
Total Female	1 260	168	659	773	264	3 124
GRAND TOTAL	7 486	1 410	6 773	11 046	2 598	29 313

Most people employed by Bekaert have a permanent contract. Employees with a temporary contract are usually on the payroll of external organizations and agencies (Special Economic Zones, Employment agencies) and are hence not included in the Bekaert payroll numbers. The total workforce number of Bekaert, including temporary contracts, is about 30 000.

Most Bekaert employees work full-time. The part-time employment share is relatively limited and differs by region.

Full-time equivalent employment data by segment:

GRI 102-8

	SEGMENT					TOTAL
	EMEA	North America	Latin America	Asia Pacific	BBRG	
Blue Collars	5 391	1 044	4 848	8 659	1 704	21 646
Male	4 738	979	4 733	8 442	1 671	20 563
Female	653	65	115	217	33	1 083
White Collars	1 384	196	1 645	1 808	790	5 824
Male	919	122	1 159	1 381	582	4 163
Female	465	75	486	427	208	1 661
Management	650	154	249	510	92	1 665
Male	544	129	222	397	72	1 364
Female	106	25	27	113	20	291
Total Male	6 201	1 230	6 114	10 220	2 325	26 090
Total Female	1 224	165	628	757	261	3 036
GRAND TOTAL	7 425	1 395	6 742	10 977	2 586	29 125

Respecting human rights

GRI 102-12

Bekaert is 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.

We are committed to respect the rights and dignity of each employee. 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. We recognize and appreciate the cultural identity of our teams in all countries in which we operate and do business.

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

Code of Conduct

GRI 102-16

Our hiring policy states that every new employee receives a copy of our Code of Conduct, which explains our policies and procedures as well as the behaviors we expect from all our employees.

In 2017 we repeated and further extended the annual process of renewed commitment to the Bekaert Code of Conduct. All managers worldwide and all white collars with access to the Bekaert online global learning platform were required to read the Bekaert Code of Conduct, to pass a test on business ethics cases, and to renew their commitment to the principles of the Code. White collars who do not (yet) have access to this online tool, were required to express their commitment by signing a compliance form.

100% of the managers renewed their commitment to the Code of Conduct in 2017. The first roll-out of the process to white collars worldwide has been implemented according to a roadmap which is in process. The Code of Conduct has also been attached to all new labor contracts of operators and white collars worldwide.

It is our goal to reach full annual commitment results from managers and white collars and to attach the integral Code of Conduct to all existing and new labor contracts of operators worldwide by 2020.

Our Code of Conduct covers key areas regarding human rights, child labor and forced labor.

GRI 408-1

GRI 409-1

Remuneration & Benefits

GRI 201-3

We offer competitive salaries and benefits designed to enhance the financial, physical and overall well-being of our employees and their families. Our offerings differ country to country and are often adapted to local social security policies. 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 detailed information on employee benefits we refer to section 6.15 of the annual report.

Benefits provided to full-time and part-time employees by significant locations of operation (> 1000 employees): GRI 401-2

Benefit	REGION						
	Belgium	Slovakia	China	Chile	Peru	US	Indonesia
Life Insurance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health care	Yes	No	Yes	Yes	Yes	Yes	Yes
Disability coverage	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Retirement provision	Yes	Yes	No	Yes	No	Yes	Yes
Stock ownership	No	No	No	No	No	No	No

These benefits are not provided to “interim workers” who are not on the Bekaert payroll.

In 2017 we implemented a global travel insurance policy benefiting all our employees and 3rd parties who travel on our request. The new policy replaces the previous policies by region. The insurance includes an app that gives real-time travel security information, allowing us to locate & inform employees immediately in case of need.

Performance Reviews

In order to stimulate high performance, commitment, and continuous development of all employees, the group targets are deployed into team and personal targets for everyone. 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 2017, we put more emphasis on incorporating the 8 key Bekaert leadership behaviors into the way of working part of the performance review. The performance management process includes two-way personal development reviews, transparency, feedforward and leadership behavior.



In 2018 we will redesign our performance management process and implement a new supporting tool. We will continue along the way of the evolution we have been making in the past years: better goal alignment and sharing, more attention to the way of working, continuous feedback loops and engaging conversations.

GRI 404-3

Percentage of employees who received a performance review in 2017⁽¹⁾:



(1) Excluding BBRG. Bridon-Bekaert Ropes Group is in process of implementing similar reporting data

COMMUNICATING WITH AND ENGAGING OUR PEOPLE

People engagement and empowerment have been key success factors all along our transformation journey. We empower our teams with responsibility, authority and accountability, and count on the engagement of every Bekaert employee in driving a higher-level performance.

GRI 102-43

GRI 102-44

- The success of Bekaert’s global excellence programs: BMS (Bekaert Manufacturing System); BCE (Bekaert Customer Excellence); BeCare (Bekaert’s safety excellence program); the SCE program (Supply Chain Excellence); and the recently added Fit for Growth program aimed at driving functional excellence and capability throughout Bekaert, lies not only in the respective program tools and dedicated deployment approach - it is also a result of the enthusiasm and engagement of our teams around the world. They are making change really happen.
- In September 2017, Bekaert organized a global employee survey. It was the first time that the company held a survey of all of its employees worldwide. The theme of the survey was ‘Your Voice Counts’ and we invited all colleagues from Bekaert subsidiaries (excluding the joint ventures and the Bridon-Bekaert Ropes Group plants) to participate. Thanks to an impressive response rate of 91%, we were able to get a clear understanding of the engagement level of our employees and which elements are driving it. The total engagement score from 20 667 managers, white collar workers and operators was 82%. Employees especially appreciated the culture of openness towards improvement, the empowerment they feel in their job, the great team spirit and the willingness of their team to get things done. In short, team morale is high. The survey acts as a barometer of employee engagement and provides areas for improvement, which are taken on through concrete action plans. We intend to repeat the survey every two years.
- The Bekaert Intranet is a place where employees can share and obtain knowledge, find relevant information fast, connect with colleagues, collaborate with team members on common development programs, and actively contribute to impactful communications across the company. Moreover, the company’s internal social media platform is an intensively used tool to share best practices, celebrations and ideas.
- The CEO of Bekaert invites all managers worldwide to participate in the annual International Management Conference and several webcasts. Every quarter, a global internal communication cascade is deployed throughout the organization, so that the information on Bekaert’s performance and actions is being shared to all employees in all locations worldwide.

How to Drive True Engagement in the Workplace

Bekaert Lipetsk (Russia) leads the way!

Bekaert Lipetsk’s outstanding results in the Global Engagement Survey have triggered the attention of Bekaert teams worldwide. Their approach has now become an inspiring story of empowerment and engagement across the Group.

All 300 employees of our plant in Lipetsk are stimulated to always demonstrate authentic leadership.

Respect, care and trust form the foundations of each working relationship in Bekaert Lipetsk and the absence of hierarchical barriers stimulates a very open communication. The team feels empowered rather than controlled. The enthusiasm of the team also shows in the performance of the plant. Bekaert Lipetsk leads in many ways.



Trade unions and collective bargaining agreements

GRI 102-41
GRI 403-4
GRI 407-1

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.

Agreements with trade unions are locally concluded and include the following elements:

- Personal protective equipment
- Right to refuse unsafe work
- 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
- Periodic inspections

Learning and development

We champion talent nurturing through career development and life-long learning. We attach great importance to providing challenging career and personal development opportunities to our 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.

In 2017, we further expanded our offerings on our internal Learning & Development portal and we stepped up the roll-out to white collars. The portal now also enables to keep track of the long-term personal development actions and opportunities. It provides an overview of all available trainings, both traditional classroom courses and e-learning modules, and allows employees to request external trainings as well.

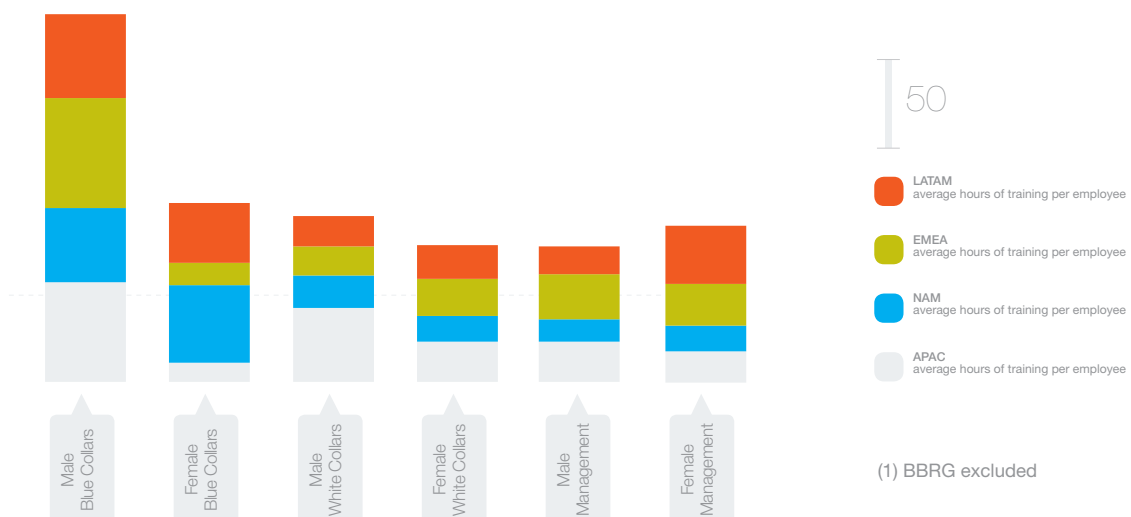
In addition, in 2017, Bekaert established 'Bekaert University'. This University will develop our team and talent so that our people, individually and in team, can achieve the best of their potential. Bekaert University is all about continuously building the capability of the individual and the organization. It will also be home to different Academies that are meant to accelerate and sustain the transformation process the company is undergoing.



Average hours of training per employee

GRI 404-1

On average, 50 hours of training per employee took place in 2017.⁽¹⁾



HEALTH AND SAFETY

Two tragic accidents happened at Bekaert in 2017.

Two colleagues passed away because of accidents while they were at work in Sumaré (Brazil) and Callao (Peru) respectively.

We cannot change the past, but in memory of Moacyr and Marcelo we can and we must change the future.

The management and all employees of Bekaert deeply regret the deaths of their colleagues.

Our absolute commitment to safety has been renewed, so that we can all work together to make sure that Bekaert truly becomes a no-harm-to-anyone working environment.



BeCare

No harm to anyone @Bekaert

“
**There are no
compromises
on safety**”

BeCare: no harm to anyone @Bekaert

Our real low point in 2017 was the loss of two colleagues who passed away as a result of the fatal injuries they incurred from accidents at work.

It is our goal to create a no-harm-to-anyone working environment at Bekaert. We commit to do whatever is necessary to eliminate accidents from our workplace. BeCare, the Bekaert global safety program, is the way to do this. It focuses on creating an interdependent safety culture, promoting strong risk awareness, removing risk tolerance, and investing in the necessary tools and equipment to create a safer working environment.

In 2017, we further rolled out this global safety excellence program that we launched in 2016. In line with a strict implementation schedule, we are putting the program into practice in all our sites worldwide. We plan for completion by 2020.

BeCare aims at creating a no-harm, risk-free work environment for all our employees and for anyone working at or visiting our premises. During an intensive training period, employees acquaint with an elaborate set of safety practices, learn to spot and deal with unsafe situations and know how to contribute to creating a caring environment. BeCare starts to change behavior in our plants and offices and in our meetings with our business partners.

The Orrville plant (Ohio, US) had a relatively weak safety performance in the past years. Upon implementing BeCare, everything changed. The plant recently celebrated 1 year without accidents that require medical service or that result in lost days. In the Lipetsk plant (Russia), our employees really took on the BeCare techniques and culture and consider it a boost to raise the already high degree of enthusiasm and engagement at the plant.

The Van Buren plant in Arkansas (US) stepped up their safety performance in 2017: eliminating avoidable risks is an integral part of BeCare and the team invested in new equipment design as well as in highly effective safety guarding and sensors. The Bekaert Van Buren team worked closely with OSHA inspectors to implement these best practices. Our optical guarding installations have been referenced by OSHA as a model for other companies within the industry.



A healthy workplace

Because we also attach great importance to a healthy working environment, we continued to invest in automated handling equipment and other workplace ergonomics in 2017.

Bekaert Shandong adds state-of-the-art production hall

In June 2017, a new production hall was opened in Weihai (Shandong Province, China) as an extension to our existing tire cord facilities. The greenfield project was finalized in just half a year and incorporates the latest industry standards. A high degree of automation and other innovative solutions make the new production area a 'factory of the future'. Regional and global engineering and automation teams worked together to achieve the highest levels of safety, automation, ergonomics, flexibility and quality.



Special attention is given throughout the company to the safe handling and storage of chemicals. A central database records all chemicals used in our plants and strict health and safety guidelines apply for our employees.

We monitor workplace conditions such as noise, dust and temperature and are defining and implementing a roadmap to make further improvements.

All employees and subcontractors working in the Bekaert plants worldwide wear the safety and health equipment provided to avoid the risks of injuries and health impact. This includes uniforms, dust filters, eye and ear protection, grippers and hoists to lift and handle spools in an ergonomic way.

Our investments take into account strict standards with regards to temperature conditions in the plants, dust extraction, noise, CO₂ exhaust and more.

Bekaert is implementing a program to eliminate the emissions of diesel-powered forklifts and other internal trucks in the plants: there will be no renewal of leases or purchase of diesel-powered forklifts, unless there is no alternative.

International Health and Safety Week

In 2017 Bekaert organized its 10th International Health & Safety Week. All plants worldwide take part in this annual event. The theme for this year was “**I care – You care – We BeCare**” and was obviously centered around the global safety program BeCare. Bekaert plants worldwide were encouraged to share their best practices and learn from each other.

Safety related data

GRI 403-2

Bekaert has a group-wide OHSAS 18001 certificate. In 2017, almost 60% of all Bekaert employees were covered by this standard. On average 10 training hours per employee were related to safety in 2017.

Bekaert’s safety performance was not good in 2017. Despite all our efforts to put safety on top of the agenda, our safety performance deteriorated.

Obviously we want no fatalities to occur, ever. The tragic accidents of 2017 have been thoroughly investigated and additional corrective measures have been put in place to prevent any such accidents in the future.

One of the actions was the renewal and worldwide re-implementation of the Bekaert internal traffic procedure. It has been updated with the most stringent safety standards for powered industrial forklift trucks and internal traffic in general.

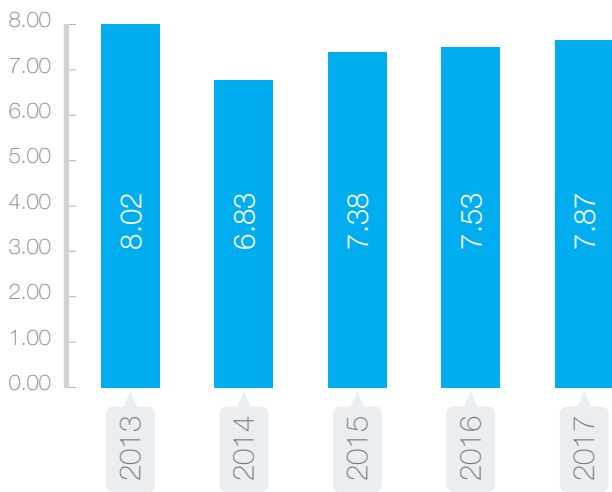
Bekaert has set targets for safety for the medium term (2020) and the longer term (2025).

By 2020, we aim to reduce our TRIR to 4. We want to reduce the percentage of serious injuries to 30% of accidents, in comparison to 40% in 2017.

By 2025 we aim to reduce our TRIR to 2. We want to reduce the percentage of serious injuries to 20% of accidents, in comparison to 40% in 2017.

GRI 403-2

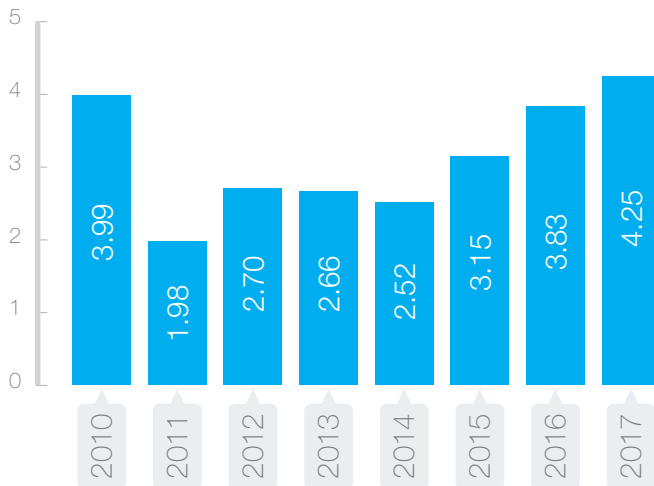
Total Recordable Injury Rate (TRIR) Bekaert Combined⁽¹⁾ per million worked hours GRI 403-2



(1) BBRG and JV's included

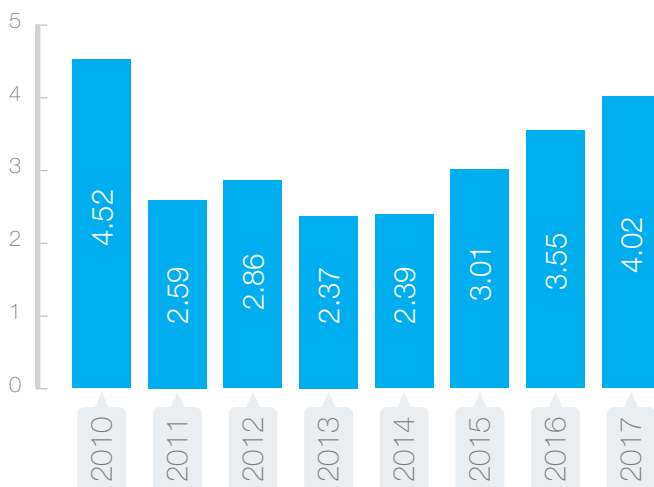
TRIR: all recorded accidents

Lost Time Incident Frequency rate (LTIFR) Bekaert Consolidated Plants⁽¹⁾ GRI 403-2



(1) BBRG included

Lost Time Incident Frequency rate (LTIFR) Bekaert Combined⁽¹⁾ GRI 403-2

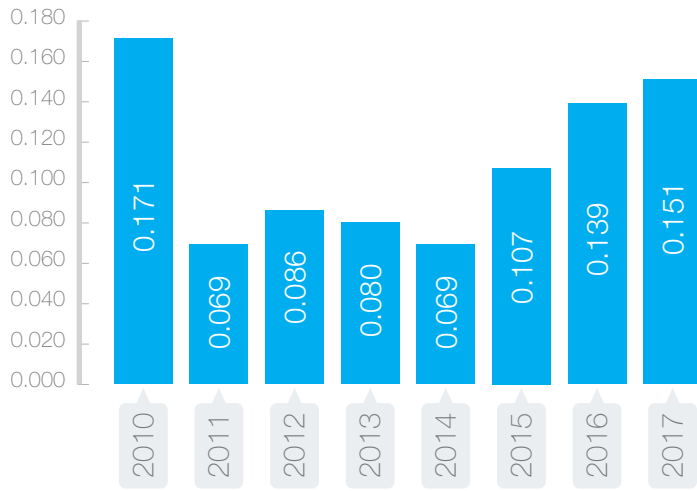


(1) BBRG and JV's included

LTIFR: Number of lost time accidents (LTA) per million worked hours.

Severity Index (SI) Bekaert Consolidated Plants⁽¹⁾

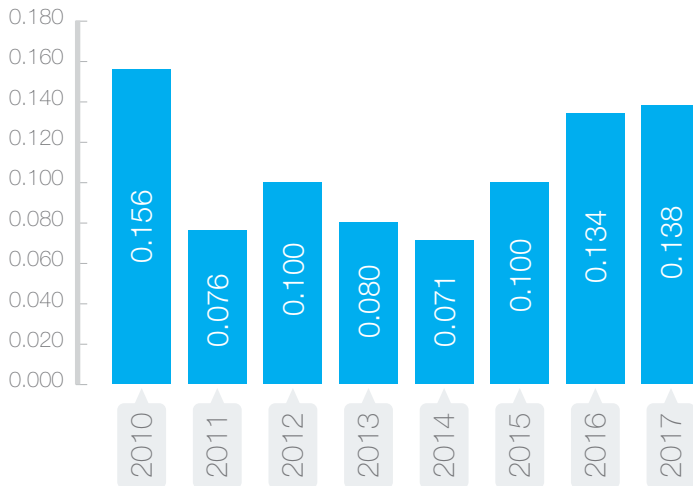
GRI 403-2



(1) BBRG included

Severity Index (SI) Bekaert Combined⁽¹⁾

GRI 403-2



(1) BBRG and JV's included

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

In 2017 both the lost-time incident frequency rate and severity index increased, compared to 2016. The BeCare roll-out schedule takes into account the incident history of the locations so that appropriate actions are taken with a risk and priority focus.

Injury and lost day rates per region

GRI 403-2

Group data per region	LTIFR ⁽¹⁾	LTIFR ⁽¹⁾	LTIFR ⁽¹⁾	SI ⁽²⁾	SI ⁽²⁾	SI ⁽²⁾	Lost Days	Lost Days	Lost Days
	All	Bekaert	Contractor	All	Bekaert	Contractor	All	Bekaert	Contractor
EMEA	9.29	9.50	7.92	0.32	0.33	0.23	4 551	4 108	443
Latin America	5.70	6.32	2.31	0.13	0.12	0.17	1 080	855	225
Brazil (JV)	2.35	2.76	1.00	0.05	0.06	0.02	404	374	30
North America	1.75	1.92	0.00	0.12	0.13	0.00	336	336	0
Asia Pacific	1.26	1.27	1.22	0.08	0.09	0.04	2 226	1 872	354
BBRG	6.44	6.82	2.27	0.17	0.18	0.04	887	869	18

Injury and lost day rates per region

GRI 403-2

Group data by gender (own employees)	Male	Female
Lost days	7 855	559
LTIFR ⁽¹⁾	4.77	1.76
SI ⁽²⁾	0.16	0.11

Safety champions in consolidated plants

In 2017, 2 plants achieved more than 5 years without recordable safety incidents. 3 plants achieved 4 years without recordable safety incidents. 4 others achieved more than 2 years without recordable safety incidents and 19 plants were more than 1 year incident-free.

Almost 30 plants have thus proven that it is possible to make Bekaert a safe place to work.

Health and safety committees

GRI 403-1

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

(1) LTIFR: Lost Time Incident Frequency Rate: number of lost time accidents (LTA) per million worked hours.

(2) SI (Severity Index): Severity Index: number of lost days due to occupational accidents per thousand worked hours.



CHAPTER 3

OUR
RESPONSIBILITY
IN THE
MARKETS

OUR MARKETS

We promote and apply responsible and sustainable business practices in all our business and community relationships. Our sourcing and innovation programs enhance sustainability throughout the value chain.

better together in the communities where we are active

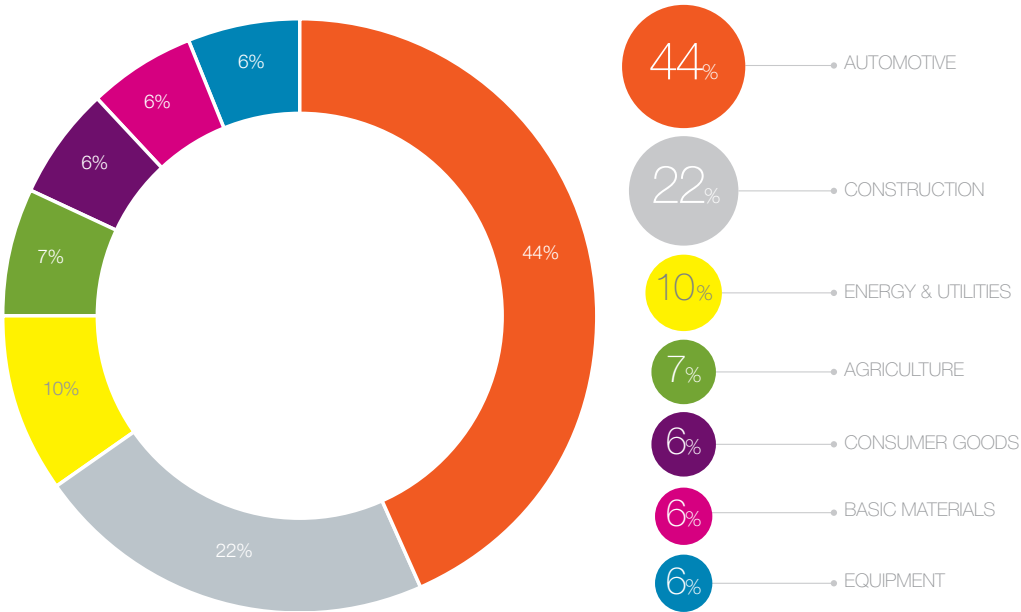
Bekaert strives to be a loyal and responsible partner in the communities where we are active. We interact with the local governments in a transparent, constructive way. We do not support political institutions and in our communications, we adopt a neutral position with respect to political issues. We 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 with our customers

We deal openly and honestly with our business partners. We expect our business partners to adhere to business principles consistent with internationally accepted ethical standards.

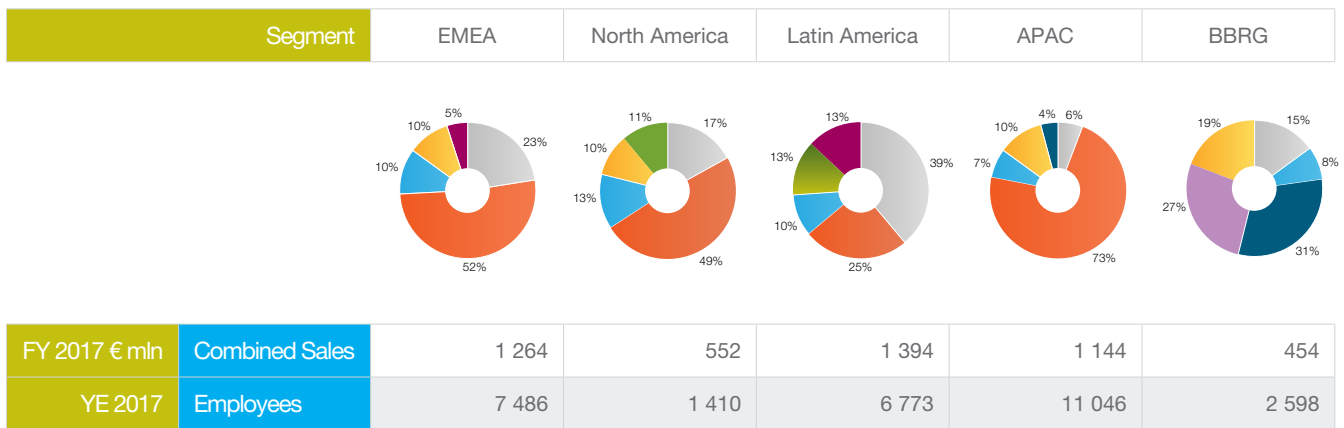
Bekaert has a strong presence in diverse sectors. This makes Bekaert less sensitive to sector-specific trends and it also benefits our customers, because solutions we develop for customers in one sector often form the basis of innovations in others.

Sectorial breakdown of Bekaert’s combined sales in 2017:



Bekaert has production facilities and sales offices in 40 countries and builds lasting relationships with customers and suppliers, wherever we do business. Our geographic presence and product offering are aligned with the local business opportunities and demand. This is visible in the sectorial breakdown by segment.

● Bekaert production plants ● Bekaert offices ● Bekaert technology centers ● BBRG production & distribution sites



● Automotive ● Agriculture ● Construction ● Basic Materials ● Consumer Goods ● Energy & Utilities ● Equipment ● Other Industries

Supporting our customers' sustainability programs

We actively cooperate with customers in sustainability initiatives. We support our customers' sustainability programs by implementing specific actions in our respective policies and by joining sustainability initiatives and standards to accommodate their priorities. Acting as a socially and environmentally responsible supplier helps our customers achieve their sustainability targets too.

Innovation & co-development

More than 80% of Bekaert's global portfolio of R&D projects is targeting distinct benefits in terms of health & safety and the environment. They help achieve the sustainability ambitions of our customers and of our own operations. These R&D projects consist of innovations that:

- limit the use of natural and harmful resources
- lower the energy consumption and exhaust
- increase recycling opportunities
- enhance safety
- address the renewable energy market needs

It is our aim to increase the share of R&D efforts with a direct sustainability link to 90% by 2025. Therefore, we have added a specific classification in our R&D project management tool, to enhance measurement and prioritization.

Some examples of our innovative R&D projects:

- Bekaert's super-tensile and ultra-tensile steel cord ranges for tire reinforcement allow tire makers to produce tires with a lower weight, thinner plies, and lower rolling resistance. This revolution enables a 15% reduction of the total tire weight, thereby decreasing the CO₂ emissions of a vehicle by 250kg or a global reduction by 850 million kg of CO₂ per year. We target a global annual reduction of 1 billion kg of CO₂ by 2020 and 1.3 billion kg of CO₂ by 2025, driven by the positive effects of growth, innovation and product-mix.
- Bekaert successfully developed a 3rd generation sawing wire technology and product. Sawing wire allows manufacturers in the photovoltaic industry to cut polysilicon ingots into wafers for the production of solar cells with a minimum loss of material. The diamond wire, developed by the sawing wire R&D team in China, has been tested and approved by all targeted customers.



“ Bekaert's ST/UT reinforcement reduces 850 million kg of CO₂ per year ”

GRI 305-5 scope 3



“ We help achieve the sustainability ambitions of our customers ”

In co-developing new products with customers, Bekaert pays particular attention to the confidentiality and secrecy of customer and research data. As a market and technology leader in various markets, we are aware of the compliance rules and the necessity to have the systems and behavior in place to ensure intellectual property rights and data privacy. Bekaert has received no formal complaints from customers regarding such potential infringements.

GRI 418-1

In 2017, a centralized project team started preparing for compliance with the new EU General Data Protection Regulation. The confidentiality principles on data privacy of this EU regulation are obviously also respected towards our customers worldwide.

GRI 418-1

Listening to our customers

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. 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.

GRI 102-43

GRI 102-44

In November 2017 Bekaert organized the first phase of a global Net Promoter Score (NPS) Survey. It is the first time that such survey is organized across all business platforms and on a global scale. NPS surveys are used to gauge the loyalty of customer relationships by measuring the likeliness that customers would recommend Bekaert to other companies, colleagues or business partners. In the first customer group, the survey covered 50% of Bekaert's Top 80% revenue customers and growth accounts. In a next phase (May 2018) the remaining 50% will be asked to participate. The survey coordination and analysis are managed by an independent market research agency, ICMA Group.

Net Promotor Scores for international B2B manufacturing companies on average attain 20 to 30%. Bekaert was very pleased with the first phase outcome of the global NPS Survey and a score of 50%, far above average. More important are, however, the results per business activity and region, from which we can learn to better understand and improve customer relationships and excellence.



Open innovation

Apart from customer-specific R&D, Bekaert also seeks international partnerships with universities and research institutes to foster open innovation on various research themes. In 2017, we continued our cooperation programs with academic institutions, technology clusters and research partners from different parts of the world.

Supply Chain Excellence

Bekaert further rolled out its Supply Chain Excellence (SCE) program that was launched in 2016 and covers the total supply chain. The program has the ambition to install a best-in-class demand-driven supply chain, reacting to real-time signals from customers, suppliers and our business.

GRI 102-10

Building a sustainable supply chain

Bekaert's purchasing department continued its engagement to enhance sustainability awareness and control with our suppliers. The Bekaert Supplier Code of Conduct outlines environmental, labor and governance related requirements that suppliers shall comply with (or deliver proof of following its principles). At the end of 2017 this supplier commitment represented 82% of spend coverage, compared with 75% in 2016.

GRI 308-1
GRI 407-1
GRI 408-1
GRI 409-1
GRI 414-1
GRI 414-2

The use of Key Supplier Agreements remains very important for the purchase of wire rod and was expanded to the other supply categories. Key supplier agreements are multi-year partnerships in which sustainability, supply chain integration and innovation are explicit building blocks.

All wire rod suppliers as well as suppliers of other critical materials are formally evaluated on a yearly base, and corrective action plans are put in place when the minimum required levels have not been reached. These action plans are closely monitored in order to keep the focus on improvement high.

Responsible sourcing of minerals

Bekaert recognizes the importance of responsible sourcing. In 2017, all suppliers covered by the Responsible Minerals Initiative (RMI), formerly known as Conflict Free Sourcing Initiative (CFSI), signed the Bekaert Supplier Code of Conduct (or delivered proof of following its principles) and 100% of our tin suppliers completed the most recent Conflict Minerals Reporting Template (CMRT). This is an initiative of the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC), and the Global e-Sustainability Initiative (GeSi), that help companies from a range of industries address conflict mineral issues in their supply chain. Bekaert also implemented a Conflict Free Minerals policy.

By 2020 Bekaert wants 100% of its tin and tungsten suppliers to complete the Conflict Minerals Reporting Template (CMRT), formerly known as CFSI template, annually. We will also set up a due diligence structure to comply with the anticipated 2021 legislation changes.



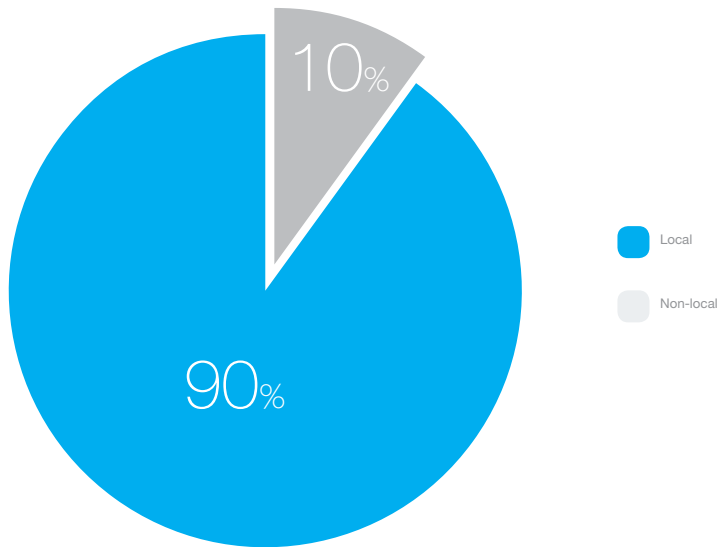
“
**Building a
sustainable
supply chain**
”

Local sourcing

GRI 204-1

In sourcing raw materials and other supply needs, Bekaert sources locally (i.e. in the same region as where the materials are being processed), unless when the sourcing options are inadequate in terms of quality or cost.

Bekaert supply sources and use by region (regions: EMEA, North America, Latin America, and Asia Pacific).



Anti-corruption policies and procedures

GRI 205-2

All Bekaert employees receive the “Bekaert Code of Conduct” upon entering the company. This document includes the Bekaert anti-corruption policy & procedures. All managers and all white collars are required to renew their commitment to the Bekaert Code of Conduct annually and to pass a test on business ethics cases. The Code has also been integrated in all new labor contracts for white and blue collars worldwide.

Particular training programs on the Code of Conduct and on anti-corruption and anti-bribery policies are also provided to functional groups (eg. the purchasing function). In addition, the Group Internal Audit department regularly audits the adherence to the respective policies and procedures, and recommends corrective actions where necessary. All policies are available to personnel on the Bekaert Intranet.



Other market place related data

GRI 201-1

Direct economic value generated and distributed: all data are available in the Financial Review chapter of the Bekaert Annual Report 2017 §5.2, § 5.3, § 5.5, § 6.12.

CHAPTER 4

OUR
RESPONSIBILITY
TOWARDS THE
ENVIRONMENT



OUR CONCERN FOR THE ENVIRONMENT

We care for the climate and promote a circular economy: we develop and install manufacturing equipment that reduces energy consumption and optimizes recycling. We use renewable energy sources wherever possible and avoid the discharge of untreated effluents and waste.

We continuously strive to develop processes that use less material, cut energy consumption and reduce waste.

Our concern for the environment is applied in 3 domains:

- develop new, eco-friendlier production processes for our plants worldwide
- prevention and risk management
- the development of products that contribute to a cleaner environment



Develop eco-friendlier production processes for our plants worldwide

In the first domain, our ambition is to develop eco-friendlier production processes for our plants worldwide. We do this by implementing worldwide initiatives that aim to reduce energy consumption and CO₂ exhaust and by installing energy-efficient infrastructure in all our new plants.

- Since 2015, Bekaert is running the Bekaert Manufacturing System (BMS), a transformation program focused on manufacturing excellence, including energy reduction measures. Although our total energy consumption increased compared to 2016 because of the growth of the business and a change in the product-mix, we were able to limit the increase. Thanks to BMS we achieved an annual recurrent saving of 249 GWh. This program is not 100% implemented yet, so we aim to increase the annual energy savings even further.
- The energy intensity ratio decreased versus our reference year 2015, both for electrical and thermal energy. Details of actuals and targets are described below in 'Energy Related Data'.
- The LED program replacing all traditional lighting by LED lights in production areas worldwide was completed in 2017. We achieved annual energy reduction savings of 87 GWh (50% of the energy used for lighting) as a result of this program. We will continue the LED light program in all new buildings and plants. We also aim to have LED lights installed in all BBRG production areas worldwide by 2020.



Bekaert wins ener.CON Europe Award 2018 for energy saving achievements

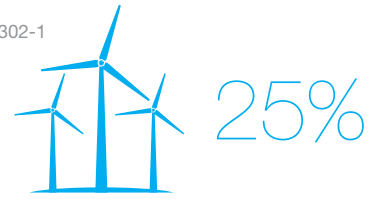
In March 2018, Bekaert won the ener.CON Europe Award 2018 for the energy savings achieved through the Bekaert Manufacturing System. From 30 filings, an expert committee selected Bekaert and two other nominees to present their projects during the ener.CON Conference in Berlin. One of our BMS representatives held a powerful and convincing pitch in which he clearly explained what impact our BMS approach had and will continue to have on energy savings. Not only the energy and environment professionals from ener.CON recognized the power of this approach: more than half of the 200 industry experts in the audience voted Bekaert the winner of the 2018 award.

GRI 302-4



- 25% of the electricity needs came from renewable energy sources in 2017. 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. Bekaert targets to purchase 30% of electricity needs from renewable energy sources by 2020 and 40% by 2025.
- In our Ranjangaon plant in India, we completed the installation of a zero liquid discharge water purification system. As a result, all industrial wastewater streams are recycled and reused.
- In September 2017, 30 Bekaert managers and consultants spent 2 days in the Aachen (Germany) Digital Capability Center, a joint-venture between McKinsey & Company, ITA Academy Ltd and leading technology companies, to discuss the 'plant of the future' challenges and opportunities. On the agenda:
 - Safety
 - Health
 - Robotics
 - Environment
 - Our responsibility as an employer and as a supplier

GRI 302-1



The last treatment step of the zero liquid discharge water treatment consists of an evaporator which converts the wastewater in solid waste and clean distillate which can be recuperated in the process.

2

Prevention and risk management play an important role in Bekaert's environmental policy

Prevention and risk management play an important role in Bekaert's environmental policy. This includes measures against soil and ground water contamination, responsible use of water and worldwide ISO14001 certification.

GRI 102-11

- In the course of 2017, Bekaert's global procedure to ensure precautionary measures against soil and ground water contamination (ProSoil) was further fine-tuned with a list of concrete action plans that guarantee a "first time right" approach. This helps us to improve our risk analysis and priority setting.
- Responsible use of water is also an ongoing priority. We constantly monitor our water consumption and have implemented programs that aim to reduce water usage in the long term.

GRI 102-11

- In 2017, 95% of the Bekaert plants worldwide were ISO 14001 certified. ISO 14001 is part of the ISO 14000 internationally recognized standards providing practical tools to companies who wish to manage their environmental responsibilities. ISO 14001 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. Bekaert also received a group-wide certification for ISO 14001 and ISO 9001. The ISO 9000 family addresses various aspects of quality management.
- Bekaert complies with the European RoHS regulation on hazardous substances.



95%



We develop products that contribute to a cleaner environment



At Bekaert we develop products that contribute to a cleaner environment. Ecology is an aspect that is already considered during the R&D phase of new products. In many cases, it is even a driving factor in product development.

We refer to Chapter 3, Our responsibility in the markets.

Helping the Belgian Solar Team win the bronze medal in the 2017 World Solar Challenge

In October 2017 the engineering students of the Belgian Solar Team won bronze in the 3000 km long World Solar Challenge in Australia. The skillful navigation of the solar car was one of the critical elements in this successful race and was made possible by an advanced cord in the steering module. The solar team was looking for a lightweight solution where every gram counts. The Bridon-Bekaert advanced cords plant of Aalter (Belgium) provided a compact 2.8mm diameter cord that allows inducing more than 700 kilograms of force on the axles, right down Bridon-Bekaert's alley of high-strength advanced cord technologies.



ENVIRONMENT RELATED DATA

Energy⁽¹⁾

GRI 302-1

Total energy consumption = 4 780 GWh

Of which:

- Electrical energy (incl. cooling) = 2 946 GWh
- Thermal energy (steam and gas) = 1 833 GWh

Bekaert has set targets for the reduction of energy consumption for the medium term (2020) and the longer term (2025).

Bekaert wants to reduce its energy consumption by 10% (2020) and by 15% (2025) versus reference year 2015 (see glossary at page 9).

These targets are subject to the outcome of external expertise studies in 4 pilot plants in 2018 and subject to the pace of phased investments.

Renewable Energy:

25% of the electricity needs came from renewable energy sources in 2017.

Bekaert has set targets to increase the share of renewable energy for the medium term (2020) and longer term (2025).

Bekaert wants to increase the share of renewable energy to 30% (2020) and 40% (2025) respectively.

Energy Intensity Ratio⁽²⁾:

GRI 302-3

- Electrical energy (incl. cooling) = 912 KWH/ton. This is a decrease of 3% compared to base year 2015.
- Thermal energy (steam & gas) = 568 KWH/ton. This is a decrease of 10% compared to base year 2015.

Methodology used: the energy data are monitored in a central database and are based on energy invoices.

Bekaert has set targets to significantly decrease the energy intensity ratios in the future. See targets overview and glossary at page 8 and 9.

CO₂⁽¹⁾

As of 2017 Bekaert uses the following standards for the calculation of its CO₂ emissions:

- Electricity (global): International Energy Agency (IEA)
- Electricity (North-America): US EPA eGRID
- Gas (global): Intergovernmental Panel on Climate Change (IPCC)
- Steam (global): Department for Environment, Food and Rural Affairs (DEFRA)

GHG emissions from purchased electricity and other types of energy (Scope 2 emissions):

GRI 305-2

- Electrical energy (including cooling) = 1 440 235 ton CO₂
- Thermal energy (Steam and gas) = 370 733 ton CO₂

(1) All energy data is excluding BBRG

(2) Data provided by the respective plants

GHG Intensity Ratio⁽²⁾:

GRI 305-4

- Electrical energy (including cooling) = 446 kg CO₂/ton.
- Thermal energy (Steam and gas) = 115 kg CO₂/ton.

Bekaert has set targets to reduce its GHG emissions for the medium term (2020) and longer term (2025).

Bekaert wants to reduce its GHG emissions with 9% in 2020 and 14% in 2025. Taking into account the efforts we are making and targets we are setting to increase the share of energy from renewable sources, our GHG emissions will reduce with 12% in 2020 and 25% in 2025 (see targets and glossary at page 8 and 9). These targets are subject to the outcome of external expertise studies in 4 pilot plants in 2018 and subject to the pace of phased investments.

Water

Total volume of water withdrawn from any water source: 10 362 997m³

Total volume of water withdrawn by source type:

GRI 303-1

- City water: 6 123 131 m³ (~= 59.1%)
- Ground water: 3 098 523 m³ (~= 29.9%)
- Canal water: 744 225 m³ (~= 7.2%)
- Rain water collected for reuse: 22 908 m³ (~= 0.2%)
- Purchased steam: 374 211 m³ (~= 3.6%)

The total volume of effluent discharged from waste water treatment was 3 217 317 m³ in 2017.

GRI 306-1

Destination of the effluent discharged:

- Surface water (lake, sea, river, canal): 55.8% (1 791 326 m³)
- Sewer: 38.5% (1 237 468 m³)
- Irrigation: 5.7% (188 523 m³)

The total volume of effluent discharged in cubic meters by ton end product: 0.971 m³/ton end product.

Destination of the effluent per ton end product discharged:

- Surface water (lake, sea, river, canal): 0.541 m³ per ton end product
- Sewer: 0.373 m³ per ton end product
- Irrigation: 0.057 m³ per ton end product

(1) All energy data is excluding BBRG

(2) Data provided by the respective plants



“ Ecology is an aspect that is already considered during the R&D phase of new products ”

CHAPTER 5

OUR
RESPONSIBILITY
TOWARDS
SOCIETY

EDUCATION & SOCIETY

We support and develop initiatives that help improve the social conditions in the communities where we are active. Education projects form the backbone of Bekaert's social funding and other community-building activities, because we believe that education and learning help create a sustainable future.

Supporting educational and training initiatives

We support education-related initiatives in the communities where we are active.

In China, Bekaert has built strong relationships with various schools. Volunteers from the Bekaert Technology Research & Development Center went to Jiangyin Chenguang Primary School to give first-aid training in March 2017. Students learned how to perform life-saving measures such as CPR (Cardio Pulmonary Resuscitation) and AED (Automated External Defibrillator). A standard emergency procedure was also introduced during the training.



In Brazil, our joint ventures participated in the Youth Entrepreneurship project, a program that prepares young people in taking their first steps into the job market. 30 employees volunteered to teach low-income youth how to improve their professional skills. 324 students have participated in this future-building initiative.

Also in Brazil, 630 students participated in a science education program that was launched in 2016. The goal is to create interest in science and awareness for the environment.

In North America, Bekaert supports the FFA, Future Farmers of America. This is a nationally recognized program that offers agricultural education, career opportunities and leadership development to 649 355 student members. We express our commitment to this initiative by giving agriculture-related trainings and by offering sponsorships.

The International Children's Day was celebrated in several of our plants and offices. Colleagues from our plant in Slovakia attended a celebration event in the Children's Center Hrajkovo. They assisted in the activities of the day care center.

In China Bekaert has a long-term collaboration with the Shanghai Pudong Lianying Primary school. Bekaert colleagues donated new reading books to the school library on the occasion of Children's Day.



**“
a long
tradition of
supporting
educational
projects
”**

Supporting social community initiatives

We support local activities and projects for social, cultural and economic development that aim to improve societal conditions in the places where we are active, among others through healthcare initiatives and disaster relief.

In the past years, several parts of the world have been confronted with natural disasters. We try to contribute to the affected regions by providing building material, food and financial help, especially when communities are hit where we are active.

When the Manabí region in Ecuador was struck with a devastating earthquake in April 2016, the IdealAlambrec-Bekaert plant was contracted by the Government as the primary business partner in a major housing reconstruction program. Right after the earthquake, Bekaert Latin America together with the IdealAlambrec-Bekaert plant in Quito donated 10 houses to affected families in the area. In 2017 they made a second donation, reaffirming our commitment to continue working to rebuild the Manabí region. The donated houses are built in line with Ecuadorian construction regulations regarding earthquake resistance. The construction works were performed by local builders and technicians, contributing to the employment in and the development of the province.



The southern states of the United States suffered under the devastating hurricane Harvey in August 2017. The Bekaert plant in Van Buren collected and donated money to families who lost their homes.

In the beginning of 2017, Chile was in a state of emergency for several weeks. Wildfires raged through the southern and central part of the country and burned down houses, livestock and even entire villages. The Inchalam-Bekaert plant gathered forces to support families who lost their house. Food and beverages were provided and Inchalam-Bekaert donated material for the reconstruction of the houses in cooperation with NGO Techo Chile.



The Inchalam-Bekaert plant also participates actively in Mesa Empresa, an initiative that supports collaborations between companies and the local community. Their aim is to improve the life quality of people by organizing activities related to culture, environment, health, training, and recreation. In 2017, Inchalam-Bekaert collaborated among others in sports activities and a clean-up initiative to celebrate World Environment Day.

The Marietta sales team in the United States has built a sensory playground for children with special needs in the Moultrie, Georgia community. This project was a collaboration with local social organizations who offer help to children with disabilities.

All over the world, Bekaert supports local healthcare initiatives.

- In our plants in Zwevegem (Belgium) and Proalco (Colombia) for example, colleagues organized a blood donation for the blood banks of the national medical services.
- The program Ver e Viver (Seeing and living) in Brazil provides vision tests and glasses to students of municipal schools. Thanks to our Brazilian joint ventures, 4 295 students benefited from a vision test in 2017 and 256 glasses were donated.



CHAPTER 6

ANNEXES
AND
GRI CONTENT
INDEX



Materiality assessment

GRI 103-1

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:

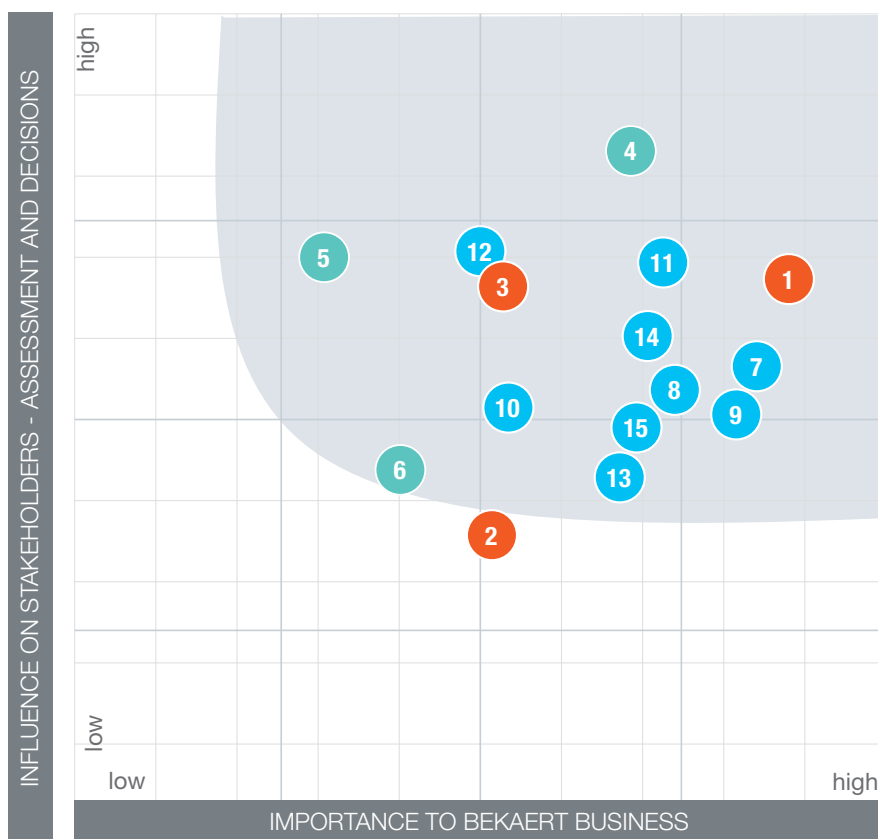
- Frequency of reporting requests by individual aspect
- Rigor/stringency of stakeholder criteria by aspect

2. Importance to Bekaert business:

- Efforts spent to improve performance and/or reporting scope
- Frequency and weight attached to the aspect in Bekaert reporting and communication
- Measurable KPI and progress included in this report

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

GRI 102-47



Material aspects (per category):

Economic:

1. Economic performance of the company
2. Promotion of social and economic development in the community
3. Upstream sustainable supply chain

Environmental:

4. Energy and emissions
5. Water
6. Effluent and waste

Social:

7. Health and Safety
8. Learning and development
9. Child, forced and compulsory labor
10. Freedom of association
11. Anti-corruption (ethics)
12. Diversity and equal opportunity
13. Customer privacy
14. Human rights
15. Performance assessments

GENERAL DISCLOSURE ON GOVERNANCE AND ERM

Board of Directors

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 currently has fifteen members. Their professional profiles cover different areas of expertise, such as law, business, industrial operations, banking & investment banking, marketing & sales, technology & engineering, HR and consultancy. One third of the Board members are female, in line with current regulations on diversity.

GRI 102-18

GRI 103-2

GRI 103-3

The Chairman and the Chief Executive Officer are never the same individual. The Chief Executive Officer is the only Board member with an executive function. All other members are non-executive Directors.

GRI 102-23

For more information on the activities and remuneration of the Board of Directors in 2017, please consult Bekaert's Annual Report 2017.

Bekaert Group Executive

GRI 102-18

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

For more information on the performance and remuneration of the Bekaert Group Executive in 2017, please consult Bekaert's Annual Report 2017.

Enterprise Risk Management

GRI 102-11

Bekaert's 2017 ERM report includes among others, the following potential risks:

- overall pressure on profitability;
- 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.



GENERAL INFORMATION ON SUSTAINABILITY REPORTING PRINCIPLES

This report has been prepared in accordance with the GRI Standards: Core option. Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI 102-54

Bekaert's responsible performance in 2017 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 2017, Bekaert was awarded a gold 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.

In response to growing interest throughout the supply chain to report on the carbon footprint of operations and logistics, Bekaert also participates in the Climate Change and Supply Chain questionnaires of CDP, formerly known as the Carbon Disclosure Project.

MEMBERSHIPS & ASSOCIATIONS

Bekaert has numerous corporate memberships, including

GRI 102-13

1. Bilateral

- American Chamber of Commerce (several bilateral memberships)
- Belgo-Indian Chamber of Commerce
- Chambre de commerce Belgo-Luxembourgoise pour la Russie et le Belarus asbl - Belgisch-Luxemburgse Kamer van Koophandel voor Rusland en Wit-Rusland v.z.w
- Flanders-Chinese Chamber of Commerce (FCCC)
- EU-China Chamber of Commerce
- Benelux-China Chamber of Commerce

2. General Industry Associations

- Agoria
- American Wire Producer Association (AWPA)
- China Rubber Industry Association
- VOKA – Flanders
- Wire Association International (WAI)
- Member of national employers association in all countries where Bekaert is active

3. Other

- GUBERNA
- The Conference Board

GENERAL DISCLOSURES		
GRI STANDARD	DISCLOSURE	PAGE
GRI 101 Foundation 2016		
	ORGANIZATIONAL PROFILE	
GRI 102 General disclosures 2016	GRI 102-1 Name of the organization	59
	GRI 102-2 Activities, brands, products & services	11
	GRI 102-3 Location of headquarters	11
	GRI 102-4 Location of operations	Bekaert Operations
	GRI 102-5 Ownership and legal form	59 Back cover
	GRI 102-6 Markets served	11
	GRI 102-7 Scale of the organization	11
	GRI 102-8 Information on employees and other workers	17
	GRI 102-9 Supply chain	35
	GRI 102-10 Significant changes to the organization and its supply chain	36
	GRI 102-11 Precautionary principle or approach	40, 50
	GRI 102-12 External initiatives	18
	GRI 102-13 Membership of associations	52
	STRATEGY	
	GRI 102-14 Statement from the most senior-decision makers	10
ETHICS AND INTEGRITY		
GRI 102-16 Values, principles, standards and norms of behavior	12, 15, 18	
GOVERNANCE		
GRI 102-18 Governance structure	50	
GRI 102-23 Chair of the highest governance body	50	
STAKEHOLDER ENGAGEMENT		
GRI 102-40 List of stakeholder groups	7	
GRI 102-41 Collective bargaining agreements	22	
GRI 102-42 Identifying and selecting stakeholders	7	
GRI 102-43 Approach to stakeholder engagement	21, 34	
GRI 102-44 Key topics and concerns raised	21, 34	

GRI STANDARD	DISCLOSURE	PAGE
	REPORTING PRACTICE	
	GRI 102-45 Entities included in the consolidated financial statements	59
GRI 102 General disclosures 2016	GRI 102-46 Defining report content and topic Boundaries	13
	GRI 102-47 List of material topics	49
	GRI 102-48 Restatements of information	13
	GRI 102-49 Changes in reporting	13
	GRI 102-50 Reporting period	13
	GRI 102-51 Date of most recent report	Bekaert Sustainability Report 2016 (01/01/2016 - 31/12/2016)
	GRI 102-52 Reporting cycle	13
	GRI 102-53 Contact point for questions regarding the report	59
	GRI 102-54 Claims of reporting in accordance with the GRI Standards	51 - Core Option
	GRI 102-55 GRI Content Index	53-58 Content Index
	GRI 102-56 External assurance	No external Insurance

MATERIAL TOPICS		
ECONOMIC		
GRI STANDARD	DISCLOSURE	PAGE
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 201 Economic performance 2016	GRI 201-1 Direct economic value generated and distributed	37
	GRI 201-3 Defined benefit plan obligations and other retirement plans	19
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50

ECONOMIC

GRI STANDARD	DISCLOSURE	PAGE
GRI 204 Procurement practices 2016	GRI 204-1 Proportion of spending on local suppliers	37
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 205 Anti- corruption 2016	GRI 205-2 Communication and training about anti-corruption polices and procedures	37

ENVIRONMENTAL

GRI STANDARD	DISCLOSURE	PAGE
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 302 Energy 2016	GRI 302-1 Energy consumption within the organization	40, 42
	GRI 302-3 Energy intensity	42
	GRI 302-4 Reduction of energy consumption	39
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 303 Water 2016	GRI 303-1 Water withdrawal by source	43

ENVIRONMENTAL

GRI STANDARD	DISCLOSURE	PAGE
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 305 Emissions 2016	GRI 305-2 Energy indirect (Scope 2) GHG emissions	42
	GRI 305-4 GHG emissions intensity	43
	GRI 305-5 Reduction of GHG emissions	33
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 306 Effluents and waste 2016	GRI 306-1 Water discharge by quality and destination	43
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 308 Supplier Environmental assessment	GRI 308-1 New suppliers that were screened using environmental criteria	36

SOCIAL

GRI STANDARD	DISCLOSURE	PAGE
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50

SOCIAL

GRI STANDARD	DISCLOSURE	PAGE
GRI 401 Employment	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	19
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 403 Occupational health and safety 2016	GRI 403-1 Workers representation in formal joint management-worker health and safety committees	28
	GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	25, 26, 27, 28
	GRI 403-4 Health and safety topics covered in formal agreements with trade unions	22
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 404 Training and education 2016	GRI 404-1 Average hours of training per year per employee	22
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	20
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 405 Diversity and equal opportunity 2016	GRI 405-1 Diversity of governance bodies and employees	15, 16
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 407 Freedom of association and collective bargaining 2016	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	22, 36

SOCIAL

GRI STANDARD	DISCLOSURE	PAGE
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 408 Child Labor	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	18, 36
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 409 Forced or Compulsory Labor	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	18, 36
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 414 Supplier Social Assessment	GRI 414-1 New suppliers that were screened using social criteria	36
	GRI 414-2 Negative social impacts in the supply chain and actions taken	36
GRI 103 Management approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	49
	GRI 103-2 The management approach and its components	50
	GRI 103-3 Evaluation of the management approach	50
GRI 418 Customer privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	34

What would you like to know about Bekaert?

www.bekaert.com

sustainability.bekaert.com

annualreport.bekaert.com

Correspondence

Katelijin Bohez, Chief Communications & IR Officer
E-mail: corporate@bekaert.com

Information on Bekaert and on its 2017 financial performance is available in the 2017 Annual Report.

GRI 102-53
GRI 102-1

GRI 102-5
GRI 102-45

 **BEKAERT**

better together

Social seat

NV Bekaert SA
Bekaertstraat 2
BE-8550 Zwevegem
Belgium
T +32 56 76 61 00
www.bekaert.com
© Bekaert 2018