



BEKAERT DESLEE

Sustainability Report
update 2021

Dear reader,

We spend a great deal of our lifetime asleep. At BekaertDeslee, our main priority is to make this essential part of our lives as sustainable and responsible as possible. That is why we heavily invest in the future in order to always present the best products and services to our customers.

The past year has been challenging to all of us, but we have not given up hope. More so, we have learned from these changes. We have developed as companies and as people.

This update is already our second one since we first published the Sustainability Report in 2018 and while a lot has happened since that very first report, I must say that I am profoundly proud of what our company has achieved and continues to achieve when it comes to working towards a greener future.

Not to mention the tens of initiatives our company is promoting towards making our business more sustainable and the progress which has been

accomplished over these past few years. To name a few, the three components “Doing More with Less”, “Respect and Develop” and “Towards a Greener Sleep” still very much apply today. More so, they have become of crucial importance in our medium- and long-term strategic development plans.

Besides this, I would also like to take this opportunity to mention another great initiative. &Beyond is a combination of all our efforts regarding sustainability and forms a collection of everything we do and will be doing in pursuit of a greener, brighter and more sustainable future.

BekaertDeslee’s main objective is to get closer to you and even though in these strange times, this has become more difficult, we continue to do our very best to maintain a strong connection with our partners.

With this update, we want to show yet again, the great work our company has done and continues to do.

Frédéric Beucher
CEO





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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 23 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 products and services.


€ 350
MIO turnover


Dedicated Innovation
& Design Center
in Belgium


4200+
Employees


we touch
600.000.000
people
every night


textiles for
110.000
mattresses
per day
Special units
dedicated to ready-made
mattress covers


18
countries

23
locations
worldwide



BEKAERT DESLEE

Mattress Covers



Mattress Textiles

BETTER SLEEP SOLUTIONS

CREATING TRUST
SINCE 1892



BEKAERT DESLEE
Close to you

LOCATIONS

EUROPE

Waregem (BE), Beselare (BE), As (CZ), Lodz (PL),
Sant Boi de Lluisanès (ESP), Nassaud (RO),
Miercurea Sibiului (RO), Ramnicu Valcea (RO),
Istanbul (TR), Çorlu (TR), Tallinn (EST)

ASIA & AUSTRALIA

Wuxi (CN), Chengdu (CN), Purwakarta (ID)
Dandenong South (AUS)

NORTH & SOUTH AMERICA

Winston-Salem (USA), Ontario (CAN),
Tijuana (MX), Ixtacuixtla (MX), São Paulo (BR),
Burzaco (ARG), Bogota (COL)

SOUTH AFRICA

Cape Town (ZA)

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 13,331 companies from 161 countries have filed 80,768 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 2021 (reporting 2020), 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 12: Ensure sustainable consumption and production patterns;
- 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.



H.E. Antonio Guterres
Secretary-General United Nations
New York, NY 10017 – USA

Waregem, May 17, 2021

Dear Mr. Secretary-General,

I am pleased to confirm that BekaertDeslee supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. BekaertDeslee will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Yours sincerely,

FALPM Conseil srl. represented by
Frédéric BEUCHER
CEO BekaertDesle



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.

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 7 material themes in line with the SDGs and the GRI standards.

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

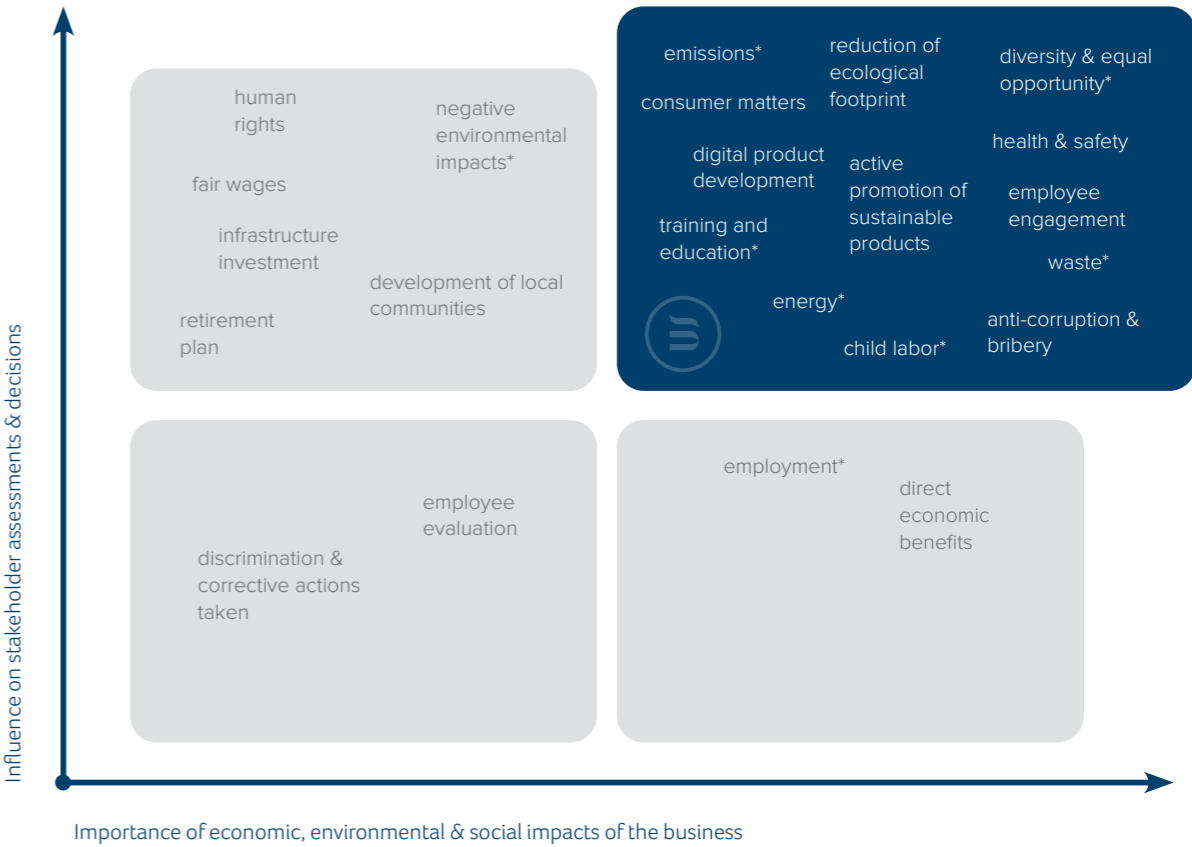
- Materials GRI Standard 301
- Energy GRI Standard 302
- Waste GRI Standard 306
- Employment GRI Standard 401
- Training & Education GRI Standard 404
- Diversity & equal opportunity GRI Standard 405

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 2022/2024

OUR 7 MATERIAL TOPICS

1



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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.





2 ECOLOGICAL PRODUCTS

We all know the perfect world does not exist when it comes to sustainability. At BekaertDeslee we aim to progress step by step and that's certainly valid for our efforts turning our product portfolio into a more ecological one.

We challenge our development teams to continuously look for more ecological solutions for what we offer today. This is the case for yarns as well as for chemicals.

Lead the way towards 100% recyclable fabrics and covers

BekaertDeslee supports the 100% mono-material approach, preferred by many in our industry. This is currently mainly about polyester where we aim at moving away from virgin materials in favor of recycled compositions.

Driven by the voice of our customers and with upcoming national regulations in mind, we extend our scope and develop with the full value chain in mind, up to end-of-life of our products. This way we not only design for circularity but also wish to learn how we can contribute to effective recycling of end-of-life fabrics and covers supported by this 100% mono-material way of working.

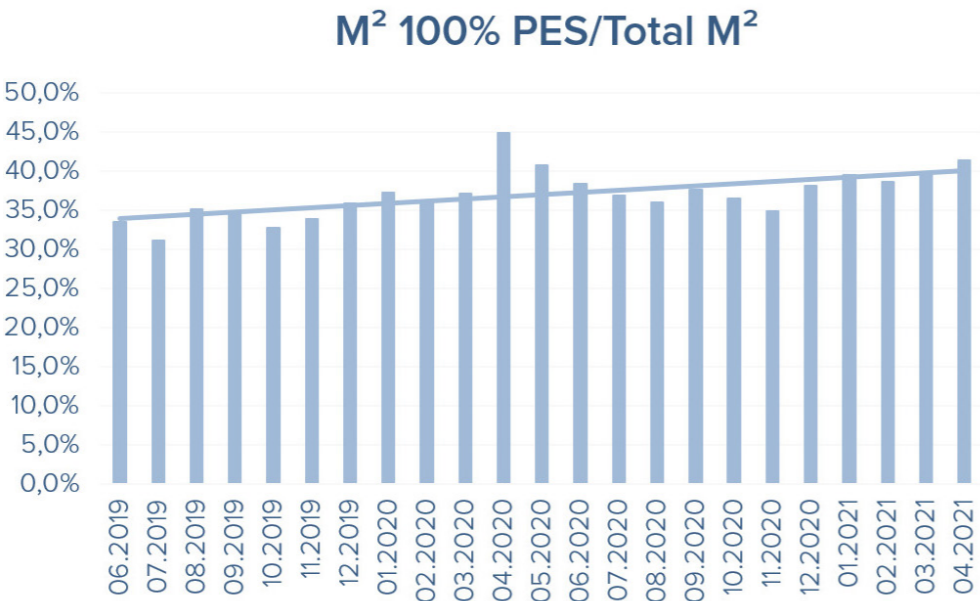


Because of the longevity of mattresses, fabrics and covers we develop, produce and sell today, only get to end-of-life after many years to come. Hence, the impact will only be measurable at that time not at least because of the increasing pace of evolutions in recycling technologies. For the same reason of longevity, textiles from mattresses that currently get discharged of, are hard to recycle not at least because of their unknown compositions.

To shortcut this paradox and still learn about possibilities, we are driving tests to see how our post-production waste can be used to close the circle. Certainly, our industry will need to include 'textile to yarn' recycling, as for polyester we cannot only rely on recycled PET bottles any longer.

We are examining both mechanical and chemical recycling processes. The goal remains keeping recycling at its highest level as to avoid downcycling. We also wish to go in dialogue with our partners about weighing up the benefits of upcycling against a possible higher ecological footprint of the related processes.

As mentioned, the 100% polyester mono-material road currently still fits our circularity goals, reason for which we keep monitoring its share in our portfolio. It is an important indicator for the recyclability of the fabrics and covers we put in our markets worldwide.



Knitted mattress fabrics and covers traditionally contain some stretch for easy processing and recovery during the lifetime. Elastane is a well-known material to add stretch to fabrics but at the same time is also considered as a contaminant for recycling. The latter is certainly true for garments where high percentages of elastane are needed for proper fit and comfort. As we however only use a small amount of elastane in mattress ticking fabrics, we examine how this impacts recycling at all.

In parallel however our engineers have developed a novel knit construction that through its way of production allows for high stretch without using elastane at all. This small but important example illustrates our on-going efforts to further increase the recyclability of our products. It allows us to market stretch polyester fabrics and covers made of recycled polyester without the use of any elastane, featuring the best fit for recyclability at end-of-life.



THE GQ CONSTRUCTION IS THE ULTIMATE COMBINATION OF RECYCLED, RECYCLABILITY AND PERFORMANCE THROUGH UNPRECEDENTED STRETCH WITHOUT THE USE OF ELASTANE.

Answer the call for ecological functionalities as a necessary differentiator to capture value.

More ecological functionalization is also on top of the sustainability agenda at BekaertDeslee. The world would be quite dull if all mattresses not only looked the same but also performed the same. Every single consumer has particular needs for sleeping well. And the answer to these needs often lies in functionalization of fabrics and covers a.o. by finishing applications.

Our developers have strict guidelines to switch any chemical currently used with a more sustainable alternative whenever available. For this process, it is important not to give in on performance.

Innovations in this field always first get challenged against the sustainability criteria before even starting development.

Continuous monitoring of technology markets and close collaboration with suppliers and research institutes are at the heart of these achievements. We monitor the share of ecological performances in our portfolio as internal benchmark to further grow it, driven by the discipline and rigorous attitude by which we take up our responsibility.



RESPECT & DEVELOP

BEKAERT DESLEE 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: update 2020



General Actions taken in 2020

In 2020, we have been working on upgrading our reporting of Material topic 3 Anti-corruption to GRI Standard 205 Anti-Corruption.



Compliance Education

In 2020, 212 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 the mandatory compliance e-learning “Global Anti-Corruption training” provided by Thomson Reuters. All selected trainees completed the training in time.

Breakdown 2020 compliance training by Function

Finance	38
General Management	9
Sales	61
Operations	38
Procurement	16
Supply Chain & Logistics	29
HR	10
IT	5
Marketing	1
R&D & Quality	5
	212

Breakdown 2020 compliance training by region

USA	28
Mexico	16
Brazil	14
Argentina	13
EMENA	92
China	18
Indonesia	20
Australia	11
	212

Compliance incidents

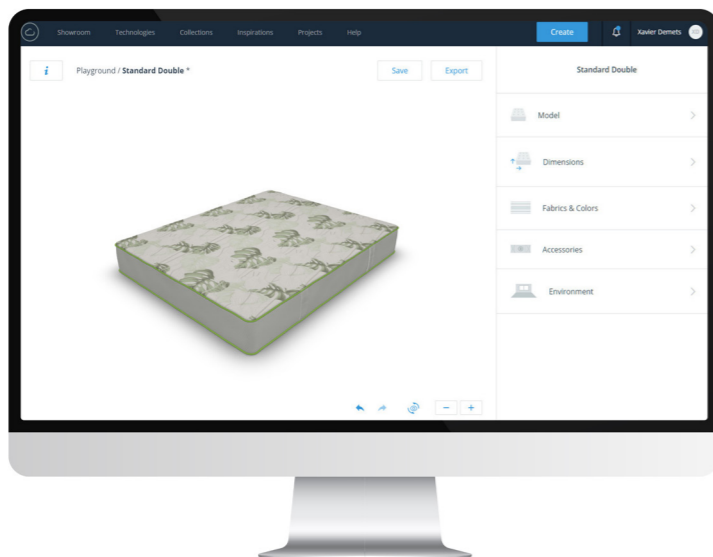
There were no confirmed compliance incidents in 2020.



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DIGITAL INSTEAD OF PHYSICAL PRODUCT DEVELOPMENT

The BD Cloud is the go-to online platform to create bed concepts. Browse through our virtual showroom and become inspired by our latest collections and mood boards. 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. Discover all that the BD Cloud has to offer, it's your playground.



The BD Cloud is a service that de-materializes the first phases of the development process. By implementing the digital samples directly onto a 3D configuration of a mattress concept, the need to produce physical samples is no longer necessary in this part of the design process. This way, creating a clear win-win for BekaertDeslee and our customers because:

- Shorter development time
- No need to produce physical samples. No raw material usage, no labor, no machine time, no energy spent.
- No need for transport of samples which means a reduced ecological footprint and transportation cost.
- The customer doesn't need to create a prototype, which means this too saves raw materials usage. There's also no labor, no machine time and no energy spent.
- It's 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 past year. With the lockdown measurements as a consequence of the COVID-9 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 2,500 unique users working with the BD Cloud, with new requests of customers coming in every week. A total of 6,500 projects have been created over the past years and 40,300 3D configurations have been created. These numbers show the amount of effort and real engagement of our customers and colleagues with the BD Cloud.

2,300 USERS

December 2019



2,500 USERS

December 2020

4,700 PROJECTS

December 2019



6,500 PROJECTS

December 2020

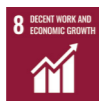
24,260 CONFIGURATIONS

December 2019



40,300 CONFIGURATIONS

December 2020



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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.

Every month, health & safety KPI's are discussed between the health & safety team, the EVP Manufacturing&Engineering and the local business units. From there, necessary actions and/or improvements are defined.

Local unit health & safety responsables can participate and give feedback on the management approach in the structured H&S Community calls, occurring every two months, or casually by communicating issues ad hoc

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 2020, BekaertDeslee group had a 1.87 Total Incident Rate; 1.46 Lost Work Incident Rate (incidents x 200.000/ work hours) and a rate of days-absent due to incidents of 0.13 (days absent x 1000/work hours).

	2017	2018	2019	2020
TIR	3,40	3,90	2,17	1,87
LWIR	3,14	2,81	1,92	1,46
LWDR	0,21	0,18	0,15	0,13

We recently introduced the reporting of a group leading indicator based on the reported near misses and incidents.

- Completion rate of local near miss and incident action plan: number of total open near misses / incidents action plans versus the amount of near miss / incident reports in the last 6 months in the local business units.

This reported on a monthly with an annual average.

Completion rate local near miss and incident for 2020 : 74%



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TOWARDS A GREENER SLEEP.

CONSUMER HEALTH & SAFETY THROUGH THE VALUE CHAIN

Oeko-tex standard 100 for fabrics and covers

The OKO-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 appendix 4 that is used for baby products that are in direct contact with the skin.

Since 2020 we are even OEKO-TEX class I appendix 6 certified for the majority of our references. This is the absolute highest standard within the OEKO-TEX certification.

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 consumer market in which the label resonates the most.

The non-European units are not certified (except the production plant in US and China which are certified for some limited specific references) , however, the OEKO-TEX guiding principles are applied in all the BekaertDeslee plants.

In 2020 suppliers provided OEKO-TEX class I certificates for more than 300 raw materials, allowing us to certify about 95 % of our fabrics and covers.

OEKO-TEX STANDARD 100





Detox to zero by OEKO-TEX

DETOX TO ZERO BY OEKO-TEX is a smart and easy-to-use verification system for textiles 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

In 2020 the production plant in Romania is STeP by OEKO-TEX certified. We had the highest level 3 in the three-level scoring system.

STeP by OEKO-TEX stands for Sustainable Textile&Leather Production and is a modular certification system for the production facilities in the textile and leather industry.

The objective of STeP certification is the permanent implementation of environmentally friendly production processes, optimal health and safety protection and socially responsible working conditions.

STeP differs from other certification systems because, instead of considering only individual sustainability aspects, it includes a comprehensive analysis and assessment of the production conditions instead. STeP analyses all important areas of a company using 6 modules :

- 1. Chemical management**
- 2. Environmental performance**
- 3. Environmental management**
- 4. Social responsibility**
- 5. Quality management**
- 6. Health protection and safety at work**



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RESPECT & DEVELOP BD COACH, THE EMPLOYEE ENGAGEMENT BAROMETERS

Three years ago, we introduced the BekaertDeslee Engagement barometer. In 2020 the majority of our white collar employees worldwide were using this platform. The idea is for the company to have an aggregated (no individual) 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.

Weekly, 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 “heatmap” on different drivers (see infographics).

In 2020, the engagement barometer had 603 users, working in different business units in our group (US, Mexico, Indonesia, Belgium, Romania, Poland, Estonia, etc.). We achieved an engagement score of 71% with a response rate of 78%. Employee Engagement is improved compared to last year (+1%). Depending on the score, additional goals are derived on a company/department level or on individual drivers.

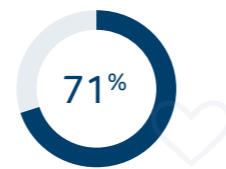
In 2021, we will investigate a new and improved engagement platform, that will be linked to HRIS.



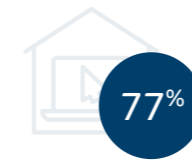
users



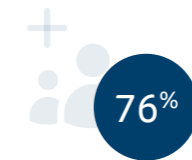
questions



overall engagement score



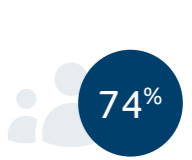
teleworking



relationships
with managers



empowerment



relationships
with colleagues



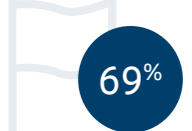
feedback



recognition



job satisfaction



ambassadorship



personal growth



wellness &
happiness



company
alignment



REWARDS

■ BRAZIL

At BekaertDeslee, we highly invest in finding and creating sustainable solutions. One of the ways we contribute to a sustainable future is by purchasing our energy from Clean Energy sources to run the plant in Brazil.

To remain competitive, BekaertDeslee Brazil's strategy has been focusing on 3-to-4-year contracts with these Clean Energy sources, this way, avoiding the short-term speculation that exists with energy in the free market.

The Renewable Energy certification that BekaertDeslee receives is audited by a third-party entity. This entity is entitled to issue the report of an official accounting of the greenhouse Effects Savings. This is given in Tons and comparable to the three type measurements units. BekaertDeslee Brazil works with Comerc, our partner in consultancy and negotiations in the field of renewable energy. When looking at the total cost of energy savings from the past five years compared to our standard contracts we had in the past, this cost surpasses the 300,000 EUR benchmark which is a great benefit for us as a company, aside from being able to work in more sustainable way.



EUROPE

Transparent Circularity Project

The Transparent Circularity Project with the Transparent Circularity digital label was nominated for the Textirama Foundation Award, category Take-Off award. The mission of this Belgian (EU) based Foundation is to support the commercial, creative and innovative power of the textile industry.

With its B2C product, SmartSleeve®, BekaertDeslee opts for transparency, traceability and circularity in a circular ecosystem. By adapting materials, it has succeeded in developing the SmartSleeve® CIRCULAR and bringing it to the market in the BeNeLux. The observation is shocking when it becomes clear that with the current (logistic) systems circular (textile) products automatically end up in the incinerator. BekaertDeslee has thought about the complete circular system with the result that all circular SmartSleeves get a digital identity. This gives all stakeholders, including collectors and processors, access to the correct information about the textile product. The label is linked to a digital platform with dashboards and detailed information to ensure that this circular product enters the right processing route.



ENKELFÄHIG



Working together for future quality of life

Our enkelfähig strategy is aimed at proving that sustainable business models are not only profitable, but that they actually outperform non-sustainable business models in the long term – in other words, that profitability and sustainability are not mutually exclusive.

Our vision of future quality of life is based on sustainable value creation that is consistent with environmental protection and the welfare of each and every one of us. We live up to our social responsibility and achieve a balance between tradition and innovation. That is what makes us enkelfähig.

For us, sustainable value creation means not only optimising the way in which we use resources, but also establishing an economy that is circular rather than linear. Value is created not with a short-term perspective and at the expense of our future, but for generations to come. We view our entrepreneurial tradition as the basis for innovative value creation.

When it comes to ensuring future quality of life, we believe that environmental protection goes above and beyond conservation. It also includes renaturation and safeguarding biodiversity, as well as our efforts to not merely halt climate change, but reverse it.

Our future is synonymous with collective well-being in which health and access to medical care are as self-evident as a stable food supply and decent housing.

We will continue to meet our social responsibility in future. Implementing the paradigms of equal opportunity, diversity and respect for human rights allows us to engage with one another in a spirit of mutual respect. This also means appreciating everyone's work, providing fair working conditions and fair competition, and ensuring that corruption has no place in our society.

As a company dating back to 1756, we uphold our traditions and bring them into the modern world with innovative ideas and approaches. We see technology not as a threat, but as a means of making our vision of future quality of life a reality – a future that is enkelfähig.

This is also reflected in our membership of the UN Global Compact. Our commitment involves not just upholding recognised principles like human rights, labour standards, environmental protection and anti-corruption, but actively contributing to their dissemination within the Haniel Group.

(source: [Haniel.de](https://www.haniel.de))



&BEYOND

At BekaertDeslee, we challenge ourselves every day to develop high-performing sleep products and innovative textile technologies. But we aim for more. Being the industry’s leader, we want to set an example and be a source of inspiration to all of you. We want to go beyond.

With innovation at the heart of our company and sustainability being a mindset in everything we do, we take our responsibility to make a difference.

It is important, not only for us, but also for future generations, that we are making efforts to create a more sustainable future.

Textiles is one of the most polluting industries in the world. To give you an idea, every year, over 30 million mattresses are discarded in the European Union alone. This is almost 700 times the Mount Everest. And this obviously involves a huge amount of mattress ticking. The amount of textiles from those mattresses that are recycled is still very limited. But there is a noticeable engagement concerning this issue. Just like us here at BekaertDeslee, companies are focused more than ever on finding solutions to make the mattress sector more circular and sustainable.



One of the main points to keep in mind here is the use of raw materials and components sourcing. When ranking the importance of the necessary requirements, a majority focused on this particular issue as the most relevant. Besides this, collaborations with chemical companies and material suppliers in the field of raw materials will be of vital importance to achieve circularity and sustainability.

That is why it is up to the mattress industry as a whole, to work together in finding new, innovative and sustainable ways in creating mattress products as it gives us reason to believe. To believe that our efforts will make a difference.

&Beyond is a combination of all our efforts in regards to sustainability. It doesn't only cover the products, it goes beyond that. It's a collection of everything we do and will be doing in the future in pursuit of sustainability. We invite you to join us on our journey. To create a healthy and safe place, for our planet and ourselves. To build a better world for the children of tomorrow.

Let's do more.
Let's go beyond together!



FACTS & FIGURES



OUR PEOPLE: 4,268

EMPLOYEES

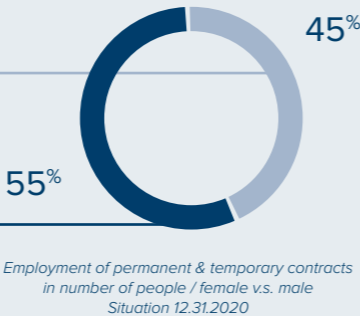
Total number of employees
(permanent & temporary)



1,917



2,351



41%

of total employees covered by
collective bargaining agreements.

Total number of employees with a permanent contract

Gender	Belgium (HQ)	Spain	Czech Rep.	Estonia	Poland	Romania	Turkey
female	73	29	24	10	8	683	261
male	91	37	31	23	23	237	336

Total number of employees with a permanent contract

Gender	US	Mexico	Brazil	Argentina	Australia	China	Indonesia
female	126	218	29	8	23	67	50
male	154	321	63	60	62	60	176

Total number of female employees (permanent): 1,311
Total number of male employees (permanent): 1,609

Expressed in number of people
Situation 12.31.2020

BUSINESS PERFORMANCE

Value Creation

From the consolidated income statement (in EUR million)

	2016	2017	2018	2019	2020
Turnover	310,16	336,58	317,89	338,88	336,77



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
2021: digital update (2020)

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 AnnaMariaCornelia De Gersem (AnnaMariaCornelia.DeGersem@bekaertdeslee.com).

Online version

www.bekaertdeslee.com

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.



BEKAERT DESLEE

Close to you