



BEKAERT DESLEE

Sustainability Report 2020

WE SUPPORT



DEAR READER,

We spend 1/3 of our lifetime sleeping. Making sure this essential portion of our life relies on sustainable and responsible foundations is at the center of the BD 3,500 employees' daily job.

This report was first published in 2018, this is our second release. As a newcomer in this industry, I must confess I am impressed by the tens of initiatives our company is promoting towards making our business more sustainable and the progress which has been accomplished over those last two years.

Three key components of our sustainability journey are "Doing More with Less", "Respect and Develop" and "Towards a Greener Sleep". Our ambition is to make them the basis for our day to day management actions as well as our medium to long term strategic development plans.

We are also conscious that we will not change the world on our own. With a lot of humility, we will do our best to lead by example, get inspired by our customers and partners, but also influence and bring the entire value chain into our sustainability journey.

This is what this report will endeavor to convince you about, and as a testimony of it, I would like to express my continued support for the UN Global Compact and renew our ongoing commitment to the initiative and its principles.

I wish you a pleasant reading and your feedback is more than welcome if you would like to contribute in making us even more sustainable.

Frédéric Beucher
CEO





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ABOUT THIS REPORT

We published our first sustainability report in 2018 and received great feedback from all our stakeholders. Feedback that gave us new and additional insights, valuable information that encouraged us to dig deeper into the exciting world of corporate responsibility and sustainable development.

Our customers, employees and shareholder - to just name the most important ones - have read and shared it. Job applicants really appreciated the printed version that was provided to them.

A cordial thank you to all of you who connected with us. We are looking forward to your opinion on this second edition.

This report has been prepared in accordance with the GRI Standards 'Core' option. On page 106 you will find the full GRI Content Index. We did not seek any additional external assessment for this report.

Enjoy the read!

Cheyenne Curé, Francesca Derkinderen and Philip Ghekiere
The copywriting, layout and editing team



BEKAERT



BEKAERT DESLEE
Innovation & Design Center





WHO IS BEKAERT DESLEE?

BekaertDeslee is the worldwide leading specialist in the development, manufacturing and sales of woven and knitted mattress textiles and cut & sew mattress covers.

BekaertDeslee covers an estimated 150,000 mattresses with fabrics every day of the year, from New York to Sydney, from Helsinki to Cape Town. We are a true multi-national company with 24 business locations in 18 countries and headquarters in Waregem, Belgium.

We pride ourselves on our expertise in knitted and woven fabrics, fabric finishing and mattress cover production. We are a provider of differentiation which allows us to deliver mattress fabrics and covers fitting our clients' specific needs and demands. Performance combined with an attractive look and feel is what matters.

In order to stay innovative and on trend, our headquarters in Waregem are home to the BekaertDeslee Innovation & Design Center, where new materials and relevant technologies are used to design tomorrow's product.

Expertise in
woven and **knitted**
mattress fabrics &
cut and sew manufacturing





THE BD CORE BEHAVIORS

Although our business locations are spread over 6 continents, our 3,500+ employees commit to live our core behaviors every day.

BD'S 5 CORE BEHAVIORS

The core behaviors define and explain the expectations for every BD employee in their daily work routine, drive the cultural change within BD towards outperformance and act as the basis for regular performance evaluation, recognition and placement decisions.



THINK CUSTOMER FIRST

We are easy to do business with. Our customers are the center of everything we do. We align our processes and product offering with the real customer needs. We seek to understand our end markets, customers and their businesses. We never just meet the customer's expectations, we search for the plus and want to delight.



EMPOWER OTHERS

We engage our employees through open feedback, collaboration, transparency and teamwork. We never work in silos but share relevant information openly with all stakeholders across divisions, units and functions. We trust our colleagues and rely on their capabilities, skills and networks. We create a diverse and inclusive workplace, where everybody's opinion is valued.



IMPROVE EVERY DAY

We challenge the status quo and quickly embrace change. We keep it simple and impactful. We are curious, eager to learn and promote early learning experiences. We strive to be more efficient by minimizing complexity. We take the time to simplify. We never wait for the 100% solution. We start now and get better every day.



COMPETE FOR SUCCESS

We are determined to win with a clear drive to reach our goals. We have the courage to make decisions in an increasingly uncertain and volatile environment. We show backbone when things get difficult. We foster an environment where performance is valued and rewarded.



TAKE OWNERSHIP

We are accountable for our actions and for our targets and always deliver on our commitments. We live what we say.

OUR VALUES

BekaertDeslee sincerely believes its employees are its number one asset. Our success is based on the core values which represent the highest priorities in the company. They are the heart of the BekaertDeslee culture and are meant to inspire all employees to take action. The five selected values are deeply rooted in the history and DNA of BekaertDeslee.



COLLABORATION

We rise by lifting others, we join efforts and we share knowledge & best practices.



ACCOUNTABILITY

We take ownership, we value feedback and we care about all stakeholders.



RESPECT

We show respect, we foster diversity and we treat everyone with dignity.



INITIATIVE

We make it happen, we actively build our future and we push ourselves and others to the next level.



HONESTY

We communicate in a transparent way, we act with integrity and we treat people fairly.



CREATING TRUST
SINCE 1892



BEKAERT DESLEE



3,500+
employees



Dedicated Innovation
& Design Center
in Belgium



€350
MIO turnover



8
business units



textiles for
110,000
mattresses
per day



we touch
600,000,000
people
every night

24
locations
worldwide

Special units
dedicated to ready-made
mattress covers

17
production
units



OUR LOCATIONS

EUROPE

Waregem (Belgium), Beselare (Belgium), Istanbul (Turkey), Münchberg (Germany), Aš (Czech Republic), Lodz (Poland), Sant Boi de Lluisanès (Spain), Miercurea Sibiului (Romania), Budesti (Romania), Nasaud (Romania), Çorlu (Turkey), Tallinn (Estonia)

ASIA & AUSTRALIA

Chengdu (China), Wuxi (China), Purwakarta (Indonesia)
Dandenong South (Australia)

NORTH & SOUTH AMERICA

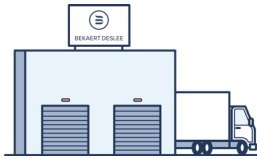
Ontario (Canada), Bogota (Colombia), Winston-Salem (USA), Tijuana (México), Ixtacuixtla (México), São Paulo (Brazil), Burzaco (Argentina)

AFRICA

Cape Town (South Africa)

CLOSE TO YOU

Our tagline "Close To You" is aspirational and layered:



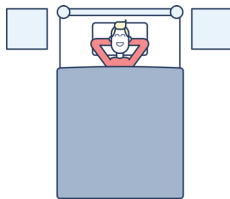
ALWAYS AROUND THE CORNER

Our global presence allows us to always be close to you. 24 locations, connected as one virtual company. BekaertDeslee at your service!



THE POWER OF TOGETHER!

We celebrate the power of diversity. People are our greatest asset. We pride ourselves on their expert skills, creativity and knowledge. Tap into the richness of this great cultural mix!



WE TOUCH 600,000,000 SLEEPERS EVERY NIGHT

Our textiles create the ideal sleep surface for a blissful night's rest. We spend months of research, years of development to improve the sleep quality of all those who sleep on our textiles.



TEAM UP WITH BEKAERTDESLEE

A deep understanding of our customer's needs is what keeps us awake at night. We think big but go small to inspire, serve and help our customers in the best way possible.



INNOVATION IS CHANGE THAT CREATES NEW VALUE



BEKAERT DESLEE
Product Innovation

IDC

The Innovation and Design Center in Belgium houses a pool of talent that makes co-creation a reality. We use our global network to discover new materials and relevant technologies to design tomorrow's product.



BEKAERT DESLEE
Cloud

BD CLOUD

The BD Cloud is your go-to online platform to create bedding concepts and pillows. You can browse through our virtual showroom and look at our newest added designs. Save development time and cost with a digital visualization tool that is intuitive and fun to use. Discover our collections and mood boards to get inspired. Create and play around with configurations in our 3D configurator and share those ideas and projects with customers or colleagues. The BD Cloud is first and foremost a place where you can co-create with others.





BD Academy

BekaertDeslee is passionate about sleep research, a young science with a vast territory still to be explored. Sleep science generates 'sleeponomics', a new industry with novel products that improve the quality of our sleep and the quality of our lives. Our fabrics are close to the body and have a huge impact on comfort and sleep quality. Our field of expertise covers hygiene, temperature, moisture management, airflow, tension, pressure and a fast growing number of biofunctional textiles that provide skin beauty (carotenoids), promote general health (antioxidants), reduce allergies (probiotics) or body voltage (Intense) and improve blood circulation (far infrared technology).

BD Academy is an open innovation platform where a global network of scientists, university faculties, hi-tech innovation companies and sleep aficionado's boost sleep related research and product development. Team up with the BekaertDeslee Academy and let's future together!



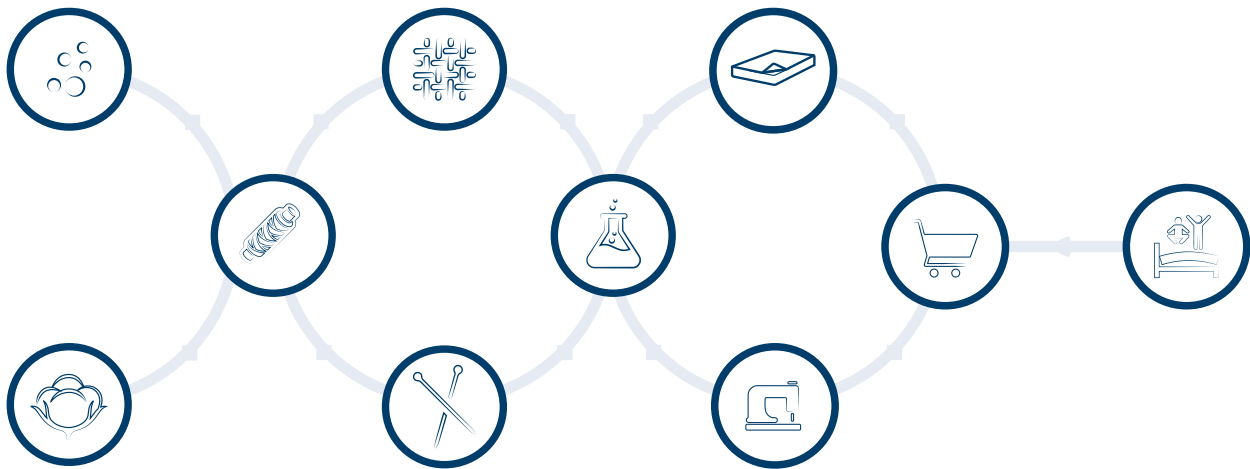
A SCOOP OF MAGIC

Scoop™ by BekaertDeslee is a new service concept that inspires, customized consultancy in aesthetics and holistic product design guidance for customers. Every second week Scoop™ brings you the latest in lifestyle, textile innovation, sustainability, product design and market trend updates.

Scoop™ is a fresh looking, easy to digest and most attractive medium that invites to active interaction. Very much like a scoop of ice-cream on a hot summer day.

A scoop is also an exclusive news flash. We at Scoop™ by BekaertDeslee constantly strive to give you the latest updates and freshest inspiration so you can be on top of your game.

OUR PRODUCT CYCLE



Start of the product cycle

The BekaertDeslee product cycle starts with the production of a synthetic or natural yarn.

Weaving / Knitting

The yarn is used to construct a textile by weaving or knitting. Weaving is a method of textile production in which threads or yarns are interlaced at right angles to form a fabric. Knitting on the other hand, is a method of construction using a series of needles to interlock loops of yarn.

Textile Finishing

Once the fabric is woven or knitted, it can be further processed by cleaning, bleaching, dyeing or treating to enhance special performance characteristics like water repellency, flame retardancy, anti-bacterial properties and others.

Manufacturing

Once the fabrics are ready, they are either sent to the customers of BekaertDeslee who cut and sew the fabrics to make mattresses or they are manufactured by the cut and sew facilities of BekaertDeslee.

Distribution / Retail

The final mattress product is shipped to distribution warehouses and retail.

Bought and used by a consumer

The mattress is purchased by a consumer or private and public collectivities like hotels, senior homes, boats, schools, hospitals, prisons,...



“

Scientists discovered a revolutionary new treatment that makes you live longer. It improves your memory and makes you more creative. You will look more attractive.

It keeps you slim and lowers your appetite for food. It protects you against disease, dementia, colds and flu. It lowers your risk of heart attacks, strokes and diabetes. You will feel happier, less depressed and less anxious. The treatment is called sleep.

Matthew Walker in 'Why we sleep'



CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP

With both our shareholder Haniel and BekaertDeslee shifting to a higher gear in sustainability, we feel the need to strengthen the sustainability governance while preserving the collaborative and multi-disciplinary approach.

Haniel

Thomas Schmidt, CEO, explains his commitment to sustainable development on page 63 of this Sustainability Report. BekaertDeslee connects with the Haniel sustainability experts in bilateral meetings, with the Sustainability Officers in the other Haniel portfolio companies via the Sustainability Round Table and sustainability KPIs are part of the monthly Health of Business reporting.

BekaertDeslee

Frédéric Beucher, CEO, is the sponsor of sustainability at BD. His statement is the opening text of this report on page 3.

The Sustainability Steering Committee overlooks all corporate sustainability initiatives, gives guidance to the organization and takes decisions.



Sustainability Steering Committee



Frédéric Beucher
CEO, Sustainability Sponsor



Dirk Verly
CHRO



Fabrice Le Garrec
COO



Rafael Rodriguez
General Manager
North America



Peter Janse
General Manager EMENA



Philip Ghekiere
Marketing & Design Director,
Sustainability Officer

Sustainability Expert Group

In the multi-disciplinary Sustainability Expert Group, we bring together all the Standards GRI experts, champions in their field of expertise and responsible for the narrative and management approach of minimum one material topic. They also vouch for the quality of the reported information.

The Marketing & Communication Manager and the Sustainability Officer are members of the SEG, they are responsible for the GRI certification, the publication of the Sustainability Report and the annual Communication of Progress (CoP) required by the UN Global Compact.



Geert Demeyere
CPO



Chris Deloof
Group Innovation Director



Saskia Verstraete
Director Corporate Finance



Geert Debrouwere
IDE Senior Engineer



Catherine Vandeputte
HSEQ coordinator



Geert Coorevits
PMO Manager



Cheyenne Curé
Expert Digital Design



Francesca Derkinderen
Marketing & Communication
Manager



Philip Ghekiere
Marketing & Design Director,
Sustainability Officer



Koen Withoeck
Head Of Engineering
Environmental Health & Safety



Raven Brackx
Safety & Waste
Management Officer



Vanessa Dutrieue
Director Talent and
Organizational Development



MEMBERSHIPS

EBIA: European Bedding Industries' Association, Europe

ISPA: International Sleep Products Association, USA

Fedustria: Belgian Federation for the Textile, Wood and Furniture Industry

BASS: Belgian Association for Sleep Research and Sleep Medicine

NBF: National Bed Federation, United Kingdom

Abicol: Associação Brasileira da Indústria de Colchões, Brazil

Asocama: Asociación Española de la Cama, Spain

Matratzenverband: Der Fachverband Matratzen-Industrie e.V., Germany

APL: Association pour la Promotion de la Literie, France

VOKA: Flemish Network of Companies, Flanders

FITA: Federacion Industrias Textiles Argentinas, Argentina

Texfor: Confederación de la Industria Textil, Spain

PROUD PARTICIPANT OF UNITED NATIONS GLOBAL COMPACT

WE SUPPORT



The mission of UN Global Compact, launched in 2000, is to mobilize a global movement of sustainable companies and stakeholders to create the world we all want.

In order to make this happen, the UN Global Compact supports companies to do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labor, environment and anti-corruption and to take strategic actions to advance broader societal goals, such as the 17 UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

INSPIRING, GUIDING AND CATALYZING CHANGE

UNGC provides a principle-based framework, best practices, resources and networking events that revolutionize how companies do business responsibly and keep commitments to society. By catalyzing action, partnerships and collaboration, UNGC makes transforming the world possible and achievable for organizations large and small, anywhere around the globe.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another.

By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: Make sure that they are not complicit in human rights abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

THE SUSTAINABLE DEVELOPMENT GOALS EXPLAINED FOR BUSINESS

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all, laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of “Agenda 2030” are the 17 Sustainable Development Goals (SDGs) which clearly define the world we want, applying to all nations and leaving no one behind. The new Global Goals result from a process that has been more inclusive than ever, with Governments involving business, civil society and citizens from the outset. We are all in agreement on where the world needs to go. Fulfilling these ambitions will take an unprecedented effort by all sectors in society and business has to play a very important role in the process.



ALL COMPANIES CAN PLAY A ROLE

No matter how large or small, and regardless of their industry, all companies can contribute to the SDGs. While the scale and scope of the global goals are unprecedented, the fundamental ways that business can contribute remain unchanged. The UN Global Compact asks companies to first do business responsibly and to then pursue opportunities to solve societal challenges through business innovation and collaboration.

Global challenges, ranging from climate, water and food crises, to poverty, conflict and inequality, are in need of solutions that the private sector can deliver, representing a large and growing market for business innovation. In the rush to transform business models and systems for the future, integrity and values will have a huge role to play. For companies like BekaertDeslee, wanting to advance the SDG agenda, the job starts by acting responsibly, incorporating the Ten Principles of the UN Global Compact widely into strategies and operations, and understanding that good practices or innovation in one area cannot make up for doing harm in another.

The UNGC website www.unglobalcompact.org provides a massive and inspiring library. In total 10,435 companies from 166 countries have filed 70,142 public reports.

BekaertDeslee engaged with UNGC for the first time on June 20, 2019. We signed up as a participant on the Global Compact Learner Platform with the ambition to engage actively at the global level.

As a visible expression of our commitment to sustainability, we uploaded our GRI Standards -core- certified Sustainability Report 2018 and the Sustainability Report Update 2019 where all stakeholders can view it. Every year we will publish a CoP (Communication on Progress) that details our work and effort.

In our CoP 2019, the activities described, addressed the following Sustainable Development Goals (SDGs):

SDG 3: Good health and well-being for all at all ages;

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;

SDG 5: Achieve gender equality and empower all women and girls;

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;

SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development;

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

In the CoP 2020, we will add content on 7 additional SDGs:

SDG 6: Ensure availability and sustainable management of water and sanitation for all;

SDG 10: Reduce inequality within and among countries;

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable;

SDG 12: Ensure sustainable consumption and production patterns;

SDG 13: Take urgent action to combat climate change and its impacts;

SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Sustainability is all about continuous improvement. BekaertDeslee is thankful for this voluntary platform that offers guidance and inspiration and promotes collaboration.

BEKAERTDESLEE MATERIAL TOPICS

2018 - 2024

Key in our sustainability reporting is the 'materiality' of topics; they are so important that it is essential to report on them.

Preparing for the 2018 report, we inquired about the expectations and interests related to sustainability of a large group of stakeholders: employees, trade unions, customers, suppliers, competitors, our shareholder Haniel, the BekaertDeslee Executive Committee, industry associations, the press and trend agencies.

The 10 material topics included in our SR 2018 are still relevant and important. You will find the communication on progress on 7 of these topics on the following pages.

Three topics, the supplier and the employee commitment to comply with the UN Declaration of Human Rights and the employee compliance with anti-corruption and bribery rules have evolved from a continuous improvement project to a standard process at BekaertDeslee. All suppliers and employees have signed the documents and all new suppliers and employees are required to do the same. The continuation of this result is secured. We will therefore no longer report the progress for these 3 topics.

As we are digging deeper into the details of the consolidated set of the Global Reporting Initiative (GRI) sustainability reporting Standards, we realize that it is important for the international transparency of our reporting to work towards a better balance between our own company-specific standards and GRI standards.

As a United Nations Global Compact participant since June 2018, we gained access to their sustainability library. We take inspiration for additional GRI Material Topics from the 17 Sustainable Development Goals of the UN.

We also use the stakeholder feedback on the 2018 report to evaluate our assessment of Material Topics. Stakeholder feedback included the recommendation for BD as an industrial manufacturing company to report on the usage of materials and energy, on waste and on emissions.

We, therefore, undertake to upgrade our reporting of

- Material Topic 3 Anti-corruption to Material Topic specific standard GRI 205
- Material Topic 5 Health & Safety to Material Topic specific standard GRI 403

in our Sustainability Report 2022 (reporting period 2021).

In the Sustainability Report 2022 (reporting period 2021) we will start to report on:

- Materials GRI Standard 301
- Energy GRI Standard 302
- Waste GRI Standard 306
- Employment GRI Standard 401
- Training & Education GRI Standard 404
- Diversity & equal opportunity GRI Standard 405

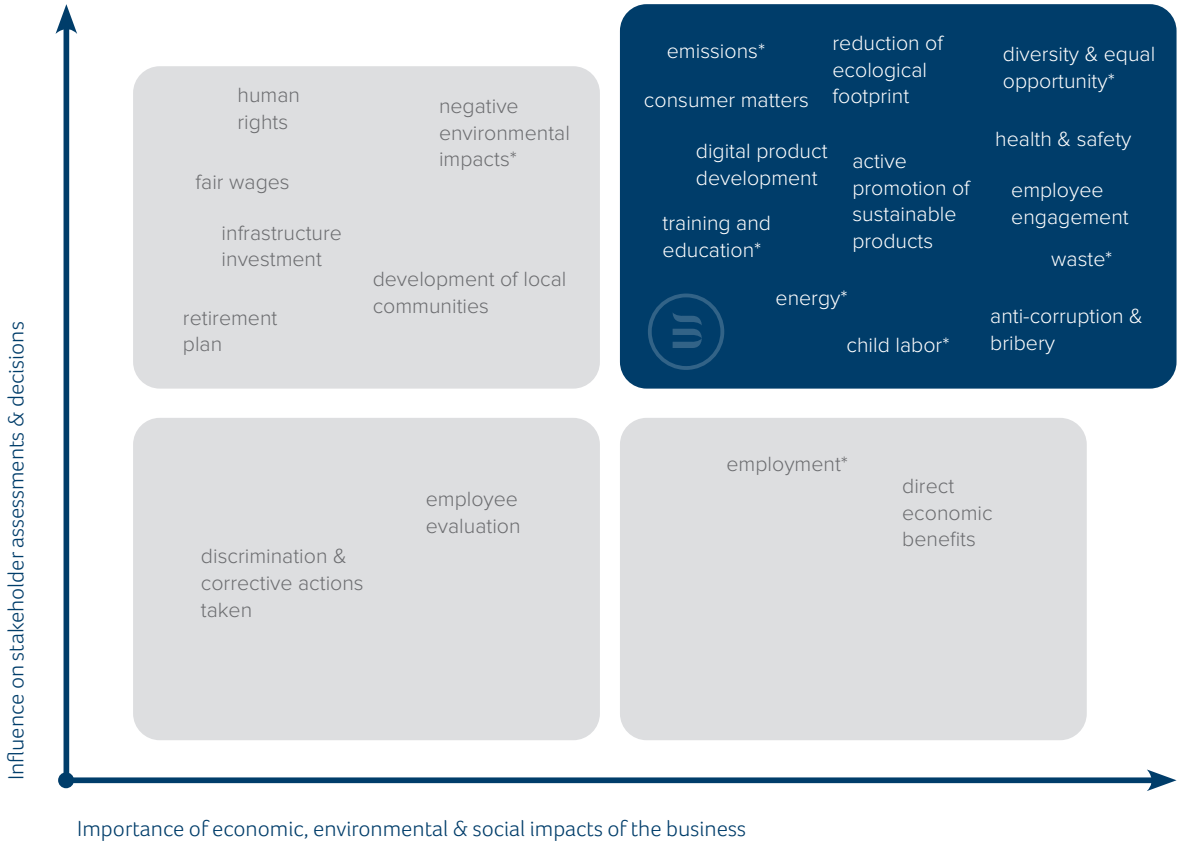
In SR 2024 (reporting period 2022 and 2023) we will also report on

- Emissions GRI Standard 305
- Child labor GRI Standard 408

For every Material Topic we have assigned a reporter-expert who will study the standard and its context, write the narrative on the material topic and its boundary, disclose and evaluate the management approach on the topic and report the data. All these material topic champions share insights, learnings and best practices in the Sustainability Expert Group.

MATERIALITY MATRIX

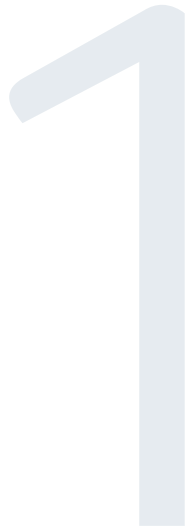
In order to identify the main focus areas regarding sustainability, we conducted a wide range of interviews with our stakeholders:



* work in progress: reporting in 2021 / 2024



OUR 7 MATERIAL TOPICS



■ DO MORE WITH LESS

ENERGIX

BekaertDeslee engineers have successfully developed Energix, a new textile finishing process that reduces the use of raw material components, the use of water and the consumption of energy in 2017.

This process change reduces the ecological footprint of textile finishing dramatically. Since “Doing More with Less” is not only an ecological but also an economic principle, some process cost reduction is expected.

Since this technological innovation can be fundamental to our business success, we do not disclose more details about Energix.

The technology has been introduced in our plants in Turkey, Romania, Mexico, the USA, and Indonesia. Australia is forthcoming. The target for our engineering team is to maximize savings in all these plants.

REDUCING



RAW MATERIALS

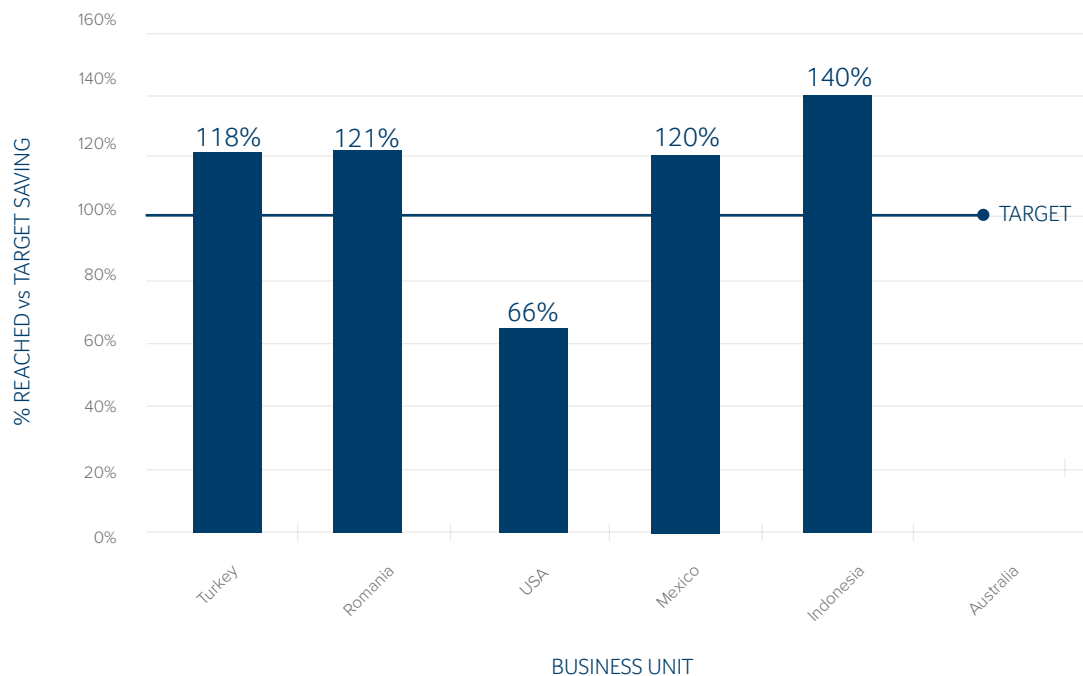


ENERGY



WATER

BekaertDeslee aims to maximize savings in below plants. In this reporting year 2019, we reached savings in Turkey of 72% (2017 - 121% / 2018 - 208%), in Romania of 76% (2017 - 76% / 2018 - 76%), in the US of 36% (2017 - 86% / 2018 - 36%), in Mexico of 75% (2017 - 243% / 2018 - 253%), in Indonesia of 92% (2017 - 56% / 2018 - 130%) and in Australia 0% (forthcoming).



saving (raw materials, energy and water) VS undisclosed target
 source: energix savings 2019, monthly business reporting

2

TOWARDS A GREENER SLEEP PROMOTION OF ECOLOGICAL PRODUCTS

BekaertDeslee wants to lead the industry in the transformation towards a more sustainable business. In the short run, this translates into the development, promotion and sales of ecological products.

As we wish to better understand and align with the needs of our customers, we started from a survey about what would be required to put ecological mattresses in their markets and what prevents them from proceeding accordingly.

Based on this customer's voice we translate their needs backward into actions for our future portfolio. Bottom-line is that the ecological products BekaertDeslee brings to the market, need to be products that appeal to our customers and fit their sustainability agenda.

Based on this global input we have defined our short and longer-term priorities:

BekaertDeslee's short term priority is dual:

- Lead the way towards 100% recyclable fabrics and covers.
- Answer the call for ecological functionalities as necessary differentiator to capture value.

Our strategic focus and involvement on the long term is in the transparent circularity of mattresses.





LEAD THE WAY TOWARDS 100% RECYCLABLE FABRICS AND COVERS

The topic in the mattress industry today is to make mattresses better recyclable. Recyclability largely depends on the number of different materials used in a product. As per the current state of art of technology, this leads towards a mono-material approach for fabrics and covers. Considering all aspects of costs, processing, performance, comfort and convenience this makes the use of 100% polyester raw materials the preferred road for the industry.

One might rightly argue that polyester is based on natural resources, reason for which:

- BekaertDeslee is closely following, sponsoring and integrating initiatives to bring more sustainable types of polyester in the market.
- BekaertDeslee actively pushes the use of recycled polyester versus virgin polyester.

ANSWER THE CALL FOR ECOLOGICAL FUNCTIONALITIES AS A NECESSARY DIFFERENTIATOR TO CAPTURE VALUE

Realizing the ideal world is far from within reach, we consider each change that makes a product more ecological as a step in the right direction towards a better world to live. As a consequence, ecological products are products that contain nature-friendly components and which are preferred by our customers because of their sustainable content.

- As added value in terms of performance of a fabric is an important driver for differentiation for our customers, we aim at replacing standard functional solutions by their ecological alternative.
- For new solutions to launch, the ecological impact is the main selection criterion to proceed when different options are available.

MONITORING PROGRESS

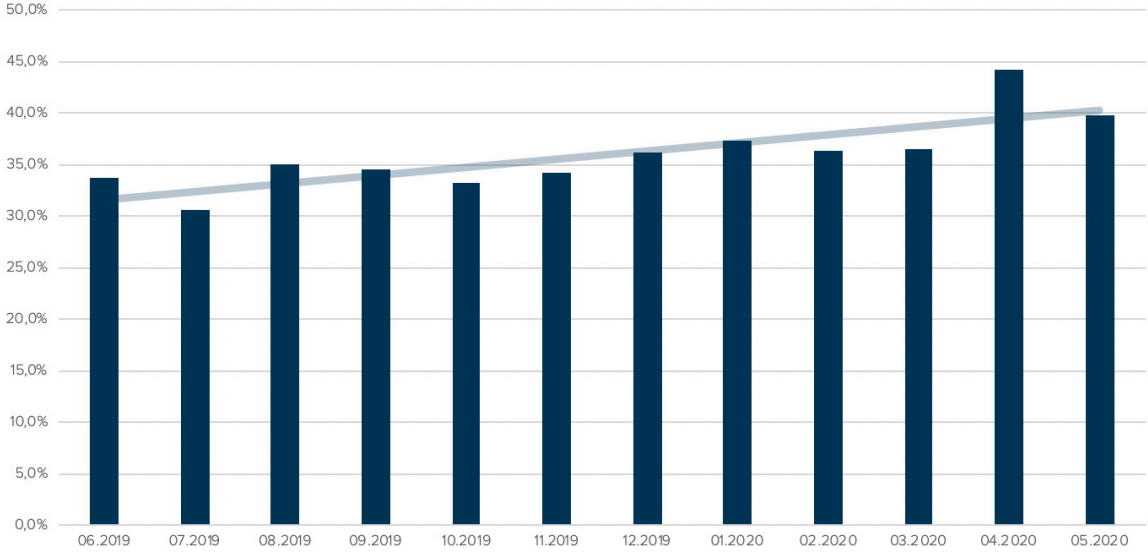
BekaertDeslee is closely monitors evolutions in both of the above-mentioned directions.

Our progress in ecological functionalities is mainly an internal barometer. It indicates BekaertDeslee is closely following novel technology and is able to turn these into sustainable solutions that meet the needs of our markets.

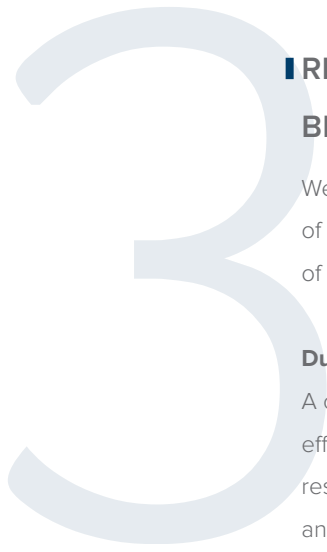
Today, the 100% polyester road best contributes to a future circular economy. Hence, its growing share in our portfolio is an important indicator for the increasing recyclability of our fabrics and covers.



M² 100% PES/Total M²



BekaertDeslee's Seaqual™ certified fabrics that support ocean cleanup and PPPRMNT®, a natural antimicrobial finish that offers protection against bacteria and dust mites are recent innovations and illustrations of ecological components that build our collection.



RESPECT & DEVELOP

BEKAERTDESLEE COMPLIANCE

We feel committed to the values of the “honorable business people”. These values of honesty and integrity are in the DNA of our company’s culture and a cornerstone of our corporate responsibility approach.

Duties, powers & responsibilities

A compliance guideline was resolved by the BD Management Board on 12.12.2016, effective as of January 1st 2017. This compliance guide defines the duties, powers and responsibilities of all employees within BekaertDeslee vis-à-vis supervisory bodies and third parties. This guideline elaborates on the principles, the organization, the duties, the compliance reporting and the sanctions and is communicated to all BekaertDeslee employees.

Compliance Education

In 2017, 58 people in “critical functions” such as general management functions, sales functions, logistics, purchasing and finance (both HQ finance and Business Unit key financial persons) completed a specific commercial compliance e-learning training (EU competition law) provided by Thomson Reuters. In 2019, 187 BD employees in critical functions (both local and HQ level) completed the Global Fraud Prevention training.



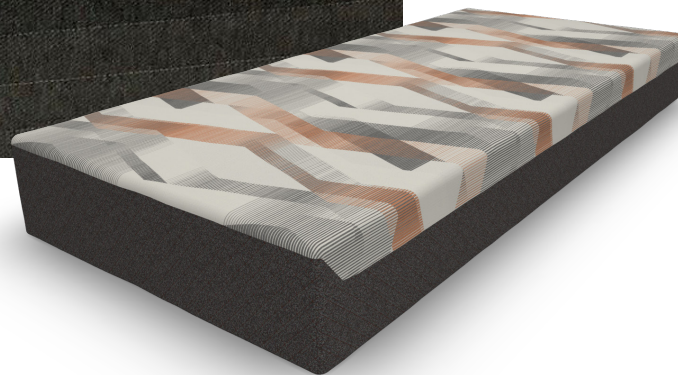


4

DO MORE WITH LESS

DIGITAL INSTEAD OF PHYSICAL PRODUCT DEVELOPMENT

The BD Cloud is the go-to online platform to create bed concepts. Browse through our virtual showroom, to be inspired by our collections and news items. Visualize your designs in our virtual 3D configurator. Add customers and colleagues from the sales and design team to your projects and co-create together. Mix and match, the BD Cloud is your playground.



BEKAERT DESLEE
Cloud

The BD Cloud is a service that de-materializes the first phases of the development process. By implementing the digital samples straight onto a 3D configuration of a mattress there is no more need to produce physical samples in this part of the design process. A clear win-win for BekaertDeslee and our customers.

- Shorter development time.
- No physical samples need to be produced: no raw material usage, no labor, no machine time, no energy spent.
- No transport of samples means a reduced ecological footprint and cost.
- The customer doesn't need to create a prototype that saves raw materials, no labor, no machine time, no energy spent.
- Much easier to share (e.g. for internal selling) than physical products.
- The platform is globally accessible; companies with an international footprint can have people in different countries working on the same project simultaneously.

Being able to work remotely, on a digital platform where you can still have close contact with your colleagues and customers, has become of significant importance this year. With the lock-down measurements as a consequence of the COVID-19 virus, it has become more important than ever to invest in digital tools. The BD Cloud is our n°1 way to stay in touch with our colleagues and customers.

In 2020, we count 2,300 unique users working with the BD Cloud, with new requests of customers coming in every week. A total of 4,700 cloud projects have been created over the past years and 24,260 3D configurations have been designed. These numbers show the amount of effort and real engagement of our customers and colleagues with the BD Cloud.

1,991 USERS

December 2017



2,300 USERS

December 2019

1,194 PROJECTS

December 2017



4,700 PROJECTS

December 2019

1,284 CONFIGURATIONS

December 2017



24,260 CONFIGURATIONS

December 2019



■ RESPECT & DEVELOP

REDUCTION OF INCIDENTS AND LOST WORKING DAYS

Health and safety of the employees is fundamental for BekaertDeslee. It is a top priority to ensure our employee's safety in all our business locations. Safety is always to be prioritized over quality, service and efficiency. Every business unit reports monthly on past health and safety performance. Every year they make a health & safety plan with preventive measures to avoid incidents in the future.

We have established a transparent occupational Health & Safety governance system for our plants worldwide.

Reporting

The H&S management or governance system allows the company to keep track of company performance relating to occupational health and safety. The system gives the possibility to identify key factors for accident prevention inside the organization.

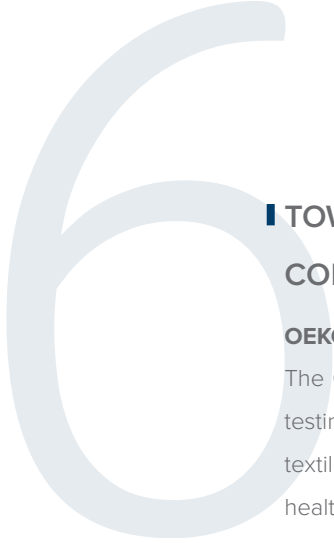
We report the lagging indicators:

- **TIR** (Total Incident Rate); number of all incidents weighed per amount of total working hours
- **LWIR** (Lost Work Incident Rate); number of incidents with 1 or more day(s) lost work weighed per amount of total working hours
- **LWDR** (Lost Working Days Rate); number of lost working days weighed per amount of total working hours

These key indicators are 12 months moving averages. The management system with these key number improves our ability to continuously identify hazards and control risks in our workplaces and identifies improvements necessary to reach better safety results.

In 2019, BekaertDeslee group had a 3.03 incident rate (incidents x 200.000/work hours) and a rate of days-absent due to incidents of 0.18 (days absent x 1000/work hours).

TIR 2017 ▼ 3.40	TIR 2018 ▼ 3.90	TIR 2019 ▼ 2.71
LWIR 2017 ▼ 3.14	LWIR 2018 ▼ 2.81	LWIR 2019 ▼ 1.92
LWDR 2017 ▼ 0.21	LWDR 2018 ▼ 0.18	LWDR 2019 ▼ 0.15



TOWARDS A GREENER SLEEP

CONSUMER HEALTH & SAFETY THROUGH THE VALUE CHAIN

OEKO-TEX® STANDARD 100 FOR FABRICS AND COVERS

The OEKO-TEX® Standard 100 was introduced in 1992. It is a worldwide, independent testing and certification system, set up to guarantee to the end consumer that the tested textiles do not contain any harmful substances that are potentially dangerous to human health.

Since every product is potentially harmful if applied in high dosage, the standard defines limiting values for all the allowed substances in fabrics. In most cases, the test criteria go far beyond the applicable national and international standards. Extensive product testing and regular company audits ensure that the industry is aware of the responsible use of chemicals. The OEKO-TEX® certification concept is based on the interdependency of the partners in the textile supply chain to put pressure on each other; if our supplier has OEKO-TEX® certification for the raw materials he supplies, it becomes easier for us to get the certificate for the textiles and our OEKO-TEX® textile certificate will help our customer to obtain a label for the mattress.

Mattress textiles need to comply with product class II (no skin contact). However, BekaertDeslee complies with the requirements of product class I, the absolute highest standard, that is used for baby products that are in direct contact with the skin.

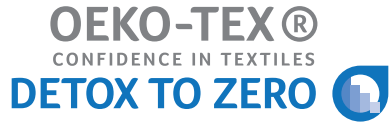


An OEKO-TEX® certificate is granted by an OEKO-TEX® accredited lab. It is valid for one year only and for a specific production location. BekaertDeslee only certified the production units in Europe because it is the consumer market in which the label resonates the most.

The non-European units are not certified, however, the OEKO-TEX® guiding principles are applied in all the BekaertDeslee plants.

In 2019 suppliers provided OEKO-TEX® Class I certificates for more than 300 raw materials, allowing us to certify about 97% of our fabrics and covers.





DETOX TO ZERO BY OEKO-TEX®

DETOX TO ZERO by OEKO-TEX® is a smart and easy-to-use verification system for textile factories that want to comply and align with the detox campaign goals through measuring and controlling waste water and sludge.

Detox to zero is not a classic certification system because it does not focus on a 'pass' or 'fail' status, it focuses on the engagement to improve. Continuous improvement by analyzing the situation and creating a robust plan to reduce dangerous substances in the production processes while implementing environmental protection procedures. The inspection, verification, testing and certification company SGS audited the BekaertDeslee factory in Poland twice (once in 2018 and once in 2019) and the plant successfully passed these audits. With these audits, we illustrate our commitment to reducing toxic water pollution and thus to help to build a sustainable future.



STEP BY OEKO-TEX®

BekaertDeslee is taking the first steps to apply for STeP by OEKO-TEX® certification. The objective of STeP certification is the permanent implementation of environmentally friendly production processes, optimal health and safety protection and socially responsible working conditions. This includes the transparent disclosure of these points to the industry and consumers.



RESPECT & DEVELOP

BD COACH, THE EMPLOYEE ENGAGEMENT BAROMETER

In 2017, we introduced the BekaertDeslee Coach engagement barometer to a pilot group of employees. The idea is for the company to have an aggregated (no individual data) view on the engagement of the employees in the company as a whole, of the employees of a certain business unit or the employees of a certain department

In a weekly Friday morning email, we send our employees a link to 5 easy-to-answer questions. Most of the questions are statements actually, that people agree with fully, not at all or any position in between.

The answers are aggregated to a “heat-map” on 10 interesting individual drivers: readiness to be an ambassador for the company, recognition, relationship with managers, wellness and happiness, personal growth, relationship with colleagues, company alignment, empowerment, job satisfaction and feedback. We also see the evolution over several weeks and months.



In 2019, the engagement barometer had 231 users, all working at our headquarters in Waregem or at our plant in the US. 67,210 survey questions were answered leading to an overall engagement score of 70% which is the exact same number as the past years. Depending on the score, additional goals are derived on a company level or on individual drivers.

BD coach will be rolled-out worldwide by 2021.



“

People, Planet and Progress are topics that move people, now
and in the future.

These are the topics we want to deal with. Not because it is
fashionable, but because it will create value for society and
enable strong economic growth in the medium and long term.

Thomas Schmidt, CEO HANIEL



ENKELFÄHIG = CREATING VALUE FOR GENERATIONS

Haniel aspires to be enkelfähig, ensuring the future prospects for many generations to come through entrepreneurial activities. Creating value for generations means a strong value orientation coupled with modern entrepreneurial thinking and a clear performance focus.

Leading family equity company with consistent sustainable alignment:

With our transformation we are pursuing a clear objective: we will become the leading German family equity company with a clear focus on sustainability. We combine the values and long-term alignment of a family-owned company with the flexibility and professionalism of a private equity investor.



UN SUSTAINABLE DEVELOPMENT GOALS

Haniel has developed a new investment focus: In the future, sustainability will be at the center of all our thoughts and actions. Our self-imposed mission is to design sustainable business models for a future worth living in. As a member of the UN Global Compact, Haniel has been committed to its ten principles in the areas of human rights, labor standards, environmental protection and anti-corruption since 2014 and is committed to spreading them. The so-called Communication on Progress, which the company publishes annually, demonstrates its efforts to support the ten principles of the UN Global Compact in its own influence. In addition, Haniel ensures that new business areas join the UN Global Compact when acquiring companies.

With the 17 Sustainable Development Goals, the United Nations has created political goals that are intended to ensure sustainable development on an economic, social and ecological level. The success of the implementation of the SDGs depends on the measures and cooperation of all parties involved, not least the commitment of companies. Haniel has made the consideration of these goals a corporate strategy: In order to move from our mission to a portfolio approach and to make it realizable, we have superimposed the 17 UN Sustainable Development Goals and the global mega-trends. In doing so, we are looking at the world's most pressing issues and, at the same time, the associated business opportunities within our focus areas People, Planet, Progress.

This results in topics that move people, now and in the future. These are the topics we want to deal with. Not because it is fashionable, but because it will create value for society and enable strong economic growth in the medium and long term.

Thomas Schmidt, CEO HANIEL



NATIONAL WINNER OF THE EUROPEAN BUSINESS AWARD 2019

WE COMPETE FOR SUCCESS

BekaertDeslee participated in the EBA competition with the intention to show our entrepreneurial drive, creativity and an eagerness to innovate on a large, European stage.

We applied in a category that is very dear to us, 'The Social Responsibility and Environmental Awareness Award'. The judges were looking for evidence of a clearly expressed and widely communicated strategy, mainly focusing on actions which demonstrate a responsibility to prevent the social and natural environments in which we operate from anthropogenic damage. We explained and documented our actions that seek to proactively drive improvement from a commercial, environmental and social responsibility perspective which goes beyond the legislative requirements of our textile sector.

We talked to the international jury about our Sustainability Report, our support to the UN Global Compact and we delighted them with text and footage on the market introduction of SEAQUAL, the ocean cleanup initiative that provides the global bedding market with mattress textiles made from upcycled ocean plastics. A good night's sleep and a clean conscience!

During the final round, which was held in Warsaw, Poland, the jury scored us based on 7 criteria; leadership, real customer focus, engaging people, creativity, innovation, ethics and results & growth.

From a large group of applicants, we first made it to the qualification of 'One to Watch' representing Belgium and later in the process to National Winner in our category.

In the final and international stage in Warsaw, we were 'beaten' by MacRebur, The Plastic Road Company from Lockerbie, Scotland. MacRebur is processing waste plastics, adding them as binder into asphalt for road construction and surfacing. We admire the ingenuity of this novel technology and congratulate the team of MacRebur with winning the ultimate EBA Award.



BOOST



Boost is our Global Internal Leadership Development Program which we kicked off the beginning of 2020. It is a program which is built up of different modules, this in order to not overcharge the agenda's of our line leaders with training on the one hand and on the other hand to give them the opportunity to absorb and put the theory into practice after each session.

We aim at one session (half-day) per month. The goal of the program is to and further develop the leadership skills of our managers and we have about 230 participants worldwide.

The program will last 2 years in total, that's (considering) the time it will take to cover all the different subjects. However due to the current COVID situation, the program has been delayed in all countries.

Some of the sessions are given by the local HR managers, but most sessions are given by an external trainer. The content of the program has been put together by Vanessa Dutrieue (Director Talent & OD) and each external trainer follows the same content guidelines. We have chosen for local external trainers in order for everyone to receive the training in their mother tongue, as it's mainly about soft skills. Boost covers the most common communication and leadership skills, from basic communication skills, to conflict management, stress management, etc.

The groups have 10 to maximum 14 participants in order to make the training as interactive as possible.

The learning trajectory consists of following:

- Classical training
- Coaching by own manager (N+1)
- Personal Development Plan
- Intervention
- e-Learning



SEAQUAL

SEAQUAL IS AN INITIATIVE. IT'S A COMMITMENT TO MAKING THE WORLD A CLEANER PLACE TO LIVE.

Plastic waste is everywhere and innovative ideas are needed to tackle this problem. It is necessary for our future generations that we as governments, businesses and consumers take responsibility. We have to move towards a circular economy. Waste found in the nets of fishermen is brought ashore and then goes to its own unique recycling chain. The plastic waste is upcycled and made into the SEAQUAL yarn which we at BekaertDeslee use to produce our mattress textiles and covers. The outcome is upcycled climate conscious mattress covers that let you have a good night's rest.

SEAQUAL is our most sustainable product and an initiative we are very proud to be part of. With an eye on the future, we understand that now is the time to act, to make a difference.

THE SEAQUAL INITIATIVE

SEAQUAL is on a mission to include as many partners as possible on a worldwide scale. By joining the SEAQUAL initiative, companies become part of a worldwide network of likeminded people who all have the same goal: the need to create change and to push the consumers in a more sustainable direction. A direction that focuses on re-use instead of single-use. A direction that thinks of sustainable products as the only way to move forward.



SEAQUAL INITIATIVE



JOIN THE WAVE

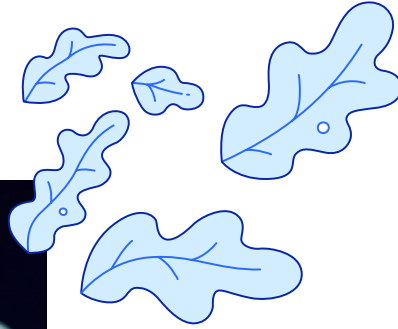
Become a SEAQUAL friend and help save our beautiful blue planet. Join us on Instagram ([seaqual.initiative](https://www.instagram.com/seaqual.initiative)) and be part of the growing community of climate change fighters!



With a wide network of licensees, SEAQUAL is quickly becoming an important value in the fight against plastic pollution in our oceans.

By purchasing SEAQUAL fabric, you become a SEAQUAL member or partner, depending on the amount of SEAQUAL fabric used for the design of your mattress. Whether you're a partner or a member, you get the recognition you deserve for contributing to a cleaner world.

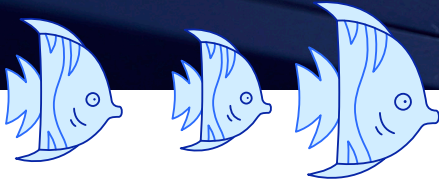
All of our members and partners are listed on our SEAQUAL website. The [dogoodsleepwell.com](https://www.dogoodsleepwell.com) website gives more insight in to what SEAQUAL is all about and what we have done to contribute to the ocean cleanup.



NO MORE SINGLE-USE WATER BOTTLES

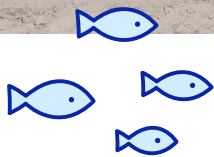
As part of our goal to limit our plastic waste we have designed SEAQUAL Doppers to hand out as a gift to our customers. The Dopper bottles are specially designed to prevent the use of single – use plastic bottles and this way contribute to the big ocean cleanup.

By giving people a reusable water bottle, we encourage them to drink tap water instead of bottled water and to see single-use plastics as a thing of the past.



BD + BEACH CLEANUPS

To further encourage our team to go plastic free, we took part in several beach cleanups. Our team in Australia held a cleanup on the beach of Melbourne and Team Belgium took part in the Eneco Clean Beach Cup. Several companies, dedicated to reducing their plastic footprint, engaged in a day of cleaning our Belgian beach of plastic and other garbage.



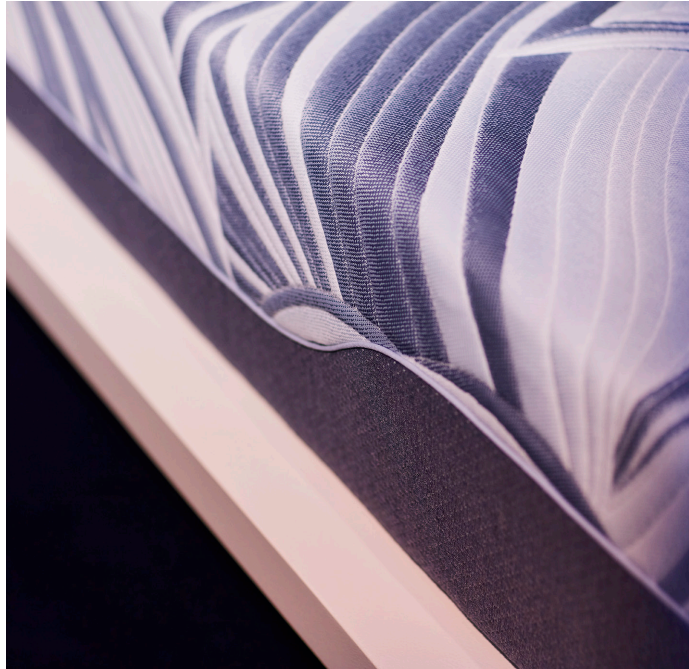
LENNY THE TURTLE

Why do we clean up the ocean one piece of plastic at a time? We do it for the future generations. Our children and grandchildren, who need to grow up in a world where there are still icecaps and ice bears are still roaming free. Where there is more fish in the sea than plastic waste.

We do it for them. Because now is the time to act.

With this in mind, we have created a children's book called 'Lenny The Turtle'. It tells the story of the problem of plastic waste that pollutes our oceans through the eyes of a child. This children's book is created to enhance the emotion you should feel when talking about climate change and rising sea levels. By writing the story ourselves and working with a talented illustrator, we have created a children's book that signifies our dedication to a cleaner ocean.





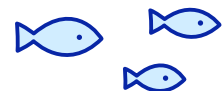
SEAQUAL AT INTERZUM

SEAQUAL was a big success at our Interzum fairs in China and Germany. By dedicating a whole box to SEAQUAL and playing our Do Good. Sleep Well. video, people were immediately drawn to our booth.

A combination of ocean sounds, water reflections and plastic bottles hanging from the ceiling created an environment that submerged our visitors and made it the perfect space to present our SEAQUAL bed.

Besides the great reviews we received from our customers and visitors, we are also incredibly proud that SEAQUAL won an Interzum Award.

To create an atmosphere of interaction with our visitors, we installed a toy claw machine filled with fluffy fish. The idea was to save the fish from the plastic that surrounded them and to lighten the somewhat severe problem we are facing with plastic pollution. By giving our visitors the opportunity to really interact with our product, we enhanced the understanding of what SEAQUAL is all about.



IRISTICK

THE SUSTAINABLE SOLUTION FOR GLOBAL COOPERATION

In a globally established organization such as BekaertDeslee, there is a lot of travel. Exco managers, sales, purchasers, engineers, technicians have to go to plants abroad or to headquarters to do their job.

In order to reduce the considerable travel costs and to reduce our ecological footprint, we looked for a technology that can be used as an alternative for travel. Especially in technical support, but also in the area of training and internal audit and assessment, we see a lot of possibilities to change our travel behavior in a positive way.

BekaertDeslee is currently introducing Iristick®, a pair of smart glasses that makes it possible to help colleagues remotely. When someone wears Iristick glasses and performs his tasks on the shop floor, colleagues from one or more plants can look through the eyes of the wearer from their laptop or desktop computer.





TECHNOLOGY

The Iristick® glasses are different from other Extended Reality glasses because they are connected to a smartphone and a pocket unit. This has several advantages:

- This allows a lot of functionalities to be removed from the smart glasses, making them lighter and more comfortable to wear.
- Because the connection of the glasses to the internet is not direct, but via the smartphone (WIFI or 4G or later 5G), radiation and heat dissipation near the temples are avoided.
- Longer battery life, up to a full shift.
- Lower cost of deployment : since the processing power is provided by the connected phone, performance and capabilities increase with every new generation of mobile phone.

The Iristick® glasses have not one but two cameras:

- The first central camera provides a very realistic image from a normal human perspective.
- The second camera has an optical zoom lens (x5) which allows small details such as knitting needles to be punched through perfectly. A laser light helps the camera to focus properly.

The Iristick® is very easy to operate as it is equipped with a touch pad. If hands-free operation is required, it can also be switched to voice control.



SAFETY

The Iristick® glasses are safety certified and can be used in production environments with machines, forklifts,

With Iristick® smart glasses, people stay in touch with the real world and stay focused on the job. With Virtual Reality eye-wear there is no contact with the real environment which makes it extremely dangerous.

COOPERATION

The remote experts who follow the technician via the computer can share their computer screen so that the technician on the floor can see the content on his heads-up display.

The experts can also remotely make videos or photos of what the technician sees on the floor. In this way, the technician can fully focus on his tasks.

APPLICATIONS

- Remote technical training
- Performing remote audit or assessment
- Urgent technical support on the floor
- Virtual company visits



MANUAL.TO DIGITAL WORK INSTRUCTIONS BY AND FOR THE OPERATORS

When BekaertDeslee started organizing and professionalizing their operator training several years ago, we were faced with a number of challenges:

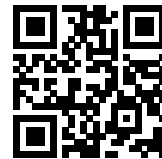
- Due to the widespread location of the sites, each with their own working methods, it was very important to standardize.
- In order to cope with the rapid technological developments of Industry 4.0 and our ever-changing processes as a result of improvement projects, the training content also had to be very easily adaptable.
- Due to the large number of people and the large number of official company languages, we had to find a learning platform that was easily accessible from anywhere and that supported multilingualism.

In the past, work instructions were made using the cookbook principle, with a number of pictures and some additional text. This was done in Excel and they were stored on Sharepoint. Because of this it was not only very labor intensive to make, adapt and maintain them, but they were also difficult to access for the people on the shop floor. They were also often not attractive and clear enough to be used by the operators.

Nowadays video is very often used for training purposes. However, these also have many disadvantages:

- It is often very difficult to record and play back audio in noisy environments.
- If you want to offer video in multiple languages, you have to take subtitling or dubbing costs into account that should not be underestimated.
- If you don't immediately understand things in a video, you often have to rewind and lose time (just think of Youtube instructional videos).

That is why BekaertDeslee started looking for a system that would enable us to create, improve and translate instructions very quickly and make them available to everyone very easily. With Manual.to we found a partner who was willing to further develop their tool that was originally developed for children to write their own stories, so that it could be used by us to create attractive training content.



FORMAT

The tool is actually designed to be used on smartphones or tablets. You have the best results if you use them in landscape mode.

The left side of the screen shows photos or videos. The videos have no audio.

As a result, no subtitling or dubbing is required.

The right side of the screen shows text in all possible languages.



THE PRINCIPLE

In principle, instructions can be made complete with just a smart phone or tablet.



TAKE PICTURES

Start by taking pictures or video snippets of the different steps to take.



ADD TEXT

Add the accompanying text, explaining precisely what to do.



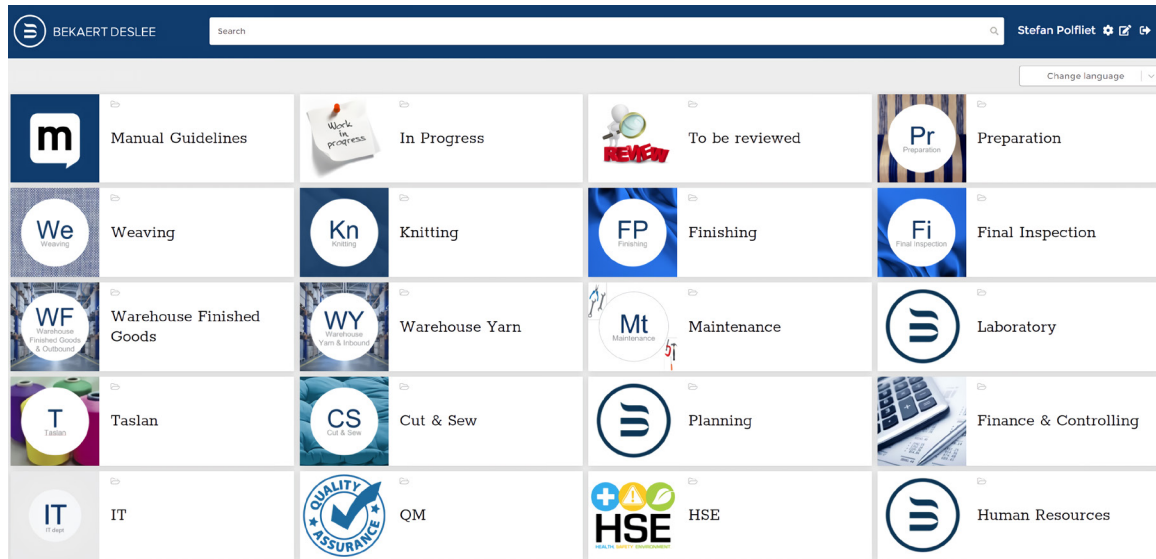
READY TO SHARE

Share with you colleagues or third parties through easy to read URL or QR codes.

Once published, the instruction is immediately visible in all plants through the cloud. If desired, the instruction can be automatically translated so that it can be understood by the local operators.

With the help of the visual navigation possibilities it is easy for the operators to find their way.

Operators can scroll through the instruction at their chosen pace, watch the videos and read the clarifying text. The quickest way to understand it!



SUSTAINABILITY

One of the advantages of this system is reduction of paper used for these kinds of concepts. By working with electronic instructions, we can drastically reduce the amount of paper and of paper waste of BekaertDeslee. The motto “Think green, keep it on your screen” has never been truer. But it has many other advantages as well.

Due to the simplicity of the tool, operators can create their own instructions, which increases their involvement. For example, at the end of a Kaizen event, they can now, as the icing on the cake, also document their improved working methods which works as a great motivator.

This tool inspires people that are eager to learn. They get the chance to further develop their skills, they get the chance to grow.

Because operators are always shown the latest version and there is no possibility to work with old versions, we comply with the ISO 9001/2015 standard for document control.

RESULTS

The improvements are visible in several areas. In addition to the expected savings during the creation and maintenance of content, we also see improvements in such areas as improved availability, involvement, standardization, etc.

An overview:



CREATION / UPDATE COST: -40% to 80% due to the automatic design to different devices.



ONBOARDING: x2 faster onboarding of new employees.



INVOLVEMENT: +30% improved employee engagement. Being able to create work instructions themselves, as the last phase of a Kaizen event gives the operators the feeling of really having everything in their own hands.



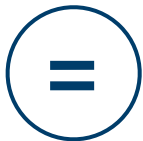
TRANSLATION COSTS: -90% Thanks to the automatic translation, these only need to be proofread in professional jargon.



USAGE LEVEL: x10 because the video-based instructions are clearer, more enjoyable and easier to access, they are better used.



LESS ERRORS: -5% reduction of production defects.



STANDARDIZATION: +150% Increased standardization in several countries. By introducing version control, we also comply with the ISO 9001:2015 standard for document control.



AVAILABILITY: x5% Instructions are always available on existing digital devices. With QR codes you can find the right instructions for the right device, in your own language.



EFFICIENCY: +5% Optimization of processes resulting in increased efficiency.

BEKAERT DESLEE, ENABLER OF CIRCULAR ECONOMY

BY CHRIS DELOOF, GROUP INNOVATION DIRECTOR AT BEKAERTDESLEE

There are different ways of defining circular economy:

As per the European commission:

In a circular economy, the value of products and materials is maintained for as long as possible. Waste and resource use are minimized, and when a product reaches the end of its life, it is used again to create further value.

As per the Ellen MacArthur Foundation:

A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. I do in particular like this wording from the Ellen MacArthur Foundation: It's a new way to design, make and use things within planetary boundaries. First, it makes clear that efforts and changes are needed throughout the lifetime of a product: from its conception over its creation and use until end-of-life and even beyond for its reincarnation.

It also reflects the need for creativity. Some look at circular economy as a framework that limits possibilities, narrows down options and imposes necessary guidelines to comply with. Circular economy however is much more interesting and to me it is a spark for innovation and creativity. If you approach the challenges towards circularity this way, it becomes much more fun!

At BekaertDeslee our efforts in the field of circularity concern our products, processes, machines, supply chain and many other aspects of our daily operations.

In my role I focus on the product related drivers towards a more circular economy. I deliberately mention 'more' circular as we are not in the ideal world yet and it will take quite some time to get there. However, every step we take is an important improvement compared to today's status.

We supply textiles, semi-finished products, to our B2B customers who produce mattresses. End-of-life mattresses often go to landfill or incineration because the different components cannot always be separated and/or recycled. We have participated in several projects related to circularity of mattresses. Providing the fabric or the cover can be separated from the mattress and collected, there are interesting possibilities to recycle the textile fabric in a mechanical or chemical way. One approach is based on the advantage of fabrics that consist of only one type of material. Within the mono material polyester category, we are also looking at using recycled polyester, upcycled marine waste polyester and our own post-production waste.

Sustainability is another face of circular economy. Whenever we think about launching new solutions for our customers, sustainability is the highest determining criterion to select what raw materials to use, what supplier to work with and not at least what projects to prioritize. The impact of production is also considered which translates in optimizing the use of raw materials, energy, labor, ...



At BekaertDeslee we do major efforts to be well connected related to sustainability and circularity so we can bring information firsthand. Having knowledge about evolutions and innovations throughout the value chain and beyond our fabrics and covers helps us to better design circular products. We love to co-design product with our customer, inspiring them and helping them to design for circularity.

Circular economy is only within reach if all stakeholders throughout the value chain collaborate, share and care. Hence, we build bridges with partners beyond our core business that are complementary to our activities. We are in together for one of the main challenges in circular economy: the reverse logistics. The consumer goods must be collected, transported and distributed to a location for recycling. Cross-industry collaboration is the answer to organize this in the most sustainable way and with the necessary convenience for the end consumers.

Taking the challenge of sustainability and circularity will require that we think about disruptive ways of sleeping and the resulting breakthrough evolution in beds and mattresses. But if you want to survive, you will have to turn into circular.



BEKAERTDESLEE BRAZIL LEADS THE WAY

Lars Muller, General Manager of BekaertDeslee Brazil, proudly shares the 2020 certificate for avoided Green House Gas (GHG) emissions through the use of electrical energy from renewable, incentivized sources.

BACKGROUND

In 1992, during the 2nd Summit on Environment and Economic Development held in Rio de Janeiro, most nations recognized the seriousness of greenhouse gas emissions and their direct influence on climate change.

Diplomatic negotiations evolved until the 3rd UNFCCC Conference of Parties held in Kyoto, Japan in 1997, when the parties agreed to sign the “Kyoto Protocol” under which they commit to reduce greenhouse gas emissions, based on the principle of common, yet differentiated responsibility (CBDR).

Periodic reports issued by the IPCC- International Panel of Climate Changes, the scientific body of the United Nations, show mounting evidence of the gravity of the matter. Thus, it is quite likely that developing nations with high CHG emissions, such as India, Brazil and China will have to implement mandatory reduction targets for their GHG emissions.

Brazilian Federal Law no. 12.187/2009 created the National Climate Change Policy (Política Nacional sobre Mudança do Clima - PNMC) and set forth principles, objectives, guidelines and tools as the country's formal commitment to reducing emissions.

METHODOLOGY

The calculations herein followed the procedures described in the GHG Protocol Corporate Standard published by The Greenhouse Gas Protocol Initiative. Such procedures set in 2001 are widely accepted and have been used by corporations, NGOs and governments around the world to calculate greenhouse gas emissions. The methodology used in the calculations was developed by the WRI – World Resources Institute.

VALIDATION OF THE CERTIFICATE

Sinerconsult Consultoria Treinamento e Participações Ltda. and COMERC Energia Ltda. hereby certify that the results in this Report comply with the GHG Protocol Corporate Standard principles of Relevance, Completeness, Consistency, Accuracy and transparency. Sinerconsult Consultoria Treinamento e Participações Ltda. is responsible for the calculations made and volumes found, while Comerc Energia Ltda. is responsible for all data pertaining to renewable, incentivized sources that have sold the electricity used / consumed by BekaertDeslee.



RESULTS

The obtained certificate calculates the GHG emissions that have been avoided by BekaertDeslee in its use / consumption of energy through the use of electrical energy from renewable, incentivized sources.

The results presented cover the period January to December 2019. In this period Jan-Dec 2019, BekaertDeslee reduced 144,81 T of CO₂. The emissions avoided voluntarily are equivalent to planting 1.014 trees in a 30-years reforestation project.

2020, THE YEAR OF COVID-19

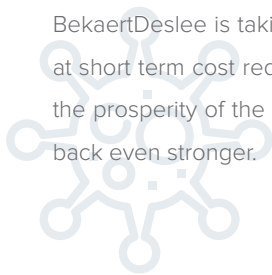
With consumers around the globe in lockdown, retailers and manufacturers closed, our industry is heavily affected. The current situation is 'sustainability in practice'.

At BekaertDeslee our first focus is the health and safety of our employees worldwide. Adapting to the local situation, regulations and requirements, we switch to telework, take measures to enable distancing, protection and sanitation. Fortunately, thanks to the engagement of our teams, our plants did not suffer major corona setbacks.

BekaertDeslee initiated a 'Corona Relief Fund' with donations from our shareholders, individual executives and employees. The fund provides support to employees in acute financial distress and to their local communities.

We reach out to our customers with support, helping them to the best of our ability. We deploy our agile capabilities and encourage creative thinking. In times of travel restrictions adaptability is key. Our sales team uses digital textile visualization and a 3D product configurator to present new collections and technology.

BekaertDeslee is taking all the possible measures to save cost, business and, consequently also jobs. We look at short term cost reduction, but also at long term opportunities and investment. Our daily concern is to ensure the prosperity of the company and its employees. We press the pause button for a while and prepare to come back even stronger.



COVID-19

MEASURES



BEKAERT DESLEE
Close to you

GENERAL MEASURES



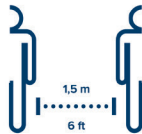
STAY HOME
WHEN SICK



DISINFECT
YOUR HANDS



WEAR
MASKS



KEEP
DISTANCE



THROW AWAY THE
TISSUES IN CLOSED
BIN



USE DIGITAL TOOLS
FOR MEETINGS, ETC.



COVER MOUTH
AND NOSE WHEN
SNEEZING



AVOID TOUCHING
YOUR FACE

FACTS & FIGURES

OUR PEOPLE: 3,582

EMPLOYEES

Total number of employees
(permanent & temporary)



1,552



2,030



Employment of permanent & temporary contracts
in number of people / female v.s. male
Situation 12.31.2019

Total number of employees with a permanent contract

Gender	Belgium (HQ)	Spain	Czech Rep.	Estonia	Poland	Romania	Turkey
female	70	31	28	10	8	529	126
male	94	31	30	21	16	225	244

51%

of total employees covered by
collective bargaining agreements.

Total number of employees with a permanent contract

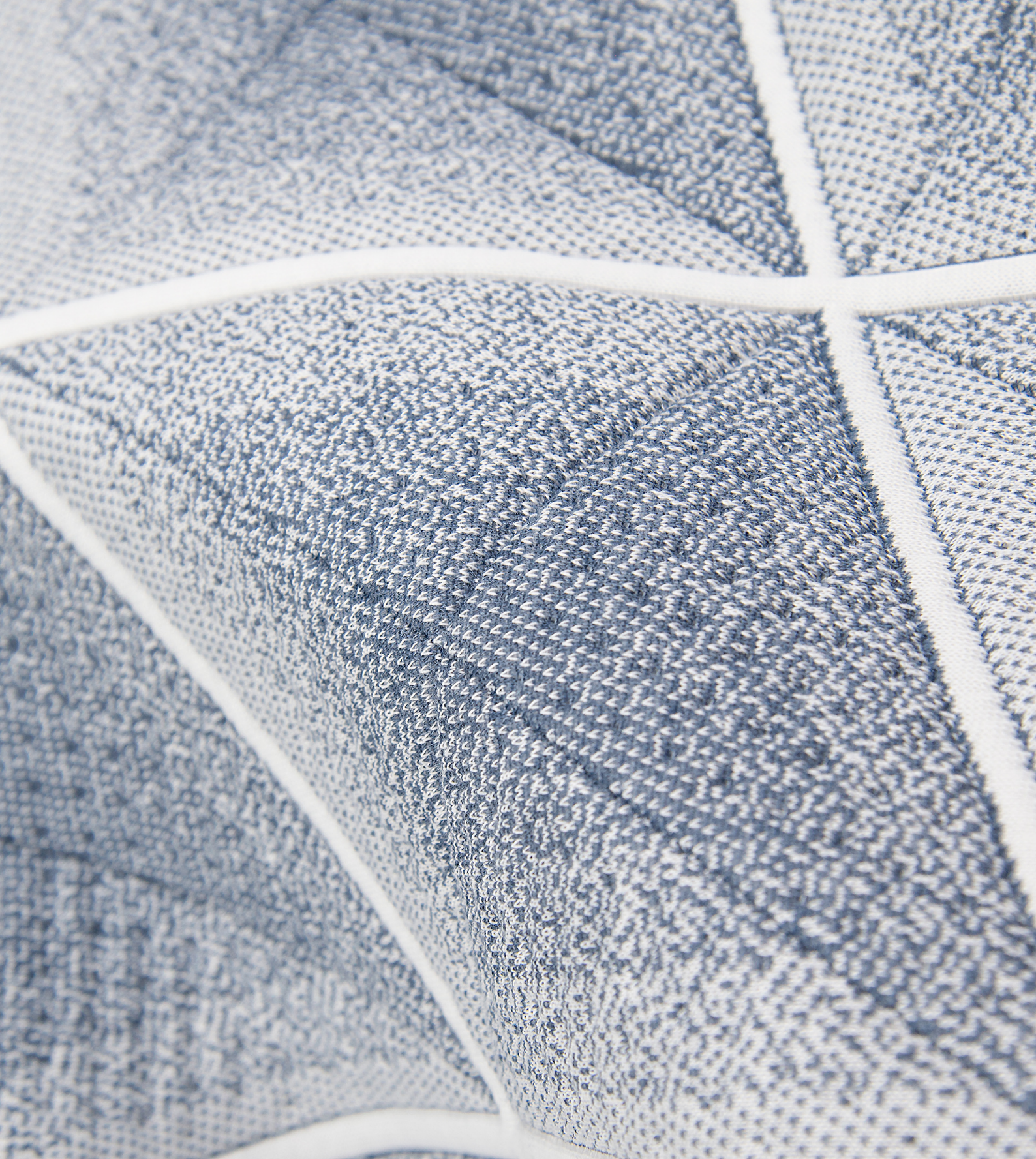
Gender	US	Mexico	Brazil	Argentina	Australia	China	Indonesia
female	115	222	24	6	25	75	42
male	154	327	53	55	68	74	145

Total number of female employees (permanent): 1,311

Total number of male employees (permanent): 1,537

Expressed in number of people

Situation 12.31.2019



Total number of employees with a temporary contract

Gender	Belgium (HQ)	Spain	Czech Rep.	Estonia	Poland	Romania	Turkey
female	0	1	11	1	2	0	2
male	0	8	16	2	8	0	37

Total number of employees with a temporary contract

Gender	US	Mexico	Brazil	Argentina	Australia	China	Indonesia
female	27	141	0	1	2	6	47
male	16	251	0	11	5	23	116

Total number of female employees (temporary): 241

Total number of male employees (temporary): 493

Expressed in number of people

Situation 12.31.2019

OUR SUPPLY CHAIN

BekaertDeslee has a total of approx. 3,000 suppliers worldwide (global and regional suppliers).

The main raw materials (direct spend) of BekaertDeslee are yarns and chemicals. We are sourcing our yarns mainly out of Far Eastern countries including India, China, Indonesia, Malaysia, ... These suppliers (approx. 50) serve all our plants worldwide.

On top of that we work together with about 70 local yarn suppliers. We believe this to be an opportunity to help the environment (reduction of shipping and storage) and to support the local communities.

Chemicals are mainly coming from multinationals having local manufacturing and / or warehousing. For the chemicals we work together with approximately 100 suppliers worldwide.

In addition to the raw materials suppliers BekaertDeslee collaborates with several service suppliers such as printing companies, suppliers for office supplies, booth builders, etc. For these services BekaertDeslee works with suppliers who commit themselves to responsible business and manage the social, environmental and economic impacts.

The monetary value of payments to suppliers corresponds to material costs (cost of goods sold and freight costs).

BUSINESS PERFORMANCE

	2017	2018	2019
Turnover	336.58	317.89	338.88
Other financial result	-3.73	-0.35	-1.34
Other operating income	1.59	1.22	0.96
Business Performance	334.44	318.76	338.49

**From the consolidated income statement (in EUR million)*



ABOUT THIS REPORT

PERIOD UNDER REVIEW



Report chronology

2018: full report on the Reporting Year 2017

2019: digital update (2018)

2020: full report on the Reporting Years 2017, 2018, 2019

Global Reporting Initiative

This report has been prepared in accordance with the GRI Standards: option Core

Contact

Should you have any questions on our Report, please don't hesitate to contact Francesca Derkinderen (francesca.derkinderen@bekaertdeslee.com).

Online version

www.bekaertdeslee.com

IMPRINT

Forward-looking statements

This Sustainability Report contains forward-looking statements. These statements are made on the basis of assumptions and expectations which, in turn, are based on the information available at the time of the publication of the report. They are therefore associated with risks and are not to be deemed to constitute guarantees of projected developments and results.

Many of these risks and uncertainties are determined by factors which are beyond the control of BekaertDeslee and which cannot be reliably assessed at the present time. These risk factors include future market conditions and general economic data, the achievement of anticipated synergies as well as legal and political decisions. BekaertDeslee does not assume any obligation to update the forward-looking statements contained in this report.

GRI Standards Online Report

Our Sustainability Report implements the guidelines and standards of the Global Initiative (GRI). The current GRI Standards of the GRI were used in the preparation of the report. This report has been prepared in accordance with the GRI Standards: "option Core".

About BekaertDeslee

BekaertDeslee Holding NV (the 'Parent Company') is a company domiciled in Waregem, Belgium. The Company's consolidated financial statements include those of the holding and its subsidiaries (together referred to as the 'Group' or 'BekaertDeslee Group') and the Group's interest in joint ventures and associates accounted for using the equity method.

Pictures by

Amber Lee Knight Uzzell

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Publisher

BekaertDeslee

Deerlijkseweg 22, 8790 Waregem

Belgium

Certifications







GRI CONTENT INDEX

This report has been conducted based on the Global Reporting Initiative's (GRI). It is our first report based on these standards however we are committed to communicate about our sustainable initiatives every year (with a full report every second year and an Interim Report in the years between).

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BEKAERT DESLEE





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