

DUE DILIGENCE – CONFLICT MINERALS

The Bekaert Group is committed to source raw materials of legal and sustainable origin. As such, Bekaert maintains due diligence processes in conformance with the internationally recognized due diligence framework set forth in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to achieve compliance with the commitment. Due diligence is a continuous, risk based, proactive and reactive process through which companies ensure that human rights are respected and contribution to conflicts are avoided in any way. All suppliers covered by the Responsible Minerals Initiative (RMI) signed the Bekaert Supplier Code of Conduct (or delivered proof of complying with the same principles) and duly completed the most recent Conflict Minerals Reporting Template (CMRT) published by the RMI.

The Bekaert Group developed a Due Diligence Procedure to comply with the anticipated 2021 legislation changes describing the risk-based due diligence steps that Bekaert takes to identify and address actual and potential risks to prevent or mitigate adverse impact associated with sourcing of minerals potentially originating from conflict-affected and high-risk areas. Bekaert is part of the downstream suppliers, which refers to the minerals supply chain from smelters/refiners to retailers.



STEP 1 – Establish company management systems

Bekaert Policy on Conflict Minerals

End 2018, Bekaert launched a Policy on Conflict Minerals that is sent to all suppliers of materials containing Tin and Tungsten for which we now have 100 % coverage.

Internal Management Systems

A multidisciplinary team consisting of members of Procurement, Quality, Legal, Communications, SHE and Risk is dedicated to ensure compliance in the upstream minerals supply chain. The dedicated team is responsible for establishing, managing and maintaining a conflict minerals program including traceability and data exchange over the supply chain from the upstream suppliers to the end customers and is reporting to Senior Management who supervises the due diligence process.

Transparency and Control System

Bekaert introduced a supply chain transparency system that allows the identification of the smelters/refiners in the mineral supply chain through which red flag locations of mineral origin and transit are retrieved. The Bekaert Group applies the Conflict Minerals Reporting Template (CMRT) issued by the Responsible Minerals Initiative (RMI) to ensure and facilitate the transfer of information throughout the supply chain and guarantees as such control and transparency over the countries of origin and the smelters/refiners involved. All information is stored in a digital tracking and documentation system.

Supplier Engagement

Supplier engagement refers to a rigorous onboarding process of new suppliers to ensure they commit to a sustainable supply chain consistent with due diligence processes and adhere to the Bekaert Policy on Conflict Minerals and Supplier Code of Conduct. As such, the Bekaert Group engages in preliminary reviewing the mineral or metal sourcing practices and striving to long-term business relationships with suppliers.

Grievance Mechanism

Our employees, suppliers and other parties can report concerns any alleged violations of the Bekaert Policy on Conflict minerals to integrity@bekaert.com.

Step 2 – Identify and Assess Risks in the Supply Chain

Identification of Suppliers and respective Smelters/Refiners in the Supply Chain

The Bekaert Group identifies the materials containing minerals potentially originating from conflict-affected and high-risk areas and the corresponding suppliers at each new revision of the CMRT template. The combination supplier/material for each category is categorized into different risk levels based on specific criteria for which the due diligence processes in the supply chain are applied.

Risk Assessment of the Mineral Supply Chain by Bekaert

The risk assessment as such is performed through a supplier survey by using the CMRT template, which is sent out to all identified suppliers of materials containing minerals potentially originating from conflict-affected and high-risk areas. Bekaert requires its suppliers to share information for the datasheets: Declaration, Smelter List and Product List. Bekaert aims to obtain information on the origin of the minerals within the full upstream supply chain of the supplier to the best of its efforts.

In case smelters and/or refiners (SOR) are detected without a smelter identification number, a red flag is assigned to the respective supplier (as described in the OECD Framework). By using the latest version of the CMRT template, Bekaert uses the most updated information from the Responsible Minerals Assurance Process (RMAP) issued by the Responsible Minerals Initiative (RMI).

In case of identified red flags, a multidisciplinary team addresses the risks from the inputs gathered and defines the necessary actions in case of identified issues.

Step 3 – Risk Management Plan and Risk Mitigation

The Bekaert Group aims to monitor and track performance of the risk mitigation efforts of its upstream suppliers in a continuous process. As such, the Bekaert Group determines clear and measurable objectives with their upstream suppliers to further mitigate the risks in the supply chain.

The Bekaert Group evaluates that the risks are mitigated by implementing the risk management action plan based on pre-defined criteria taking into account the criticality and the outcome of the survey. The gathered information is reported during monthly meetings to Senior Management.

Step 4 – Bekaert CSR Audits

Due to the fact that the Bekaert Group is part of the downstream companies and never in direct contact with smelters/refiners, Bekaert does not perform independent third-party audits but decided to implement and use the CMRT template issued by the Responsible Minerals Initiative (RMI) to retrieve the information from the upstream supply chain and corresponding smelters. The Bekaert Group aims to conduct business with suppliers who are able to identify their smelters with a smelter identification number to comply with the requirements of the end customers of the Bekaert Group. During the Bekaert CSR audits, the auditor checks whether the Policy on the Conflict Minerals is applicable and escalates if necessary.

Step 5 – Report on supply chain due diligence

As part of the due diligence process within the Bekaert Group we publish the survey results of the last four years, as well as the countries where the smelters are located.

| MINERALS | # OF SMELTERS | RESPONSE RATE | COUNTRIES OF SMELTERS |
|-------------------------------|----------------------|----------------------|--|
| SURVEY RESULTS IN 2019 | | | |
| TIN (Sn) | 23 | 100% | BELGIUM BOLIVIA CHINA INDONESIA MALAYSIA PERU TAIWAN THAILAND |
| TUNGSTEN (W) | 29 | 100% | AUSTRIA CHINA GERMANY JAPAN KOREA RUSSIAN FEDERATION UNITED STATES OF AMERICA VIETNAM |
| SURVEY RESULTS IN 2018 | | | |
| TIN (Sn) | 32 | 100% | BELGIUM BOLIVIA BRAZIL CHINA INDONESIA MALAYSIA PERU TAIWAN THAILAND |
| TUNGSTEN (W) | 34 | 100% | CHINA GERMANY JAPAN RUSSIAN FEDERATION UNITED STATES OF AMERICA VIETNAM |
| SURVEY RESULTS IN 2017 | | | |
| TIN (Sn) | 22 | 100% | BELGIUM BOLIVIA BRAZIL CHINA INDONESIA MALAYSIA PERU THAILAND |
| SURVEY RESULTS IN 2016 | | | |
| TIN (Sn) | 27 | 100% | BELGIUM BOLIVIA |

BRAZIL
CHINA
INDONESIA
MALAYSIA
PERU
THAILAND

Bekaert reserves the right to disengage from upstream supply agreements when reasonable risk exists that the actual sourcing does involve conflict-affected and high risk areas, and/or when suppliers do not meet the requirements set forth by the Bekaert Policy on Conflict Minerals, and/or do not want to cooperate to reach the requirements based on a corrective action plan, and/or do not disclose information on their upstream supply channels within the requested due date.

The Bekaert Policy on Conflict Minerals is available on <https://www.bekaert.com/en/product-catalog/content/suppliers#CM>