

Sustainability Report 2011



The world around us, our shared concern.

- ▶ Our responsibility in the workplace
- ▶ Our responsibility in the community and in the markets
- ▶ Our responsibility towards the environment
- ▶ Our responsibility towards society

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

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Our responsibility in the workplace

Our highly-qualified employees create the dynamics that characterize our international corporate culture. To support our people, we further developed training and development programs in 2011.

Our people

Building a strong value based culture

At the end of 2010, the Bekaert Group Executive launched the 'Bekaert Leadership Journey', a worldwide management development program.

The program consists of three modules. In 2011, we launched the first module: spread over 23 sessions and 4 regions, 600 managers went through this first stage, focusing on self-management, i.e. who they are as individuals and what drives them. Each session brought together a group of about 25 people from different regions, departments, functions and levels. The following modules will be rolled out in 2012 and in the coming years. The emphasis will then be placed on how we work together to achieve common goals and demonstrate aligned leadership when tackling global challenges.

Developing talent in each business area

Bekaert has a long and strong tradition of offering training opportunities. Next to general training programs, also area specific development modules are in place for job holders in various domains such as marketing & sales, six sigma, lean manufacturing and operational excellence.

Developing talent goes beyond providing training programs. The Talent Development Review process provides a structured way to identify managerial employees' potential, map their potential to meet business needs, define appropriate development actions in meeting employees' long term career aspirations and prepare them for future positions. In 2011, extra efforts were made to stimulate internal job rotation through resource councils.

Employee related data

- 28 595 employees

	Region				TOTAL
	EMEA	North America	Latin America	Asia Pacific	
Blue collars	4693	1123	5686	9396	20898
Male	4235	1059	5558	9081	19933
Female	458	64	128	315	965
White collars	1558	245	1708	2438	5949
Male	1042	145	1231	1744	4162
Female	516	100	477	694	1787
Management	720	190	239	599	1748
Male	618	161	217	492	1488
Female	102	29	22	107	260
TOTAL Male	5895	1365	7006	11317	25583
TOTAL Female	1076	193	627	1116	3012
GRAND TOTAL	6971	1558	7633	12433	28595

- Average n° of training per employee category & per gender (cfr GRI KPI LA10):
On average 76 hours of training
- % of employees who received a performance review (cfr GRI KPI LA12):

% of population	Managers	White collars	Blue collars
Covered in a performance management system	100	100	88
With link between performance & base pay	100	96	55
With link between performance & variable bonus	100	85	85

Safety first

Safety has always been a key priority at Bekaert. That's why safety is one of the main pillars in our operational excellence tradition. The Bekaert safety policy is deployed and monitored via the 'Bekaert Safety Evaluation System' (BEKSES). Regular audits (based on OHSAS 18001) are carried out in all plants. Their aim is to evaluate the implemented safety management system and to define an action plan for further progress. Twice a year, the Safety Steering Committee, composed of the Group EHS Manager and the Regional Health and Safety Coordinators, comes together to determine the safety initiatives for the next months.

Worldwide implementation of the Safety Tree model

In 2011, the Safety Tree model was implemented in all Bekaert plants worldwide. The Safety Tree model is a tool to control and reduce safety risks in each site. It provides a safety action plan based on four drivers for safety: the involvement of plant managers, the management and control of risks, training and communication, and employee participation. By the end of 2012, all plants should achieve a 90% score on the Safety Tree scorecard when assessing their performance on the four drivers.

New initiatives to enhance safety

In 2011, several initiatives were taken to further improve the safety performance within the plants.

The first initiative was on the prevention of hand and finger injuries as our statistics indicate that hands and/or fingers were injured in 50% of accidents. In the campaign, the focus was placed on motivating employees to work safely and on how to avoid the ten most common causes for hand and finger accidents.

The second initiative regarded forklift safety. In 21 plants, a forklift safety program that covered usage and maintenance of forklifts, the internal roads and the forklift drivers' as well as other employees' behavior, was implemented. A first evaluation in the fourth quarter of 2011 indicated considerable progress.

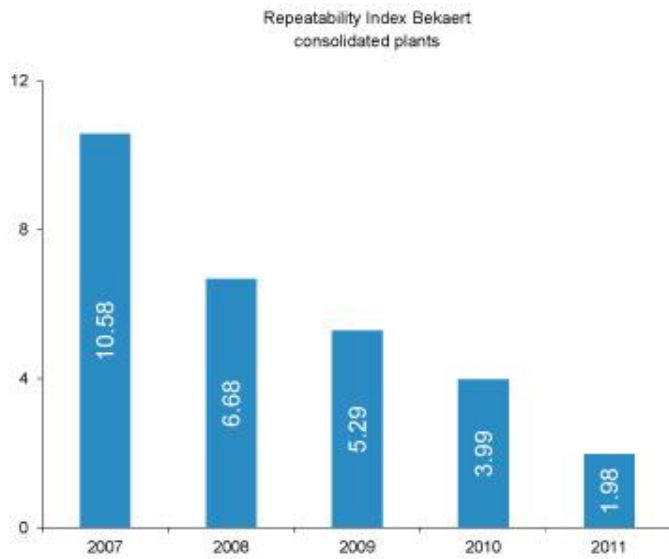
The third initiative was the improvement of the ergonomic conditions in which the operators work. Ergonomic assessments for spool handling were carried out in more than 20 plants in 2011.

The fourth initiative followed two major traffic accidents with shuttle busses bringing employees home in China in 2010: clear guidelines for bus safety have been worked out and were approved by the contracted bus companies. Some examples of the measures taken: safety belts must be available on every seat and emergency hammers must be present.

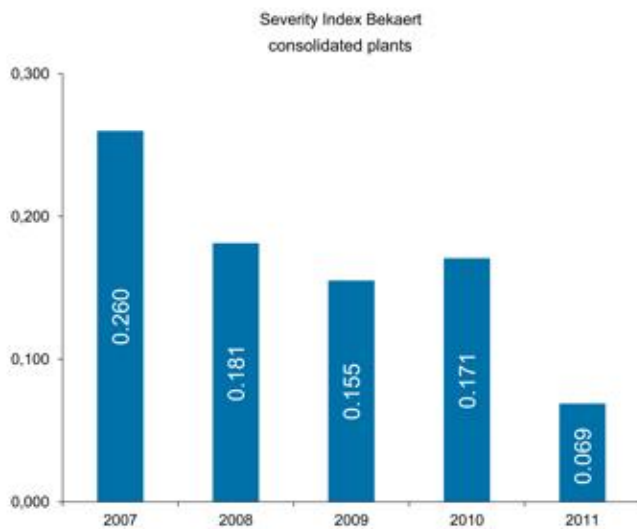
International Health and Safety Day

'Increase road safety wherever possible' was also the subject of the fourth International Health and Safety Day that was organized on 22 September in all Bekaert locations worldwide. We tackled the challenge from three different angles: technical or equipment-related safety, infrastructure requirements and traffic behavior. All over the world, plants and offices showed a video message on traffic safety by the CEO Bert De Graeve and organized activities like forklift truck checks, anti-skid courses and awareness sessions about the impact of weather conditions, alcohol, etc.

Safety related data: GRI KPI LA7



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



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

Safety champion: BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda, Itaúna (Brazil): 11 years without LTA

	>= 3 years without LTA	>= 6 years without LTA	>= 9 years without LTA
N° of plants	8	1	2

Our responsibility in the community and in our markets

better together in the communities where we are active

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

better together by embracing diversity

To retain worldwide leadership in our core competences, we attract competent and talented people in the various countries where we operate.

Our hiring policy is two-fold: firstly, our customers expect service from strong local teams; so we hire people who are entirely familiar with the conditions under which local businesses operate.

Secondly, we focus on diversity: we set up teams consisting of talent from different nationalities, cultures and backgrounds, encouraging them to share their knowledge, strengths, experiences and perspectives with each other.

better together with customers and suppliers

All over the world, it's our approach to stay close to our customers: we are active in 120 countries and have production facilities and sales offices in 36 countries. We seek out qualitative local suppliers to buy our raw materials from. By doing so, we avoid long and unnecessary transports.

In the development of new products today, we never ignore the demands of tomorrow including: a sufficient supply of clean materials, increased mobility and materials with improved properties.

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

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

Market place related sustainability data:

- Our hiring policy states that every new employee receives a copy of our Code of Conduct which explains our anti-corruption policies and procedures. (cfr GRI KPI SO3)
- Rewards: In 2011, our Chief Purchasing Officer Philippe Armengaud was nominated for the CPO Award 2011. The nomination rewards the efforts of Philippe Armengaud and his team over the previous years to professionalize and better align Bekaert's procurement activities with the business even further.
- Hiring local plant managers: 66% of plant management is hired from the local community (cfr GRI KPI EC7)

Our responsibility towards the environment

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

Bekaert develops products that contribute to a cleaner environment. We manufacture super and ultra-tensile steel cord, biodegradable wire coatings, sawing wire for solar energy and sintered metal fibers used in diesel particulate filters and much more.

At the same time, we also put our concern for the environment into practice by developing new, eco-friendlier production processes for our plants worldwide. In 2011, we launched the 'New Environmental Technologies' project in order to build up knowledge and expertise in environmental technologies to boost the environmental performance of our plants worldwide.

Full worldwide ISO 14001 site certification: almost a fact!

In 2009, the Bekaert Group Executive decided that all consolidated Bekaert plants would have to be ISO 14001-certified by year-end 2011. Taking stock of this, we can conclude that 93% of the sites have achieved this goal, with the exception of 5 plants that expect their certification in 2012.

Environmental Excellence audits.

One of the tools we use to improve continuously is the environmental technical audits. In 2011, they were carried out in the biggest plants worldwide to evaluate fluid flows and consumption, and to identify best practices that can improve performances in other plants too.

Bekaert plants certified

On 15 April 2011, the Bekaert Regional Headquarters Asia in Shanghai celebrated its LEED (Leadership in Energy and Environmental Design) Golden Certification Award for the environmental friendliness and sustainable design of the new Bekaert offices in Shanghai.



Ideal Alambre Bekaert, our Ecuadorian subsidiary, succeeded in certifying ISO 9001:2008/OHSAS 18001:2007/ISO 14001:2004 in a single audit. The implementation of the integrated management system helped the company to identify points of improvement. The certificate obtained recognizes that Ideal Alambre Bekaert takes client satisfaction, the occupational health and safety of their employees and care for the environment very seriously.

Environment related sustainability data:

- Total water withdrawal 2011 (GRI KPI EN8): 8641 10³m³
Total volume of water in m³ withdrawn by source type:
 - City water: 5423 10³m³ (~= 63%)
 - Ground water: 2325 10³m³ (~= 27%)
 - Canal/river water: 723 10³m³ (~= 8%)
 - Rain water collected for reuse: 14 10³m³ (~= <0.5%)
- Total water discharged by quality and destination (GRI KPI EN21):
 - The total volume of effluent discharged from wastewater treatment: 2900 10³m³
 - The total volume of water discharged in m³ per year by ton end product:
2.98 m³/ton end product
 - The total volume of effluent discharged in m³ per year by ton end product:
1.00m³/ton end product

Our responsibility towards society

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

Supporting educational and training initiatives

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



Bekaert helped to install an e-library and computer center at the Industrial Technical Institute in Ranjangaon (India). The school helps economically disadvantaged teenagers from the neighboring villages to acquire electrical, mechanical, painting, automation and tailoring skills.

In China, Bekaert has built strong relationships with various institutes such as the Weihai Welfare Home for Children, the Shenyang Enlighten Kindergarten and the Bekaert Fraternity Primary School in Fengjie County (Chongqing).



Bekaert donated 48 information boards to the Xiyuan school in Weihai (China). The boards create a culture corridor for the children, helping them to acquire more knowledge and broaden their exposure to the world.



In Peru, Bekaert helped to build a comprehensive development center in AAHH Los Rosales, Lima. The center is dedicated to educating youth in various skills of the building sector. Once trained, they provide their services as a group, and through the center they are offered the opportunity to earn some money and to enter the labor market more easily.

On an ongoing basis, our plant in Peru supports the Reading to Grow Program, which improves teaching methods for public teachers, and the summer school of the Sarita Colonia community, which offers children between 5 and 17 free courses to develop their arts and sports abilities.

In Brazil, Bekaert continues to support long term initiatives like 'Citizens of Tomorrow', a program through which employees and their families collect funds to help children and teenagers with social and educational needs.



In 2011, 29 social and educational institutes benefited from funds collected and volunteering activities organized through the 'Pro Volunteer' program, which is a part of 'Citizens of Tomorrow'. Other supported programs include 'Seeing is living', which offers vision tests and glasses to students of municipal schools and 'Hearing well to learn better', which provides hearing tests and donates hearing aids to students.

In 2011, 215 young community members participated in the 'Digital Citizenship' program, which trains youth to access information technology. Bekaert supported this program by providing trainers.

Our colleagues in Turkey have initiated a partnership with a local primary school. In the first phase, Bekaert supported its renovation.

Supporting social & community initiatives

With a global reach, we support community initiatives that work to improve societal conditions where we are active.



Some houses in Kutamekar Village (Indonesia) only have a soil floor. Together with the local citizens, Bekaert colleagues helped to build a concrete floor using our Dramix® steel fibers.

Supporting quality of life does not stop at the work floor. Xander and Siebe, the two sons of a Belgian Bekaert employee have a rare metabolic disease, X-ALD, that attacks the brain. Their last hope for a cure is stem cell transplantation. The little chance of finding a match (only 1 out of 50 000), did not discourage us from organizing a blood donation at our plant in Zwevegem (Belgium) in cooperation with the Red Cross Flanders, who simultaneously searched on international blood banks. In July, two suitable matches for the boys were found.

In Slovakia, our colleagues supported the house of social services in Pastuchov, an institution for mentally disabled children, both with cash contributions and volunteer work.

Our plant in Rogers (US) supported the local United Way chapter. These funds are used to support local youth activities, library programs, and health services.

Disaster relief

In May, the Joplin tornado struck Arkansas (US) unexpectedly, leaving behind serious devastation. The following week a crew from our plant in Rogers lent a helping hand. They removed trees and debris, installed temporary roofing and helped demolish houses that were beyond repair. In addition, Bekaert Rogers team members collected items that were needed by families that had lost everything.

The Bekaert team in Sardinia collected money for the Japanese Red Cross to support victims of the February earthquake.

What would you like to know about Bekaert?

www.bekaert.com

www.bekaert.mobi

More detailed financial figures are available in the Shareholders' Guide 2011, available on bekaert.com (investor's datacenter)

The Annual Report and Shareholders' Guide 2011 are downloadable for iPad in the iTunes store.





Statement GRI Application Level Check

GRI hereby states that **Bekaert** has presented its report "GRI Level C report Bekaert 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

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

Amsterdam, March 22nd 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



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

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on March 13th 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

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