PART II

Statements

Corporate governance statement

On 1 January 2020, the 2020 Belgian Code on Corporate Governance (the "Code 2020") and the new Belgian Code on Companies and Associations (the "BCCA") entered into force and became applicable to Bekaert. The Bekaert Corporate Governance Charter and the Articles of Association of the Company were amended to bring both in line with the Code 2020 and the BCCA.

Bekaert complies with the provisions of the Code 2020, except with provision 7.6.

Contrary to provision 7.6 of the Code 2020 according to which non-executive Directors should receive part of their remuneration in the form of shares in the Company and these shares should be held until at least one year after the non-executive Director leaves the Board and at least three years after the moment of award, non-executive Directors are recommended (but not required):

- to build up a personal shareholding of one annual fixed Board fee during the period of their tenure; and
- to maintain this until at least one year after the non-executive Director leaves the Board and at least three years after the moment of award.

Despite the non-mandatory character of this shareholding principle, the Company believes that the long-term view of shareholders is fairly represented at the Board considering that the Chairman is remunerated in Bekaert shares subject to a three-year lock-up; and that the non-executive Directors who are nominated by the reference shareholder already hold Bekaert shares (or certificates relating thereto).

The Code 2020 is available at
www.corporategovernancecommittee.be.

The Bekaert Corporate Governance Charter is available at www.bekaert.com.

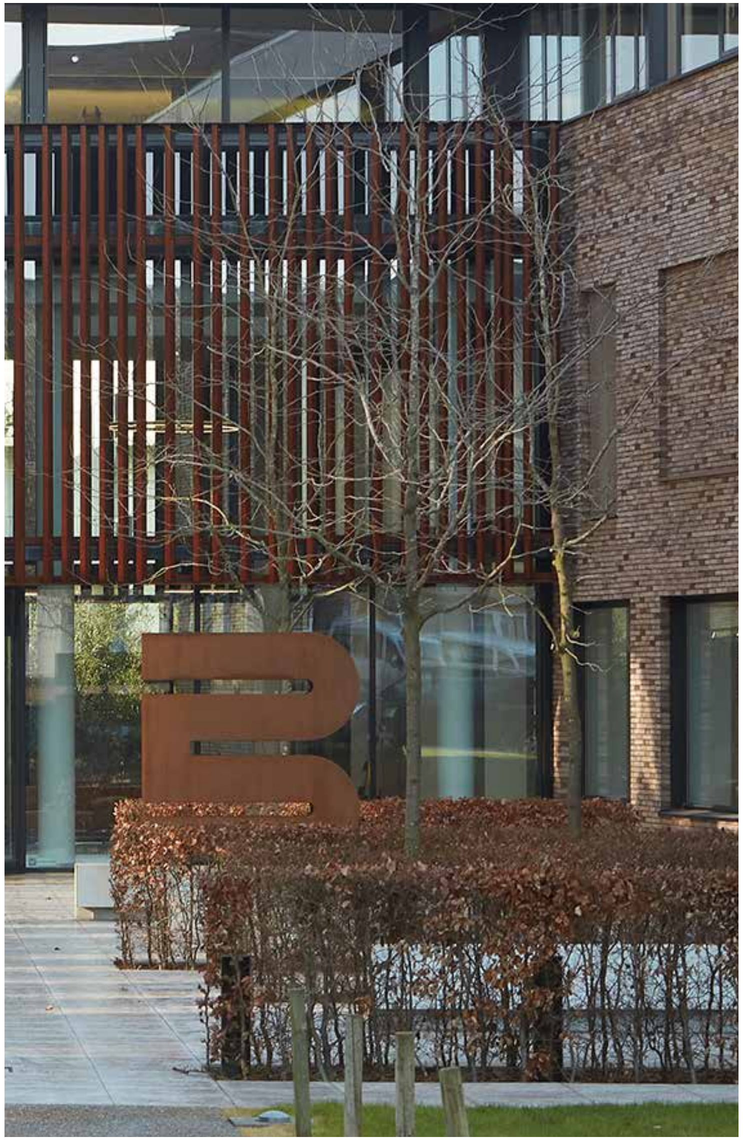
Board of Directors

The Company has adopted the one-tier governance structure: the primary decision-making body is the Board of Directors. The Board of Directors is authorized to carry out all actions that are necessary or useful to achieve the Company's purpose, except for those for which the General Meeting of Shareholders is authorized by law or by the Articles of Association.

The Board of Directors consists of eleven members, who are appointed by the General Meeting of Shareholders. Six of the Directors are appointed from among candidates nominated by the principal shareholder. All prospective Directors are selected and nominated based upon a Board skills matrix. The purpose of the matrix is to assure that the Board has meaningful diversity, skills and experience to meet the current and future challenges of Bekaert and to identify any gaps which potentially can be filled by future Directors. The Chairman and the Chief Executive Officer are never the same individual. The Chief Executive Officer is the only Board member with an executive function. All other members are non-executive Directors. Four of the Directors are independent in accordance with the criteria of Article 7:87, §1 of the BCCA and provision 3.5 of the Code 2020: Henriette Fenger Ellekrog (first appointed in 2020), Eriikka Söderström (first appointed in 2020), Jürgen Tinggren (first appointed in 2019) and Mei Ye (first appointed in 2014).

The Board of Directors met on seven occasions in 2022 (seven regular meetings). In addition to its statutory powers and powers under the Articles of Association and the Bekaert Corporate Governance Charter, the Board of Directors discussed the following matters, among others, in 2022:

- the corporate strategy and strategic projects;
- the IT and digital strategy, including cybersecurity;
- the sustainability strategy;
- the situation in Russia-Ukraine;
- governance, risk and compliance;
- the objectives of the principal shareholder of the Company;
- the budget for 2022 and 2023;
- the succession planning at the Board and Executive Management levels;
- the remuneration and the short-term and long-term incentives for the Chief Executive Officer and the other members of the Executive Management;
- the share buyback program and the liquidity agreement with Kepler Cheuvreux;
- continuous monitoring of the debt and liquidity situation of the Group.



The oversight responsibility with respect to sustainability/ESG and cybersecurity has been integrated into the existing Board and Board Committees structure. The overall responsibility rests with the Board of Directors, supported by specific responsibilities assigned to the Audit, Risk and Finance Committee (process and controls; audits and expert assurance; disclosures) and the Nomination and Remuneration Committee (Board education; leadership organization and skills; accountability and link to executive pay; talent and culture).

Name	First appointed	Expiry of current Board term	Principal occupation[2]	Number of regular/ extraordinary meetings attended
Chairman				
Jürgen Tinggren[1]	May 2019	May 2023	NV Bekaert SA	7
Chief Executive Officer				
Oswald Schmid	May 2020	May 2023	NV Bekaert SA	7
Members nominated by the principal shareholder				
Gregory Dalle	May 2015	May 2023	Managing Director, Credit Suisse, division Investment Banking and Capital Markets (UK)	7
Charles de Liedekerke[3]	May 1997	May 2022	Director of companies	3
Christophe Jacobs van Merlen	May 2016	May 2024	Managing Director, Bain Capital Europe, LLP (UK)	7
Hubert Jacobs van Merlen[3]	May 2003	May 2022	Director of companies	3
Maxime Parmentier[4]	May 2022	May 2023	Chief Executive Officer, Birdie Care Services Ltd (UK)	4
Caroline Storme	May 2019	May 2023	R&D Finance Lead Neurology, UCB (Belgium)	7
Emilie van de Walle de Ghelcke	May 2016	May 2024	Head of Legal at Sofina (Belgium)	7
Henri Jean Velge	May 2016	May 2024	Director of Companies	7
Independent Directors				
Henriette Fenger Ellekrog	May 2020	May 2025	Chief Human Resources Officer, Ørsted (Denmark)	7
Colin Smith[3]	May 2018	May 2022	Independent Director of and advisor to companies	3
Eriikka Söderström	May 2020	May 2025	Independent Director of companies	7
Mei Ye	May 2014	May 2023	Independent Director of and advisor to companies	7

[1] *Jürgen Tinggren is an independent Director.*
[2] *The detailed résumés of the Board members are available in Part I: Leadership of this report.*
[3] *Until the Annual General Meeting of 11 May 2022.*
[4] *As of the Annual General Meeting of 11 May 2022.*

Committees of the Board of Directors

Since 1 January 2020, the Board of Directors has two advisory Committees.

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee is composed in accordance with Article 7:99 of the BCCA and provision 4.3 of the Code 2020: all its four members are non-executive Directors and two of its members, Eriikka Söderström and Jürgen Tinggren, are independent. Eriikka Söderström's competence in accounting and auditing is demonstrated by her former position as Chief Financial Officer of F-Secure Corporation, Kone Corporation, and Vacon Plc, all stock-listed on Nasdaq Helsinki. Additionally, she holds audit committee chair experience from mandates at Valmet, Kempower, and Comptel. The members of the Committee have a collective expertise relevant to the sector in which the Company is operating. In 2022, Eriikka Söderström succeeded Hubert Jacobs van Merlen as Chair of the Committee. The Chair was appointed by the members of the Committee.

The Chief Executive Officer and the Chief Financial Officer are not members of the Committee but are invited to attend its meetings. This arrangement guarantees the essential interaction between the Board of Directors and the Executive Management.

Name	Expiry of current Board term	Number of regular and extraordinary meetings attended
Eriikka Söderström	2025	5
Gregory Dalle[1]	2023	3
Jürgen Tinggren	2023	5
Henri Jean Velge[1]	2024	3
Charles de Liedekerke[2]	2022	2
Hubert Jacobs van Merlen[2]	2022	2

[1] As of May 2022.
[2] Until May 2022.

The Committee had four regular meetings and one extraordinary meeting in 2022. The Statutory Auditor attended four meetings. In addition to its statutory powers and its powers under the Bekaert Corporate Governance Charter, the Committee discussed the following main subjects:

- the financing structure of the Group;
- the debt and liquidity situation;
- the share buyback program and the liquidity agreement with Kepler Cheuvreux;
- the activity reports of the internal audit department;
- the reports of the Statutory Auditor;
- governance, risk and compliance and review of the major risks and the related mitigation plans under Bekaert's enterprise risk management program;
- internal control and risks.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed as required by Article 7:100 of the BCCA and provision 4.3 of the Code 2020: all its three members are non-executive Directors, and the majority of the members is independent. It is chaired by the Chairman of the Board. The Committee's competence in the field of remuneration policy is demonstrated by the relevant experience of its members.

Name	Expiry of current Board term	Number of meetings attended
Jürgen Tinggren	2023	8
Henriette Fenger Ellekrog	2025	8
Christophe Jacobs van Merlen	2024	8

One of the Directors nominated by the principal shareholder, the Chief Executive Officer and the Chief Human Resources Officer are invited to attend the Committee meetings as a guest, without being a member.

The Committee had five regular and three extraordinary meetings in 2022. In addition to its statutory powers and its powers under the Bekaert Corporate Governance Charter, the Committee discussed the following main subjects:

- talent, leadership and culture;
- succession planning at Board and Executive Management levels;
- the remuneration report 2021;
- the variable remuneration for the Chief Executive Officer and the other members of the Executive Management for their performance in 2021;
- the base remuneration for the Chief Executive Officer and the other members of the Executive Management;
- the short-term and long-term incentive targets for the Chief Executive Officer and the other members of the Executive Management;
- gender diversity.

Evaluation

The main features of the process for evaluating the Board of Directors, its Committees and the individual Directors are described in this section and in paragraph II.3.4 of the Bekaert Corporate Governance Charter.

The Board of Directors, under the lead of the Chairman, assesses at least every three years its own performance and its interaction with the Executive Management, as well as its size, composition, functioning and that of its Committees. The evaluation is carried out through a formal process, whether externally facilitated, in accordance with a methodology approved by the Board.

Prior to the end of each Board member's term, the Nomination and Remuneration Committee, under the lead of the Chairman, evaluates this Board member's presence at the Board or Board Committee meetings, their commitment and their constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The Nomination and Remuneration Committee also assesses whether the contribution of each Board member is adapted to changing circumstances.

The Board acts on the results of the performance evaluation. Where appropriate, this involves proposing new Board members for appointment, proposing not to re-appoint existing Board members or taking any measure deemed appropriate for the effective operation of the Board.

The Chairman always remains available to consider suggestions for improvement of the functioning of the Board or the Board Committees.

The non-executive Directors meet at least once a year in the absence of the Chief Executive Officer to assess their interaction with Executive Management.

In 2022, the Board of Directors did a self-assessment, focusing on the role and responsibility of the Board, progress on actions points from the 2021 Board self-assessment and overall Board effectiveness.

Executive Management

The Board of Directors has delegated special operational powers to the Bekaert Group Executive ("BGE"), under the leadership of the Chief Executive Officer. The BGE has sub-delegated certain of these operational powers to individuals within their functional or operational responsibility.

The BGE is composed of members representing the global Business Units and the global functions.

Gunter Van Craen, Chief Digital and Information Officer, became a member of the BGE on 1 June 2022.

Curd Vandekerckhove left Bekaert on 27 September 2022. Oswald Schmid took over his role as Divisional CEO Bridon-Bekaert Ropes Group ad interim. The search for a new Divisional CEO Bridon-Bekaert Ropes Group is ongoing.

François Desné joined Bekaert as Divisional CEO Steel Wire Solutions on 5 September 2022 in succession to Stijn Vanneste who left Bekaert on 31 August 2022.

Annie Xu-Huhmann succeeded Arnaud Lesschaeve as Divisional CEO Rubber Reinforcement on 1 March 2023.

Name	Position	Appointed as BGE member
Oswald Schmid	Chief Executive Officer Divisional CEO Bridon-Bekaert Ropes Group ad interim[1]	2019
Gunter Van Craen[2]	Chief Digital and Information Officer	2022
Taoufiq Boussaid	Chief Financial Officer	2019
Kerstin Artenberg	Chief Human Resources Officer	2021
Juan Carlos Alonso	Chief Strategy Officer	2019
Curd Vandekerckhove[3]	Divisional CEO Bridon-Bekaert Ropes Group	2012
Annie Xu-Huhmann[6]	Divisional CEO Rubber Reinforcement	2023
Arnaud Lesschaeve[7]	Divisional CEO Rubber Reinforcement	2019
Yves Kerstens	Divisional CEO Specialty Businesses and Chief Operations Officer	2021
François Desné[4]	Divisional CEO Steel Wire Solutions	2022
Stijn Vanneste[5]	Divisional CEO Steel Wire Solutions	2016

[1] As of 27 September 2022.
[2] As of 1 June 2022.
[3] Until 27 September 2022.
[4] As of 5 September 2022.
[5] Until 31 August 2022.
[6] As of 1 March 2023
[7] Until 1 March 2023

The China Advisory Board, which was established early 2022 and acts as informal body of experts that provides advice to management and the Board of Directors with respect to the Chinese environment in which the Bekaert group is operating, met four times in 2022.

Diversity

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

Nationality diversity

Bekaert employs people of 75 different nationalities in 43 countries around the world. This diversity is mirrored in all levels of the organization, as well as in the composition of the Board of Directors and the BGE.

	# people	# nationalities	# non-native[1]	% non-native
Board of Directors	11	7	6	55%
BGE	8	5	6	75%

[1] Non-native = nationality other than the country where the registered office of the Company is located, i.e. Belgium.

Gender diversity

The Company is compliant with the legal requirement that at least one third of the members of the Board of Directors are of the opposite gender.

Bekaert adopts a recruitment and promotion policy that aims to gradually generate more diversity, including gender diversity. The targets in support of gender diversity are included in Part I: Our performance in 2022: People, and in Part II: Social Statements of this report.

	# people	% male	% female
Board of Directors	11	55%	45%
BGE	8	87%	13%

Age diversity

	# people	30-50 years old	over 50 years old
Board of Directors	11	45%	55%
BGE	8	13%	87%

Conduct policies

Statutory conflicts of interest in the Board of Directors

In accordance with Article 7:96 of the BCCA, a member of the Board of Directors should give the other members prior notice of any agenda items in respect of which he/she has a direct or indirect conflict of interest of a financial nature with the Company and should refrain from participating in the discussion of and voting on those items. A conflict of interest arose on one occasion in 2022. The provisions of Article 7:96 of the BCCA were complied with.

On 24 February 2022, Oswald Schmid had a conflict of interest when the Board discussed and had to vote on his short-term variable remuneration on account of his 2021 performance as interim Chief Executive Officer and Chief Executive Officer (€ 1 160 250).

Excerpt from the minutes:

RESOLUTION
On the motion of the Nomination and Remuneration Committee, the Board approves the proposed short-term variable remuneration payable to the Chief Executive Officer on account of his 2021 performance.

Other transactions with Directors and Executive Management

The Bekaert Corporate Governance Charter contains conduct guidelines with respect to direct and indirect conflicts of interest of the members of the Board of Directors and the BGE that fall outside the scope of Article 7:96 of the BCCA. Those members are deemed to be related parties to Bekaert and must report their direct or indirect transactions with Bekaert or its subsidiaries.

Bekaert is not aware of any potential conflict of interest concerning such transactions occurring in 2022 (cf. Note 7.4 to the consolidated financial statements).

Code of Conduct

The Board of Directors has approved the Bekaert Code of Conduct, which was first issued on 1 December 2004 and last updated in September 2022. It will be reviewed and updated again in 2023.

The Bekaert Code of Conduct describes how the Bekaert values are put into practice. It provides principles to follow when confronted with ethical choices and compliance matters.

The Bekaert Code of Conduct is included in its entirety in the Bekaert Corporate Governance Charter as Appendix 3.

Market abuse

The Board of Directors has adopted the Bekaert Dealing Code on 28 July 2016, which became effective on 3 July 2016. The Bekaert Dealing Code is included in its entirety in the Bekaert Corporate Governance Charter as Appendix 4.

The Bekaert Dealing Code restricts transactions in Bekaert financial instruments by members of the Board of Directors, the BGE, senior management and certain other persons during closed and prohibited periods. The Code also contains rules concerning the disclosure of executed transactions by leading managers and their closely associated persons through a notification to the Company and to the Belgian Financial Services and Markets Authority ("FSMA"). The Company Secretary is the Dealing Code Officer for purposes of the Bekaert Dealing Code.

Remuneration report

1. Description of the procedure used in 2022 for (i) developing a remuneration policy for the non-executive Directors and Executive Management and (ii) setting the remuneration of the individual Directors and Executive Managers

In accordance with article 7:89/1 of the Belgian Code on companies and associations, the Remuneration Policy for the members of the Board of Directors and the Executive Management (members of the Bekaert Group Executive, ("BGE")) was submitted to the vote of its shareholders at the General Meeting of Shareholders on 12 May 2021.

The Remuneration Policy is applicable as of 1 January 2021 and will be submitted to vote by the General Meeting of Shareholders at every material change and in any case at least every 4 years.

In accordance with the Remuneration Policy, the 2022 remuneration for the non-executive Directors has been determined by General Meeting of Shareholders on 11 May 2022, acting upon motion of the Board of Directors. The remuneration of the Chairman of the Board of Directors for the performance of all his duties in the Company for the period June 2021 - May 2023 is a fixed amount of € 650 000 per year (for the period June - May).

In accordance with the Remuneration Policy, the remuneration for the Chief Executive Officer has been determined by the Board of Directors, acting upon proposals from the Nomination and Remuneration Committee ("NRC"). The Chief Executive Officer is absent from this process and does not take part in the voting nor the deliberations in this regard. The NRC ensures that the Chief Executive Officer’s contract with the Company reflects the remuneration policy. A copy of the Chief Executive Officer’s contract is available to any Director upon request to the Chairman.

In accordance with the Remuneration Policy, the remuneration for the members of the BGE other than the Chief Executive Officer has been determined by the Board of Directors acting upon proposals from the NRC. The Chief Executive Officer has an advisory role in this process. The NRC ensures that the contract of each BGE member with the Company reflects the remuneration policy. A copy of each such contract is available to any Director upon request to the Chairman.

2. Statement of the remuneration policy used in 2022 for the Board of Directors and members of the BGE

Board of Directors

Purpose and link to strategy

Remuneration is set at a level that is sufficient to attract non-executive Directors with competences required to match the Company's international ambition. They are set to reward non-executive Directors for their role as Board member and specific role as Chairman of the Board, or Chair or member of the Board Committees, as well as their resulting responsibilities and commitments in time.

Operation

Chairman of the Board of Directors

- The remuneration of the Chairman is determined at the beginning of his term of office and is in principle set for the duration of such term.
- The remuneration of the Chairman is determined by the General Meeting of Shareholders on the motion of the Board of Directors, acting upon proposals from the NRC.
- Fees can be paid partly in cash and partly in Company shares, subject to a three-year holding period from grant date.

Other non-executive Directors

- The remuneration of the other non-executive Directors is determined for the running financial year.
- The remuneration of the other non-executive Directors is determined by the General Meeting of Shareholders on the motion of the Board of Directors, acting upon proposals from the NRC.
- Fees are paid in cash, but with the option each year to receive part (0%, 25% or 50%) in Company shares.

The remuneration of the Chairman and of the other non-executive Directors is regularly benchmarked with a selected panel of relevant publicly traded industrial Belgian and international companies of similar size and complexity.

Executive Director

Without prejudice to his remuneration in his capacity as Executive Manager, the Chief Executive Officer is not entitled to receive remuneration for his mandate as executive Director.

Fee structure

A modular fee structure is applied for non-executive Directors to ensure that the remuneration fairly reflects their role as Board member and specific role as Chairman of the Board of Directors, or Chair or member of the Board Committees, as well as their resulting responsibilities and commitment in time.

The remuneration of the Chairman of the Board of Directors is set as follows:

- a fixed amount of € 650 000 per year converted into a number of Company shares.

The remuneration of each non-executive Director, except the Chairman, is set as follows:

- a fixed amount of € 70 000 for the performance of the duties as a member of the Board;
- a fixed amount of € 20 000 for the performance of the duties as member or Chair of a Board Committee, and an additional fixed amount of € 5 000 for the Chair of the Audit, Risk and Finance Committee.
- The fixed amounts for Board Committee membership or Board Committee chairing are paid on top of the fixed amount for performance of duties as a member of the Board.

Performance measures

The Chairman and the other non-executive Directors do not receive any performance-related remuneration that is directly related to the results of the Company. They are not entitled to participate in any of the Company's incentive plans and do not receive stock options or pension benefits.

Shareholding

Contrary to provision 7.6 of the Code 2020 according to which non-executive Directors should receive part of their remuneration in the form of shares in the Company and these shares should be held until at least one year after the non-executive Director leaves the Board and at least three years after the moment of award, non-executive Directors are recommended (but not required)

- to build up a personal shareholding of one annual fixed Board fee during the period of their tenure; and
- to maintain this until at least one year after the non-executive Director leaves the Board and at least three years after the moment of award.

Despite the non-mandatory character of this shareholding principle, the Company believes that the long-term view of shareholders is fairly represented at the Board considering that the Chairman is remunerated in Bekaert shares subject to a three-year lock-up; and that the non-executive Directors who are nominated by the reference shareholder already hold Bekaert shares (or certificates relating thereto).

Other items

Expenses that are reasonably incurred in the performance of their duties are reimbursed to Directors, upon submission of suitable justification. In making such expenses, the Directors should take into account the Board Member Expense Policy.

Members of the BGE

Purpose and link to strategy

The Company offers competitive total remuneration packages with the objective to attract and retain the best executive and management talent in every part of the world in which the Group is operating. Remuneration is set to reward Executive Managers for performance that creates positive short-term and long-term business results and value creation for the Company.

Executive remuneration consists out of fixed pay, benefits and allowance, short-term incentives and long-term incentives. In addition, Executive Managers are required to build and retain a minimum personal holding in Company shares.

- Fixed pay is the fixed remuneration paid to an Executive Manager for responsibilities of the job. The Company aims to ensure fixed pay is competitive compared with median market practice. The Executive Manager's potential for further growth, as well as sustained past performance, drive how fixed pay evolves over time.
- Short-term incentives aim to motivate Executive Managers to support and drive the Company's short-term goals considering a one-year performance horizon. Company overall performance, business unit performance (for Divisional CEO's) and individual performance drive the ultimate outcome.
- Long-term incentives reward Executive Managers for contributing to the achievement of the Company's long-term strategy considering a three-year performance horizon. Performance metrics are objective metrics aligned with the Company strategy.
- Benefits and allowances are aligned with local practice and local policies; they are designed to be competitive and cost effective. This includes pension benefits aiming to support Executive Managers in their retirement planning.
- A minimum personal shareholding requirement aims to align the interest of the Executive Managers with those of the long-term shareholders by creating a link between their personal wealth and the Company's long-term performance. This is facilitated by a voluntary share-matching program.

The remuneration of the Executive Management is benchmarked periodically, but not annually, with a selected panel of relevant publicly traded industrial European companies.

Executive remuneration is aligned with the remuneration policy of the Group.

Operation

The remuneration of both the Chief Executive Officer (in his capacity as Executive Manager) and the other BGE members is determined by the Board of Directors acting on a reasoned recommendation from the NRC.

Fixed pay

- Fixed pay is set by the Board on the recommendation of the NRC with reference to a selected peer group.
- Annual increases are decided by the Board on the recommendation of the NRC and are generally aligned with the average salary increases applying to the broader employee population unless there were significant changes to an individual's role and/or responsibilities during the year. For the year 2022, for the Belgian based BGE members only the mandatory indexation has been applied.

Short-term incentives (STI)

- STI for Executive Managers are fully aligned with the Bekaert Variable Pay Plan for all managers worldwide.
- STI is earned by reference to performance from 1 January to 31 December and is paid after the year-end of the financial year to which it relates.
- Objectives are set by the Board of Directors at the beginning of the year upon the recommendation of the NRC. Those objectives include Group, business unit (for Divisional CEO's) and individual targets, both financial and non-financial, which are relevant in evaluating the annual performance of the Group and progress achieved against the agreed strategic objectives. They are evaluated annually by the Board of Directors, upon recommendation of the NRC.

Long-term incentives (LTI)

- Executive Managers participate in the Bekaert Performance Share Plan for all senior managers worldwide.
- Performance share units are granted each year and represent a conditional Company share that vest after three years upon achievement of pre-set performance conditions.
- At the beginning of each three-year performance period, the NRC recommends a set of performance criteria based on objective metrics derived from the long-term business plan. Those three-year performance criteria are documented and submitted by the NRC to the full Board of Directors for approval.
- The precise vesting level of the performance share units will depend upon the actual achievement level of the vesting criterion, with no vesting at all if the actual performance is below the defined minimum threshold. Upon achievement of said threshold, there will be a minimum vesting of 50% of the granted performance share units; full achievement of the agreed vesting criterion will lead to a par vesting of 100% of the granted performance share units, whereas there will be a maximum vesting of 300% of the granted performance share units in case of exceptional performance.
- Vested performance share units are delivered in the financial year following the performance period. In Europe, this is delivered in Company shares whereas in the rest of the world this is paid in cash.
- Upon vesting, the beneficiaries will also receive the value of the dividends relating to the previous three years with respect to such (amount of) performance shares to which the effectively vested performance share units relate.

Performance measures

Short-term incentives (STI)

Company performance driving STI in 2022 is based on the below metrics:

Business Objective Bekaert Group	Weight	Threshold	Target	Maximum	Actual Performance
Gross Profit	20%	15%	16.5%	18%	15%
Underlying EBITDA	50%	€ 590 mln	€ 655 mln	€ 721 mln	€ 654 mln
Working Capital as % of Sales	20%	15%	14%	13%	15%
Increase of proportion female managers and white collars	10%	4%	5.4%	7%	1.8%
Overall assessment					**Partially Achieved**

The Board, acting upon recommendation of the NRC, decided to assess the overall company performance as Partially Achieved leading to a multiplier of 60%.

For 2023 the same set of metrics namely gross profit, underlying EBITDA, working capital, ESG gender diversity (% female in white collar workers and manager population) will apply. This is combined with specific business unit and individualized objectives. Given the commercial sensitivity of our short-term goals, the performance goals will be disclosed in the 2023 remuneration report.

Long-term incentives (LTI)

The vesting criteria regarding to the performance share units issued in 2020, in relation to the 2020-2022 performance horizon, have exceeded the maximum level. Therefore, 300% of the performance share units granted in 2020 have vested related to this performance period for all members of the BGE.

The vesting criteria and outcome with regard to the performance share units issued in 2020 in relation to the 2020-2022 performance horizon for members of the BGE were as follows:

Business Objective Bekaert Group	Weight	Threshold	Target	Maximum	Actual Performance	Vesting
Underlying EBITDA growth	50%	€ 80 mln	€ 114 mln	€ 135 mln	€ 186 mln	300%
Cumulative operational Cash Flow[1]	50%	€ 800 mln	€ 950 mln	€ 1 000 mln	€ 1 269 mln	300%
Total						**300%**

[1] *Defined as EBITDA-Underlying + impact provisions - Capex in PP&E and intangible assets + disposal impact for PP&E and intangible assets +/- Cash Flows Working Capital.*

Aligned with the grant for the performance period 2022-2024, for the performance period 2023-2025, specific company financials have been selected, more in particular Underlying EBITDA as percentage of Sales, Cumulative operational Cash Flow and Total Shareholder Return ("TSR") related to peer index. For the performance period 2023-2025 specifically, an ESG metric namely energy efficiency improvement (expressed as MWh per ton product) has been added. Given the commercial sensitivity of our long-term goals, the 2023 – 2025 performance goals will be disclosed at the conclusion of the three-year performance period.

Opportunity

- The target value of the STI of the Chief Executive Officer is 75% of fixed pay, and 60% of fixed pay for the other members of the BGE. The maximum opportunity is 200% of this target.
- The target value of the LTI of the Chief Executive Officer is 85% of fixed pay, and 65% of fixed pay for the other members of the BGE. The maximum vesting is 300% of the target.

At par level, the value of the variable remuneration elements of the Chief Executive Officer and the other members of the BGE exceeds 25% of their total remuneration. More than half of this variable remuneration is based on criteria over a period of three years.

Minimum shareholding requirement

The Chief Executive Officer and the other members of the BGE are required to build a personal shareholding in Company shares within five years from the time of appointment, and to maintain this level for the full period of appointment.

To facilitate this, the Company offers a voluntary share-matching plan. The Company matches a personal investment in Company shares each year (up to a maximum 15% of actual gross STI) with a direct grant of Company shares in the third calendar year following this investment, provided the Executive Manager holds on the personal shares.

In case the BGE member leaves the Company before the end of the holding period, the Company will match 1/3rd per started calendar year. No matching occurs in case of resignation or termination for cause.

The retention period for matching shares expires three years after granting these shares in so far the minimum shareholding requirement has been met.

3. Remuneration of the non-executive Directors in respect of 2022

The amount of the remuneration granted directly or indirectly to the non-executive Directors, by the Company or its subsidiaries, in respect of 2022 is set forth on an individual basis below. The non-executive Directors only receive fixed remuneration, partially paid out in cash and partially in shares (cfr. section 4).

in €	Period covering fixed amount	Fixed amount for performance of duties as a member of the Board	Fixed amount for Board Committee membership and/or chairing	Total
Jürgen Tinggren[1, 5]	01.01.2022 - 31.12.2022	650 000	n.a.	650 000
Charles de Liedekerke[2, 6]	01.01.2022 - 11.05.2022	35 000	10 000	45 000
Hubert Jacobs van Merlen[3, 6]	01.01.2022 - 11.05.2022	35 000	12 500	47 500
Mei Ye	01.01.2022 - 31.12.2022	70 000		70 000
Gregory Dalle[2]	01.01.2022 - 31.12.2022	70 000	10 000	80 000
Emilie van de Walle de Ghelcke	01.01.2022 - 31.12.2022	70 000		70 000
Christophe Jacobs van Merlen[4]	01.01.2022 - 31.12.2022	70 000	20 000	90 000
Henri Jean Velge[2]	01.01.2022 - 31.12.2022	70 000	10 000	80 000
Colin Smith[6]	01.01.2022 - 11.05.2022	35 000		35 000
Caroline Storme	01.01.2022 - 31.12.2022	70 000		70 000
Henriette Fenger Ellekrog[4]	01.01.2022 - 31.12.2022	70 000	20 000	90 000
Eriikka Söderström[2, 3]	01.01.2022 - 31.12.2022	70 000	22 500	92 500
Maxime Parmentier[7]	11.05.2022 - 31.12.2022	35 000		35 000
Total Directors' Remuneration				**1 455 000**

[1] Chairman, Chairman of the Nomination and Remuneration Committee, member of the Audit, Risk and Finance Committee.
[2] Member of the Audit, Risk and Finance Committee.
[3] Chair of the Audit, Risk and Finance Committee which has been transferred from Hubert Jacobs van Merlen to Eriikka Söderström on 11 May 2022.
[4] Member of the Nomination and Remuneration Committee.
[5] Share grant of € 650 000 on 31 May 2022 relating to the period June 2022 - May 2023.
[6] Term expired on 11 May 2022.
[7] Member of the Board as of 11 May 2022.

4. Share-based remuneration for non-executive Directors

The fixed fee of the Chairman is paid 100% in Company shares, subject to a three-year holding period from grant date.

For the other non-executive Directors, the fixed fee for performance of duties as a member of the Board are paid in cash, but with the option each year to receive part of the fixed fee for duties as a member of the Board (0%, 25% or 50%) in Company shares. Fixed fees for performance of duties as member or Chair of a Board Committee are paid in cash.

Set out below are the number of Company shares granted to non-executive Directors in 2022. For the avoidance of doubt, the below amounts are included in the remuneration overview of the non-executive Directors in section 3.

Non-executive director	Percentage shares	Gross amount in €	Number of shares after taxes	End retention period
Chairman				
Jürgen Tinggren[1]	100%	650 000	8 411	31/5/2025
Non-executive Directors nominated by the principal shareholder				
Gregory Dalle	50%	35 000	519	n.a.
Charles de Liedekerke	–%	–	–	n.a.
Christophe Jacobs van Merlen	50%	35 000	485	n.a.
Hubert Jacobs van Merlen	25%	17 500	254	n.a.
Maxime Parmentier	n.a.	n.a.	n.a.	n.a.
Caroline Storme	50%	35 000	471	n.a.
Emilie van de Walle de Ghelcke	50%	35 000	471	n.a.
Henri Jean Velge	50%	35 000	471	n.a.
Independent non-executive Directors				
Henriette Fenger Ellekrog	25%	17 500	257	n.a.
Colin Smith	–%	–	–	n.a.
Eriikka Söderström	50%	35 000	514	n.a.
Mei Ye	25%	17 500	227	n.a.
Total		**912 500**	**12 080**	

[1] *The share grant of € 650 000 covers the period June 2022 - May 2023.*

5. Remuneration of the Chief Executive Officer in respect of 2022 in his capacity as executive Director

Without prejudice to the remuneration in the capacity as Executive Manager, the Chief Executive Officer did not receive remuneration for the mandate as executive Director.

6. Remuneration of the Chief Executive Officer in respect of 2022

The amount of the remuneration and other benefits granted directly or indirectly to the Chief Executive Officer, by the Company or its subsidiaries, in respect of 2022 for his role as Chief Executive Officer is set forth below:

	Chief Executive Officer	**Comments**
	Oswald Schmid	
Period	01.01.2022-31.12.2022	
Fixed pay	825 000	Includes base remuneration and foreign director fees
STI	297 000	Annual variable remuneration, based on 2022 performance
LTI	1 456 514	Value of 32 871 vested performance share units (performance period 2020-2022)
Pension	206 250	Defined-Contribution
Share-matching	7 346	2022 Company matching of 2020 personal investment in Company shares (210 shares)
Other remuneration elements	119 854	Includes company car, risk insurances and housing allowance
Total remuneration	**2 911 964**	
Variable remuneration expressed as % of total	60%	Sum of STI, LTI and Share-Matching
Fixed remuneration expressed as % of total	40%	Sum of Fixed Pay, Pension and Other

The evaluation of STI performance criteria over 2022 leads to a payout of 48% versus target for the CEO.

There has been an LTI vesting at maximum level of 300% versus target for the performance share units issued on 21 January 2020 covering performance period 2020-2022.

The Remuneration Policy stipulates that the target LTI is 85% of fixed pay for the CEO. In March 2023, performance share units have been granted with respect to performance period 2023-2025 considering a 85% LTI target.

There has been a Company matching in 2022 of the personal investment of shares done in 2020 in accordance with the Personal Shareholding Requirement Plan.

7. Remuneration of the other members of the BGE in respect of 2022

The amount of the remuneration and other benefits granted directly or indirectly to the BGE members other than the Chief Executive Officer, by the Company or its subsidiaries, in respect of 2022 is set forth below on a global basis. The remuneration includes pro rata remuneration of François Desné who joined during 2022, Gunter Van Craen who promoted during 2022, and of Curd Vandekerckhove and Stijn Vanneste who left.

	Remuneration	**Comments**
Fixed pay	3 024 330	Includes base remuneration as well as foreign director fees
STI	1 151 437	Annual variable remuneration, based on 2022 performance
LTI	4 110 328	Value of 92 763 vested performance share units (performance period 2020-2022)
Pension	752 179	Defined-Contribution, Defined-Benefit and Cash Balance pension
Share-matching	114 699	2022 Company matching of 2020 personal investment in Company shares (3 279 units)
Other remuneration elements	376 907	Includes company car, risk insurances and school fees
Total remuneration	**9 529 880**	
Variable remuneration expressed as % of total	56%	Sum of STI, LTI and Share-Matching
Fixed remuneration expressed as % of total	44%	Sum of Fixed Pay, Pension and Other

The evaluation of STI performance criteria over 2022 leads to a payout of 75% (weighted average) versus target. The STI for François Desné and Gunter Van Craen was pro-rated in accordance with their appointment date. For Curd Vandekerckhove and Stijn Vanneste no STI has been paid for 2022 following their departure.

The vesting criterion with regard to the performance share units issued in 2020, in relation to the 2020-2022 performance horizon, has exceeded the maximum level. As a consequence, 300% of the performance share units granted in 2020 have vested in 2022 for the qualifying BGE members (we refer to section 8).

The pension expense captures a combination of several pension arrangements in place in the different work locations of the BGE members; being Belgium and France. The amount mentioned in the above table represents the annual employer contribution for the relevant defined-contributions plans, the accrued pay credit for the relevant cash balance plan, the employer contribution into the mandatory second pillar arrangements and IAS 19 service cost for defined-benefit plans with a collective funding basis.

8. Share-based remuneration for members of the BGE

As of 2018, the long-term incentives are delivered solely through performance share units granted under the 2018- 2020 Performance Share Plan proposed by the Board of Directors and approved by the Annual General Meeting on 9 May 2018.

On the recommendation of the Board of Directors, the Annual General Meeting of Shareholders has approved on 12 May 2021 the Remuneration Policy. Based on this Policy, a Performance Share Plan was issued under which performance share grants have and will occur as of 2022 up to and including 2025.

Up to 2017 long-term incentives have been based on a combination of stock options (or, outside of Europe, stock appreciations rights) and performance share units.

The Chief Executive Officer and the other members of the BGE participate in a voluntary share-matching plan.

Performance Share Units

Performance share units related to the performance period 2022-2024 have been granted to the Executive Management on 4 March 2022. Following the appointment as member of the Executive Management on 1 June 2022, additional performance share units have been granted on 25 August 2022 to Gunter Van Craen reflecting the increase in target LTI from 30% to 65% of fixed pay. Following the start of François Desné on 5 September 2022, performance share units have been granted on 26 September 2022.

Company financials retained as performance targets covering the 2022-2024 performance period are EBITDA Underlying growth, elements of cumulative cash flow and TSR relative to peer index. The peer group is a selection of 19 listed industrial companies, European based with global reach, similar in size, employees and market cap.

The tables below set forth the overview of share-based remuneration granted to BGE members, including the main characteristics of each plan.

Plan name	Perfor-mance period	Performance measures	Grant Date	Vesting Date	Number of PSU granted	Number of unvested PSU start of year	Granted	Forfeited/ Expired	Vested (300%)	Number of unvested PSU end of year
Oswald Schmid – Chief Executive Officer										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	10 957	10 957	0	0	32 871	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 179	10 179				10 179
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	9/9/2021	31/12/2023	7 966	7 966				7 966
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	3/4/2022	31/12/2024	18 532		18 532			18 532
					TOTAL	**29 102**	**18 532**	**0**	**32 871**	**36 677**

Plan name	Perfor-mance period	Performance measures	Grant Date	Vesting Date	Number of PSU granted	Number of unvested PSU start of year	Granted	Forfeited/ Expired	Vested (300%)	Number of unvested PSU end of year
Taoufiq Boussaid - Chief Financial Officer										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	9 810	9 810			29 430	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 762	10 762				10 762
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 949		6 949			6 949
					TOTAL	**20 572**	**6 949**	**0**	**29 430**	**17 711**
Kerstin Artenberg - Chief Human Resources Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/8/2021	31/12/2023	5 683	5 683				5 683
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 314		6 314			6 314
					TOTAL	**5 683**	**6 314**	**0**	**0**	**11 997**
Juan Carlos Alonso - Chief Strategy Officer										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	8 409	8 409			25 227	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	8 007	8 007				8 007
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	5 956		5 956			5 956
					TOTAL	**16 416**	**5 956**	**0**	**25 227**	**13 963**
Yves Kerstens - Div. CEO SPB and Chief Operations Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/8/2021	31/12/2023	5 732	5 732				5 732
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	7 783		7 783			7 783
					TOTAL	**5 732**	**7 783**	**0**	**0**	**13 515**
Curd Vandekerckhove - former Div. CEO BBRG										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	10 447	10 447		10 447		0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	9 948	9 948		9 948		0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	7 400		7 400	7 400		0
					TOTAL	**20 395**	**7 400**	**27 795**	**0**	**0**
Stijn Vanneste - former Div. CEO SWS										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	8 378	8 378		8 378		0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	8 545	8 545		8 545		0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 356		6 356	6 356		0
					TOTAL	**16 923**	**6 356**	**23 279**	**0**	**0**

Plan name	Perfor-mance period	Performance measures	Grant Date	Vesting Date	Number of PSU granted	Number of unvested PSU start of year	Granted	Forfeited/ Expired	Vested (300%)	Number of unvested PSU end of year
Arnaud Lesschaeve - Div. CEO RR										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	9 428	9 428			28 284	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 043	10 043				10 043
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 678		6 678			6 678
					TOTAL	**19 471**	**6 678**	**0**	**28 284**	**16 721**
François Desné - Div. CEO SWS										
PSP 2022-2024[1]	2022-2024	EBITDA-U, Cum. CF & TSR	26/9/2022	31/12/2024	12 864		12 864		0	12 864
					TOTAL	**0**	**12 864**	**0**	**0**	**12 864**
Gunter Van Craen - Chief Digital and Information Officer										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	17/8/2020	21/12/2022	3274	3 274			9 822	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	2925	2 925				2 925
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	3/4/2022	31/12/2024	2379		2 379		0	2 379
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	25/8/2022	31/12/2024	1926		1 926			1 926
					TOTAL	**6 199**	**4 305**	**0**	**9 822**	**7 230**

[1] This Performance Grant is based on 65% of a (pro-rated) annual fixed pay (4 098 units) and an additional grant of 8 767 units as sign-on award for the loss of the long-term incentives at his former employer

Stock Options

Set out below are the number of stock options exercised or forfeited in 2022 in relation to the previous long-term incentive plans for BGE members. Where applicable, the table includes grants made prior to BGE appointment.

The options have been offered to the beneficiaries free of charge. Each accepted option entitles the holder to acquire one existing share of the Company against payment of the exercise price, which is conclusively determined at the time of the offer and which is equal to the lower of: (i) the average closing price of the Company shares during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer.

Subject to the closed and prohibited trading periods and to the plan rules, the options can be exercised as from the beginning of the fourth calendar year following the date of their offer until the end of the tenth year following the date of their offer.

The stock options that were exercisable in 2022 are based on the grants of the Stock Option Plan 2015-2017 and on the predecessor plans to the Stock Option Plan 2015-2017.

Main plan characteristics							Movement over 2022			
Plan name	**Offer date**	**Grant date**	**Vesting date**	**End exercise period**	**Number of options granted**	**Exercise price (in €)**	**Number of SOP start of year**	**Forfeited/ expired**	**Exercised**	**Number of SOP end of year**
Oswald Schmid - Chief Executive Officer										
None										
						TOTAL	**0**	**0**	**0**	**0**
Taoufiq Boussaid - Chief Financial Officer										
None										
						TOTAL	**0**	**0**	**0**	**0**
Kerstin Artenberg - Chief Human Resources Officer										
None										
						TOTAL	**0**	**0**	**0**	**0**
Juan Carlos Alonso - Chief Strategy Officer										
None										
						TOTAL	**0**	**0**	**0**	**0**
Yves Kerstens - Div. CEO SPB and Chief Operations Officer										
None										
						TOTAL	**0**	**0**	**0**	**0**

Main plan characteristics							Movement over 2022			
Plan name	**Offer date**	**Grant date**	**Vesting date**	**End exercise period**	**Number of options granted**	**Exercise price (in €)**	**Number of SOP start of year**	**Forfeited/ expired**	**Exercised**	**Number of SOP end of year**
Curd Vandekerckhove - former Div. CEO BBRG										
SOP 2010-2014	19/12/2013	17/2/2014	1/1/2017	18/12/2023	14 000	25.380	14 000		-14 000	0
SOP 2010-2014	18/12/2014	16/2/2015	1/1/2018	17/12/2024	15 000	26.055	15 000			15 000
SOP 2015-2017	17/12/2015	15/2/2016	1/1/2019	16/12/2025	10 000	26.375	10 000			10 000
SOP 2015-2017	15/12/2016	13/2/2017	1/1/2020	14/12/2026	15 000	39.426	15 000			15 000
SOP 2015-2017	21/12/2017	20/2/2018	1/1/2021	20/12/2027	9 000	34.600	9 000			9 000
						TOTAL	**63 000**	**0**	**-14 000**	**49 000**
Stijn Vanneste - former Div. CEO SWS										
SOP 2015-2017	17/12/2015	15/2/2016	1/1/2019	16/12/2025	6 250	26.375	6 250		-6 250	0
SOP 2015-2017	15/12/2016	13/2/2017	1/1/2020	14/12/2026	12 500	39.426	12 500			12 500
SOP 2015-2017	21/12/2017	20/2/2018	1/1/2021	20/12/2027	10 000	34.600	10 000			10 000
						TOTAL	**28 750**	**0**	**-6 250**	**22 500**
Arnaud Lesschaeve - Div. CEO RR										
None										
						TOTAL	**0**	**0**	**0**	**0**
François Desné - Div. CEO SWS										
None										
						TOTAL	**0**	**0**	**0**	**0**
Gunter Van Craen - Chief Digital and Information Officer										
None										
						TOTAL	**0**	**0**	**0**	**0**

Stock Appreciation Rights

There are no outstanding stock appreciation rights or movements done in 2022 in relation to BGE members.

Share-matching Plan

The table below sets forth the number of shares matched by the Company for BGE members. There has been a Company Share Matching in 2022 relating to the personal investment in shares on 31 March 2020 following the three-year retention period.

	Date personal investment	End holding period	Number of acquired shares	Acquired in 2022	Matched in 2022	Forfeited for matching
Oswald Schmid – Chief Executive Officer						
	31/3/2020	31/12/2022	210		210	
	31/3/2021	31/12/2023	2 096			
	31/3/2022	31/12/2024		4 910		
Taoufiq Boussaid - Chief Financial Officer						
	31/3/2020	31/12/2022	1 038		1 038	
	31/3/2021	31/12/2023	838			
	31/3/2022	31/12/2024		2 054		
Kerstin Artenberg - Chief Human Resources Officer						
	31/3/2022	31/12/2024		1 711		
Juan Carlos Alonso - Chief Strategy Officer						
	31/3/2020	31/12/2022	971		971	
	31/3/2021	31/12/2023	922			
	31/3/2022	31/12/2024		1 760		
Yves Kerstens - Div. CEO SPB and Chief Operations Officer						
	31/3/2022	31/12/2024		1 725		
Curd Vandekerckhove - former Div. CEO BBRG						
	31/3/2020	31/12/2022	2 413			2 413
	31/3/2021	31/12/2023	2 114			2 114
Stijn Vanneste - former Div. CEO SWS						
	31/3/2020	31/12/2022	1 608			1 608
	31/3/2021	31/12/2023	1 816			1 816
	31/3/2022	31/12/2024		1 597		1 597
Arnaud Lesschaeve - Div. CEO RR						
	31/3/2020	31/12/2022	1 270		1 270	
	31/3/2021	31/12/2023	698			

	Date personal investment	End holding period	Number of acquired shares	Acquired in 2022	Matched in 2022	Forfeited for matching
François Desné - Div. CEO SWS						
None						
Gunter Van Craen - Chief Digital & Information Officer						
None						

9. Departure of Executive Managers

Curd Vandekerckhove, the former Divisional CEO BBRG, has decided to leave Bekaert as of 28 September 2022.

Stijn Vanneste, the former Divisional CEO SWS, has decided to leave Bekaert as of 1 September 2022 .

10. Company's right of reclaim

The Board of Directors has the discretion to adjust (malus) or reclaim (claw back) some or all of the value of awards of performance related payments to the Executive Management in the event of

- significant downward restatement of the financial results of Bekaert,
- material breach of the Bekaert Code of Conduct or any other Bekaert compliance policies,
- breach of restrictive covenants by which the individual has agreed to be bound,
- fraud, gross misconduct or gross negligence by the individual, which results into significant losses or serious reputation damage to Bekaert.

The Board did not make use of this right in 2022.

11. Executive remuneration in a wider context

The main difference in remuneration policy between the Executive Management and employees in general, is the balance between fixed and performance-related remuneration such as short-term and long-term incentives. Overall, the percentage of performance related remuneration, in particular longer-term incentives, is greater for the Executive Management. This reflects that Executive Managers have greater freedom to act and that the consequences of their decisions are likely to have a broader and more far-reaching time span of effect.

The remuneration for Executive Managers is however aligned with the remuneration structures of the broader group of employees:

- The Group's managers share the same scorecard as the Executive Management for measuring the Group and business unit performance with an impact on their STI.
- In addition, around 100 of the Group's senior managers receive performance share awards on terms that are similar to the conditions that apply to the members of the BGE.

The ratio of the Chief Executive Officer to the lowest remuneration of the employees of NV Bekaert SA in Belgium is 68:1.

The table below sets forth the average remuneration of the members of the Board of Directors and the Executive Management, the average remuneration of other employees (on a full-time equivalent basis) and some key financial Company metrics over the last 5 calendar years.

	2018	2019	2020	2021	2022
Company remuneration					
Non-executive Directors[1]					
Average remuneration (€)	95 768	121 629	104 000	111 458	132 273
Year-on-year difference (%)	+10.5%	+27.0%	-14.5%	+7.2%	+18.7%
CEO					
Average remuneration (€)	1 135 011	1 787 480	1 225 527	2 356 337	2 911 964
Year-on-year difference (%)	-27,4%	+57.5%	-31.4%	+92.3%	+23.6%
Other BGE members					
Average remuneration (€)	609 540	748 023	839 736	1 611 657	1 288 128
Year-on-year difference (%)	-32,4%	+22.7%	+12.3%	+91.9%	-20.1%
Other employees					
Average remuneration (€)	76 067	77 757	79 859	87 727	88 402
Year-on-year difference (%)	+5.1%	+2.2%	+2.7%	+9.9%	+0.8%
Key Company metrics					
EBITDA-underlying					
Amount in million (€)	426	468	479	686	654
Year-on-year difference (%)	-14.3%	+9.9%	+2.4%	+43.2%	-4.7%
Sales					
Amount in million (€)	4 305	4 322	3 772	4 840	5 652
Year-on-year difference (%)	+5.1%	+0.4%	-12.7%	+28.3%	+16.8%
Working Capital					
Amount in million (€)	875	699	535	678	850
Year-on-year difference (%)	-1.5%	-20.1%	-23.5%	+26.6%	+25.5%
Company share price (as at 31st Dec)					
Share price (€)	21.06	26.50	27.16	39.14	36.28

[1] *Through 2019, the remuneration of the Directors was based on the number of attended Board meetings*

The total remuneration of the non-executive Directors is described in detail in section 3 of this remuneration report. It is set as a fixed amount for the performance of the duties for the Chairman and for a member of the board, and as a fixed amount for the performance of the duties as a member or Chair of a Board Committee. The board fees did not change in the past 2 years, therefore, changes from one year to another are explained by board composition.

The remuneration of the CEO and other BGE members include the compensation elements of the remuneration tables in section 6 and 7 of this remuneration report. Therefore, variations from year to year are mainly influenced by the annual variable remuneration as well as by the vesting performance share units which are linked to company performance and share price of a vested performance share unit.

The average remuneration of the other employees of the company is based on the average gross annual income of all employees of NV Bekaert SA in Belgium, excluding BGE members and senior management. This gross annual income includes the base salary, variable pay, benefits and performance share units for the qualifying managers. Changes from one year to another are explained by employee population composition and is influenced by annual variable remuneration as well by the vesting performance share units which are linked to company performance and share price of a vested performance share unit.

12. Derogations from the procedures for implementing the remuneration policy

Upon recruitment of François Desné, Divisional CEO Steel Wire Solutions, a sign-on award was granted in order to compensate for the loss of a retention award, and for the loss of his short-term and long-term incentives at his previous employer.

In order to compensate in a similar way, the short-term incentive award has been granted in a form of a cash award, whereas the long-term incentive award has been granted in a form of a long-term equity award. Accordingly, the cash sign-on award amounted to € 500 000 and the long-term incentive award amounted to a grant of 8 767 performance share units.

These awards are subject to reimbursement in the event of resignation or in case of termination for cause.

Shares

The Bekaert share in 2022

The Bekaert share outperformed the reference index, Euronext Brussels BEL Mid, by 4.23% in 2022 but lost 7.30% comparing to the year-end closing price of 2021.

Share identification

The Bekaert share is listed on Euronext Brussels as ISIN BE0974258874 (BEKB) and was first listed in December 1972. The ICB sector code is 2727 Diversified Industrials.

50TH ANNIVERSARY OF BEKAERT SHARE-LISTING

Euronext Brussels hosted us at the end of 2022 to ring the opening bell in celebration of the 50th listing anniversary of Bekaert.

Share performance

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Price as at 31 December (in €)	26.34	28.38	38.48	36.45	21.06	26.50	27.16	39.14	36.28
Price high (in €)	30.19	30.00	42.45	49.92	40.90	28.26	28.50	42.56	45.60
Price low (in €)	21.90	22.58	26.56	33.50	17.41	19.38	13.61	27.34	24.84
Price average closing (in €)	27.15	26.12	37.06	42.05	28.21	23.96	19.95	36.33	34.02
Daily volume	82 813	120 991	123 268	121 686	154 726	96 683	72 995	68 749	69 143
Daily turnover (in millions of €)	2.1	3.1	4.5	5.0	4.4	2.3	1.5	2.5	2.4
Annual turnover (in millions of €)	527	804	1 147	1 279	1 121	592	386	641	615
Velocity (% annual)	35	52	53	51	65	41	31	29	30
Velocity (% adjusted free float)	59	86	88	86	109	68	52	49	50
Free float (%)	55.7	56.7	59.2	59.6	59.3	59.3	59.5	58.7	55.6

Share trading

The average daily trading volume was about 70 000 shares in 2022. The volume peaked on 3 January, when 206 975 shares were traded.

On 31 December 2022, Bekaert had a market capitalization of € 2.1 billion and a free float market capitalization of € 1.2 billion. The free float was 55.6% and the free float band 60%.

The liquidity agreement that Bekaert entered into with Kepler Cheuvreux on 2 September 2021 was renewed in September 2022 for an additional, renewable one-year period. Bekaert has the right under the liquidity contract to terminate it upon reasonably short prior notice. The agreement provides for the purchase and sale by Kepler Cheuvreux of Bekaert shares on the regulated market of Euronext Brussels. Bekaert made 100 000 treasury shares available to Kepler Cheuvreux. The purpose of the liquidity contract is to support the liquidity of the Bekaert shares.

In March 2022, Bekaert launched a share buyback program with the purpose to reduce the issued share capital of the Company. See below for more information.

Shareholding and notifications

In connection with the entry into force of the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act) Bekaert has, in its Articles of Association, set the thresholds of 3% and 7.50% in addition to the legal thresholds of 5% and each multiple of 5%. An overview of the notifications of participations of 3% or more, if any, can be found in the Parent Company Information section of this Annual Report (Interests in share capital).

On 8 December 2007, Stichting Administratiekantoor Bekaert disclosed in accordance with Article 74 of the Act of 1 April 2007 on public takeover bids that it was holding individually more than 30% of the securities with voting rights of the Company on 1 September 2007.

Based on a detailed shareholder identification survey in April 2022 and considering the subsequent transparency notifications, private banking, and treasury share movements until the end of 2022, as per 31 December 2022, Stichting Administratiekantoor Bekaert and parties acting in concert owned 37% of the shares. Institutional shareholders held approximately 33% of the shares and retail and private banking approximately 23%. Treasury shares represented 7%.

Capital structure

Per 31 December 2022, the capital of the Company amounted to € 173 737 000 and is represented by 59 029 252 shares without par value. The shares are in registered or non-material form. All shares have the same rights.

Authorized capital

The Board of Directors has been authorized by the General Meeting of Shareholders of 13 May 2020 to increase the capital, in one or more times, with a maximum amount of € 177 793 000 (exclusive of the issue premium). The Board of Directors may use this authorization until 23 June 2025.

The Board of Directors is also expressly authorized to increase the capital, even after the date that the Company receives the notification from the Belgian Financial Services and Markets Authority (FSMA) that it has been informed of a public take-over bid for the Company's securities, within the limits authorized by the applicable legal provisions. This authorization shall be valid regarding public takeover bids of which the Company receives the aforementioned communication at most three years after 13 May 2020.

Stock option plans, performance share plans and share-matching plan

A total of 26 400 subscription rights were exercised in 2022 under the Stock Option Plan 2005-2009. This resulted in the issuance of 26 400 new Bekaert shares and an increase of the capital by € 79 610.69 and of the share premium by € 668 433.31. There are no outstanding subscription rights under the Stock Option Plan 2005-2009.

On 31 December 2021, the Company held 3 145 446 own shares. Between 1 January 2022 and 31 December 2022, a total of 130 300 shares were transferred to (former) employees following the exercise of stock options under SOP 2010-2014 and SOP 2015-2017. Bekaert sold 13 757 shares to members of the BGE in the framework of the Bekaert personal shareholding requirement and transferred 2 445 shares to members of the BGE under the share-matching plan. A total of 12 080 shares were granted to the Chairman and other non-executive Directors as part of their remuneration for the performance of their duties. A total of 256 760 shares were disposed of following the vesting of 256 760 performance share units under the performance share plan. Bekaert bought back 3 095 629 shares in total and cancelled 1 449 409 shares (see below). Including the transactions exercised under the liquidity agreement with Kepler Cheuvreux, the balance of own shares held by the Company on 31 December 2022 was 4 380 475.

A first grant of 131 407 equity settled performance share units under the Performance Share Plan 2022-2024 was made on 4 March 2022. In addition, a mid-year grant of 16 073 equity settled performance share units in aggregate was made on 25 August and 26 September 2022. Each performance share unit entitles the beneficiary to acquire one performance share subject to the conditions of the Performance Share Plan 2022-2024.

These performance share units will vest following a vesting period of three years, conditional to the achievement of preset performance targets. The precise vesting level of the performance share units will depend upon the actual achievement level of the vesting criterion, with no vesting at all if the actual performance is below the defined minimum threshold. Upon achievement of said threshold, there will be a minimum vesting of 50% of the granted performance share units; full achievement of the agreed vesting criterion will lead to a par vesting of 100% of the granted performance share units, whereas there will be a maximum vesting of 300% of the granted performance share units in case of exceptional performance.

Detailed information about capital, shares, stock option plans and performance share plans is given in the Financial Statements (Note 6.13 to the consolidated financial statements).

Dividend distribution and share buyback

The Board of Directors will propose that the Annual General Meeting to be held on 10 May 2023 approve the distribution of a gross dividend of € 1.65 per share.

The Board of Directors reconfirms the Dividend Policy which foresees, insofar as the profit permits, a stable or growing dividend while maintaining an adequate level of cash flow in the Company for investment and self-financing in support of growth. Over the longer term, the Company strives for a pay-out ratio of 40% of the result for the period attributable to equity holders of Bekaert.

On 25 February 2022, Bekaert announced that its Board approved a share buyback program for a total amount up to € 120 million over a period of up to twelve months under the authorization granted by the Extraordinary General Meeting of Shareholders of 13 May 2020. The purpose of the program was to reduce the issued share capital of the Company. The first tranche of the program began on 18 March 2022 and ended on 4 May 2022. During the first tranche, the Company repurchased 766 295 ordinary shares for an aggregate amount of € 27.3 million. The second tranche began on 11 May 2022 and ended on 22 July 2022. During the second tranche, the Company repurchased 864 817 ordinary shares for an aggregate amount of € 30 million. The third tranche began on 29 July 2022 and ended on 26 October 2022. During the third tranche, the Company repurchased 1 036 303 ordinary shares for an aggregate amount of € 30 million. The fourth and last tranche began on 18 November 2022 and ended on 13 February 2023. During the fourth tranche, the Company repurchased 820 929 ordinary shares for an aggregate amount of € 30 million. On 29 June 2022, Bekaert canceled 1 449 409 of the repurchased shares. The balance of the repurchased shares, were cancelled on 24 February 2023.

in €	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Total gross dividend	0.900	1.100	1.100	0.700	0.350	1.000	1.500	1.650[1]
Net dividend[2]	0.657	0.770	0.770	0.490	0.245	0.700	1.050	1.155
Coupon number	7	8	9	10	11	12	13	14

[1] The dividend is subject to approval by the Annual General Meeting of Shareholders 2023.
[2] Subject to the applicable tax legislation.

General Meetings of Shareholders 2022

The Annual General Meeting was held on 11 May 2022.

An Extraordinary General Meeting was held on the same day. The proposal to extend a number of authorizations to the Board of Directors (including the authority to acquire, accept in pledge and transfer own securities to prevent a threatened serious harm to the Company and to increase the capital within the framework of a public take-over bid) was not approved.

Both meetings were held in a hybrid manner. The shareholders had the option to participate either on-site or remotely by means of an electronic communication tool provided by Bekaert.

The resolutions of the meetings are available at www.bekaert.com.

Investor Relations

Bekaert is committed to providing clear information to all shareholders.

The Investor Relations team is available to answer questions and to share material updates on market evolutions, financial performance progress, ESG developments and other relevant information. Such updates can be found in the Investors Relations section of the website of the Company, along with many other helpful and insightful resources and calendar of key events.

Elements pertinent to a take-over bid

Restrictions on the transfer of securities

The Articles of Association contain no restrictions on the transfer of Company shares, except in the case of a change of control, for which the prior approval of the Board of Directors must be requested in accordance with Article 9 of the Articles of Association.

Subject to the foregoing, the shares are freely transferable.

The Board of Directors is not aware of any restrictions imposed by law on the transfer of shares by any shareholder.

Restrictions on the exercise of voting rights

According to the Articles of Association, each share entitles the holder to one vote. The Articles of Association contain no restrictions on the voting rights, and each shareholder can exercise his voting rights if he was validly admitted to the General Meeting and his rights had not been suspended. The admission rules to the General Meeting are laid down in the BCCA and in the Articles of Association. Pursuant to the Articles of Association, the Company is entitled to suspend the exercise of rights attaching to securities belonging to several owners.

No person can vote at a General Meeting of Shareholders using voting rights attached to securities that had not been timely reported in accordance with the law.

The Board of Directors is not aware of any other restrictions imposed by law on the exercise of voting rights.

Agreements among shareholders

The Board of Directors is not aware of any agreements among shareholders that may result in restrictions on the transfer of securities or the exercise of voting rights.

Appointment and replacement of Directors

The Articles of Association and the Bekaert Corporate Governance Charter contain specific rules concerning the (re)appointment, induction and evaluation of Directors.

Directors are appointed for a term not exceeding four years by the General Meeting of Shareholders, which can also dismiss them at any time. An appointment or dismissal requires a simple majority of votes. The candidates for the office of Director who have not previously held that position in the Company must inform the Board of Directors of their candidacy at least two months before the Annual General Meeting.

Only when a position of Director prematurely becomes vacant, can the remaining Directors appoint (co-opt) a new Director. In such a case, the next General Meeting will make the definitive appointment.

The appointment process for Directors is led by the Nomination and Remuneration Committee, which submits a reasoned recommendation to the full Board of Directors. Based on such recommendation, the Board of Directors decides which candidates will be nominated to the General Meeting for appointment. Directors can, as a rule, be reappointed for an indefinite number of terms, provided they are at least 30 and at most 66 years of age at the time of their initial appointment and they must resign in the year in which they reach the age of 69.

Amendments to the Articles of Association

The Articles of Association can be amended by an Extraordinary General Meeting in accordance with the BCCA. Each amendment to the Articles requires a quorum of at least 50% of the capital (if the quorum is not met, a second meeting with the same agenda should be called, for which no quorum requirement applies) and a qualified majority of 75% of the votes cast at the meeting (a majority of 80% applies for changes to the corporate purpose and the transformation of the legal form of the company).

Authority of the Board of Directors to issue, acquire and transfer shares

The Board of Directors is authorized by Article 40 of the Articles of Association to increase the capital in one or more times with a maximum amount of € 177 793 000. The authority is valid for five years from 23 June 2020 but can be extended by the General Meeting.

The Board of Directors is expressly authorized by Article 40 of the Articles of Association to increase the capital, even after the date that the Company receives the notification from the FSMA that it has been informed of a public take-over bid for the Company's securities, within the limits authorized by the applicable legal provisions. This authorization is valid regarding public takeover bids of which the Company receives the aforementioned communication at most three years after 13 May 2020.

The Company may acquire and accept in pledge its own shares or certificates relating thereto in compliance with the applicable conditions prescribed by law. The Board of Directors is authorized by Article 10 of the Articles of Association to acquire and accept in pledge its own shares or certificates relating thereto in compliance with the applicable conditions prescribed by law, without the total number of own shares or certificates relating thereto held or accepted in pledge by the Company pursuant to this authorization exceeding 20% of the total number of shares, at a price ranging between minimum € 1.00 and maximum 30% above the arithmetic average of the closing price of the Company's share during the last thirty trading days preceding the Board of Directors' resolution to acquire or to accept in pledge. This authorization is granted for a period of five years beginning on 23 June 2020.

The Board of Directors is also authorized by Article 10 of the Articles of Association to acquire and to accept in pledge own shares and certificates relating thereto, in compliance with the applicable conditions prescribed by law, when such acquisition or acceptance in pledge is necessary to prevent a threatened serious harm for the Company, including a public take-over bid for the Company's securities. This authorization is granted for a period of three years beginning on 23 June 2020.

The authorizations set forth above do not affect the possibilities, pursuant to the applicable legal provisions, for the Board of Directors to acquire or accept in pledge own shares and certificates relating thereto if no authorization in the Articles of Association or authorization of the General Meeting is required.

The Board of Directors is authorized by Article 10 of the Articles of Association to cancel all or part of the acquired own shares or certificates relating thereto.

The Company may transfer its own shares, profit-sharing bonds or certificates relating thereto only in compliance with the applicable conditions prescribed by law.

The Board of Directors is authorized by Article 11 of the Articles of Association to transfer own shares, profit-sharing bonds or certificates relating thereto to one or more specified persons other than personnel, in compliance with the applicable conditions prescribed by law.

The Board of Directors is authorized by Article 11 of the Articles of Association to transfer own shares, profit-sharing bonds or certificates relating thereto to prevent a threatened serious harm to the Company, including a public take-over bid for the Company's securities, in compliance with the applicable conditions prescribed by law. This authorization is granted for a period of three years beginning on 23 June 2020.

The authorizations set forth above do not affect the possibilities, pursuant to the applicable legal provisions, for the Board of Directors to transfer own shares, profit-sharing bonds and certificates relating thereto, if no authorization in the Articles of Association or authorization of the General Meeting is required.

The powers of the Board of Directors are more fully described in the applicable legal provisions, the Articles of Association and the Bekaert Corporate Governance Charter.

Change of control

The Company is a party to several significant agreements that take effect, alter or terminate upon a change of control of the Company following a public takeover bid or otherwise.

To the extent that those agreements grant rights to third parties that significantly affect the assets of the Company or that give rise to a significant debt or obligation of the Company, those rights were granted by the Special General Meetings held on 13 April 2006, 16 April 2008, 15 April 2009, 14 April 2010 and 7 April 2011 and by the Annual General Meetings held on 9 May 2012, 8 May 2013, 14 May 2014, 13 May 2015, 11 May 2016, 10 May 2017, 9 May 2018, 8 May 2019, 13 May 2020 and 12 May 2021 in accordance with Article 7:151 of the BCCA; the minutes of those meetings were filed with the Registry of the Commercial Court of Gent, division Kortrijk on 14 April 2006, 18 April 2008, 17 April 2009, 16 April 2010, 15 April 2011, 30 May 2012, 23 May 2013, 20 June 2014, 19 May 2015, 18 May 2016, 2 June 2017, 7 February 2019, 23 May 2019, 23 June 2020 and 24 June 2021 respectively and are available at www.bekaert.com.

Most agreements are joint venture contracts (describing the relationship between the parties in the context of a joint venture company), contracts whereby financial institutions, retail investors or other investors commit funds to the Company or one of its subsidiaries, and contracts for the supply of products or services by or to the Company. Each of those contracts contains clauses that, in the case of a change of control of the Company, entitle the other party, in certain cases and under certain conditions, to terminate the contract prematurely and, in the case of financial contracts, also to demand early repayment of the loan funds. The joint venture contracts provide that, in the case of a change of control of the Company, the other party can acquire the Company's shareholding in the joint venture (except for the Chinese joint ventures, where the parties have to agree whether one of them will continue the joint venture on its own, whereupon that party has to purchase the other party's shareholding), whereby the value for the transfer of the shareholding is determined in accordance with contractual formulas that aim to ensure a transfer at an arm's length price.

Other elements

- The Company has not issued securities with special control rights.
- The control rights attaching to the shares acquired by employees pursuant to the long-term incentive plans are exercised directly by the employees.
- No agreements have been concluded between the Company and its Directors or employees providing for compensation if, because of a takeover bid, the Directors resign or are made redundant without valid reason or if the employment of the employees is terminated.

Control and ERM

Internal control and risk management systems in relation to the preparation of the consolidated financial statements

The following description of Bekaert's internal control and risk management systems is based on the Internal Control Integrated Framework (1992) and the Enterprise Risk Management Framework (2004) published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The Board of Directors has approved a framework of internal control and risk management for the Company and the Group set up by the BGE and monitors the implementation thereof. The Audit, Risk and Finance Committee monitors the effectiveness of the internal control and risk management systems, with a view to ensuring that the main risks are properly identified, managed and disclosed according to the framework adopted by the Board of Directors. The Audit, Risk and Finance Committee also makes recommendations to the Board of Directors in this respect.

Control environment

In 2022, the new Finance Operating Model has been implemented enforcing the accounting and control organization. Under this new model (i) a Financial Controller is responsible inter alia for legal entity financial statements, (ii) Operations Finance's primary focus is on operating cost, inventory, asset utilization and all domains of Manufacturing Excellence, (iii) Commercial Finance focuses on revenue and gross margin with related analysis of pricing and sales force effectiveness, (iv) Financial Planning and Analysis (FP&A) focuses on business results, forward looking budgets and forecasts, (v) shared service centers are incorporated in an overarching Global Business Services (GBS), aiming at bringing their performance to the next level, and (vi) the Group Finance Department is responsible for the final review of the financial information of the different legal entities and for the preparation of the consolidated financial statements

Next to the structured controls outlined above, the Internal Audit Department conducts a risk-based audit program to validate the internal control effectiveness in the different processes at legal entity, regional and group level to assure a reliable financial reporting.

Bekaert's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), which have been endorsed by the European Union. These financial statements are also in compliance with the IFRS as issued by the International Accounting Standards Board.

All IFRS accounting principles, guidelines and interpretations, to be applied by all legal entities, are grouped in the Bekaert Accounting Manual, which is available on the Bekaert intranet to all employees involved in financial reporting. Such manual is regularly updated by Group Finance in the case of relevant changes in IFRS, or interpretations thereof, and the users are informed of any such changes. IFRS trainings take place in the different regions when deemed necessary or appropriate.

E-learning modules on IFRS are also made available by Group Finance to accommodate individual training.

Most of the Group companies use Bekaert's global enterprise resource planning ("ERP") system, and the accounting transactions are registered in a common operating chart of accounts, whereby accounting manuals describe the standard way of booking of the most relevant transactions. Such accounting manuals are explained to the users during training sessions and are available on the Bekaert intranet.

All Group companies use the same software to report the financial data for consolidation and external reporting purposes. A reporting manual is available on the Bekaert intranet and trainings take place when deemed necessary or appropriate.

Risk assessment

Appropriate measures are taken to assure a timely and qualitative reporting and to reduce the potential risks related to the financial reporting process, including: (i) proper coordination between the Corporate Communication Department and Group Finance, (ii) careful planning of all activities, including owners and timings, (iii) guidelines which are distributed by Group Finance to the owners prior to the quarterly reporting, including relevant points of attention, and (iv) follow-up and feedback of the timeliness, quality and lessons learned in order to strive for continuous improvement.

Material changes to the IFRS accounting principles are coordinated by Group Finance, reviewed by the Statutory Auditor, reported to the Audit, Risk and Finance Committee, and acknowledged by the Board of Directors of the Company.

Material changes to the statutory accounting principles of a Group company are approved by its Board of Directors.

Control activities

The proper application by the legal entities of the accounting principles as described in the Bekaert Accounting Manual, as well as the accuracy, consistency and completeness of the reported information, is reviewed on an ongoing basis by the control organization (as described above).

In addition, all relevant entities are controlled by the Internal Audit Department on a periodic basis. Policies and procedures are in place for the most important underlying processes (sales, procurement, investments, treasury, etc.).

A close monitoring of potential segregation of duties conflicts in the ERP system is carried out.

Information and communication

Bekaert has deployed in most of the Group companies a global ERP system platform to support the efficient processing of business transactions and provide its management with transparent and reliable management information to monitor, control and direct its business operations.

The provision of information technology services to run, maintain and develop those systems is to large extent outsourced to professional IT service delivery organizations, which are directed and controlled through appropriate IT governance structures and monitored on their delivery performance through comprehensive service level agreements.

Together with its IT providers, Bekaert has implemented adequate management processes to assure that appropriate measures are taken daily to sustain the performance, availability and integrity of its IT systems. At regular intervals the adequacy of those procedures is reviewed and audited and where needed further optimized.

Proper assignment of responsibilities, and coordination between the pertinent departments, assures an efficient and timely communication process of periodic financial information to the market. In the first and third quarters, a trading update is released, whereas at mid-year and year-end all relevant financial information is disclosed. Prior to the external reporting, the sales and financial information is subject to (i) the appropriate controls by the above-mentioned control organization, (ii) review by the Audit, Risk and Finance Committee, and (iii) approval by the Board of Directors of the Company.

Monitoring

Any significant change of the IFRS accounting principles as applied by Bekaert is subject to review by the Audit, Risk and Finance Committee and approval by the Company's Board of Directors.

On a periodic basis, the members of the Board of Directors are updated on the evolution and important changes in the underlying IFRS standards. All relevant financial information is presented to the Audit, Risk and Finance Committee and the Board of Directors to enable them to analyze the financial statements. All related press releases are approved prior to communication to the market.

Relevant findings by the Internal Audit Department and/or the Statutory Auditor on the application of the accounting principles, as well as the adequacy of the policies and procedures, and segregation of duties, are reported to the Audit, Risk and Finance Committee.

In addition, a periodic treasury update is submitted to the Audit, Risk and Finance Committee.

A procedure is in place to convene the appropriate governing body of the Company on short notice when circumstances so dictate.

General internal control and ERM

The Board of Directors has approved the Bekaert Code of Conduct, which was first issued on 1 December 2004 and last updated in September 2022. The Code of Conduct sets forth the Bekaert mission and values as well as the basic principles of how Bekaert wants to do business.

Implementation of the Code of Conduct is mandatory for all subsidiaries of the Group and all managerial and salaried employees renew their commitment annually. The Raising Integrity Concern (whistleblowing) procedure enforces and underpins its implementation. The Code of Conduct is included in the Bekaert Corporate Governance Charter as Appendix 3 and available at www.bekaert.com.

More detailed policies and guidelines are developed as considered necessary to ensure consistent implementation of the Code of Conduct throughout the Group.

Bekaert's internal control framework consists of a set of group policies for the main business processes and applies Group wide. Bekaert has different tools in place to constantly monitor the effectiveness and efficiency of the design and the operation of the internal control framework.

The Internal Audit and Risk Management Department monitors the internal control performance and risks based on the global framework and reports to the Audit, Risk and Finance Committee at each of its meetings. The Compliance Department reports to the Audit, Risk and Finance Committee at each of its meetings on compliance matters.

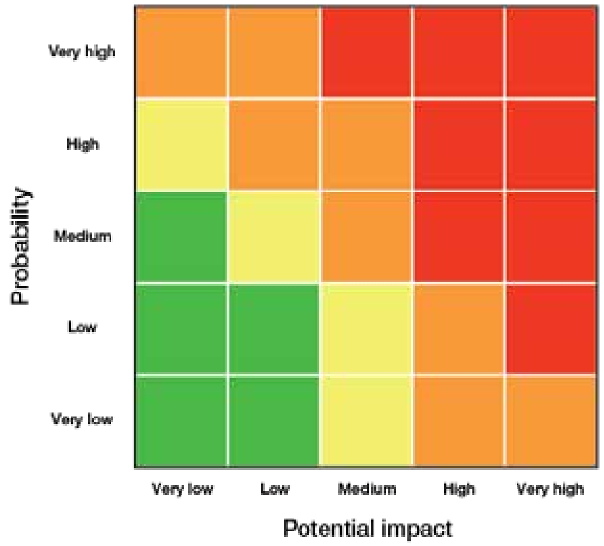
The BGE regularly evaluates the Group's exposure to risk, the potential financial impact thereof and the actions to monitor, mitigate and control the exposure.

At the request of the Board of Directors and the Audit, Risk and Finance Committee, management has developed a permanent global enterprise risk management ("ERM") framework to assist the Group in managing uncertainty in Bekaert's value creation process.

The framework consists of the identification, assessment and prioritization of the major risks confronting Bekaert, and of the continuous reporting and monitoring of those major risks, including the development and implementation of risk mitigation plans.

The risks are identified in seven risk categories: strategic, people/organization, operational, legal/compliance, financial, corporate and geopolitical/country risks. The identified risks are classified on two axes: probability and impact or consequence. To assess impact and probability, we use the following heatmap.

Strategic	People / Organization	Operational	Legal / Compliance	Financial	Corporate	Geopolitical / Country
Market customers	Organization / Structure	Supply chain / S&OP	Regulation	Market / Forex risk	Shareholder / Structure	Political / Social
Market Competition	HR / People	Plant / Equipment	Code of Conduct	Credit risk	Reputational	Economic
Market Products		Process / technology	Contractual obligations	Liquidity risk	Sustainability	Natural Hazards
Industry		Quality	Intellectual Property	Balance Sheet	Balance Sheet	
M&A		SH&E		Tax risk	Strategy	
		Security				
		IT / Cyber				



Risks in red area are considered very high; in orange high risks; and yellow medium risk

Decisions are made and action plans defined to mitigate the identified risks. Also, the risk sensitivity evolution (decreasing, increasing, stable) is evaluated.

<table>
<tr><th></th><th>Probability</th><th></th><th>Financial Impact</th><th>Non-financial Impact</th></tr>
<tr><td>Very low</td><td>• Extremely remote
• Not expected to occur but may do so in very exceptional circumstances</td><td>Rare</td><td>None</td><td>• No negative publicity
• No loss of confidence by key stakeholders
• No injury to individual(s)</td></tr>
<tr><td>Low</td><td>• Extremely remote
• Not expected to occur but may do so in exceptional circumstances</td><td>Unlikely</td><td>Below € 1 m</td><td>• Negligible/insignificant negative publicity
• Minor loss of confidence by key stakeholders
• Minor injury to individual(s), non-life altering, no SIF (Significant Injury or Fatality)</td></tr>
<tr><td>Medium</td><td>• There is a low exposure to the risk
• Little probability of event occurring</td><td>Possible</td><td>Between € 1 m - € 10 m</td><td>• Low level of sustained negative publicity
• Moderate loss of confidence by key stakeholders
• Significant injury / life altering to one individual, no fatality</td></tr>
<tr><td>High</td><td>• There is a moderate exposure to the risk
• Reasonable to expect event to occur</td><td>Likely</td><td rowspan="2">Above € 10 m</td><td rowspan="2">• Moderate to significant level of sustained negative publicity (e.g. one region)
• Moderate to significant loss of confidence by key stakeholders
• Fatality to one or more individuals and/or significant injury / life altering to more than one individual</td></tr>
<tr><td>Very High</td><td>• There is a high exposure to the risk
• Indication of imminent occurrence</td><td>Very likely</td></tr>
</table>

Below are the main risks included in Bekaert's 2022 ERM report, as reported to the Audit, Risk and Finance Committee and the Board of Directors.

	Risk definition	Mitigating actions	Trend	Risk before mitigation	Risk after mitigation
Strategic risks	**Bekaert is exposed to risks arising from potential technology shifts**				
	Impactful technology changes can affect sectors that are relevant to Bekaert, such as tire markets, energy and utility markets, and the mining, construction & infrastructure sectors. The drive for sustainable energy sources and eco-friendly materials may affect the perspectives of oil & gas and mining industries in the future.	Talent and process roadmap Building cross functional teams and change management Define and deploy partnerships Monitor evolutions in our markets e.g. digital new business models	Stable	Very high	High
	Expansion investments are exposed to risks of delivery on anticipated returns				
	Organic expansion investments are subject to risks of delay and cost overruns due to unforeseen roadblocks and as such the anticipated return of such projects might not be reached within the intended timeframe. Potential M&A projects, larger in scope and hence with a higher risk potential if the anticipated returns are not achieved, entail the additional risk of acquiring or merging businesses that are not a strategic fit with Bekaert. The assumptions used for organic and inorganic business cases (market conditions, competitor moves, ...) may change and affect the return on the investments made. Major investments with a delay in generating the anticipated returns may affect the cash position and funding cost of the company.	Bekaert has implemented a rigorous capital allocation and M&A project management framework with detailed criteria and close governance, bringing a quality line of defense measures in the preparation, execution, and monitoring discipline of growth projects. Support and oversight by the Industrial Projects team in the technical preparation, optimization and execution of investment projects as well as by an experienced and multi-disciplinary M&A team for M&A projects.	Increasing due to the volatile global macro environment	Very high	High
People / Organization	**Bekaert is exposed to certain labor market risks**				
	A competitive labor market can lead to shortages of specific talent capabilities, especially in markets where the talent pool is scarce and where our offices and/or factories are in remote places. This could drive cost inflation or affect the business continuity.	Bekaert has developed a framework of strategic talent pools and has performed a skill gap analysis versus the main capabilities the company wants to develop. A compensation & benefits benchmark study has been done for the critical job families. Talent acquisition and leadership programs are high on the agenda. Diversity & Inclusion initiatives and targets are put in place to structurally enhance this performance. Implementation of Leadership Circles	Stable	High	High
Operational risks	**Source dependency might impact Bekaert's business activities and profitability**				
	Bekaert is subject to the risks from continuous changes in trade policy worldwide, and by trade tensions between specific countries and regions. Bekaert is also subject to disruptions in supply chains due to shortages of raw materials and of logistics services. Increased source dependency might have an impact on Bekaert's business continuity in certain locations and on profitability, due to increased costs and duties.	Bekaert's global presence reduces the risk of source dependency and a lack of alternatives to continue its business activities, should one source fail to deliver or become too expensive. Bekaert's pro-active supplier risk management approach reduces the probability and impact of the risk. Early assessment of impact of changed regulation and prepare action plan eg green deal, sustainability requirements. As part of the Group's focus on pricing discipline, passing on cost inflation through selling prices is a priority area to safeguard the profitability.	Stable	Very high	High

	Risk definition	Mitigating actions	Trend	Risk before mitigation	Risk after mitigation
	Bekaert is subject to stringent environmental laws				
	Bekaert is subject to environmental laws & regulations, which become more stringent all over the world. Changes in policies could increase the environmental liabilities of the company.	Prevention and risk management play an important role in Bekaert's environmental policy. This includes measures against soil and ground water contamination, responsible use of water and worldwide ISO14001 certification. Bekaert's global procedure to ensure precautionary measures against soil and ground water contamination (ProSoil) is continuously monitored in relation to regulations, ISO certification, best practices and actual implementation. The company also maps upcoming or changing legislations to define potential gaps and implements roadmaps to address the gaps	Stable	High	Medium
	Bekaert is subject to cyber-security risks				
	Many operational activities of Bekaert depend on IT-systems that are developed and maintained by internal and external experts. Home office work has expanded the number of end-point devices and connection channels. A cyber-attack affecting critical IT- systems could interrupt Bekaert's business continuity and affect profitability. It may also lead to risks associated with data privacy and confidentiality.	Bekaert has implemented a cyber-security roadmap to reduce the risk. This includes the establishment of a Security Governance model and continuous improvements to enhance cyber-security solutions, improve the response and recovery capability, and next-generation threat management.	Stable	Very high	High
Legal / Compliance risks	**Bekaert is exposed to regulatory and compliance risks**				
	As a global company, Bekaert is subject to many laws and regulations across all countries where it is active or does business. Such laws and regulations are becoming more complex, more stringent and change faster and more frequently than before. These numerous laws and regulations include, among others, data privacy requirements (such as the European General Data Protection Regulation and California Consumer Privacy Act), intellectual property laws, labor relation laws, tax laws, anti-competition regulations, import and trade restrictions (for example the trade policies in the US and the EU), exchange laws, anti-bribery and anti-corruption regulations, health and safety regulations. Compliance actions may require additional costs or capital expenditures, which could negatively impact the profit performance of the group. In addition, given the high level of complexity of these laws, there is a risk that Bekaert may inadvertently not (timely) comply. Violations could result in fines, criminal sanctions, cessation of business activities, and a reputation risk.	The Bekaert Code of Conduct has a whistleblowing procedure, and all managers and other salaried professionals worldwide annually commit to the Code after a mandatory test. The company also has ABC, sanction, anti-trust, equipment safety standard policies in place The company regularly organizes trainings on anti-bribery, anti-trust, safety and other legal awareness matters. Bekaert steers compliance with laws and regulations through a Compliance Committee that monitors and manages the actions that are needed to ensure compliance. Safety compliance process improvement implemented.	Stable	Very high	Medium
	Failure to adequately protect Bekaert's intellectual property could harm its business and operating result				
	Intellectual property leakages can harm Bekaert and help the competition, both in terms of product development, process innovation and machine engineering. Bekaert cannot assure that its intellectual property will not be objected to, infringed upon or circumvented by third parties. Furthermore, Bekaert may fail to successfully obtain patent authorization, complete patent registration or protect such patents, which may materially and adversely affect our business position.	At year-end 2022, Bekaert had approximately 2 100 patents and patent applications and more than 1 850 trademarks and trademark applications. Bekaert also initiates patent infringement proceedings against competitors when such cases are observed or reported. In addition Bekaert has an IP policy in place and organizes training.	Stable	High	High

	Risk definition	Mitigating actions	Trend	Risk before mitigation	Risk after mitigation
Financial risks	**Bekaert is exposed to a currency exchange risk which could impact its results and financial position**				
	Bekaert's assets, income, earnings and cash flows are influenced by movements in exchange rates of several currencies. The Group's currency risk can be split into two categories: translational and transactional currency risk. A translational currency risk arises when the financial data of foreign subsidiaries are converted into the Group's consolidation currency, the euro. The Group is also exposed to transactional currency risks resulting from its investing, financing, sales and operating activities.	Bekaert has a hedging policy in place to limit the impact of currency exchange risks.	Increasing	Very high	High
	Bekaert is exposed to a credit risk on its contractual and trading counterparties				
	Bekaert is subject to the risk that commercial counterparties delay or do not pay their liabilities. While Bekaert has a credit policy in place that considers the risk profiles of the customers and the markets to which they belong, this policy cannot fully exclude the credit risk. This risk may impact the cash position and the profitability of the Group. Bekaert has a credit insurance policy in place to limit such risks. Bekaert has not been confronted in the past years with increased bad debt provisions or customer bankruptcies leading to write-offs of bad debts.	Bekaert has risk transfer solutions in place to limit such risks. The group has also strengthened its credit procedures, reporting and IT-tool and implemented additional actions at the onset of the Covid-19-pandemic, which increased the liquidity risk in many markets and of certain customers.	Stable	Very high	High
	Bekaert is exposed to increased funding costs in adverse macro conditions				
	increasing interest rates leading to higher financing cost and/or (more) restrictive covenants and/or more securities (pledges, collaterals). Lack of funding availability for M&A projects	Reduce Net Debt by: Reducing WC (AR, Inventory), Controlling Capex, Controlling Expenses	Increasing	Very high	High
	Adverse business performances or changes in underlying economic climate may result in an impairment of assets				
	In accordance with the International Accounting Standards regarding the impairment of assets (i.e., IAS36), an asset must not be carried in a company's financial statements at more than the highest recoverable amount (i.e., by selling or using the asset). In the event the carrying amount (i.e., book value) exceeds the recoverable amount, the asset is impaired. For further information on Bekaert's goodwill on the balance sheet (and impairment losses relating thereto), please refer to the note 6.2 (Goodwill) in the Financial Statements of this report.	Bekaert regularly examines its groups of assets that do not generate cash flows individually (i.e., Cash Generating Units (CGUs)) and more specifically CGUs to which goodwill is allocated. Apart from the impairment of the Russian activities, the company has not identified additional risks in the fiscal year 2022.	Stable	High	High
	Risk of events or losses that are uninsurable, not insured or not fully insured				
	Insurance coverage restrictions are applicable for most risks and the insurance premium cost increases steadily, which creates a risk of uninsured losses and higher costs.	Bekaert focuses on operational risk management to reduce the risks and is continuously looking for new and alternative insurance solutions to reduce the impact.	Stable	High	High

	Risk definition	Mitigating actions	Trend	Risk before mitigation	Risk after mitigation
	Wire rod price and energy price volatility may result in margin erosion				
	Wire rod, Bekaert's main raw material, is purchased from steel mills from all over the world. Wire rod represents about 50% of the cost of sales. If Bekaert is unsuccessful in passing on cost increases to customers in due time, this may negatively influence the profit margins of Bekaert. Also, the opposite price trend entails profit risks: if raw materials prices drop significantly and Bekaert has higher priced material in stock, then the profitability may be hit by (non-cash) inventory valuation corrections at the balance sheet date of a reporting period. Energy price volatility may also negatively influence the profit margins, if Bekaert is unsuccessful in passing on cost increases to customers in due time.	In principle, price movements are passed on in the selling prices as soon as possible, through contractually agreed pricing mechanisms or through individual negotiation. Bekaert also has new tools in place to mitigate the risk. This includes pricing tools and capital allocation tools. Government subsidies for energy prices	Stable	Very high	High
	Bekaert is exposed to tax risks				
	The international nature of Bekaert's activities and the rapidly changing international tax environment encompass some tax risks. Bekaert is subject to different tax laws in many countries. Bekaert seeks to structure its operations in a tax-efficient manner, while complying with the applicable tax laws and regulations. This does not exclude the risk that a subsidiary of Bekaert may incur higher than anticipated tax liabilities, which could adversely affect the effective tax rate, results of operations and financial position. Bekaert subsidiaries can be subject to government-mandated tax investigations. Such investigations have in recent years become more regular and may result in increased advisory costs and additional liabilities.	Although supported by tax consultants and specialists, Bekaert cannot guarantee that changes in tax laws, varying interpretations and inconsistent enforcement, will not adversely affect Bekaert's effective tax rate, results of operations and financial condition. It is Bekaert's practice to recognize provisions (per entity) for potential tax liabilities.	Stable	High	High
Corporate	**Underperformance on sustainability targets**				
	Underperformance on sustainability targets can also cause reputational damage and affect Bekaert's position as a preferred partner to customers and investors	Bekaert has established a new sustainability strategy that will step up our sustainability performance. Our environmental targets, which are aligned with the Science-Based Targets initiative, are ambitious and will be implemented according to a roadmap that has been approved by the Board of Directors.	Stable	Very high	High
Geopolitical / Country risks	**Bekaert is exposed to risks arising from demand impacts and inflationary cost pressures from economic crises.**				
	Impactful demand changes can affect sectors that are relevant to Bekaert. A crisis or recession can lead to a significant demand decline driven by weak consumer confidence and postponed investments. The resulting upstream and downstream overcapacity can lead to price erosion across the supply chain.	To mitigate these risks, Bekaert implements measures to be cost-competitive, to flex costs, and to pass on cost inflation. The company's focus moves beyond the traditional markets to less cyclical sectors with strong growth potential, including new mobility, renewable energy, and markets focused on decarbonization and recycling trends. The company's efforts in research and innovation also address the anticipated technology shifts toward more sustainable solutions. Strategically, Bekaert's presence in different sectors and geographies inherently makes the company more resilient to country or sector-specific trends.	Increasing	Very high	High

Risk definition	Mitigating actions	Trend	Risk before mitigation	Risk after mitigation
Bekaert is exposed to certain country risks with political and economic instability				
Bekaert is also present in countries with political and economic risks, including China, Venezuela, Russia and Turkey. In case a major political, social, or asset damage incident would occur, then an impact on the profit is possible	Scenario analysis As part of a business continuity plan, Bekaert has measures in place to reduce this risk through back-up scenarios and delivery approvals from other locations. Apart from the impairment of the Russian assets, the company has not identified additional risks in the fiscal year 2022.	Increasing	Very high	High
Risk of physical damage, business interruption and/or supply chain disruption caused by climate change				
Damage caused by climate change impact (heavy rains/flooding, drought/ water shortages, heat-stress, fire weather, extreme storms/wind damage) may affect the continuity of Bekaert's activities in affected locations.	Bekaert is assessing the possible impact of climate change and implements adaptation measures such as adequate water run-off and/or collection, flood defenses, provision of adequate firefighting facilities, water usage minimization programs, and employee working condition provisions in the event of extreme high temperatures. As part of Bekaert's climate risk management strategy, an in-depth climate risk study has been conducted together with WTW (former Willis Towers Watson) to assess the possible impact of physical climate change on Bekaert's global assets and operations. The summary of the conclusions of this study are included below.	Increasing	Very high	High

An effective internal control and ERM framework is necessary to reach a reasonable level of assurance related to Bekaert's financial reports and to prevent fraud. Internal control on financial reporting cannot prevent or trace all errors due to limits peculiar for control, such as possible human errors, misleading or circumventing controls, or fraud. That is why an effective internal control only generates reasonable assurance for the preparation and the fair presentation of the financial information. Failure to pick up an error due to human errors, misleading or circumventing controls, or fraud could negatively impact Bekaert's reputation and financial results. This may also result in Bekaert failing to comply with its ongoing disclosure obligations.

Physical Climate Risk Assessment Study

Scope

As part of Bekaert's climate risk management strategy, an in-depth climate risk study has been conducted together with WTW (former Willis Towers Watson) to assess the possible impact of physical climate change on Bekaert's global assets and operations.

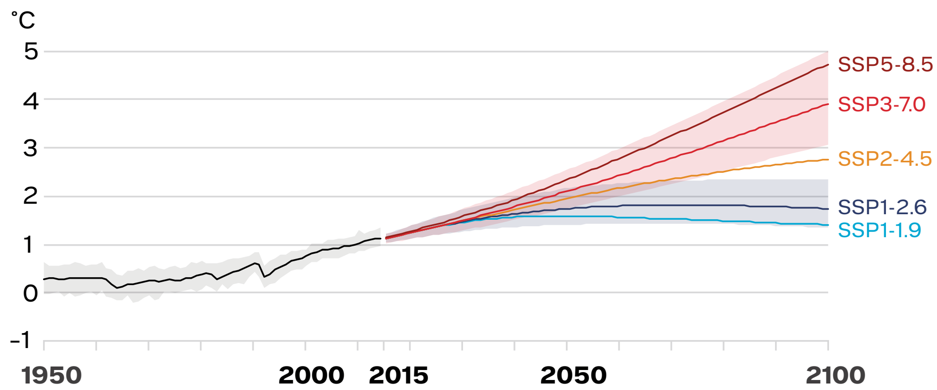
The assessment focussed on identifying potential future vulnerabilities, consequences and risk adaptation measures to Bekaert's operations associated with physical climate change exposures for plausible climate change scenarios that are also promoted by the IPCC (Intergovernmental Panel on Climate Change).

Three climate change scenarios (representative concentration pathways 2.6, 4.5 and 8.5) were considered based on the IPCC Fifth Assessment Report (AR5), which are mapped to the latest IPCC Sixth Assessment Report's (AR6) Shared Social Economic Pathways (SSPs).

The scenarios consider global warming increases of 1.5°C, 2°C-3°C and > 4°C increase in the global average surface temperature by 2100 (see figure published by the IPCC).

For each location, the changes to material acute and chronic physical climate change hazards were assessed for each pathway and key time horizons with focus on the current and near-term "base risk" as well as a medium-term future time horizon towards the mid-century (2040-2050).

Temperature change	IPCC scenario	Present day	2030	2050
1.5°C	RCP 2.6	v	v	v
2-3°C	RCP 4.5	v	v	v
>4°C	RCP 8.5	v	v	v



Global surface temperature change relative to 1850-1900 (from the Climate Change 2021 report by IPCC)

The following climate hazard exposures and potential risks were assessed as material to Bekaert's physical assets and operations.

Acute hazard	**River flood** Probability and extent of inundation from potential severe river floods	**Coastal flood** Probability and extent of inundation from potential severe coastal flooding and sea level rise	**Windstorm** Damaging wind gusts from severe windstorms	
Chronic hazard	**Heat stress** Annual number of heat wave days with sustained high temperatures over 30°C	**Drought stress** Annual number of prolonged drought periods (months)	**Precipitation** Annual number of days with heavy rainfall of more than 30mm	**Fire Weather** Areas exposed to meteorological fire conditions and duration of the fire season (months)

Methodology

WTW collaborated closely with Bekaert and key stakeholders to validate underlying assumptions of the assessment, which ranged from a more high-level diagnostic of future climate hazard exposures (e.g. whether assets are located in zones exposed to climate hazards) to a review of potential vulnerabilities and subsequent quantification of the potential financial value at risk associated with these potential vulnerabilities utilizing insurance market recognized climate risk models for severe, low-likelihood events associated to acute climate hazards (such as flood and windstorm).

The methodology used for the wider climate exposure and vulnerability assessment included an asset-by-asset analysis for a range of climate hazard exposures at the present day as well as for future projections under the selected scenarios where data was available. This was further supplemented by a value-at-risk analysis that was based on the potential vulnerabilities identified, including direct physical damage and business interruption from extreme events like flood and windstorm and chronic hazards such as heat stress and drought.

Data used for this analysis included state-of-the-art climate models and databases that are used within the insurance industry for the pricing of risk as well as published research and information from the Intergovernmental Panel on Climate Change (IPCC). The climate risks were derived from a number of data sources including WTW's own tools Global Peril Diagnostic and Climate Diagnostic, data from Munich Re hazard databases and research findings from the IPCC.

Key findings

A summary of the potential climate hazard exposures to Bekaert's physical assets and operations together with responses on current and future adaptation and mitigation are presented below. Overall, as indicated elsewhere in this report, the potential impact on Bekaert of physical climate risk has been assessed as very high.

Bekaert's adaptation approach will be developed considering specific targeted measures as well as overarching measures working across wider range of plausible identified risks, and following the core "do no significant harm" principles in line with the EU taxonomy guidelines.

Additional to the summarized responses below, potential vulnerabilities identified are being reviewed in more detail to validate and/or further adapt key exposed operations and strengthen their resilience. Design standards and operational thresholds are being adjusted to address climate change. As outlined in the table, Bekaert is already taking action to mitigate current and future physical climate risks, but at this stage we are unable to quantify the overall response/mitigation cost.

It is plausible that severe, low-likelihood events would also impact the wider regional infrastructures not owned by Bekaert and Bekaert will continue working closely with local authorities and where necessary will further align its emergency response and operational continuity planning procedures with those of the local authorities and their emergency response planning, before, during and after an event has occurred.

Very high
High
Moderate
Low
Very low

	Current climate risk	Climate risks for 2050 under the high emission scenario (RCP8.5)	Response / Adaptation
Drought	Currently some of Bekaert's operations are in high drought stress environment with over 4 months of drought on average every year. Such conditions are corelated with water scarcity problems for the regions and in some areas with disruption of the supply of electricity from hydropower sources. At present this has not resulted in material or unexpected impacts to the business.	The existing drought stress would be further exacerbated in this scenario with longer droughts and new regions and facilities becoming exposed to the conditions. This can lead to water shortages and potentially disrupt operations at facilities with water dependent processes. Hydropower reliability could be further impacted.	Bekaert already takes actions today to minimise fresh water use in production that would help reduce the future potential risks. Further plans are developed with regards to building internal reserves and optimisation to further increase water and power supply resilience.
Heat-Stress	Part of the global operations is already in moderate and high heat stressed areas. This creates a risk of some minor loss of productivity during heatwave periods and increased air conditioning / energy consumption at sites with strict air quality requirements. No material impacts happened in 2022.	The number of heat wave days and the geographical spread of heat zones increases impacting additional operations and would likely increase the risk for existing ones.	Bekaert is already implementing heat stress adaptation measures in their operations with regards to ventilation and cooling solutions targeting areas of product quality, and health and safety. Consideration is given to increasing energy consumption and impact on green KPIs. Additional measures will be explored to bring further efficiencies in HVAC systems, new technologies and automation.
Precipitation	Parts of the global operations are in areas of heavy rainfall already. This creates a risk of localized flooding and ponding around manufacturing facilities and potential for leaking roofs. The impacts could include damage to surrounding infrastructure such as access roads, equipment and materials as well as disruption to operation essential utilities. No material impacts happened in 2022.	The number of days with heavy rainfall increases which creates conditions for more frequent impacts.	Bekaert already has a level of protection embedded in the design of their facilities and maintenance regimes of roofs and drainage system. Further steps will be considered to increase the resilience to this peril by additional evaluations of site vulnerabilities to strengthen or enhance the level of protection where relevant.
Fire weather	Moderate fire weather conditions are relevant to a small portion of all assets. This could create some risk of property damage and disruption to utility supply from localised fires. At present, no incidents happened.	Unfavourable conditions increase and the number of sites moving into moderate conditions and longer fire season doubles.	Bekaert already takes actions to maintain good level of fire protection for their operations. It is reasonable to assume that existing fire control and preventions measures would reduce the likelihood of severe impacts in the future.
Flooding	Parts of Bekaert's operations are located in zones where severe low likelihood flooding could occur. The impacts to those assets could include damage to infrastructure, equipment, and materials as well as disruption to operation essential utilities. No material flooding events happened in 2022.	No substantial changes in exposure to coastal or river flooding, but exposure is already very high at some locations.	A level of prevention and protection is already in place for exposed areas. Where needed, Bekaert will be taking additional steps to increase the resilience and mitigation of the risk
Windstorm	Some of Bekaert's operations see moderate levels of windstorm activity, while the majority of their assets are not materially exposed. There is a risk of wind damage to exposed sites and disruption to operation essential utilities.	No substantial changes in windstorm exposure.	Existing facilities already include severe wind consideration in engineering design. It is reasonable to assume that good maintenance and inspection regime of sites today, as well as following best practice wind design specifications, Emergency Response and Business Continuity Plans would prevent and minimise significant impacts to operations.

Financial statements

Consolidated financial statements

Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2021	2022
Sales	5.1	4 839 659	5 651 790
Cost of sales	5.2	-3 953 752	-4 879 310
Gross profit	**5.2**	**885 907**	**772 479**
Selling expenses	5.2	-186 239	-205 938
Administrative expenses	5.2	-165 204	-160 472
Research and development expenses	5.2	-59 537	-62 315
Other operating revenues	5.2	64 556	47 848
Other operating expenses	5.2	-28 894	-25 848
Operating result (EBIT)	5.2	**510 589**	**365 754**
of which			
EBIT - Underlying	**5.2 / 5.3**	**512 121**	**458 563**
One-off items	**5.2**	**-1 531**	**-92 810**
Interest income	5.4	3 260	5 166
Interest expense	5.4	-44 480	-43 437
Other financial income and expenses	5.5	4 430	-11 325
Result before taxes		**473 799**	**316 157**
Income taxes	5.6	-133 714	-81 097
Result after taxes (consolidated companies)		**340 085**	**235 059**
Share in the results of joint ventures and associates	5.7	107 619	54 257
RESULT FOR THE PERIOD		**447 705**	**289 316**
Attributable to			
equity holders of Bekaert		*404 062*	*268 859*
non-controlling interests	6.15	*43 643*	*20 457*
Earnings per share			
in € per share	**5.8**	**2021**	**2022**
Result for the period attributable to equity holders of Bekaert			
Basic		*7.089*	*4.784*
Diluted		*7.012*	*4.745*

The accompanying notes are an integral part of this income statement.
2021 amounts have been affected by minor restatements (see note 2.8. 'Restatement effects').

Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2021	2022
Result for the period		**447 705**	**289 316**
Other comprehensive income (OCI)	6.14		
Other comprehensive income reclassifiable to income statement in subsequent periods			
Exchange differences			
Exchange differences arising during the year on subsidiaries		89 570	30 527
Exchange differences arising during the year on joint ventures and associates		1 647	18 916
Reclassification adjustments relating to entity disposals or step acquisitions		-2 987	-555
OCI reclassifiable to income statement in subsequent periods, after tax		**88 229**	**48 888**
Other comprehensive income non-reclassifiable to income statement in subsequent periods			
Remeasurement gains and losses on defined-benefit plans		47 351	3 393
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI		5 882	-2 367
Share of non-reclassifiable OCI of joint ventures and associates		3	27
Deferred taxes relating to non-reclassifiable OCI	6.7	-3 500	-4 874
OCI non-reclassifiable to income statement in subsequent periods, after tax		**49 736**	**-3 821**
Other comprehensive income for the period		**137 965**	**45 067**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**585 670**	**334 383**
Attributable to			
equity holders of Bekaert		*542 801*	*308 741*
non-controlling interests	*6.15*	*42 869*	*25 642*

The accompanying notes are an integral part of this statement of comprehensive income.
2021 amounts have been affected by minor restatements (see note 2.8. 'Restatement effects').

Consolidated balance sheet

Assets as at 31 December

in thousands of €	Notes	2021	2022
Intangible assets	6.1	57 326	62 149
Goodwill	6.2	150 674	152 567
Property, plant and equipment	6.3	1 253 857	1 238 041
RoU Property, plant and equipment	6.4	132 073	130 750
Investments in joint ventures and associates	6.5	188 661	221 886
Other non-current assets	6.6	65 886	65 314
Deferred tax assets	6.7	119 244	104 372
Non-current assets		**1 967 721**	**1 975 079**
Inventories	6.8	1 121 219	1 143 096
Bills of exchange received	6.8	41 274	39 764
Trade receivables	6.8	750 666	730 786
Other receivables	6.9 / 6.21	157 005	151 426
Short-term deposits	6.10	80 058	4 766
Cash and cash equivalents	6.10	677 270	728 095
Other current assets	6.11	42 272	55 541
Assets classified as held for sale	6.12	1 803	760
Current assets		**2 871 567**	**2 854 234**
Total		**4 839 288**	**4 829 313**

Equity and liabilities as at 31 December

in thousands of €	Notes	2021	2022
Share capital	6.13	177 923	173 737
Share premium		38 850	39 519
Retained earnings	6.14	1 981 876	2 115 216
Treasury shares	6.14	-95 517	-139 314
Other Group reserves	6.14	-136 440	-96 451
Equity attributable to equity holders of Bekaert		**1 966 692**	**2 092 706**
Non-controlling interests	6.15	**130 971**	**136 850**
Equity		**2 097 663**	**2 229 556**
Employee benefit obligations	6.16	75 971	68 037
Provisions	6.17	23 311	27 925
Interest-bearing debt	6.18	953 581	735 408
Other non-current liabilities	6.19	844	150
Deferred tax liabilities	6.7	52 059	44 018
Non-current liabilities		**1 105 766**	**875 537**
Interest-bearing debt	6.18	237 742	500 588
Trade payables	6.8	1 062 185	921 113
Employee benefit obligations	6.8 / 6.16	177 159	142 068
Provisions	6.17	4 392	6 154
Income taxes payable	6.21	86 131	66 180
Other current liabilities	6.20	68 249	88 118
Liabilities associated with assets classified as held for sale	6.12	–	–
Current liabilities		**1 635 859**	**1 724 220**
Total		**4 839 288**	**4 829 313**

The accompanying notes are an integral part of this balance sheet.
2021 amounts have been affected by minor restatements (see note 2.8. ‘Restatement effects’).

Consolidated statement of changes in equity

in thousands of €	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjust-ments	Reva-luation reserve for non-consoli-dated equity invest-ments	Remea-surement reserve for DB plans	Deferred tax reserve	Total	Non-controlling interests [2]	Total equity
	Attributable to equity holders of Bekaert [1]										
Balance as at 1 January 2021	**177 812**	**37 884**	**1 614 780**	**-106 149**	**-227 822**	**-11 867**	**-63 543**	**26 785**	**1 447 880**	**87 175**	**1 535 055**
Result for the period	–	–	404 062	–	–	–	–	–	**404 062**	43 643	**447 705**
Other comprehensive income	–	–	–	–	89 426	5 882	46 753	-3 321	**138 739**	-774	**137 965**
Capital contribution by non-controlling interests	–	–	–	–	–	–	–	–	**–**	3 975	**3 975**
Effect of other changes in Group structure[3]	–	–	-2 220	–	1 270	–	–	–	**-951**	3 601	**2 650**
Equity-settled share-based payment plans	–	–	15 261	–	–	–	–	–	**15 261**	–	**15 261**
Creation of new shares	111	966	–	–	–	–	–	–	**1 077**	–	**1 077**
Treasury shares transactions	–	–	6 787	10 631	–	–	–	–	**17 419**	–	**17 419**
Dividends	–	–	-56 795	–	–	–	–	–	**-56 795**	-6 649	**-63 444**
Balance as at 31 December 2021	**177 923**	**38 850**	**1 981 876**	**-95 517**	**-137 127**	**-5 986**	**-16 790**	**23 464**	**1 966 692**	**130 971**	**2 097 663**

[1] *See note 6.14. 'Retained earnings and other Group reserves'.*
[2] *See note 6.15. 'Non-controlling interests'.*
[3] *In July 2021, Almasa contributed their plants in Barranquilla, Colombia in kind into the equity of Productora de Alambres Colombianos - Proalco. As a consequence, the Group share of Proalco diluted from 80% to 40%.*

2021 amounts have been affected by minor restatements (see note 2.8. 'Restatement effects').

in thousands of €	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjust-ments	Reva-luation reserve for non-consoli-dated equity invest-ments	Remea-surement reserve for DB plans	Deferred tax reserve	Total	Non-controlling interests [2]	Total equity
	Attributable to equity holders of Bekaert [1]										
Balance as at 1 January 2022	**177 923**	**38 850**	**1 984 791**	**-95 517**	**-137 183**	**-5 986**	**-16 790**	**23 464**	**1 969 551**	**130 971**	**2 100 522**
Adoption of IFRIC guidance on IAS 19 and IAS 38	**–**	**–**	**-2 915**	**–**	**56**	**–**	**–**	**–**	**-2 859**	**–**	**-2 859**
1 January 2022 (restated)	**177 923**	**38 850**	**1 981 876**	**-95 517**	**-137 127**	**-5 986**	**-16 790**	**23 464**	**1 966 692**	**130 971**	**2 097 663**
Result for the period	–	–	268 859	–	–	–	–	–	**268 859**	20 457	**289 316**
Other comprehensive income	–	–	–	–	43 307	-2 367	4 024	-5 083	**39 882**	5 185	**45 067**
Reclassifications	–	–	-107	–	–	–	107	–	**–**	–	**–**
Equity-settled share-based payment plans	–	–	-6 813	–	–	–	–	–	**-6 813**	–	**-6 813**
Creation of new shares	80	668	–	–	–	–	–	–	**748**	–	**748**
Treasury shares transactions	-4 266	–	-42 136	-43 797	–	–	–	–	**-90 199**	–	**-90 199**
Dividends	–	–	-86 463	–	–	–	–	–	**-86 463**	-19 763	**-106 226**
Balance as at 31 December 2022	**173 737**	**39 519**	**2 115 216**	**-139 314**	**-93 820**	**-8 353**	**-12 659**	**18 381**	**2 092 706**	**136 850**	**2 229 556**

[1] *See note 6.14. 'Retained earnings and other Group reserves'.*
[2] *See note 6.15. 'Non-controlling interests'.*

Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2021	2022
Operating activities			
Operating result (EBIT)	5.2 / 5.3	510 589	365 754
Non-cash items included in operating result	7.1	188 605	296 053
Investing items included in operating result	7.1	-23 234	-11 381
Amounts used on provisions and employee benefit obligations	7.1	-50 340	-27 947
Income taxes paid	5.6 / 7.1	-92 737	-117 289
Gross cash flows from operating activities		**532 884**	**505 189**
Change in operating working capital	6.8	-119 773	-178 697
Other operating cash flows	7.1	-32 620	13 800
Cash flows from operating activities		**380 491**	**340 292**
Investing activities			
New business combinations	7.2	–	-2 384
Other portfolio investments	7.1	-863	-8 613
Proceeds from disposals of investments		-66	94
Dividends received	6.5	24 858	67 944
Purchase of intangible assets	6.1	-8 739	-14 937
Purchase of property, plant and equipment	6.3	-143 753	-170 195
Purchase of RoU Land	6.4	–	-6
Proceeds from disposals of fixed assets	7.1	36 752	3 141
Cash flows from investing activities		**-91 810**	**-124 956**

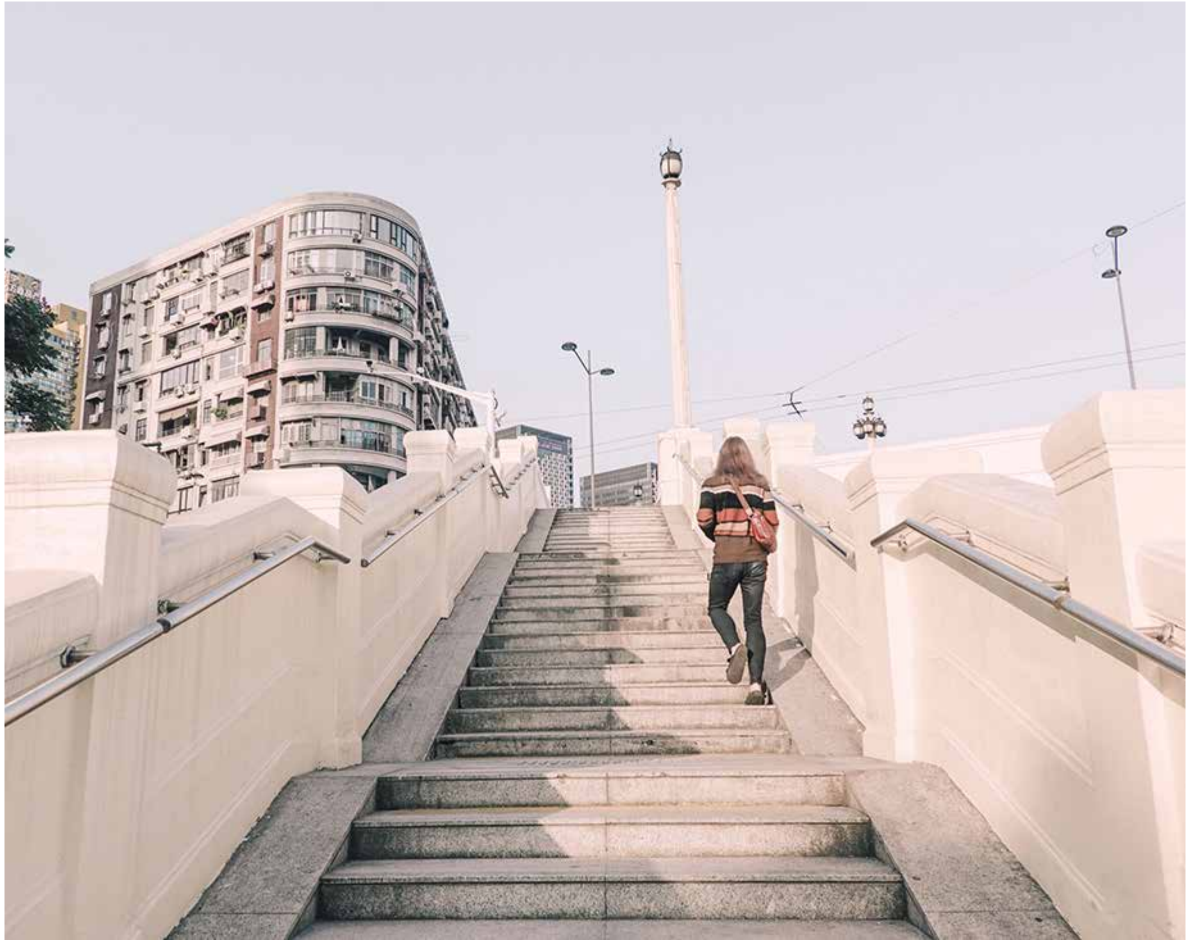
in thousands of € - Year ended 31 December	Notes	2021	2022
Financing activities			
Interest received	5.4	3 474	4 848
Interest paid	5.4	-35 170	-37 428
Gross dividend paid to shareholders of NV Bekaert SA		-56 795	-86 463
Gross dividend paid to non-controlling interests		-6 761	-18 496
Proceeds from long-term interest-bearing debt	6.18	23 649	12 050
Repayment of long-term interest-bearing debt	6.18	-439 823	-87 627
Cash flows from / to (-) short-term interest-bearing debt	6.18	-43 328	67 349
Treasury shares transactions	6.13	17 419	-97 104
Sales and purchases of NCI	7.1	–	–
Other financing cash flows	7.1	-29 747	68 473
Cash flows from financing activities		**-567 082**	**-174 398**
Net increase or decrease (-) in cash and cash equivalents		**-278 401**	**40 937**
Cash and cash equivalents at the beginning of the period		**940 416**	**677 270**
Effect of exchange rate fluctuations		15 255	9 888
Cash and cash equivalents at the end of the period		**677 270**	**728 095**

The accompanying notes are an integral part of this cash flow statement.
2021 amounts have been affected by minor restatements (see note 2.8. 'Restatement effects').

Notes to the consolidated financial statements

1. General information

NV Bekaert SA (the 'Company') is a company incorporated and domiciled in Belgium and a world market and technology leader in steel wire transformation and coating technologies. The Company's consolidated financial statements include those of the Company and its subsidiaries (together referred to as the 'Group' or 'Bekaert') and the Group's interest in joint ventures and associates accounted for using the equity method. The consolidated financial statements were authorized for issue by the Board of Directors of the Company on 20 March 2023.



2. Summary of principal accounting policies

2.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with and comply with the International Financial Reporting Standards (IFRS) which have been endorsed by the European Union.

New and amended standards and interpretations

Standards, interpretations and amendments effective in 2022

In the current year, the Group has applied the below amendments to IFRS standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 3 ‘Business combinations’ - References to the conceptual framework, effective 1 January 2022.
- Amendments to IAS 16 ‘Property, plant and equipment’ - Proceeds before intended use, effective 1 January 2022.
- Amendments to IAS 37 ‘Provisions, contingent liabilities and contingent assets’ - onerous contracts - cost of fulfilling a contract, effective 1 January 2022.
- Annual Improvements Cycle 2018-2020, effective 1 January 2022.

These amendments had no impact on the consolidated financial statements of the Group.

Standards, amendments and interpretations that are not yet effective in 2022 and have not been early adopted

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective. These new, and amendments to, standards and interpretations effective after 2022 are not expected to have a material impact on the financial statements.

- Amendments to IAS 1 ‘Presentation of Financial Statements’ - Classification of Liabilities as Current or Non-Current, effective 1 January 2024.
- Amendments to IAS 1 ‘Presentation of Financial Statements’ - Disclosure of Accounting policies, effective 1 January 2023.
- Amendments to IAS 8 ‘Accounting policies, changes in accounting estimates and errors’ - Definition of Accounting estimates, effective 1 January 2023.
- Amendments to IAS 12 ‘Income taxes’ - Deferred taxes related to assets and liabilities arising from a single transaction, effective 1 January 2023.
- Amendments to IAS 16 'Leases - Lease liability in a Sale and Leaseback, effective on 1 January 2024.
- Amendments to IFRS 17 ‘Insurance contracts; initial application of IFRS 17 and IFRS 9 - Comparative information', effective 1 January 2023.

The Group will adopt these standards and interpretations, if applicable, when they come effective.

2.2. General principles

Basis of preparation

The consolidated financial statements are presented in thousands of euro (unless otherwise stated), under the historical cost convention, except for derivatives, financial assets at Stock and financial assets at FVTPL, which are stated at their fair value. Financial assets which do not have a quoted price in an active market or the fair value of which cannot be reliably measured are carried at cost. Unless explicitly stated, the accounting policies are applied consistently with the previous year. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Principles of consolidation

Subsidiaries

Subsidiaries are entities over which NV Bekaert SA exercises control, which is the case when the Company is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date when the Group acquires control until the date when control is relinquished. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

All intercompany transactions, balances with and unrealized gains on transactions between Group companies are eliminated; unrealized losses are also eliminated unless the impairment is permanent. Equity and net result attributable to non-controlling shareholders are shown separately in the balance sheet, the income statement and the comprehensive income statement. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the carrying amount of the assets (including goodwill), liabilities and any non-controlling interests of the subsidiary before its disposal.

All subsidiaries are following the calendar year as accounting year, except for the Indian companies (from April to March) and Scheldestroom NV (from October to September). The latter do report to the Group according the calendar year. The subsidiaries apply the same accounting policies as the Group.

Joint arrangements and associates

A joint arrangement exists when NV Bekaert SA has contractually agreed to share control with one or more other parties, which is the case only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement can be treated as a joint operation (i.e. NV Bekaert SA has rights to the assets and obligations for the liabilities) or a joint venture (i.e. NV Bekaert SA only has rights to the net assets). Associates are companies in which NV Bekaert SA, directly or indirectly, has a significant influence and which are neither subsidiaries nor joint arrangements. This is presumed if the Group holds at least 20% of the voting rights attaching to the shares. The financial information included for these companies is prepared using the accounting policies of the Group. When the Group has acquired joint control in a joint venture or significant influence in an associate, the share in the acquired assets, liabilities and contingent liabilities is initially remeasured to fair value at the acquisition date and accounted for using the equity method. Any excess of the purchase price over the fair value of the share in the assets, liabilities and contingent liabilities acquired is recognized as goodwill. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. When the goodwill is negative, it is immediately recognized in profit or loss. Subsequently, the consolidated financial statements include the Group's share of the results of joint ventures and associates accounted for using the equity method until the date when joint control or significant influence ceases. If the Group's share of the losses of a joint venture or associate exceeds the carrying amount of the investment, the investment is carried at nil value and recognition of additional losses is limited to the extent of the Group's commitment. Unrealized gains arising from transactions with joint ventures and associates are set against the investment in the joint venture or associate concerned to the extent of the Group's interest. The carrying amounts of investments in joint ventures and associates are reassessed if there are indications that the asset has been impaired or that impairment losses recognized in prior years have ceased to apply. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss within 'Group's share of the results of joint ventures and associates' in the statement of profit or loss. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The financial statements of the associate or joint venture are prepared according to the accounting and valuation principles of the Group and for the same reporting period as the Group.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Company's functional and the Group's presentation currency. Financial statements of foreign entities are translated as follows:

- assets and liabilities are translated at the closing exchange rate of the European Central Bank;
- income, expenses and cash flows are translated at the average exchange rate for the year;
- shareholders' equity is translated at historical exchange rates.

Exchange differences arising from the translation of the net investment in foreign subsidiaries, joint ventures and associates at the closing exchange rate are included in shareholders' equity under 'cumulative translation adjustments'. On disposal of foreign entities, cumulative translation adjustments are recognized in the income statement as part of the gain or loss on the sale. In the financial statements of the parent company and its subsidiaries, monetary assets and liabilities denominated in foreign currency are translated at the exchange rate at the balance sheet date, thus giving rise to unrealized exchange results. Unrealized and realized foreign-exchange gains and losses are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Goodwill is treated as an asset of the acquiree and is accordingly accounted for in the acquiree's currency and translated at the closing rate.

2.3. Balance sheet items

Intangible assets

Intangible assets acquired in a business combination are initially measured at fair value; intangible assets acquired separately are initially measured at cost. After initial recognition, intangible assets are measured at cost or fair value less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and method are reviewed at each financial year-end. A change in the useful life of an intangible asset is accounted for prospectively as a change in estimate. Under the provisions of IAS 38 intangible assets may have indefinite useful lives. If the useful life of an intangible asset is deemed indefinite, no amortization is recognized and the asset is reviewed at least annually for impairment.

Licenses, patents and similar rights

Expenditure on acquired licenses, patents, trademarks and similar rights is capitalized and amortized on a straight-line basis over the contractual period, if any, or the estimated useful life, which is normally considered not to be longer than ten years.

Computer software on-premises

Purchased on-premises software is installed and runs on computers on the premises of the company using the software, rather than at a remote facility such as a server farm or cloud. Generally, such costs are directly associated with the acquisition and implementation of acquired ERP software and are recognized as intangible assets and amortized over five years on a straight-line basis. External (relating to third party providers and consultants) and internal (relating to Bekaert personnel) implementation costs are eligible for capitalization.

Website development

An intangible asset should be recognized for website development costs if and only if, it meets the general recognition requirements in IAS 38 and the six conditions for recognition as development costs. Most important of these is the requirement to demonstrate how the website will generate probable future economic benefits. Costs linked to website development solely or primarily for promoting and advertising own products and services will be expensed as incurred. When the website is used directly or indirectly in the income generating process, the costs are eligible for capitalization.

Cloud computing arrangements

In a cloud computing arrangement, a customer pays a fee to a vendor in exchange for access to software over the internet. The software is hosted by the vendor on the vendor's computing infrastructure. Examples of cloud computing arrangements are Software-as-a-Service (SaaS), platform as a service, infrastructure as a service. This differs from an 'on-premise' arrangement where a company licenses or purchases a copy of the software from a vendor and operates the software on its own computing infrastructure. Up-front costs are often incurred in cloud computing arrangements to implement the software. To be eligible for capitalization as an intangible asset, the Group determines if the company is in control of the software or is in control of the configuration or implementation itself. The Group distinguishes the following types of cloud computing arrangements:

- private cloud arrangements: these are in nature comparable to on-premise arrangements and are accounted for equally;
- public cloud arrangements: configuration or implementation expenses linked to these arrangements are only eligible for capitalization if the Group is in control of the configuration or implementation itself.

Commercial assets

Commercial assets mainly include customer lists, customer contracts and brand names, mostly acquired in a business combination, with useful lives ranging between 8 and 15 years.

Emission rights

In the absence of any IASB standard or interpretation regulating the accounting treatment of CO_2 emission rights, the Group has applied the 'net approach', according to which:

- the allowances are recognized as intangible assets and measured at cost (the cost of allowances issued free of charge being therefore zero); and
- any short position is recognized as a liability at the fair value of the allowances required to cover the shortfall at the balance sheet date.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technological knowledge and understanding is recognized in the income statement as an expense when it is incurred.

Expenditure on development activities where research findings are applied to a plan or design for the production of new or substantially improved products and processes prior to commercial production or use is capitalized if, and only if, all of the recognition criteria set out below are met:

- the product or process is clearly defined and costs are separately identified and reliably measured;
- the technical feasibility of the product is demonstrated;
- the product or process is to be sold or used in house;
- the assets are expected to generate future economic benefits (e.g. a potential market exists for the product or, if for internal use, its usefulness is demonstrated); and
- adequate technical, financial and other resources required for completion of the project are available.

Capitalized development costs are amortized from the commencement of commercial production of the product on a straight-line basis over the period during which benefits are expected to accrue. The period of amortization normally does not exceed ten years. An in-process research and development project acquired in a business combination is recognized as an asset separately from goodwill if its fair value can be measured reliably.

Goodwill and business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred. The identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date. Goodwill is measured as the difference between:

(i) the sum of the following elements:

- consideration transferred;
- amount of any non-controlling interests in the acquiree;
- fair value of the Group's previously held equity interest in the acquiree (if any); and

(ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, this difference is negative ('negative goodwill'), it is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests are initially measured either at fair value or at their proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and any resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest was disposed of.

Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Property, plant and equipment

The Group has opted for the historical cost model and not for the revaluation model. Property, plant and equipment separately acquired is initially measured at cost. Property, plant and equipment acquired in a business combination is initially measured at fair value, which thus becomes its deemed cost. Assets under construction are stated at cost, net of accumulated impairment losses, if any. After initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location for its intended use. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in profit or loss as incurred.

Depreciation is provided over the estimated useful lives of the various classes of property, plant and equipment on a straight-line basis. The useful life and depreciation method are reviewed at least at each financial year-end. Unless revised due to specific changes in the estimated economic useful life, annual depreciation rates are as follows:

- land: 0%
- buildings: 5%
- plant, machinery & equipment: 8%-25%
- R&D testing equipment: 16.7%-25%
- furniture and vehicles: 20%
- computer hardware: 20%

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Right-of-Use (RoU) property, plant & equipment

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as printers, copiers and small office equipment). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Rights to use land are amortized over the contractual period which can vary between 30 and 100 years, but is in most cases 50 years. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead accounts for any lease and associated non-lease components as a single arrangement. The Group applies this practical expedient on contracts for company cars and industrial vehicles, where non-lease components such as maintenance and replacement of tires are not separated but included in the lease component.

Government grants

Government grants relating to the purchase of property, plant and equipment are deducted from the cost of these assets. They are recognized in the balance sheet at their expected value at the time of initial government approval and corrected, if necessary, after final approval. The grant is amortized over the depreciation period of the underlying assets.

Financial assets

The Group classifies its financial assets in the following categories: measured at amortized cost, at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI). The classification depends on the contractual characteristics of the financial assets and the business model under which they are held. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortized cost

Financial assets are classified at amortized cost when the contract has the characteristics of a basic lending arrangement and they are held with the intention of collecting the contractual cash flows until their maturity. The Group's financial assets at amortized cost comprises, unless stated otherwise, trade and other receivables, bills of exchange received, short-term deposits and cash and cash equivalents in the balance sheet. They are measured at amortized cost using the effective interest method, less any impairment.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through arrangement'; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extend, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extend of its continuing involvement. in that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets at fair value

Other debt instruments and all equity investments are measured at fair value. Equity investments can either be carried at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI). This option can be elected on an investment by investment basis and cannot be reversed subsequently. In principle, Bekaert will carry its main non-consolidated strategic equity investments at FVTOCI. Derivatives are categorized as at FVTPL unless they are designated and effective as hedges.

Bills of exchange received

Payment by means of bills of exchange (bank acceptance drafts) is a widespread practice in China. Bills of exchange received are either settled at maturity date, discounted before the maturity date or transferred to a creditor to settle a liability. Discounting is done either with or without recourse. With recourse means that the discounting bank can claim reimbursement of the amount paid in case the issuer defaults. When a bill is discounted with recourse, the amount received is not deducted from the outstanding bills of exchange received, but a liability is recognized in 'current interest-bearing debt' until the maturity date of that bill.

Cash & cash equivalents and short-term deposits

Cash equivalents and short-term deposits are short-term investments that are readily convertible to known amounts of cash. They are subject to insignificant risk of change in value. Cash equivalents are highly liquid and have original maturities of three months or less, while short-term deposits have original maturities of more than three months and less than one year. Balances from cash pool facilities are reported as cash & cash equivalents. Bank overdrafts are not reported as a deduction from cash & cash equivalents but as interest-bearing debt.

Impairment of financial assets

Financial assets that are debt instruments, other than those measured at FVTPL, are tested for impairment using the expected credit loss model ('ECL'). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Bekaert considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group always recognizes lifetime ECL for trade receivables.

At each reporting date, Bekaert measures the impairment loss for financial assets measured at amortized cost (e.g. trade receivables and bills of exchange received) as the present value of the expected cash shortfalls (discounted at the original effective interest rate). Amounts deemed uncollectible are written off against the corresponding allowance account at each balance sheet date. In assessing collective impairment, the Group uses historical information on the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends. Additions to and recoveries from the bad debt allowance account related to trade receivables are reported under 'selling expenses' in the income statement.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. For processed inventories, cost means full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and costs necessary to make the sale.

Share capital

When shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares (treasury shares) are presented in the balance sheet as a deduction from equity. The result on the disposal of treasury shares sold or cancelled is recognized in retained earnings.

Non-controlling interests

Non-controlling interests represent the shares of minority or non-controlling shareholders in the equity of subsidiaries which are not fully owned by the Group. At the acquisition date, the item is either measured at its fair value or at the non-controlling shareholders' proportion of the fair values of net assets recognized on acquisition of a subsidiary (business combination). Subsequently, it is adjusted for the appropriate proportion of subsequent profits and losses. The losses attributable to non-controlling shareholders in a consolidated subsidiary may exceed their interest in the equity of the subsidiary. A proportional share of total comprehensive income is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Provisions

Provisions are recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Restructuring

A provision for restructuring is only recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly before the balance sheet date. Restructuring provisions only include the direct expenditure arising from the restructuring which is necessarily incurred on the restructuring and is not associated with the ongoing activities of the entity.

Site remediation

A provision for site remediation in respect of contaminated land is recognized in accordance with the Group's published environmental policy and applicable legal requirements.

Employee benefit obligations

The parent company and several of its subsidiaries have pension, death benefit and health care benefit plans covering a substantial part of their workforce.

Defined-benefit plans

Most pension plans are defined-benefit plans with benefits based on years of service and level of remuneration. For defined-benefit plans, the amount recognized in the balance sheet (net liability or asset) is the present value of the defined-benefit obligation less the fair value of any plan assets. The present value of the defined-benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The present value of the defined-benefit obligation and the related current and past service costs are calculated using the projected unit credit method. The discount rate used is the yield at balance sheet date on high-quality corporate bonds with remaining terms to maturity approximating those of the Group's obligations. In case the fair value of plan assets exceeds the present value of the defined-benefit obligations, the net asset is limited to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The net interest on the net defined-benefit liability/asset is based on the same discount rate. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. Past service cost is the change in the present value of the defined-benefit obligation for employee service in prior periods and resulting in the current period from a plan amendment or a curtailment. Past service costs are recognized immediately through profit or loss. Remeasurements of the net defined-benefit liability (asset) comprise (a) actuarial gains and losses, (b) the return on plan assets, after deduction of the amounts included in net interest on the net defined-benefit liability (asset) and (c) any change in the effect of the asset ceiling, after deduction of any amounts included in net interest on the net defined-benefit liability (asset). Remeasurements are recognized immediately through equity. A settlement is a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined-benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.

In the income statement, current and past service cost, including gains or losses from settlements, are included in the operating result (EBIT), and the net interest on the net defined-benefit liability (asset) is included in interest expense, under interest on interest-bearing provisions. Pre-retirement pensions in Belgium and plans for medical care in the United States are also treated as defined-benefit plans.

Defined-contribution plans

Obligations in respect of contributions to defined-contribution pension plans are recognized as an expense in the income statement as they fall due. By law, defined-contribution pension plans in Belgium are subject to minimum guaranteed rates of return. Before 2015, the defined-contribution plans in Belgium were basically accounted for as defined-contribution plans. New legislation dated December 2015 however triggered the qualification. As a consequence, the defined-contribution plans are reported as defined-benefit obligations, whereby as from year end 2016 an actuarial valuation was performed.

Other long-term employee benefits

Other long-term employee benefits, such as service awards, are accounted for using the projected unit credit method. However, the accounting method differs from the method applied for post-employment benefits, as actuarial gains and losses are recognized immediately through profit or loss.

Share-based payment plans

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled plans allow Group employees to acquire shares of NV Bekaert SA, and include stock option plans ('SOP'), performance share plans ('PSP'), personal shareholding requirement plans ('PSR') and stock grants, all of which are operated in Belgium. Cash-settled plans entitle Group employees to receive payment of cash bonuses based on the price of the Bekaert share on the Euronext stock exchange, and include share appreciation rights ('SAR') and performance share unit plans ('PSU'), all of which are operated outside Belgium.

Equity-settled share-based payments are recognized at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed, with a corresponding increase in equity, on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments granted that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Cash-settled share-based payments are recognized as liabilities over the vesting period at fair value, which is remeasured at each reporting date and at the date of settlement. Changes in fair value are recognized in the income statement over the vesting period, taking into account the number of units or rights expected to vest.

The Group uses binomial models or Monte Carlo simulations to determine the fair value of the share-based payment plans.

Interest-bearing debt

Interest-bearing debt includes loans and borrowings which are initially recognized at the fair value of the consideration received net of transaction costs incurred. In subsequent periods, they are carried at amortized cost using the effective interest-method, any difference between the proceeds (net of transaction costs) and the redemption value being recognized in the income statement over the period of the liability. If financial liabilities are hedged using derivatives qualifying as a fair value hedge, the hedging instruments are carried at fair value and the hedged items are remeasured for fair value changes due to the hedged risk (see accounting policies for derivatives and hedging).

Lease liabilities

Interest-bearing debt also includes the lease liabilities recognized with respect to all lease arrangements in which the Group is the lessee, except for short-term leases and leases of low value assets. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee, under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Trade payables and other current liabilities

Trade payables and other current liabilities, except derivatives, are initially measured at cost, which is the fair value of the consideration payable, and subsequently carried at amortized cost. The Group recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Company.

Income taxes

Income taxes are classified as either current or deferred taxes. Current income taxes include expected tax charges based on the accounting profit for the current year and adjustments to tax charges of prior years. In evaluating the potential income tax liabilities, the Group assumes that the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations. The Group takes into account both the assessments, decisions and verdicts received from tax audits and other kinds of information sources as well as the potential sources of challenge from tax authorities. The Group recognizes a liability when the Group assesses it is not probable for the tax authorities to accept the position that the Group takes regarding the tax treatment in question. The Group measures the income tax liability according to the most likely amount of the potential economic outflow. However, Bekaert continues to believe that its positions on all these audits are robust.

Deferred taxes are calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred taxes are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled, based on tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized; this criterion is reassessed at each balance sheet date. In assessing the recoverability of deferred tax assets, the Group relies on the forecast assumptions used elsewhere in the financial statements and in other management reports. Deferred tax on temporary differences arising on investments in subsidiaries, associates and joint ventures is provided for, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Derivatives, hedging and hedging reserves

The Group uses derivatives to hedge its exposure to foreign-exchange and interest-rate risks arising from operating, financing and investing activities. The net exposure of all subsidiaries is managed on a centralized basis by Group Treasury in accordance with the aims and principles laid down by general management. As a policy, the Group does not engage in speculative or leveraged transactions.

Derivatives are initially and subsequently measured and carried at fair value. The fair value of traded derivatives is equal to their market value. If no market value is available, the fair value is calculated using standard financial valuation models, based upon the relevant market rates at the reporting date.

The Group may apply hedge accounting in accordance with IFRS 9 to reduce income statement volatility. Depending on the nature of the hedged risk, a distinction is made between fair value hedges, cash flow hedges and hedges of a net investment in a foreign entity.

Fair value hedges are hedges of the exposure to variability in the fair value of recognized assets and liabilities. The derivatives classified as fair value hedges are carried at fair value and the related hedged items (assets or liabilities) are remeasured for fair value changes due to the hedged risk. The corresponding changes in fair value are recognized in the income statement. When a hedge ceases to meet the qualifying criteria, hedge accounting is discontinued and the adjustment to the carrying amount of a hedged interest-bearing financial instrument is recognized as income or expense and will be fully amortized over the remaining period to maturity of the hedged item.

Cash flow hedges are hedges of the exposure to variability in future cash flows related to recognized assets or liabilities, highly probable forecast transactions or currency risk on unrecognized firm commitments. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized directly in shareholders' equity (hedging reserve). The ineffective portion is recognized immediately in the income statement. If the hedged cash flow results in the recognition of a non-financial asset or liability, all gains and losses previously recognized directly in equity are transferred from equity and included in the initial measurement of the cost or carrying amount of the asset or liability. For all other cash flow hedges, gains and losses initially recognized in equity are transferred from the hedging reserve to the income statement when the hedged firm commitment or forecast transaction results in the recognition of a profit or loss. When the hedge ceases to meet the qualifying criteria, hedge accounting is discontinued prospectively and the accumulated gain or loss is retained in equity until the committed or forecast transaction occurs. If the forecast transaction is no longer expected to occur, any net cumulative gain or loss previously reported in equity is transferred to the income statement.

If a net investment in a foreign entity is hedged, all gains or losses on the effective portion of the hedging instrument, together with any gains or losses on the foreign-currency translation of the hedged investment, are taken directly to equity. Any gains or losses on the ineffective portion are recognized immediately in the income statement. The cumulative remeasurement gains and losses on the hedging instrument, that had previously been recognized directly in equity, and the gains and losses on the currency translation of the hedged item are recognized in the income statement only on disposal of the investment.

In order to comply with the requirements of IFRS 9 regarding the use of hedge accounting, the strategy and purpose of the hedge, the relationship between the financial instrument used as the hedging instrument and the hedged item and the estimated (prospective) effectiveness are documented by the Group at the inception of the hedge. The effectiveness of existing hedges is monitored on a quarterly basis.

The Group uses derivatives that do not satisfy the hedge accounting criteria of IFRS 9 but provide effective economic hedges under the Group's risk management policies. Changes in the fair value of any such derivatives are recognized immediately in the income statement.

Derivatives embedded in non-derivative host contracts that are not financial assets are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss. The Group identified such embedded derivatives in the virtual power purchase agreements (VPPA).

Virtual Power Purchase Agreements (VPPA)

The embedded derivative is a component of a financial instrument that modifies the cash flows of a host contract in a way similar to a standalone derivative according to a specified interest rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. The valuation of the embedded derivative in the VPPA's is based on a valuation model using a Monte Carlo simulation with Geometric Brownian Motion simulating production output and power prices throughout the term of the VPPA. The valuation technique includes all material inputs that are consistent with the characteristics of the VPPA and that market participants would take into account in setting a transaction price for the embedded derivative in an orderly market transaction. These VPPA contracts include the delivery of Renewable Energy Credits (RECs) for which the valuation is included in the valuation model of the embedded derivative. The RECs received are not accounted for as individual financial assets as the Group applies the 'own use' exemption.

Impairment of assets

Goodwill and intangible assets with an indefinite useful life or not yet available for use (if any) are reviewed for impairment at least annually; other tangible and intangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized in the income statement as and when the carrying amount of an asset exceeds its recoverable amount (being the higher of its fair value less costs of disposal and its value in use). The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal, while value in use is the present value of the future cash flows expected to be derived from an asset. Recoverable amounts are estimated for individual assets or, if this is not possible, for the smallest cash-generating unit to which the assets belong. Reversal of impairment losses recognized in prior years is included as income when there is an indication that the impairment losses recognized for the asset are no longer needed or the need has decreased, except for impairment losses on goodwill, which are never reversed.

2.4. Income statement items

Revenue recognition

The Group recognizes revenue mainly from the sale of products. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue from the sale of products when it transfers control over the corresponding product to a customer. Revenue from the sale of products is recognized at a point in time. Sales are recognized net of sales taxes and discounts. Interest is recognized on a time-proportional basis that reflects the effective yield on the asset. The Group recognizes revenue for a sales-based or usage-based royalty only when (or as) the later of the following events occurs: the subsequent sale or usage occurs; and the performance obligation to which some or all of the sales-based or usage-based royalties has been allocated has been satisfied. Royalties are recognized on an accrual basis in accordance with the terms of agreements and are linked to technology and management support. Dividends are recognized when the shareholder's right to receive payment is established.

2.5. Statement of comprehensive income and statement of changes in equity

The statement of comprehensive income presents an overview of all income and expenses recognized both in the income statement and in equity. In accordance with IAS 1 'Presentation of Financial Statements', an entity can elect to present either a single statement of comprehensive income or two statements, i.e. an income statement immediately followed by a comprehensive income statement. The Group elected to do the latter. A further consequence of presenting a statement of comprehensive income is that the content of the statement of changes in equity is confined to owner-related changes only.

2.6. Alternative performance measures

To analyze the financial performance of the Group, Bekaert consistently uses various non-GAAP metrics or Alternative Performance Measures ('APMs') as defined in the European Securities and Markets Authority's ('ESMA') Guidelines on Alternative Performance Measures. In accordance with these ESMA Guidelines, the definition and reason for use of each of the APMs as well as reconciliation tables are provided in the 'Alternative performance measures' section of the Financial Statements. The main APMs used in the Financial Statements relate to underlying performance measures.

Underlying performance measures

Operating income and expenses that are related to restructuring programs, impairment losses, the initial accounting for business combinations, business disposals, environmental provisions or other events and transactions that have a one-off effect are excluded from Underlying EBIT(DA) measures.

Restructuring programs mainly include lay-off costs, gains and losses on disposal, and impairment losses of assets involved in a shut-down, major reorganization or relocation of operations. When not related to restructuring programs, only impairment losses resulting from testing cash-generating units qualify as one-off effects.

One-off effects from business combinations mainly include: acquisition-related expenses, negative goodwill, gains and losses on step acquisition, and recycling of CTA on the interest previously held. One-off effects from business disposals include gains and losses on the sale of businesses that do not qualify as discontinued operations. These disposed businesses may consist of integral, or parts (disposal groups) of subsidiaries, joint ventures and associates.

Besides environmental provisions, other events or transactions that are not inherent to the business and have a one-off effect mainly include disasters and sales of investment property.

2.7. Miscellaneous

Non-current assets held for sale and discontinued operations

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. A discontinued operation is a component of an entity which the entity has disposed of or which is classified as held for sale, which represents a separate major line of business or geographical area of operations and which can be distinguished operationally and for financial reporting purposes.

For a sale to be highly probable, the entity should be committed to a plan to sell the asset (or disposal group), an active program to locate a buyer and complete the plan should be initiated, and the asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs necessary to make the sale. Any excess of the carrying amount over the fair value less costs to sell is included as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the balance sheet.

Contingencies

Contingent assets are not recognized in the financial statements. They are disclosed if the inflow of economic benefits is probable. Contingent liabilities are not recognized in the financial statements, except if they arise from a business combination. They are disclosed, unless the possibility of a loss is remote.

Events after the balance sheet date;

Events after the balance sheet date which provide additional information about the Company's position as at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the balance sheet date which are not adjusting events are disclosed in the notes if material.

2.8. Restatement effects

The 2021 comparative information has been restated due to:

(a). Attributing benefits to periods of service under IAS 19 'Employee Benefits'

In May 2021, the IFRS Interpretations Committee finalized an agenda decision about the periods of service to which an entity attributes benefit for a particular defined benefit plan. Under the terms of the plan, employees are entitled to a lump sum benefit payment when they reach a specified retirement age provided they are employed by the entity when they reach that retirement age; and the amount of the retirement benefit to which an employee is entitled depends on the length of employee service with the entity before the retirement age and is capped at a specified number of consecutive years of service.

IAS 19 requires an entity to attribute benefit to periods of service under the plan's benefit formula from the date when employee service first leads to benefits under the plan until the date when further employee service will lead to no material amount of further benefits under the plan. An entity is required to attribute benefit to periods in which the obligation to provide post-employment benefits arise. The obligation arises as employees render services in return for post-employment benefits an entity expects to pay in future reporting periods. The agenda decision specifies that employee service before the vesting date gives rise to a constructive obligation because, at the end of each successive reporting period, the amount of future service an employee will have to render before becoming entitled to the benefit is reduced.

The defined benefit liabilities at year end 2021 have been restated for Indonesia to reflect the impact of the May 2021 IFRIC agenda decision on the attribution of benefits to periods of service. This change affected both the defined-benefit obligation (€ 1.6 million decrease) and benefit expense level.

(b). Reclassification of implementation and customization costs linked to cloud computing arrangements

In April 2021, the IFRS Interpretation Committee published an agenda decision on the clarification of accounting for the costs of configuring or customizing the supplier's application software in a SaaS arrangement that is determined to be a service contract.

The Group previously capitalized costs incurred in configuring or customizing a supplier's application software in a cloud-based computing arrangement as intangible assets as the Group considered that it would benefit form those costs over the life of the asset.

Due to the nature of this agenda decision and the level of spend incurred in relation to the Groups' Digital Transformation, the Group has reviewed its accounting policy to align with the IFRIC guidance issued in relation to Software-as-a-service (SaaS) costs previously capitalized. The Group will only recognize costs as intangible assets if the configuration or customization activities create an intangible asset that the Group controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible asses are expensed as incurred. The revision to the accounting policy has been accounted for retrospectively resulting in a prior year restatement. The restatement affects the balance sheet in NV Bekaert, where € 4.1 million is reclassified from intangible assets into IT costs in the income statement.

For the purpose of this annual report, the reclassifications and restatement effects are not presented on the face of the other financial statements. They are summarized below in a concise format and referenced to one of the above restatement elements (a or b) where appropriate.

Consolidated income statement in thousands of € - Year ended 31 December	2021 as published	2021 restatement	2021 as restated
Administrative expenses (b)	-161 090	-4 113	-165 203
Other operating revenues (a)	62 940	1 617	64 556
Operating result (EBIT)	513 086	-2 497	510 589
EBIT - Underlying (a+b)	514 617	-2 497	512 121
Result before taxes	476 296	-2 497	473 799
Income taxes (a+b)	-133 296	-418	-133 714
Result after taxes (consolidated companies)	343 000	-2 915	340 085
RESULT FOR THE PERIOD	450 620	-2 915	447 705
Attributable to			
the Group	406 977	-2 915	404 062
non-controlling interests	43 643	–	43 643

Earnings per share in thousand of €	2021 as published	2021 restatement	2021 as restated
Result for the period attributable to the Group			
Basic	7.14	-0.05	7.09
Diluted	7.06	-0.05	7.01

Consolidated statement of comprehensive income in thousands of € - Year ended 31 December	2021 as published	2021 restatement	2021 as restated
Result for the period	450 620	-2 915	447 705
Other comprehensive income (OCI)			
Other comprehensive income reclassifable to income statement in subsequent periods			
Exchange differences arising during the year (a)	91 161	56	91 217
OCI reclassifiable to income statement in subsequent periods, after tax	88 173	56	88 229
Other comprehensive income for the period	137 909	56	137 965
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	588 529	-2 859	585 670
Attributable to			
the Group	545 660	-2 859	542 801
non-controlling interests	42 869	–	42 869

Assets as at 31 December in thousands of €	2021 as published	2021 restatement	2021 as restated
Non-current assets			
Intangible assets (b)	61 440	-4 113	57 326
Deferred tax assets (a + b)	119 599	-355	119 244
Total	**4 843 756**	**-4 468**	**4 839 288**

Equity and liabilities as at 31 December in thousands of €	2021 as published	2021 restatement	2021 as restated
Retained earnings (a+b)	1 984 791	-2 915	1 981 876
Other Group reserves (a)	-232 012	56	-231 957
Equity attributable to the Group	**1 969 551**	**-2 859**	**1 966 692**
Non Current liabilities	**1 107**	**-2**	**1 106**
Employee benefit obligations (a)	77 659	-1 688	75 971
Deferred tax liabilities (a + b)	51 979	79	52 059
Total	**4 843 756**	**-4 468**	**4 839 288**

Consolidated cash flow statement in thousands of € - Year ended 31 December	2021 as published	2021 restatement	2021 as restated
Operating activities			
Operating result (EBIT) (a + b)	513 086	-2 497	510 589
Non-cash items included in operating result (a)	190 222	-1 617	188 605
Gross cash flows from operating activities	**536 997**	**-4 113**	**532 884**

Consolidated statement of changes in equity in thousands of € - Year ended 31 December	2021 as published	2021 restatement	2021 as restated
Opening statement			
Total comprehensive income for the period	588 529	-2 859	585 670
Closing balance	**2 100 522**	**-2 859**	**2 097 663**

3. Significant accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These judgments, estimates and assumptions are reviewed on an ongoing basis.

3.1. Significant judgements in applying the entity's accounting policies

The following are the significant judgements made by management, apart from those involving estimations (see note 3.2. 'Key sources of estimation uncertainty' below), that have a significant effect on the amounts reported in the consolidated financial statements.

- Management assessed that a constructive obligation exists in Belgium to provide pre-retirement schemes for employees as from the first day of service (see note 6.16. 'Employee benefit obligations') and therefore these pre-retirement schemes are treated as defined-benefit plans using the projected unit credit method. The obligation amounted to € 6.3 million (2021: € 8.0 million).
- Management concluded that the criteria for capitalization were not met and hence recognized development expenditure through profit or loss.
- When management incurs implementation and customization costs when entering into cloud computing arrangements, management makes judgments to determine which costs can be recognized as intangible asset. Management first assess if the arrangement provides a resource it can control. When making this judgment, it considers the IFRS Interpretation Committee (IFRIC) agenda decision of March 2019 on Customer's Right to Receive Access to the Supplier's Software Hosted on the Cloud. Thereafter, it assess which fees and implementation costs can be capitalized, Management considered the IFRS Interpretation Committee (IFRIC) agenda decision of April 2021 on the clarification of accounting in relation to these costs.
- Management makes judgments in defining the functional currency of Group entities based on economic substance of the transactions relevant to these entities. By default the functional currency is the one of the country in which the entity is operating. See note 7.7. 'Subsidiaries, joint ventures and associates' for a comprehensive list of entities and their functional currency.
- Management assessed that it is controlling the Venezuelan subsidiaries. In spite of the political and monetary instability, management was able to keep the company operational and hence concluded that it is in control. The US dollar is the functional currency and as from May 2019, banks can act as intermediaries in foreign currency transactions through 'exchange tables', a measure that makes the exchange control that operated since 2003 and that gave the State a monopoly in currency management, more flexible. At year-end 2022, the cumulative translation adjustments ('CTA') amount to € -59.6 million, which - in case of loss of control - would be recycled to income statement. Apart from the CTA, the contribution of the Venezuelan operations to the consolidated accounts is immaterial.

- Deferred tax assets were recognized to the extent that it was probable that future taxable profits would be available, taking into account all evidence, both positive and negative. This assessment was done using prudent estimates based on the business plan for the entity concerned, typically using a five year time horizon. In some countries, deferred tax assets on capital losses, trade losses and tax credits were recognized to the extent of uncertain tax provisions recognized, in order to reflect that some tax audit adjustments would result in an adjustment of the amount of tax losses rather than in a tax cash-out for the entity concerned.

3.2. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and the other key sources of estimation uncertainty at the end of the reporting period that have a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

- Management performed the annual impairment test on the goodwill related to BBRG on the basis of the latest business plan. Following the realized turnaround performance of the business in 2020, headroom has become very solid, reducing the likelihood of an impairment loss (see note 6.2. 'Goodwill').
- Impairment analyses are based upon assumptions such as market evolution, margin evolution and discount rates. The ability of an entity to pass on changes in raw material prices to its customers (either through contractual arrangements or through commercial negotiations) is included in the margin evolution assumption. Sensitivity analyses for reasonable changes in these assumptions are presented as part of note 6.2. 'Goodwill'.
- Given its global presence, Bekaert is exposed to tax risks in many jurisdictions. On the one hand, the application of tax law in the different jurisdictions can be complex and requires judgement to assess risk and estimate outcomes, which is a major source of uncertainty. On the other hand, tax authorities of the jurisdictions conduct regular tax audits that may reveal potential tax issues. As the tax audits can take many years to resolve, this further adds to the uncertainty. While the outcome of such tax audits is not certain, Bekaert has considered the merits of its filing positions of the matters subject to each tax audit in an overall evaluation of potential tax liabilities, and concludes that the Group has adequate liabilities recorded in its consolidated financial statements for exposures on these matters. Accordingly, Bekaert considers it unlikely that potential tax exposures over and above the amounts currently recorded as liabilities in the consolidated financial statements will be material to its financial condition. Both the timing and the position taken by the tax authorities in the different jurisdictions give rise to uncertainty and can result in an adjustment to the carrying amounts of income tax payable related to uncertain tax positions within the next financial year. At year-end 2022 Bekaert has uncertain tax positions recognized as income taxes payable amounting to € 43.8 million (2021: € 38.9 million). See note 6.21. 'Tax positions'.

3.3. Impact of macro-economic environment, climate and Russia

Impact of the macroeconomic environment

The evolution in the macroeconomic environment has affected businesses all over the world. The Group has identified the risks linked to these evolutions and has implemented mitigating actions, as described in the Corporate Governance Statements - chapter 'General internal control and ERM' of this report.

Increasing risks arising from demand impact and inflationary cost pressure from economic crises as well as impacts on discount rates

Impactful demand changes can affect sectors that are relevant to Bekaert. A crisis or recession can lead to a demand decline driven by weak consumer confidence and postponed investments. The resulting upstream and downstream overcapacity can lead to price erosion across the supply chain. To mitigate these risks, Bekaert implements measures to be cost-competitive, to flex costs, and to pass on cost inflation.

The measures to flex costs and pass on cost inflation are reflected in the 2022 financials. In 2022 there were significant increases to the costs of the Group's raw materials, principally wire rod, and to its energy costs. (see note 5.3. Operating result (EBIT) by nature). All business units responded well to these challenges with pass through of increases in costs. The underlying EBIT bridge demonstrates that the positive price and mix impact was driven by further business-mix improvements and strong pricing discipline, which more than offset the adverse effects of lower sales volumes and higher conversion cash costs from the under-absorption of fixed overheads. (see note 5.2. Operating result (EBIT) by function and press release related to the 2022 Full Year financial statements).

In the valuation of the Group's defined-benefit plans, the principal actuarial assumptions are also influenced by the macroeconomic evolution. The details of those valuations are included in note 6.16. 'Employee benefit obligations'. Changes recognized in equity amounted to € -3.4 million and were driven by € 97.3 million loss on plan assets reflecting negative asset return, offset by € 100.7 million gains in defined benefit obligation. The latter can be broken down into € 119.0 million gains due to changes in financial assumptions reflecting increased discount rates and increased inflation assumption, € 1.9 million losses due to changes in demographic assumptions and € 16.4 million losses in liabilities due to experience adjustments.

Impact of climate changes and environmental footprint

In order to support the market and technology positioning in green energy markets, Bekaert has concluded partnerships in 2022 that are improving market access and our technology positions in high growth sectors (see note 6.6. Other non-current assets). These included:

- a partnership with Pajarito Powder (US) to accelerate the development of spearheading innovations in the market of green hydrogen production
- a partnership with TFI Marine (Ireland) to accelerate the go-to-market of digital-enabled mooring solutions for floating offshore wind farms

The Group has also signed Virtual Power Purchase Agreements (see note 7.2. Financial risk management and financial instruments) in the US and India and is installing a solar park in Burgos, Spain, to help reduce and offset its carbon greenhouse emissions.

The Group also invested in capital expenditure in 2022 supporting environmental sustainable activities (see note 6.3. Property, plant and equipment as well as the chapter 'EU Taxonomy Key Performance Indicators' in the Environmental Statements).

Impact of the conflict in Ukraine

Since the outbreak of conflict in Ukraine, we have significantly scaled back business activities in and with Russia. The presence of Bekaert in Russia includes a manufacturing plant (Lipetsk) and a sales office (Moscow), mainly operating for the Rubber Reinforcement segment. Most of the activities are 'local for local' (local sourcing and production and domestic sales). The financials of the Lipetsk plant in Russia are included in the consolidated financial statements of 2022. The ongoing conflict is a clear impairment indicator, and as such the Group has performed an impairment test at year-end under value in use. Based on the outcome of the impairment test, the Group has taken the decision to fully impair the fixed assets (see note 6.3. Property, Plant and Equipment). We are therefore taking in 2022 a non-cash exceptional charge of € 55 million in the result (see note 5.2. Operating result (EBIT) by function).

At 31 December 2022, there remained consolidated current assets of € 26 million and consolidated liabilities of € 3 million in relation to activities in the Lipetsk plant. Lipetsk also has an intercompany debt position towards partners within the Group of € 35 million as well as net intercompany liabilities of € 12 million.

We continue to monitor the potential impact of applicable sanctions or restrictions, on our Russian entity. The contribution of the Russian entities is approximately 1.1% of the Group total. Our exposure against the Russian Ruble is presented in note 7.2.'Financial risk management and financial derivatives'. Our cumulative currency translation adjustments on the Russian Ruble are presented in note 6.14.'Retained earnings and other Group reserves'.

4. Segment reporting

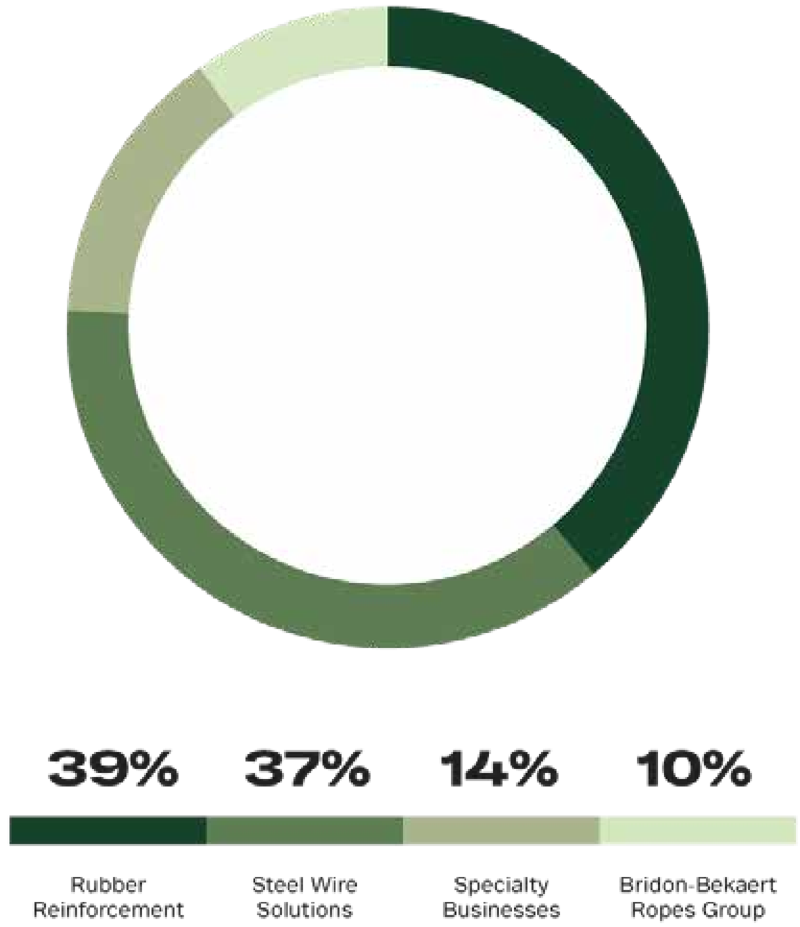
Transforming steel wire and applying unique coating technologies form our core business. Depending on our customers' requirements, we draw wire in different diameters and strengths, even as thin as ultrafine fibers of one micron. We group the wires into cords, ropes and strands, weave or knit them into fabric, or process them into an end product. The coatings we apply reduce friction, improve corrosion resistance, or enhance adhesion with other materials. We also develop products and solutions that are made of other metals and materials. This is part of our strategy to drive creativity beyond steel.

Bekaert uses a business segmentation to evaluate the nature and financial performance of the business as a whole, in line with the way financial performance is reported to the chief operating decision maker (Bekaert Group Executive (BGE)). The Group's business units (BU) are characterized by BU-specific product and market profiles, industry trends, cost drivers, and technology needs tailored to specific industry requirements. More information on the segments can be found in the part 'About us' of this report.

The following four business units are presented:

1. Rubber Reinforcement (RR): 39% of consolidated third party sales (2021: 42%)
2. Steel Wire Solutions (SWS): 37% of consolidated third party sales (2021: 38%)
3. Specialty Businesses (SB): 14% of consolidated third party sales (2021: 10%)
4. Bridon-Bekaert Ropes Group (BBRG): 10% of consolidated third party sales (2021: 10%)

No segments have been aggregated.



4.1. Key data by reporting segment

Capital employed elements (intangible assets, goodwill, property, plant and equipment, RoU property, plant and equipment and the elements of the operating working capital) are allocated to the various segments. All other assets and liabilities are reported as unallocated assets or liabilities. ‘Group’ mainly consists of the functional units innovation & technology, engineering and unallocated expenses for group management and services; it does not constitute a reportable segment in itself. Any sales between segments are transacted at prices which reflect the arm’s length principle. Intersegment mainly includes eliminations of receivables and payables, of sales and of margin on transfers of inventory items and of PP&E and related adjustments to depreciation and amortization.

No other material reporting items then the ones mentioned below are provided to the chief operating decision maker.

2021 as reported

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Intersegment	Consolidated
Consolidated third party sales	2 054 155	1 818 504	475 661	481 000	10 339	–	4 839 659
Consolidated sales	2 090 259	1 856 998	488 129	483 165	94 227	-173 118	4 839 659
Operating result (EBIT)	**245 783**	**212 860**	**71 112**	**36 263**	**-54 572**	**1 640**	**513 086**
EBIT - Underlying	247 371	209 330	71 872	45 050	-60 692	1 686	514 617
Depreciation and amortization [2]	96 480	38 488	8 511	28 077	4 284	-10 067	165 774
Impairment losses	79	-1 535	45	–	-107	–	-1 518
EBITDA	**342 342**	**249 813**	**79 668**	**64 340**	**-50 394**	**-8 426**	**677 342**
Segment assets	1 642 685	1 141 109	350 997	579 047	-35 946	-146 702	3 531 190
Unallocated assets							1 312 566
Total assets							**4 843 756**
Segment liabilities	436 168	517 914	120 461	135 824	119 644	-74 383	1 255 628
Unallocated liabilities							1 487 606
Total liabilities							**2 743 234**
Capital employed	1 206 517	623 195	230 536	443 223	-155 590	-72 319	2 275 562
Weighted average capital employed	1 150 373	559 338	224 152	433 278	-123 646	-74 465	2 169 030
Return on weighted average capital employed (ROCE)	21.4%	38.1%	31.7%	8.4%	–	–	23.7%
Capital expenditure – PP&E	58 392	42 907	17 944	40 160	1 735	-7 835	153 302
Capital expenditure – intangible assets	465	1 752	76	111	10 809	-360	12 852
Share in the results of joint ventures and associates	8 701	98 924	–	–	-6	–	107 619
Investments in joint ventures and associates	49 977	138 670	–	–	13	–	188 661
Number of employees (year-end) [1]	12 437	6 121	1 534	2 287	1 130	–	23 509

2021 redefined [3]

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Intersegment	Consolidated
Consolidated third party sales [4]	2 054 155	1 818 504	475 661	481 000	10 339	–	4 839 659
Consolidated sales	2 090 259	1 856 998	488 129	483 165	94 227	-173 118	4 839 659
Operating result (EBIT)	**247 175**	**213 012**	**71 112**	**36 336**	**-58 685**	**1 640**	**510 589**
EBIT - Underlying	248 764	209 481	71 872	45 122	-64 805	1 686	512 121
Depreciation and amortization [2]	96 480	38 488	8 511	28 077	4 284	-10 067	165 774
Impairment losses	79	-1 535	45	–	-107	–	-1 518
EBITDA	**343 734**	**249 965**	**79 668**	**64 413**	**-54 508**	**-8 426**	**674 845**
Segment assets	1 642 685	1 141 109	350 997	579 047	-40 059	-146 702	3 527 077
Unallocated assets							1 312 212
Total assets							**4 839 288**
Segment liabilities	436 168	517 914	120 461	135 824	119 644	-74 383	1 255 628
Unallocated liabilities							1 485 997
Total liabilities							**2 741 625**
Capital employed	1 206 517	623 195	230 536	443 223	-159 703	-72 319	2 271 449
Weighted average capital employed	1 150 373	559 338	224 152	433 278	-125 703	-74 465	2 166 973
Return on weighted average capital employed (ROCE)	21.5%	38.1%	31.7%	8.4%	–	–	23.6%
Capital expenditure – PP&E	58 392	42 907	17 944	40 160	1 735	-7 835	153 302
Capital expenditure – intangible assets	465	1 752	76	111	6 695	-360	8 739
Share in the results of joint ventures and associates	8 701	98 924	–	–	-6	–	107 619
Investments in joint ventures and associates	49 977	138 670	–	–	13	–	188 661
Number of employees (year-end) [1]	12 437	6 121	1 534	2 287	1 130	–	23 509

2022

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Intersegment	Consolidated
Consolidated third party sales	2 197 607	2 081 592	766 472	584 702	21 417	–	5 651 790
Consolidated sales	2 228 682	2 137 571	788 242	588 819	118 857	-210 380	5 651 790
Operating result (EBIT)	**110 776**	**146 563**	**130 986**	**38 744**	**-67 234**	**5 918**	**365 754**
EBIT - Underlying	178 665	148 083	131 766	60 418	-61 552	1 183	458 563
Depreciation and amortization [2]	91 038	48 666	22 171	42 745	7 881	-9 706	202 795
Impairment losses	59 050	830	120	2 669	–	-4 735	57 934
EBITDA	**260 865**	**196 059**	**153 277**	**84 158**	**-59 353**	**-8 522**	**626 483**
Segment assets	1 495 373	1 114 525	470 005	628 577	-54 894	-141 886	3 511 700
Unallocated assets							1 317 613
Total assets							**4 829 313**
Segment liabilities	376 208	387 217	142 568	137 694	109 613	-74 980	1 078 320
Unallocated liabilities							1 521 437
Total liabilities							**2 599 757**
Capital employed	1 119 165	727 308	327 437	490 883	-164 508	-66 906	2 433 380
Weighted average capital employed	1 146 926	675 960	295 100	467 986	-161 860	-69 776	2 354 337
Return on weighted average capital employed (ROCE)	9.7%	21.7%	44.4%	8.3%	–	–	15.5%
Capital expenditure – PP&E	74 823	45 714	23 648	33 740	3 171	-10 493	170 603
Capital expenditure – intangible assets	397	128	459	4	14 260	-311	14 937
Share in the results of joint ventures and associates	-217	54 481	–	–	-7	–	54 257
Investments in joint ventures and associates	54 880	167 749	–	–	-744	–	221 886
Number of employees (year-end) [1]	11 491	6 310	2 133	2 421	1 196	–	23 551

[1] Number of employees: full-time equivalents.
[2] Depreciation and amortization included write-downs / (reversals of write-downs) on inventories and trade receivables.
[3] See note 2.8. 'Restatement effects'.
[4] The hose and conveyor belt (HCB) activities were moved from the business unit Rubber Reinforcement to the business unit Specialty Businesses as from 1 January 2022 resulting in impact of the year-on-year growth indicators. Pro forma revenue growth of Specialty Businesses excluding the HCB effect was approximately +30%. The HCB activities generated € 115 million in sales for the total of fiscal year 2021 and represented 5% of the Rubber Reinforcement's total sales and 25% for Specialty Business. Other KPI's impacted by the change of these activities are limited. No restatements of 2021 were disclosed in the segment table.

4.2. Revenue by country

The table below shows the relative importance of Belgium (i.e. the country of domicile), Chile, China, the USA and Slovakia for Bekaert in terms of revenues and selected non-current assets (i.e. intangible assets; goodwill; property, plant and equipment; RoU property, plant and equipment; investments in joint ventures and associates).

in thousands of €	2021	% of total	2022	% of total
Consolidated third party sales				
from Belgium	372 886	8%	497 830	9%
from Chile	537 994	11%	531 096	9%
from China	980 016	20%	847 094	15%
from USA	685 071	14%	1 032 090	18%
from Slovakia	419 273	9%	540 821	10%
from other countries	1 844 419	38%	2 202 859	39%
Total third party consolidated sales	**4 839 659**	**100%**	**5 651 790**	**100%**
Selected non-current assets				
in Belgium [1]	118 355	7%	126 717	7%
in Chile	79 059	4%	87 449	5%
in China	315 190	18%	300 300	17%
in USA	151 264	8%	166 967	9%
in Slovakia	125 848	7%	126 725	7%
in other countries	992 874	56%	997 235	55%
Total selected non-current assets [1]	**1 782 591**	**100%**	**1 805 393**	**100%**

[1] *See note 2.8. 'Restatement effects'.*

Bekaert's top 5 customers together represented 21% (2021: 21%) of the Group's total consolidated sales, while the next top 5 customers represented another 5% (2021: 8%) of the Group's total consolidated sales. No individual customer contributed 10% to consolidated sales.

5. Income statement items

5.1. Net sales

The Group recognizes revenue from the following sources: delivery of products and, to a limited extent, of services and projects. Bekaert assessed that the delivery of products represents the main performance obligation. The Group recognizes revenue at a point in time when it transfers control over a product to a customer. Customers obtain control when the products are delivered (based on the related inco terms in place). The amount of revenue recognized is adjusted for variable compensation such as volume discounts. No adjustment is made for returns nor for warranty as the impact is deemed immaterial based on historical information.

Disaggregating revenue by timing of revenue recognition, i.e. at a point in time vs over time (as is customary for engineering activities) does not add much value, as sales of machines to third parties contribute very little to total sales.

in thousands of €	2021	% of total	2022	% of total
Sales of products	4 836 089	99.9%	5 641 267	99.8%
Sales of machines by engineering	3 449	0.1%	10 202	0.2%
Other sales	122	0.0%	321	0.0%
Net sales	**4 839 659**	**100.0%**	**5 651 790**	**100.0%**

In the following table, net sales is disaggregated by industry including a reconciliation of the net sales by industry with the Group's operating segments (see note 4.1. 'Key data by reporting segment'). This analysis is also often presented in press releases, shareholders' guides and other presentations.

2021

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Consolidated
Industry						
Tire & Automotive	*1 932 457*	*168 775*	*34 114*	*8 538*	–	*2 143 884*
Energy & Utilities	*236*	*233 581*	*23 343*	*82 404*	–	*339 563*
Construction	*11*	*568 665*	*349 639*	*68 914*	–	*987 229*
Consumer Goods	–	*135 793*	*4 335*	–	–	*140 128*
Agriculture	–	*310 871*	–	*40 084*	–	*350 955*
Equipment	*111 002*	*96 451*	*3 601*	*144 506*	*10 339*	*365 898*
Basic Materials	*10 450*	*304 370*	*60 628*	*136 555*	–	*512 002*
Total	**2 054 155**	**1 818 504**	**475 661**	**481 000**	**10 339**	**4 839 659**

2022

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Consolidated
Industry						
Tire & Automotive	*2 195 338*	*135 542*	*39 170*	*9 817*	–	*2 379 867*
Energy & Utilities	*785*	*342 535*	*30 868*	*111 371*	–	*485 559*
Construction	–	*640 971*	*457 656*	*76 398*	–	*1 175 025*
Consumer Goods	–	*124 880*	*4 130*	–	–	*129 010*
Agriculture	–	*367 459*	–	*42 172*	–	*409 631*
Equipment	–	*128 670*	*136 401*	*163 231*	*21 417*	*449 719*
Basic Materials	*1 482*	*341 537*	*98 247*	*181 713*	–	*622 979*
Total	**2 197 605**	**2 081 594**	**766 472**	**584 702**	**21 417**	**5 651 790**

5.2. Operating result (EBIT) by function

Sales and gross profit

in thousands of €	2021	2022	variance (%)
Sales	4 839 659	5 651 790	16.8%
Cost of sales	-3 953 752	-4 879 310	23.4%
Gross profit	**885 907**	**772 479**	**-12.8%**
Gross profit in % of sales	18.3%	13.7%	

Bekaert achieved consolidated sales of € 5.7 billion in 2022, an increase of 16.8% compared to 2021, a result of responding quickly to the economic challenges and high cost inflation with product price rises. The organic sales increase (11.8%) was driven by increased wire rod prices (10.5%) and other price-mix effects for the full year (10.1%), partially offset by a decrease in volumes (-8.8%). The currency movements were 5% positive (mainly related to movements in US dollar and Chinese renminbi).

Gross profit of the Group decreased by € 113.4 million in absolute terms (-12.8%), resulting in a margin of 13.7% (2021: 18.3%). This was due to the decline in volumes in combination with high inflation and higher costs for utilities and materials. The decrease has partially been compensated by increasing product prices to the customers.

Overheads

in thousands of €	2021	2022	variance (%)
Selling expenses	-186 239	-205 938	10.6%
Administrative expenses[1]	-165 204	-160 472	-2.9%
Research and development expenses	-59 537	-62 315	4.7%
Total	**-410 980**	**-428 725**	**4.3%**

[1] *See note 2.8 'Restatement effects'*

The overhead expenses increased by € 17.7 million to € 428.7 million (7.6% on sales). The increase in absolute value was mainly due to negative FX impact of € -10.5 million (mainly related to negative exchange results in US dollar and Chinese renminbi), and higher expenses on IT projects, as a result of the digital transformation. The one-off impact from restructuring programs on overheads increased by € 5.3 million and mainly related to lay-off costs.

In 2022, selling expenses included bad debt allowances recognized for € -6.0 million (2021: € -3.0 million) and reversal of bad debt allowances for amounts used and not used for € 8.0 million (2021: € 4.4 million).

Other operating revenues

in thousands of €	2021	2022	variance
Royalties received	15 209	18 673	3 464
Gains on disposal of PP&E and intangible assets	8 458	12 340	3 883
Realized exchange results on sales and purchases	1 237	–	-1 237
Tax rebates	429	26	-403
Government grants	1 039	2 631	1 592
Compensations received for claims	2 855	2 345	-510
Restructuring[1]	23 304	1 515	-21 789
Environmental	148	100	-48
Other revenues[2]	11 876	10 217	-1 659
Total	**64 556**	**47 848**	**-16 709**

[1] *Mainly relates to disposal of PP&E*
[2] *See note 2.8. 'Restatement effects'*

Other operating expenses

in thousands of €	2021	2022	variance
Royalties paid	-1 012	-951	62
Losses on disposal of PP&E and intangible assets	-1 375	-760	615
Amortization of intangible assets	-1 512	-1 500	12
Bank charges	-2 776	-3 660	-884
Tax related expenses (other than income taxes)	-2 639	-3 841	-1 202
Impairment losses	-278	-857	-579
Restructuring	-12 379	-5 932	6 447
Environmental	-37	-1 225	-1 187
Losses on business disposals	-170	-210	-40
Other expenses	-6 716	-6 912	-196
Total	**-28 894**	**-25 848**	**3 046**

The royalty income increased with 23% due to higher sales. Government grants mainly related to subsidies in China. There are no indications that the conditions attached to those grants will not be complied with in the future and therefore it is not expected that subsidies may have to be refunded.

The gain on the disposal of PP&E and intangible assets contained in 2022 the revenues from the sale of assets not included in restructuring programs, primarily in the UK.

Due to a change in presentation the group no longer shows realized exchange results on sales and purchases as a separate line in the other operating revenues. The impact is now shown in cost of sales.

In 2022 'Restructuring - revenues' mainly consists of the gain from the sales of land and buildings following plant closures due to restructuring. 'Restructuring - expenses' on the other hand includes part of the cost (lay-off costs) related to restructuring programs and plant closures.

In 2021 'Restructuring - revenues' mainly consists of the gain from the sales of land and buildings following plant closures due to restructuring. Additional impact coming from the reversals of write-downs on inventories and impairment losses on intangibles and PP&E. 'Restructuring - expenses' on the other hand includes part of the cost (lay-off costs and impairment) related to restructuring programs and plant closures.

The impairment losses in 2022 are mainly for assets the United States as a result of the closure of plants.

The environmental costs in 2022 are mainly to the building remediation project in Rome (US) and environmental provisions related to the closure of the Figline plant (Italy).

The other section of other operating revenues included in 2022 and in 2021 CTA impact on business disposals.

The following tables reconcile reported and underlying results and present an analysis of one-off items by category (as defined in note 2.6. 'Alternative performance measures'), operating segment and income statement line item.

EBIT Reported and Underlying	**2021**			**2022**		
in thousands of €	**reported**	**of which underlying**	**of which one-offs**	**reported**	**of which underlying**	**of which one-offs**
Sales	4 839 659	4 839 659	–	5 651 790	5 651 790	–
Cost of sales	-3 953 752	-3 936 874	-16 878	-4 879 310	-4 795 329	-83 981
Gross profit	**885 907**	**902 785**	**-16 878**	**772 479**	**856 460**	**-83 981**
Selling expenses	-186 239	-186 017	-222	-205 938	-204 858	-1 080
Administrative expenses[1]	-165 204	-166 574	1 370	-160 472	-157 414	-3 059
Research and development expenses	-59 537	-59 440	-97	-62 315	-62 139	-176
Other operating revenues[1]	64 556	37 745	26 812	47 848	45 204	2 643
Other operating expenses	-28 894	-16 377	-12 517	-25 848	-18 691	-7 157
Operating result (EBIT)	**510 589**	**512 121**	**-1 531**	**365 754**	**458 563**	**-92 810**

[1] *See note 2.8 'Restatement effects'*

One-off items 2021

in thousands of €	Cost of Sales	Selling expenses	Administrative expenses	R&D	Other operating revenues	Other operating expenses	Total
Restructuring programs by segment							
Rubber Reinforcement [1]	-1 749	356	-25	-171	–	–	-1 588
Steel Wire Solutions [2]	-2 105	-185	-138	-771	11 035	-4 246	3 589
Specialty Businesses [3]	476	-733	-49	5	276	-331	-356
Bridon-Bekaert Ropes Group (BBRG) [4]	-10 344	34	36	–	11 493	-7 617	-6 399
Group [5]	-391	476	1 639	868	547	-184	2 955
Intersegment	–	–	–	–	-46	–	-46
Total restructuring programs	**-14 114**	**-52**	**1 464**	**-69**	**23 304**	**-12 379**	**-1 845**
Business disposals							
Group [6]	–	-170	–	–	–	–	-170
Total business disposals	**–**	**-170**	**–**	**–**	**–**	**–**	**-170**
Environmental provisions/(reversals of provisions)							
Bridon-Bekaert Ropes Group (BBRG) [4]	-2 360	–	–	-28	–	–	-2 388
Group	–	–	–	–	148	-37	111
Total environmental provisions/(reversals)	**-2 360**	**–**	**–**	**-28**	**148**	**-37**	**-2 277**
Other events and transactions							
Steel Wire Solutions	–	–	-59	–	–	–	-59
Specialty Businesses	-405	–	–	–	–	–	-405
Group [7]	–	–	-35	–	3 359	-100	3 224
Total other events and transactions	**-405**	**–**	**-93**	**–**	**3 359**	**-100**	**2 761**
Total	**-16 878**	**-222**	**1 370**	**-97**	**26 812**	**-12 517**	**-1 531**

[1] Related mainly to the closure of the Figline plant (Italy) and retirement plans in Spain and Italy.
[2] Related mainly to the restructuring revenues and expenses in North America and revenues in Malaysia.
[3] Related mainly to the restructuring in Combustion Technologies and Sawing Wire.
[4] Related mainly to the restructuring in Canada.
[5] Related mainly to the restructuring in Belgium.
[6] Contractual liability indemnification related to previous divestments.
[7] Related mainly to the liquidation of a company in China and Costa Rica.

One-off items 2022

in thousands of €	Cost of Sales	Selling expenses	Administrative expenses	R&D	Other operating revenues	Other operating expenses	Total
Restructuring programs by segment							
Rubber Reinforcement [1]	-4 489	-208	-644	–	–	-2 413	-7 753
Steel Wire Solutions [2]	-1 506	57	-246	–	199	-23	-1 519
Specialty Businesses [3]	-267	–	-165	-85	–	-195	-712
Bridon-Bekaert Ropes Group (BBRG) [4]	-22 421	-262	-80	-15	758	-127	-22 148
Group [5]	-673	-458	-1 415	-77	558	-3 174	-5 239
Total restructuring programs	**-29 356**	**-870**	**-2 551**	**-176**	**1 515**	**-5 932**	**-37 371**
Impairment losses/(reversals of impairment losses) other than restructuring							
Rubber Reinforcement [6]	-59 035	–	–	–	–	–	-59 035
Specialty Businesses [6]	-324	–	–	–	–	–	-324
Intersegment [6]	4 735	–	–	–	–	–	4 735
Total other impairment losses/(reversals)	**-54 624**	**–**	**–**	**–**	**–**	**–**	**-54 624**
Business disposals							
Group [7]	–	-210	–	–	–	–	-210
Total business disposals	**–**	**-210**	**–**	**–**	**–**	**–**	**-210**
Environmental provisions/(reversals of provisions)							
Rubber Reinforcement [1]	–	–	–	–	–	-1 100	-1 100
Group	–	–	–	–	100	-125	-25
Total environmental provisions/(reversals)	**–**	**–**	**–**	**–**	**100**	**-1 225**	**-1 125**
Other events and transactions							
Specialty Businesses	–	–	–	–	256	–	256
Bridon-Bekaert Ropes Group (BBRG) [8]	–	–	–	–	474	–	474
Group	–	–	-507	–	298	–	-209
Total other events and transactions	**–**	**–**	**-508**	**–**	**1 028**	**–**	**521**
Total	**-83 981**	**-1 080**	**-3 059**	**-176**	**2 643**	**-7 157**	**-92 810**

[1] Related mainly to the closure of the Figline plant (Italy) and the building remediation project in Rome, US; environmental provisions related to the closure of the Figline plant (Italy).
[2] Related mainly to lay-off costs in Latin America.
[3] Related mainly to lay-off costs in Bekaert Combustion Technology BV (Netherlands).
[4] Related mainly to the restructuring in Germany.
[5] Related mainly to the restructuring in Belgium.
[6] Related to the plant in Russia.
[7] Contractual liability indemnification related to previous divestments.
[8] Gain on step acquisition: VisionTek Egineering Srl (Italy).

5.3. Operating result (EBIT) by nature

The table below provides information on the major items contributing to the operating result (EBIT), categorized by nature.

in thousands of €	2021	% on sales	2022	% on sales
Sales	4 839 659	100%	5 651 790	100%
Other operating revenues[1]	64 556	–	47 848	–
Total operating revenues	**4 904 215**	**–**	**5 699 637**	**–**
Own construction of PP&E	31 872	0.7%	47 175	0.8%
Raw materials	-1 995 508	-41.2%	-2 362 439	-41.8%
Semi-finished products and goods for resale	-523 793	-10.8%	-529 817	-9.4%
Change in work-in-progress and finished goods	277 348	5.7%	20 192	0.4%
Staff costs	-840 348	-17.4%	-869 955	-15.4%
Depreciation and amortization	-166 905	-3.4%	-202 795	-3.6%
Impairment losses	1 518	0.0%	-57 934	-1.0%
Transport and handling of finished goods	-249 476	-5.2%	-303 486	-5.4%
Consumables and spare parts	-273 318	-5.6%	-314 986	-5.6%
Utilities	-264 128	-5.5%	-348 113	-6.2%
Maintenance and repairs	-66 054	-1.4%	-77 908	-1.4%
Lease and related expenses	-9 451	-0.2%	-38 129	-0.7%
Commissions in selling expenses	-8 008	-0.2%	-8 739	-0.2%
Export VAT and export customs duty	-12 760	-0.3%	-16 350	-0.3%
ICT costs[1]	-44 148	-0.9%	-59 960	-1.1%
Advertising and sales promotion	-6 444	-0.1%	-7 655	-0.1%
Travel, restaurant & hotel	-8 605	-0.2%	-15 810	-0.3%
Consulting and other fees	-40 314	-0.8%	-42 284	-0.7%
Office supplies and equipment	-8 472	-0.2%	-10 331	-0.2%
Venture capital funds R&D	-1 447	0.0%	-1 297	0.0%
Temporary or external labor	-36 238	-0.7%	-40 910	-0.7%
Insurance expenses	-15 427	-0.3%	-17 689	-0.3%
Miscellaneous	-133 520	-2.8%	-74 664	-1.3%
Total operating expenses[1]	**-4 393 626**	**-90.8%**	**-5 333 884**	**-94.4%**
Operating result (EBIT)[1]	**510 589**	**10.6%**	**365 754**	**6.5%**

[1] *See note 2.8 'Restatement effects'*

Due the increased wire rod prices, the total raw material costs have increased in 2022 compared to the costs in 2021.

The impairment losses of the current year mainly related to impairment of PP&E in Russia. The depreciation and amortization included write-downs / (reversals of write-downs) on inventories and trade receivables.

5.4. Interest income and expense

in thousands of €	2021	2022
Interest income on financial assets not measured at FVTPL	3 260	5 166
Interest income	**3 260**	**5 166**
Interest expense on interest-bearing debt not measured at FVTPL	*-39 159*	*-38 624*
Other debt-related interest expense	*-3 496*	*-3 391*
Debt-related interest expense	-42 655	-42 014
Interest element of discounted provisions	-1 825	-1 423
Interest expense	**-44 480**	**-43 437**
Total	**-41 220**	**-38 271**

The interest expenses remain at the same level compared to the interest expenses of 2021. As of 2022, there are no interest expenses related the convertible bonds due to repayment of the convertible bond in 2021. The impact of the increase of interest rates is for this reason compensated.

Interest expense on interest-bearing debt, not classified as at fair value through profit or loss (FVTPL), relates to all debt instruments of the Group, other than interest-rate risk mitigating derivatives entered into as economic hedges.

The interest element of discounted provisions related for € -1.4 million (2021: € -1.8 million) to defined-benefit liabilities (see note 6.16. 'Employee benefit obligations'). There are no interest costs in 2022 related to other provisions (2021: nil) (see note 6.17. 'Provisions').

5.5. Other financial income and expenses

in thousands of €	2021	2022
Value adjustments to derivatives	*4 987*	*6 543*
Exchange results on hedged items	*1 570*	*-14 008*
Net impact of derivatives and hedged items	6 557	-7 464
Other exchange results	-4 315	-735
Gains and losses on disposal of financial assets	19	19
Dividends from non-consolidated equity investments	5 088	2 666
Bank charges and taxes on financial transactions	-4 074	-8 566
Impairments of other receivables	-39	1 261
Other	1 194	1 494
Total	**4 430**	**-11 325**

Value adjustments include changes in the fair value of all derivatives, other than those designated as cash flow hedges. Exchange results on hedged items also relate to economic hedges only. The net impact of derivatives and hedged items presented here does not include any impacts recognized in other income statement elements, such as interest expense, cost of sales or other operating revenues and expenses. In 2022 value adjustments to derivatives included a fair value gain of € 13.1 million gain (€ -4.4 million in 2021), however offset with a loss of € -6.6 million (2021: gain of € 9.4 million), related to a Virtual Power Purchase Agreement (VPPA). For more details on the impact of derivatives and hedged items, see note 7.2. Financial risk management and financial derivatives'.

Other exchange results in 2022 amounted to € -0.7 million and were mainly related to the devaluation of the Turkish lira, largely offset with the positive exchange results on the Ruble, resulting in unrealized and realized FX results on working capital items and intercompany loans. The bank charges and taxes on financial transactions included charges linked to the factoring programs (€ 7.0 million) and higher taxes paid on financial transactions (€ 1.0 million).

In 2022, other elements related mainly to a gain of € 2.7 million (€ 1.2 million in 2021) from the net settlements out of the VPPA. The gain is partially offset by other financial costs.

All dividends from non-consolidated equity investments related to interests still held at reporting date as no shares were sold during the year.

5.6. Income taxes

in thousands of €	2021	2022
Current income taxes - current year	-115 674	-85 078
Current income taxes - prior periods	-332	5 485
Deferred taxes - due to changes in temporary differences [1]	-39 571	-50 422
Deferred taxes - due to changes in tax rates	-3 710	-1 039
Deferred taxes - adjustments to tax losses of prior periods	-2 150	200
Deferred taxes - utilization of deferred tax assets not previously recognized [1]	27 723	49 756
Total tax expense	**-133 714**	**-81 097**

[1] See note 2.8 'Restatement effects'

Relationship between tax expense and accounting profit

In the table below, accounting profit is defined as the result before taxes.

in thousands of €	2021	2022
Result before taxes [6]	473 799	316 157
Tax expense at the theoretical domestic rates applicable to results of taxable entities in the countries concerned [6]	-117 150	-82 735
Theoretical tax rate [1]	-24.7%	-26.2%
Tax effect of:		
Non-deductible items	*-12 893*	*-5 773*
Other tax rates, tax credits and special tax regimes [2]	*13 979*	*11 109*
Non-recognition of deferred tax assets [3]	*-16 803*	*-39 242*
Utilization or recognition of deferred tax assets not previously recognized [4,6]	*27 723*	*49 756*
Deferred tax due to change in tax rates	*-3 710*	*-1 039*
Tax relating to prior periods [5]	*-2 482*	*5 685*
Exempted income	*3 224*	*291*
Withholding taxes on dividends, royalties, interests & services [6]	*-21 371*	*-16 709*
Other	*-4 231*	*-2 440*
Total tax expense	**-133 714**	**-81 097**
Effective tax rate	-28.2%	-25.7%

[1] The theoretical tax rate is computed as a weighted average taking into account the results before taxes in different countries at different rates.
[2] In 2022, the special tax regimes and tax credits mainly related to tax incentives in Belgium, similar as in 2021.
[3] In 2022, the non-recognition of deferred tax assets mainly related to the impairment of Russian fixed assets, the German restructuring and losses carried forward in China and the USA, while in 2021, it mainly related to losses carried forward in Belgium, Canada, China, Spain and the USA.
[4] In 2022, the movement was mainly triggered by the recognition in Belgium of deferred tax assets previously not recognized as well as by the usage of losses carried forward.
[5] In 2022, the prior year tax adjustments mainly related to the release of the uncertain tax provision in Indonesia further to the conclusion of an APA between the competent Authorities of Belgium and Indonesia (cf section 7.5. fourth bullet point of the 2021 Annual Report), while in 2021 the prior year tax adjustments mainly related to tax filings.
[6] See note 2.8 'Restatement effects'

5.7. Share in the results of joint ventures and associates

In 2022, the share in the result of joint ventures and associates reflected the drop in performance of both Steel Wire Solutions and Rubber Reinforcement businesses in Brazil compared to the very strong performance of both in 2021. Moreover, Belgo Bekaert Arames Ltda was able in 2021 to recover BRL 670 million of indirect tax credits (PIS/COFINS) from the past, resulting in a one-time net impact of BRL 485 million (€ 34.2 million equivalent for the Bekaert share). The decrease in performance was slightly compensated by the increase in value of the Brazilian real against the euro (average rate increased by 14.7% from 2021 to 2022). This increase in YTD average rate 2022 versus 2021 was mainly caused by a significant increase in the course of 2022, while in 2021, the rate remained more or less stable.

Additional information relating to the Brazilian joint ventures is provided under note 6.5. 'Investments in joint ventures and associates'.

in thousands of €		2021	2022
Joint ventures			
Agro-Bekaert Colombia SAS	Colombia	-390	-1 135
Agro - Bekaert Springs, SL	Spain	-6	-7
Belgo Bekaert Arames Ltda	Brazil	99 349	55 568
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	8 701	-217
Servicios Ideal AGF Inttegra Cía Ltda	Ecuador	-34	48
Total		**107 619**	**54 257**

5.8. Earnings per share

2021	Number
Weighted average number of ordinary shares (basic)	**57 000 709**
Dilution effect of share-based payment arrangements	620 115
Weighted average number of ordinary shares (diluted)	**57 620 824**

in thousands of €	Basic	Diluted
Result for the period attributable to ordinary shareholders [1]	404 062	404 062
Earnings	**404 062**	**404 062**
Earnings per share (in €)	**7.089**	**7.012**

[1] *See note 2.8 'Restatement effects'*

2022	Number
Weighted average number of ordinary shares (basic)	**56 194 711**
Dilution effect of share-based payment arrangements	468 231
Weighted average number of ordinary shares (diluted)	**56 662 942**

in thousands of €	Basic	Diluted
Result for the period attributable to ordinary shareholders	268 859	268 859
Earnings	**268 859**	**268 859**
Earnings per share (in €)	**4.784**	**4.745**

Earnings per share ('EPS') is the amount of post-tax profit attributable to each share. Basic EPS is calculated as the result for the period attributable to equity holders of Bekaert divided by the weighted average number of shares outstanding during the year. Diluted EPS reflects any commitments of the Group to issue shares in the future. These comprise shares to be issued for equity-settled share-based payment plans (subscription rights, options, performance shares and matching shares, see note 6.13. 'Ordinary shares, treasury shares and equity-settled share-based payments').

Subscription rights, options and other share-based payment arrangements are only dilutive to the extent that their issue price is lower than the average closing price of the period, in which the issue price includes the fair value of any services to be rendered during the remainder of the vesting period. Contingently issuable shares (e.g. performance shares) are only dilutive if the conditions are satisfied at the balance sheet date. The dilution effect of share-based payment arrangements is limited to the weighted average number of shares to be used in the denominator of the EPS ratio; there is no effect on the earnings to be used in the numerator of the EPS ratio.

To calculate the dilution impact, it is assumed that all dilutive potential shares are issued at the beginning of the period, or, if the instruments were granted during the period, at the grant date. This resulted in a total dilution effect of € -0.04 per share (2021: € -0.08).

The average closing price during 2022 was € 34.02 per share (2021: € 36.33 per share). The following table presents all anti-dilutive instruments for the period presented. Options and subscription rights were out of the money because their issue price exceeded the average closing price, while performance shares were anti-dilutive because the performance condition was not fulfilled.

Anti-dilutive instruments	Date granted	Issue price (in €)	Number granted	Number outstanding
SOP 2015-2017 - options	13.02.2017	39.43	273 325	226 056
SOP 2015-2017 - options	19.01.2018	34.6	225 475	144 600

6. Balance sheet items

6.1. Intangible assets

Cost in thousands of €	Licenses, patents & similar rights	Computer software[2]	Commercial assets	Other	Total
As at 1 January 2021	26 340	91 472	54 290	15 566	187 667
Expenditure	17	7 093	1 627	2	8 739
Disposals and retirements	-100	-7 143	-1 169	-1 649	-10 062
Transfers [1]	844	93	–	–	937
Exchange gains and losses (-)	205	1 760	3 968	834	6 768
As at 31 December 2021	**27 306**	**93 275**	**58 717**	**14 752**	**194 049**
As at 1 January 2022	27 306	93 275	58 717	14 752	194 049
Expenditure	2	14 933	–	3	14 937
Disposals and retirements	–	-34	–	–	-34
Transfers [1]	–	-691	–	734	43
New consolidations	36	–	–	1 760	1 796
Exchange gains and losses (-)	-180	799	-2 118	-869	-2 368
As at 31 December 2022	**27 163**	**108 282**	**56 599**	**16 380**	**208 423**

[1] *Total transfers equal zero when aggregating the balances of 'Intangible assets' and 'Property, plant and equipment' (see note 6.3. 'Property, plant and equipment' and 6.4. 'Right-of-use (RoU) property, plant and equipment').*
[2] *See note 2.8 'Restatement effects'.*

Accumulated amortization and impairment in thousands of €	Licenses, patents & similar rights	Computer software	Commercial assets	Other	Total
As at 1 January 2021	17 510	79 111	21 194	15 188	133 003
Charge for the year	1 920	3 573	3 872	30	9 395
Disposals and retirements	-100	-7 143	-1 169	-1 649	-10 062
Exchange gains (-) and losses	11	1 575	1 616	1 184	4 386
As at 31 December 2021	**19 341**	**77 116**	**25 514**	**14 752**	**136 723**
As at 1 January 2022	19 341	77 116	25 514	14 752	136 723
Charge for the year	1 989	3 722	4 162	409	10 282
Impairment losses	–	214	–	–	214
Disposals and retirements	–	-50	–	–	-50
Transfers [1]	–	-32	–	–	-32
Exchange gains (-) and losses	-26	711	-796	-752	-863
As at 31 December 2022	**21 303**	**81 681**	**28 880**	**14 409**	**146 274**
Carry amount as at 31 December 2021	**7 965**	**16 160**	**33 202**	**–**	**57 327**
Carry amount as at 31 December 2022	**5 860**	**26 601**	**27 718**	**1 971**	**62 149**

[1] *Total transfers equal zero when aggregating the balances of 'Intangible assets' and 'Property, plant and equipment' (see note 6.3. 'Property, plant and equipment' and 6.4. 'Right-of-use (RoU) property, plant and equipment').*

The software expenditure related to the extensive implementation of the digital roadmap in various domains (commercial, supply chain, manufacturing, procurement, finance, HR, ...) and included € 2.2 million internally developed software while the remainder was externally purchased. The newly acquired intangible assets related to investments in private cloud arrangements for accounting, consolidation and intelligent processes and costs linked to the development of websites used (in)directly in the income generating process.

No intangible assets have been identified as having an indefinite useful life at the balance sheet date.

6.2. Goodwill

This note mainly relates to goodwill on acquisition of subsidiaries. Goodwill in respect of joint ventures and associates is disclosed in note 6.5. 'Investments in joint ventures and associates'.

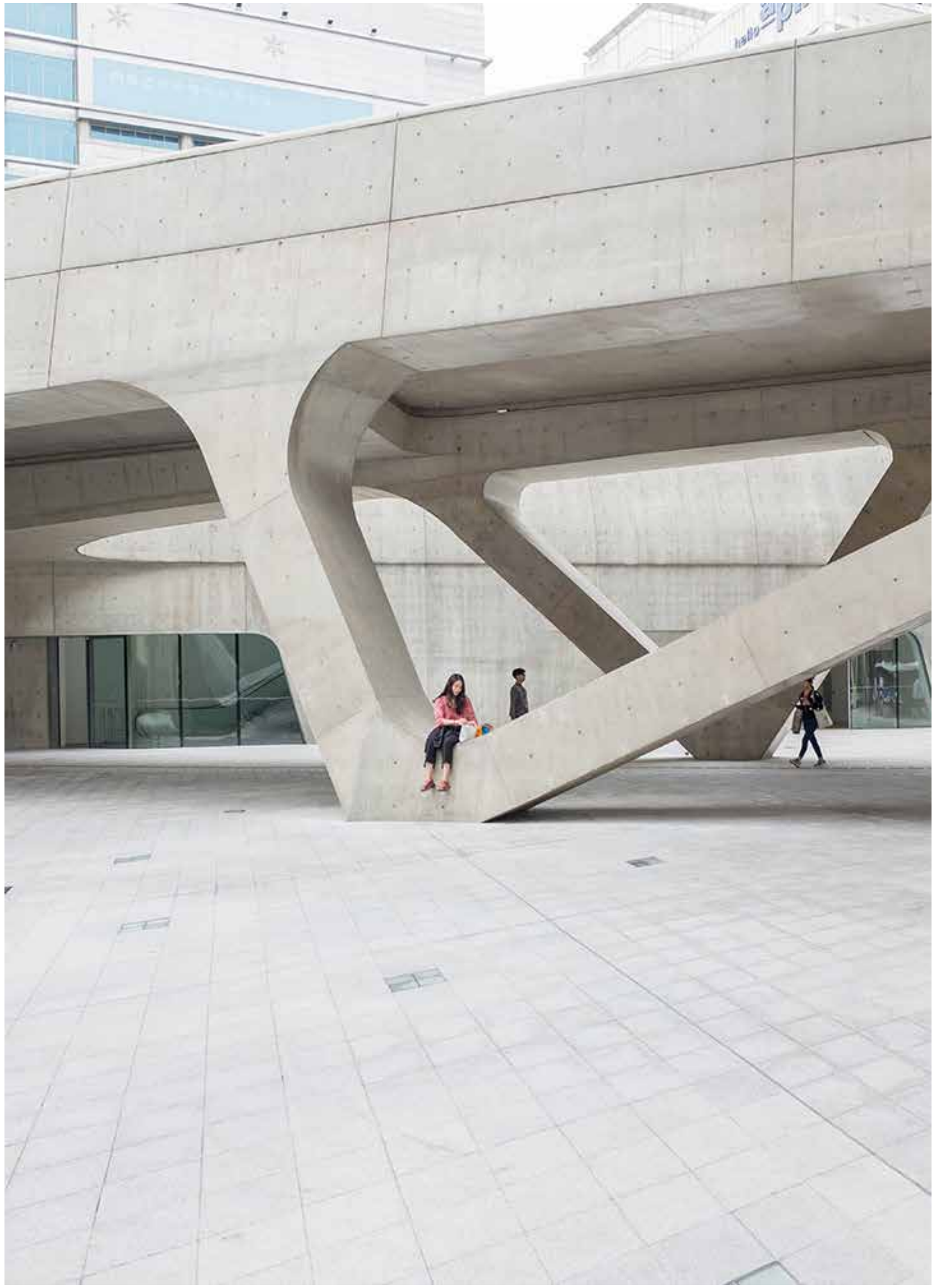
Cost

in thousands of €	2021	2022
As at 1 January	154 280	155 970
New consolidations	–	1 376
Exchange gains and losses (-)	1 689	556
As at 31 December	**155 970**	**157 901**

Impairment losses

in thousands of €	2021	2022
As at 1 January	4 883	5 295
Exchange gains (-) and losses	413	39
As at 31 December	**5 295**	**5 334**

Carrying amount as at 31 December	**150 674**	**152 567**



Goodwill by cash-generating unit (CGU)

Goodwill acquired in a business combination is allocated on acquisition to the cash-generating units (CGU) that are expected to benefit from that business combination. The carrying amount of goodwill allocated and any related movements of the period are as follows:

2021

in thousands of €	Group of cash-generating units	Carrying amount 1 January	Increases	Exchange differences	Carrying amount 31 December
Subsidiaries					
SWS	Bekaert Bradford UK Ltd	2 490	–	174	2 664
SB	Combustion - heating EMEA	3 027	–	–	3 027
SB	Building Products	71	–	–	71
RR	Rubber Reinforcement	4 255	–	–	4 255
SWS	Orrville plant (USA)	9 560	–	798	10 357
SWS	Inchalam group	727	–	-70	657
SWS	Bekaert Ideal SL companies	844	547	46	1 437
SWS	Bekaert (Qingdao) Wire Products Co Ltd	385	–	–	385
SWS	Bekaert Jiangyin Wire Products Co Ltd	47	–	–	47
SWS	Grating Peru SAC	547	-547	–	–
BBRG	BBRG	127 445	–	329	127 774
Subtotal		**149 398**	**–**	**1 276**	**150 674**
Joint ventures and associates					
SWS	Belgo Bekaert Arames Ltda	2 358	–	24	2 382
RR	BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	1 442	–	14	1 456
Subtotal		**3 800**	**–**	**38**	**3 838**
Total		**153 198**	**–**	**1 314**	**154 513**

2022

in thousands of €	Group of cash-generating units	Carrying amount 1 January	Increases	Exchange differences	Carrying amount 31 December
Subsidiaries					
SWS	Bekaert Bradford UK Ltd	2 664	–	-140	2 523
SB	Combustion - heating EMEA	3 027	–	–	3 027
SB	Building Products	71	–	–	71
RR	Rubber Reinforcement	4 255	–	–	4 255
SWS	Orrville plant (USA)	10 357	–	641	10 998
SWS	Inchalam group	657	–	42	699
SWS	Bekaert Ideal SL companies	1 437	490	67	1 994
SWS	Bekaert (Qingdao) Wire Products Co Ltd	385	–	–	385
SWS	Bekaert Jiangyin Wire Products Co Ltd	47	–	–	47
BBRG	BBRG	127 774	886	-93	128 567
Subtotal		**150 674**	**1 376**	**517**	**152 567**
Joint ventures and associates					
SWS	Belgo Bekaert Arames Ltda	2 382	–	284	2 666
RR	BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	1 456	–	173	1 630
Subtotal		**3 838**	**–**	**457**	**4 295**
Total		**154 513**	**1 376**	**974**	**156 862**

Following the merger of Grating Peru SAC into Productos de Acero Cassadó S.A. in 2021, the initial goodwill allocated to Grating Peru SAC was reclassified under the Bekaert Ideal SL companies. The increases in goodwill related to the step-acquisition of VisionTek Engineering Srl and the acquisition of Sujetar, which is in the meantime merged into Productos de Acero Cassado SA.

The discount factor for all impairment tests is based on a (long-term) post-tax cost of capital, the risks being implicit in the cash flows. A weighted average cost of capital (WACC) is determined for euro, US dollar and Chinese renminbi regions. For countries or businesses with a higher perceived risk, the WACC is raised with a country or business specific risk factor. The WACC is post-tax based, since relevant cash flows are also post-tax based. In determining the weight of the cost of debt vs the cost of equity, a target gearing (net debt relative to equity) of 50% is used. For cash flow models stated in real terms (without inflation), the nominal WACC is adjusted for the expected inflation rate. For cash flow models in nominal terms, the nominal WACC is used. All parameters used for the calculation of the discount factors are reviewed at least annually.

In relation to the impairment testing of goodwill arising from the BBRG business combination, the following model characteristics have been used:

- a 5-year forecast timeframe of cash flows based on the latest business plan, followed by a terminal value assumption based on a nominal perpetual growth rate of 2% (in 2021: 2%), which mainly is based on a conservative industrial GDP evolution assumption;
- the cash flows reflect the evolution taking into account agreed action plans and are based on the assets in their current condition, without including the impacts of future restructuring not yet committed;
- only capital expenditure required to maintain the assets in good working order are included; future capital expenditures improving or enhancing the assets in excess of their originally assessed standard of performance are not considered;
- no cost structure improvements are taken into account unless they can be substantiated; and
- the cash outflows relating to working capital are calculated as a percentage of incremental sales based on the past performance of BBRG.

The headroom for impairment, i.e., the excess of the recoverable amount over the carrying amount of the BBRG CGU is estimated at € 200.1 million (2021: € 375.0 million). The decrease is the combined result of the updated business plan (€ -107.2 million) and by an increase of the capital employed of the business (€ +67.7 million).

The following scenario's illustrate the sensitivity of this headroom to changes in the key assumptions of the business plan:

- If the sales level would be 10% lower in all periods of the business plan, then headroom would be € 98.5 million lower (remaining € 101.6 million);
- If the percentage Underlying EBITDA on sales would be 1% short from the forecasted level in all periods of the business plan, then headroom would be € 67.4 million lower (remaining € 132.7 million);
- If the Underlying EBITDA would be € 5.0 million short from the forecasted level in all periods of the business plan, then headroom would be € 52.8 million lower (remaining € 147.3 million);
- If the discount factor would be 1% higher, then headroom would be € 83.0 million lower (remaining € 117.1 million);
- The combined effect of a lower sales level by 10% and a lower Underlying EBITDA margin by 1%, in all periods of the business plan would result in a drop of € 159.2 million in headroom (remaining € 40.9 million);
- The combined effect of a lower sales level by 10%, a lower Underlying EBITDA margin by 1% in all periods of the business plan and a higher discount factor with 1% would result in an impairment loss of € 24.6 million.

Based on current knowledge, reasonable changes in key assumptions (including discount rate, sales and margin evolution) would not generate impairments for any of the cash-generating units for which goodwill has been allocated.

Discount rates for impairment testing

2021			EUR region	USD region	CNY region
Group target ratios					
Gearing: net debt / equity		50%			
% debt		33.3%			
% equity		66.7%			
% LT debt		75%			
% ST debt		25%			
Cost of Bekaert debt			**1.8%**	**4.7%**	**4.8%**
Long term interest rate			2.1%	5.2%	4.9%
Short term interest rate			0.7%	3.1%	4.4%
Cost of Bekaert equity (post tax)	**= Rf + b * Em + S**		**9.3%**	**10.8%**	**14.1%**
Risk free rate = Rf			0.1%	1.6%	4.9%
Beta = b		1.3			
Market equity risk premium = Em		6.0%			
Size premium = S		1.4%			
Corporate tax rate		**27%**			
Cost of Bekaert equity			**12.8%**	**14.8%**	**19.3%**
Bekaert WACC - nominal			**9.1%**	**11.4%**	**14.5%**
Expected inflation			2.1%	2.3%	3.0%
Bekaert WACC in real terms pre-tax			**7.0%**	**9.1%**	**11.5%**
Bekaert WACC in real terms (indicative post-tax)			**4.6%**	**6.0%**	**7.6%**

Discount rates for impairment testing					
2022			**EUR region**	**USD region**	**CNY region**
Group target ratios					
Gearing: net debt / equity		50%			
% debt		33.3%			
% equity		66.7%			
% LT debt		75%			
% ST debt		25%			
Cost of Bekaert debt			**1.2%**	**3.6%**	**4.8%**
Long term interest rate			1.5%	3.9%	4.9%
Short term interest rate			0.3%	2.5%	4.4%
Cost of Bekaert equity (post tax)	**= Rf + b * Em + S**		**12.3%**	**13.4%**	**14.5%**
Risk free rate = Rf			2.7%	3.8%	4.9%
Beta = b		1.3			
Market equity risk premium = Em		6.3%			
Size premium = S		1.4%			
Corporate tax rate		**27%**			
Cost of Bekaert equity			**16.8%**	**18.4%**	**19.9%**
Bekaert WACC - nominal			**8.5%**	**9.8%**	**10.8%**
Expected inflation			2.0%	2.1%	2.3%
Bekaert WACC in real terms			**6.5%**	**7.7%**	**8.5%**

6.3. Property, plant and equipment

Cost in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other PP&E	Assets under construction	Total
As at 1 January 2021	1 153 100	2 775 614	108 112	16 298	84 023	4 137 147
Expenditure	22 434	60 371	6 768	370	63 107	153 050
Disposals and retirements	-21 252	-52 833	-3 724	-417	-57	-78 283
Merger / Split	5 537	2 223	49	–	–	7 809
Transfers [1]	–	–	105	–	-937	-832
Reclassification to (-) / from held for sale [2]	-1 551	-278	–	-451	–	-2 280
Exchange gains and losses (-)	61 060	167 912	4 626	167	4 955	238 720
As at 31 December 2021	**1 219 328**	**2 953 008**	**115 937**	**15 968**	**151 091**	**4 455 332**
As at 1 January 2022	1 219 328	2 953 008	115 937	15 968	151 091	4 455 332
Expenditure	39 662	97 378	4 517	1 779	26 524	169 860
Disposals and retirements	-4 028	-18 481	-4 393	-508	-1	-27 410
New consolidations	440	210	18	3	81	752
Transfers [1]	4 655	77	21	–	-43	4 711
Reclassification to (-) / from held for sale [2]	–	278	–	451	274	1 003
Exchange gains and losses (-)	10 781	8 833	407	-82	6 184	26 124
As at 31 December 2022	**1 270 838**	**3 041 305**	**116 506**	**17 611**	**184 110**	**4 630 371**

[1] *Total transfers equal zero when aggregating the balances of 'Intangible assets' (see note 6.1. 'Intangible assets') and 'Right-of-use property, plant and equipment' (see note 6.4. 'Rights-of-use (RoU) property, plant and equipment) and 'Property, plant and equipment'.*
[2] *In 2021, the reclassification to held for sale mainly related to the Ingelmunster (Belgium) site; in 2022 this again relates to the plant, machinery and equipment of the Ingelmunster (Belgium) site and property received as payment by customers in Ecuador (see note 6.12. 'Assets classified as held for sale and liabilities associated with those assets').*

Accumulated depreciation and impairment in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other PP&E	Assets under construction	Total
As at 1 January 2021	634 755	2 207 291	92 087	5 246	–	2 939 379
Charge for the year	41 600	101 370	7 704	755	–	151 429
Impairment losses	–	1 077	158	9	–	1 244
Reversal impairment losses and depreciations	–	-2 760	-2	–	–	-2 762
Disposals and retirements	-19 345	-49 080	-3 591	-208	–	-72 225
Transfers [1]	–	–	78	–	–	78
Reclassification to (-) / from held for sale [2]	-744	-148	–	-89	–	-981
Exchange gains (-) and losses	37 566	137 913	4 046	85	–	179 611
As at 31 December 2021	**693 833**	**2 395 662**	**100 479**	**5 798**	**–**	**3 195 772**
As at 1 January 2022	693 833	2 395 662	100 479	5 798	–	3 195 772
Charge for the year	44 719	102 714	7 067	789	–	155 289
Impairment losses	9 541	48 346	119	–	–	58 006
Reversal impairment losses and depreciations	–	-231	–	–	–	-231
Disposals and retirements	-3 240	-18 005	-4 267	-115	–	-25 627
Transfers [1]	–	63	21	–	–	84
Reclassification to (-) / from held for sale [2]	–	148	–	89	–	237
Exchange gains (-) and losses	3 218	336	263	-30	–	3 786
As at 31 December 2022	**748 070**	**2 529 033**	**103 682**	**6 531**	**–**	**3 387 317**

[1] *Total transfers equal zero when aggregating the balances of 'Intangible assets' (see note 6.1. 'Intangible assets') and 'Right-of-use property, plant and equipment' (see note 6.4. 'Rights-of-use (RoU) property, plant and equipment) and 'Property, plant and equipment'.*
[2] *In 2021 and 2022, the reclassification to held for sale mainly related to the Ingelmunster (Belgium) site (see note 6.12. 'Assets classified as held for sale and liabilities associated with those assets').*

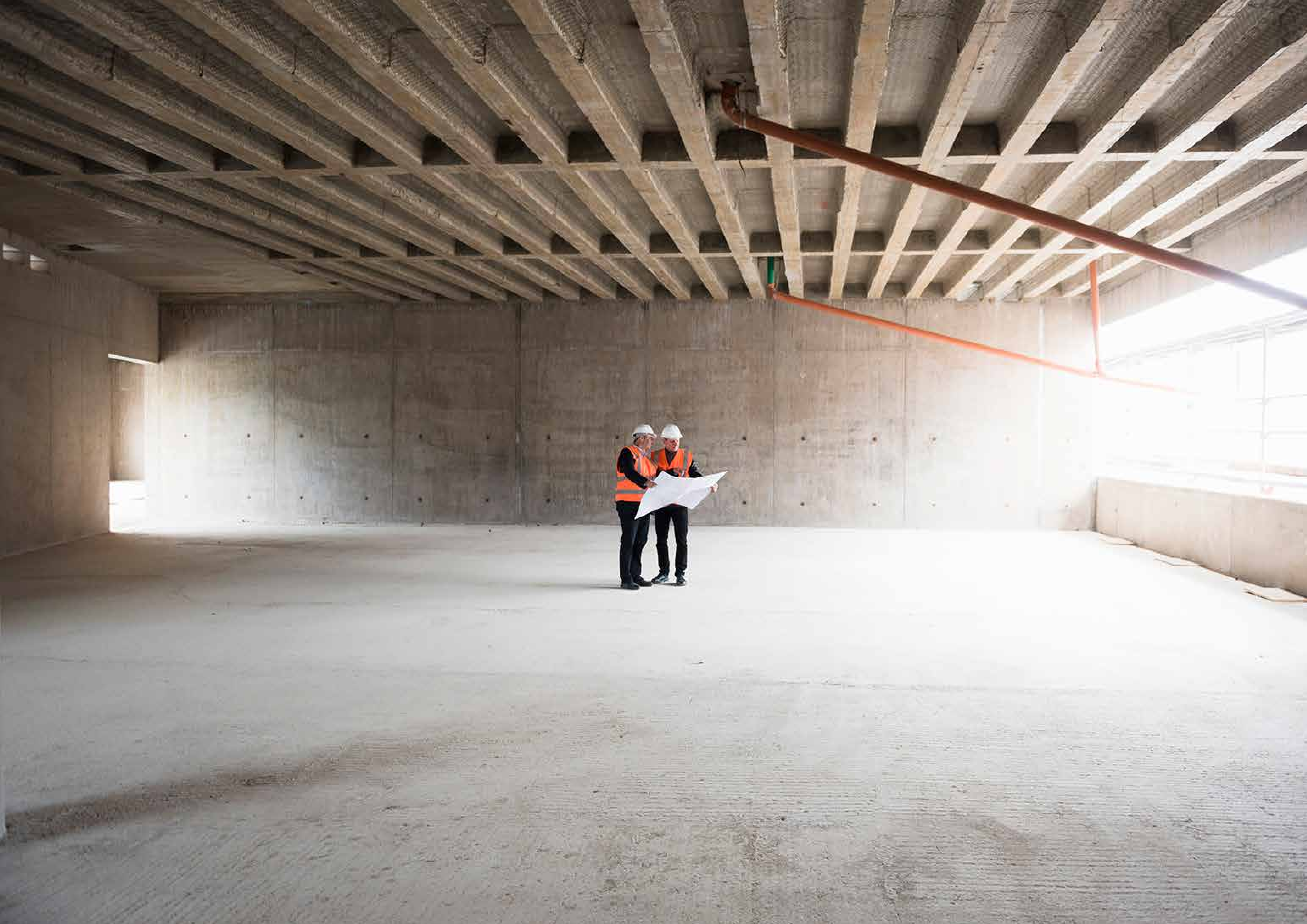
Cost in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other PP&E	Assets under construction	Total
Carrying amount as at 31 December 2021 before investment grants	**525 495**	**557 346**	**15 457**	**10 169**	**151 091**	**1 259 559**
Net investment grants	-4 780	-922	–	–	–	-5 702
Carry amount as at 31 December 2021	**520 716**	**556 424**	**15 457**	**10 169**	**151 091**	**1 253 857**
Carrying amount as at 31 December 2022 before investment grants	**522 768**	**512 273**	**12 824**	**11 078**	**184 110**	**1 243 054**
Net investment grants	-4 218	-794	–	–	–	-5 012
Carry amount as at 31 December 2022	**518 551**	**511 479**	**12 824**	**11 078**	**184 110**	**1 238 041**

Capital expenditure included capacity expansions and equipment upgrades across the group, but particularly in Rubber Reinforcement (in its plants in EMEA and China, as well as the start-up of its green field in Vietnam). Capital expenditure in the Steel Wire Solutions business was mainly in Central Europe, Latin America, USA and China. In the Specialty Businesses segment, expansion capital expenditure was in Central Europe (Building Products) and in China (Fiber Technologies), while improvement capital expenditure was in the European plants of Combustion Technologies and Hose & Conveyor Belt Solutions. Finally, capital expenditure in BBRG was mainly in its UK- and USA -based Ropes entities and in Advanced Cords plants.

The ending balance of Assets under Construction per year-end 2022 related to a few big expansion projects (such as the plant in Vietnam, the expansions in USA, the Steel Wire Solutions plants in Central and Eastern Europe and the expansion in Advanced Cords) but predominantly to a lot of smaller capital expenditure projects in all of the Bekaert entities which were still in the finalization phase.

In 2022, impairment losses have been recorded in Rubber Reinforcement (Russia), BBRG (Germany) and Specialty Businesses (Building Products Russia). Following the situation in Russia, management has performed an impairment analysis using updated business plans and a discount factor adjusted for the increased country and activity risk. Based on the outcome of this analysis an impairment of € 54 million has been recorded on Property, Plant and Equipment.

No items of PP&E were pledged as securities.



6.4. Right-of-use (RoU) property, plant and equipment

This note provides information for leases where the group is a lessee. In principal, the Group does not act as a lessor.

The balance sheet showed the following roll-forward during the year relating to right-of-use assets:

Cost in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
As at 1 January 2021	71 376	73 686	3 206	17 494	22 624	1 730	589	190 704
New leases / extensions	–	6 123	782	7 116	4 184	398	144	18 748
Ending contracts / reductions in contract term	-985	-2 966	-104	-3 017	-4 229	–	-241	-11 542
Transfers [1]	–	–	–	–	-105	–	–	-105
Exchange gains and losses (-)	7 554	2 817	59	416	324	121	32	11 323
As at 31 December 2021	**77 945**	**79 661**	**3 943**	**22 009**	**22 798**	**2 249**	**523**	**209 129**
As at 1 January 2022	77 945	79 661	3 943	22 009	22 798	2 249	523	209 129
New leases / extensions	6	16 532	465	8 481	6 845	725	686	33 740
Ending contracts / reductions in contract term	-21	-16 644	-394	-4 513	-6 007	-201	-178	-27 957
Transfers [1]	–	-4 655	-77	–	-21	–	–	-4 753
Exchange gains and losses (-)	-34	-1 211	117	454	80	38	-36	-592
As at 31 December 2022	**77 896**	**73 684**	**4 053**	**26 431**	**23 696**	**2 811**	**995**	**209 566**

Accumulated depreciation and impairment in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
As at 1 January 2021	17 201	22 219	1 055	7 026	9 852	590	155	58 097
Charge for the year	1 381	10 211	979	5 169	5 950	433	88	24 210
Ending contracts	-273	-2 418	-75	-2 520	-3 291	–	-15	-8 592
Transfers [1]	–	–	–	–	-78	–	–	-78
Exchange gains (-) and losses	1 968	1 066	12	162	152	49	10	3 418
As at 31 December 2021	**20 277**	**31 077**	**1 971**	**9 836**	**12 585**	**1 072**	**238**	**77 056**
As at 1 January 2022	20 277	31 077	1 971	9 836	12 585	1 072	238	77 056
Charge for the year	1 494	11 033	1 031	6 627	5 984	554	126	26 849
Impairment losses	–	–	–	–	112	–	–	112
Reversal impairment losses and depreciations	–	-161	–	–	–	–	–	-161
Ending contracts	-14	-14 264	-394	-4 252	-5 431	-201	-132	-24 688
Transfers [1]	–	–	-31	–	-21	–	–	-53
Exchange gains (-) and losses	-273	-311	52	180	42	16	-6	-300
As at 31 December 2022	**21 484**	**27 374**	**2 628**	**12 392**	**13 270**	**1 440**	**227**	**78 816**

[1] *Total transfers equal zero when aggregating the balances of 'Intangible assets' (see note 6.1. 'Intangible assets') and 'Property, plant and equipment' (see note 6.3. 'Property, plant and equipment') and 'Right-of-use property, plant and equipment'.*

in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
Carrying amount as at 31 December 2021	**57 668**	**48 584**	**1 972**	**12 172**	**10 214**	**1 178**	**285**	**132 073**
Carrying amount as at 31 December 2022	**56 412**	**46 309**	**1 425**	**14 039**	**10 425**	**1 371**	**768**	**130 750**

The Group leases various plants, offices, warehouses, equipment, industrial vehicles, company cars, servers and small office equipment like printers and computers. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of company cars and industrial vehicles for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead account for these as a single lease component. The main non-lease components included in the lease component relate to costs for maintenance and for replacement of tires. The Group applied the practical expedient for low value assets to leases of printers and small office equipment. The Group also applied the practical expedient for short term leases (defined as leases with a lease term of 12 months or less). There were no contracts with dismantling costs, residual value guarantees or initial direct costs, nor contracts with variable lease expenses other then those linked to an index or rate.

Additions to RoU buildings included new contracts for factories, warehouses and offices, mainly in the United Kingdom, India and China. Some contracts were ended, mainly in Norway, China and the United KIngdom.

The average lease term for the RoU assets (excluding the RoU land) was 9.3 years (2021: 9.9 years). RoU buildings had an average lease term of 13 years (2021: 13 years) and the other categories of PP&E (excluding land) had an average lease term between 4 and 6 years.

RoU land relates to land use rights that were paid in advance and had an average useful live of 54 years.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used to discount the future lease payments. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rate is determined by Group Treasury, taking into account the market rate per currency for different relevant time buckets and the credit margin for each individual company based on its credit rating. The incremental borrowing rate is calculated as the total of both elements. The weighted average discount rate at the end of 2021 was 4.39% (2021: 4.01%).

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. For further information on the lease liability, we refer to note 6.18. 'Interest-bearing debt'.

The Group is exposed to potential future increases in variable lease payments, based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets were generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The income statement showed the following amounts relating to leases:

2021

in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
Depreciation charge of right-of-use assets	-1 381	-10 211	-979	-5 169	-5 950	-433	-88	-24 210
Interest expense (included in finance cost)								-3 152
Expense relating to short-term leases								-837
Expense relating to low-value leases								-727
Total								**-28 926**

2022

in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
Depreciation charge of right-of-use assets	-1 494	-11 033	-1 031	-6 627	-5 984	-554	-126	-26 849
Interest expense (included in finance cost)								-3 269
Expense relating to short-term leases								-1 054
Expense relating to low-value leases								-1 021
Total								**-32 193**

The remaining operating lease expenses in the operating result mainly related to costs linked to leased assets such as fuel for company cars, non-deductible VAT on company car contracts and property taxes on buildings.

The total cash outflow for leases in 2022 was € 33.6 million (2021: € 27.9 million).

6.5. Investments in joint ventures and associates

In 2022 and 2021, the Group had no investments in entities qualified as associates.

Investments excluding related goodwill

Carrying amount

in thousands of €	2021	2022
As at 1 January	120 181	184 823
Capital increases and decreases	–	-144
Result for the year	107 619	54 257
Dividends	-44 872	-39 558
Exchange gains and losses	1 891	18 186
Other comprehensive income	3	27
As at 31 December	**184 823**	**217 590**

For an analysis of the result for the year, please refer to note 5.7. 'Share in the results of joint ventures and associates'.

Exchange gains and losses related mainly to the evolution of the Brazilian real versus the euro. In 2022, the Brazilian real increased significantly in value against the euro (5.6 BRL/EUR end 2022) while it remained more or less stable in 2021 (6.3 BRL/EUR end 2021 vs 6.4 BRL/EUR end 2020).

In 2022, capital decreases related to Servicios Ideal AGF Inttegra Cía Ltda in Ecuador, and to a lesser extent to Agro - Bekaert Springs, SL and Agro-Bekaert Colombia SAS in Spain and Colombia.

Related goodwill

Cost

in thousands of €	2021	2022
As at 1 January	3 800	3 838
Exchange gains and losses	38	457
As at 31 December	**3 838**	**4 295**
Carrying amount of related goodwill as at 31 December	**3 838**	**4 295**
Total carrying amount of investments in joint ventures as at 31 December	**188 661**	**221 886**

See Note 6.2 'Goodwill' for details per entity.

The Group's share in the equity of joint ventures is analyzed as follows:

in thousands of €		2021	2022
Joint ventures			
Agro-Bekaert Colombia SAS	Colombia	56	-284
Agro - Bekaert Springs, SL	Spain	13	-744
Belgo Bekaert Arames Ltda	Brazil	136 092	165 312
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	48 521	53 250
Servicios Ideal AGF Inttegra Cía Ltda	Ecuador	140	56
Total for joint ventures excluding related goodwill		**184 822**	**217 590**
Carrying amount of related goodwill		**3 838**	**4 295**
Total for joint ventures including related goodwill		**188 661**	**221 886**

In accordance with IFRS 12 'Disclosures of Interests in Other Entities', following information is provided on material joint ventures. The two Brazilian joint ventures have been aggregated in order to emphasize the predominance of the partnership with ArcelorMittal when analyzing the relative importance of the joint ventures.

Proportion of ownership interest (and voting rights) held by the Group at year-end

Name of joint venture			
in thousands of €	Country	2021	2022
Belgo Bekaert Arames Ltda	Brazil	45.0% (50.0%)	45.0% (50.0%)
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	44.5% (50.0%)	44.5% (50.0%)

Belgo Bekaert Arames Ltda manufactures and sells a wide variety of steel wire products for various sectors, and BMB manufactures and sells mainly steel cord and beat wire for rubber reinforcement in tires.

Brazilian joint ventures: income statement

in thousands of €	2021	2022
Sales	1 041 142	1 240 955
Operating result (EBIT)	282 531	173 274
Interest income	53 043	13 135
Interest expense	-17 775	-13 762
Other financial income and expenses	-2 051	-4 089
Income taxes	-62 360	-31 991
Result for the period	253 389	136 567
Other comprehensive income for the period	12	57
Total comprehensive income for the period	253 400	136 624
Depreciation and amortization	15 803	19 547
EBITDA	298 334	192 821
Dividends received from the entities	44 872	39 558

Brazilian joint ventures: balance sheet

in thousands of €	2021	2022
Current assets	406 456	420 218
Non-current assets	239 857	316 079
Current liabilities	-184 396	-158 025
Non-current liabilities	-53 086	-94 806
Net assets	**408 831**	**483 466**

Brazilian joint ventures: net debt elements

in thousands of €	2021	2022
Non-current interest-bearing debt	5 963	51 371
Current interest-bearing debt	18 454	19 680
Total financial debt	**24 417**	**71 051**
Non-current financial receivables and cash guarantees	-16 466	-62 532
Cash and cash equivalents	-31 940	-22 154
Net debt	**-23 990**	**-13 635**

The Brazilian joint ventures have been facing claims relating to indirect tax credits (ICMS) totaling € 5.3 million (2021: € 5.0 million). Several other tax claims, most of which date back several years, were filed for a total nominal amount of € 22.0 million (2021: € 18.6 million). Evidently, any potential gains and losses resulting from the above mentioned contingencies would only affect the Group to the extent of their interest in the joint ventures involved (i.e. 45%).

Unrecognized commitments to acquire property, plant and equipment amounted to € 8.6 million (2021: € 16.2 million), including € 4.2 million (2021: € 12.4 million) from other Bekaert companies. Furthermore, the Brazilian joint ventures have unrecognized commitments to purchase electricity over the next five years for an aggregate amount of € 13.6 million (2021: € 24.9 million).

There were no restrictions to transfer funds in the form of cash and dividends. Bekaert had no commitments or contingent liabilities versus its Brazilian joint ventures.

Brazilian joint ventures: reconciliation with carrying amount

in thousands of €	2021	2022
Net assets of Belgo Bekaert Arames Ltda	301 977	366 385
Proportion of the Group's ownership interest	45.0%	45.0%
Proportionate net assets	135 890	164 873
Consolidation adjustments	202	438
Carrying amount of the Group's interest in Belgo Bekaert Arames Ltda	**136 092**	**165 312**
Net assets of BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	106 854	117 081
Proportion of the Group's ownership interest	44.5%	44.5%
Proportionate net assets	47 549.981	52 101
Consolidation adjustments	971	1 149
Carrying amount of the Group's interest in BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	**48 521**	**53 250**
Carrying amount of the Group's interest in the Brazilian joint ventures	**184 613**	**218 562**

The following table reflects aggregate information for the other joint ventures which were not deemed material in this context.

Aggregate information of the other joint ventures

in thousands of €	2021	2022
The Group's share in the result from continuing operations	-430	-1 095
The Group's share of other comprehensive income	-2	1
The Group's share of total comprehensive income	-432	-1 093
Aggregate carrying amount of the Group's interests in these joint ventures	210	-972

6.6. Other non-current assets

in thousands of €	2021	2022
Non-current financial receivables and cash guarantees	10 192	9 665
Reimbursement rights and other non-current amounts receivable	2 522	2 705
Derivatives (cf. note 7.2.)	13 244	14 678
Overfunded employee benefit plans - non-current	19 847	12 243
Equity investments at FVTOCI	20 081	26 023
Total other non-current assets	**65 886**	**65 314**

The overfunded employee benefit plans related to the UK and Belgian pension plans (see note 6.16. 'Employee benefit obligations').

Equity investments at FVTOCI

Carrying amount

in thousands of €	2021	2022
As at 1 January	13 372	20 081
Expenditure	863	8 613
Disposals	–	-76
Fair value changes	5 847	-2 595
As at 31 December	**20 081**	**26 023**

The equity investments designated as at fair value through OCI (FVTOCI) in accordance with IFRS 9 'Financial Instruments' mainly consisted of:

- Shougang Concord Century Holdings Ltd, a Hong Kong Stock Exchange listed company (€ 6.6 million). On this investment, an decrease in fair value of € 3.2 million was recognized through OCI (2021: increase of € 3.9 million).
- Bekaert Xinyu Metal Products Co Ltd (€ 6.5 million). On this investment, an decrease in fair value of € 1.5 million was recognized through OCI (2021: an increase of € 2.0 million).
- Transportes Puelche Ltda (€ 0.5 million), an investment held by Acma SA and Prodalam SA (Chile).
- Pajarito Powder LLC (€ 3.9 million), a new investment held by Bekaert Corporation (US).

The Group decided to value its equity investments at fair value through OCI as these are strategic investments, not held for trading. For more information on the revaluation reserve for investments designated as at fair value through equity, see note 6.14. 'Retained earnings and other Group reserves'.

6.7. Deferred tax assets and liabilities

Carrying amount	Assets		Liabilities	
in thousands of €	2021	2022	2021	2022
As at 1 January	124 243	119 244	38 337	52 059
Increase or decrease via income statement [1]	-3 088	-618	14 620	886
Increase or decrease via OCI	-2 191	1 175	1 308	6 049
New consolidations	–	66	1 184	478
Exchange gains and losses [1]	6 858	1 384	3 187	1 425
Change in set-off of assets and liabilities [1]	-6 577	-16 880	-6 577	-16 880
As at 31 December	**119 244**	**104 372**	**52 059**	**44 018**

[1] *See note 2.8 'Restatement effects'*

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities were attributable to the following items:

	Assets		Liabilities		Net assets	
in thousands of €	2021	2022	2021	2022	2021	2022
Intangible assets	17 390	27 602	12 390	12 242	5 000	15 361
Property, plant and equipment	46 338	41 134	55 828	55 369	-9 490	-14 234
Financial assets [1]	90	102	32 029	31 778	-31 940	-31 676
Inventories	10 581	11 925	8 168	14 756	2 413	-2 831
Receivables	4 156	4 282	128	719	4 027	3 563
Other current assets	1 004	1 246	1 995	3 049	-991	-1 802
Employee benefit obligations [1]	20 418	20 175	212	280	20 206	19 894
Other provisions	1 938	3 393	4	198	1 934	3 195
Other liabilities	38 630	40 566	8 311	9 514	30 319	31 052
Tax deductible losses carried forward, tax credits and recoverable income taxes	45 707	37 832	–	–	45 707	37 832
Tax assets / liabilities	**186 250**	**188 258**	**119 065**	**127 904**	**67 186**	**60 355**
Set-off of assets and liabilities [1]	-67 006	-83 886	-67 006	-83 886	–	–
Net tax assets / liabilities	**119 244**	**104 372**	**52 059**	**44 018**	**67 186**	**60 355**

[1] *See note 2.8 'Restatement effects'*

The deferred taxes on property, plant and equipment mainly related to differences in depreciation method between IFRS and tax books, whereas the deferred taxes on intangible assets were mainly generated by intercompany gains which have been eliminated in the consolidated statements. The deferred taxes on employee benefit obligations were mainly generated by temporary differences arising from recognition of liabilities in accordance with IAS 19 'Employee Benefits'. The deferred tax liabilities on financial assets mainly related to temporary differences arising from undistributed profits from subsidiaries and joint ventures.

Movements in deferred tax assets and liabilities arose from the following:

2021

in thousands of €	As at 1 January	Recognized via income statement	Recognized via OCI	Acquisitions and disposals	Exchange gains and losses	As at 31 December
Temporary differences						
Intangible assets	7 502	-2 221	–	–	-281	5 000
Property, plant and equipment	-8 271	-1 224	–	-1 184	1 189	-9 490
Financial assets [1]	-20 850	-9 356	-1 288	–	-445	-31 940
Inventories	7 462	-4 459	–	–	-590	2 413
Receivables	4 557	-596	–	–	66	4 027
Other current assets	-1 767	722	–	–	55	-991
Employee benefit obligations [1]	23 375	-1 353	-2 212	–	396	20 206
Other provisions	3 300	-1 415	–	–	48	1 934
Other liabilities	19 668	9 455	–	–	1 195	30 319
Tax deductible losses carried forward, tax credits and recoverable income taxes	50 930	-7 261	–	–	2 038	45 707
Total	**85 906**	**-17 708**	**-3 500**	**-1 184**	**3 671**	**67 186**

[1] *See note 2.8 'Restatement effects'*

2022

in thousands of €	As at 1 January	Recognized via income statement	Recognized via OCI	Acquisitions and disposals	Exchange gains and losses	As at 31 December
Temporary differences						
Intangible assets	5 000	10 397	–	-478	442	15 361
Property, plant and equipment	-9 490	-3 661	–	–	-1 084	-14 234
Financial assets	-31 940	6 351	-6 005	–	-82	-31 676
Inventories	2 413	-4 725	–	–	-518	-2 831
Receivables	4 027	-558	–	–	94	3 563
Other current assets	-991	-921	–	–	110	-1 802
Employee benefit obligations	20 206	-2 112	1 192	–	608	19 894
Other provisions	1 934	1 324	-61	–	-2	3 195
Other liabilities	30 319	634	–	–	99	31 052
Tax deductible losses carried forward, tax credits and recoverable income taxes	45 707	-8 234	–	66	292	37 832
Total	**67 186**	**-1 505**	**-4 874**	**-412**	**-40**	**60 355**

Deferred taxes related to other comprehensive income (OCI)

2021

in thousands of €	Before tax	Tax impact	After tax
Exchange differences [1]	88 229	–	88 229
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI	5 882	–	5 882
Remeasurement gains and losses on defined-benefit plans	47 351	-3 500	43 851
Share of OCI of joint ventures and associates	6	-3	3
Total	**141 467**	**-3 503**	**137 965**

[1] *See note 2.8 'Restatement effects'*

2022

in thousands of €	Before tax	Tax impact	After tax
Exchange differences	48 888	–	48 888
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI	-2 367	–	-2 367
Remeasurement gains and losses on defined-benefit plans	3 393	-4 874	-1 481
Share of OCI of joint ventures and associates	40	-13	27
Total	**49 954**	**-4 887**	**45 067**

Unrecognized deferred tax assets

Deferred tax assets, related to deductible temporary differences, have not been recognized for a gross amount of € 208.2 million (2021: € 188.7 million). The unrecognized deferred tax assets in respect of tax losses and tax credits are presented in the table by expiry date below.

Capital losses, trade losses and tax credits by expiry date

The following table presents the gross amounts of the tax losses and tax credits generating deferred tax assets of which some were unrecognized.

2021

in thousands of €		Expiring within 1 year	Expiring between 1 and 5 years	Expiring after more than 5 years	Not expiring	Total
Capital losses	*Gross value*	*–*	*–*	*777*	*40 009*	*40 786*
	Allowance	*–*	*–*	*-752*	*-39 758*	*-40 510*
	Net balance	–	–	25	251	276
Trade losses	*Gross value*	*38 285*	*61 381*	*153 867*	*674 409*	*927 943*
	Allowance	*-36 320*	*-47 215*	*-133 825*	*-551 123*	*-768 482*
	Net balance	1 966	14 166	20 042	123 287	159 461
Tax credits	*Gross value*	*34*	*–*	*306*	*20 554*	*20 894*
	Allowance	*–*	*–*	*-306*	*-3 164*	*-3 470*
	Net balance	34	–	–	17 389	17 423
Total	**Gross value**	**38 319**	**61 381**	**154 950**	**734 972**	**989 622**
	Allowance	**-36 320**	**-47 215**	**-134 882**	**-594 045**	**-812 462**
	Net balance	**2 000**	**14 166**	**20 068**	**140 927**	**177 160**

2022

in thousands of €		Expiring within 1 year	Expiring between 1 and 5 years	Expiring after more than 5 years	Not expiring	Total
Capital losses	*Gross value*	*–*	*–*	*17 401*	*24 175*	*41 576*
	Allowance	*–*	*–*	*-17 401*	*-24 175*	*-41 576*
	Net balance	–	–	–	–	–
Trade losses	*Gross value*	*37 027*	*61 189*	*181 512*	*591 736*	*871 464*
	Allowance	*-36 670*	*-47 760*	*-135 417*	*-510 784*	*-730 631*
	Net balance	357	13 429	46 094	80 952	140 833
Tax credits	*Gross value*	*–*	*–*	*325*	*12 523*	*12 848*
	Allowance	*–*	*–*	*-325*	*-3 178*	*-3 503*
	Net balance	–	–	–	9 346	9 346
Total	**Gross value**	**37 027**	**61 189**	**199 237**	**628 435**	**925 888**
	Allowance	**-36 670**	**-47 760**	**-153 143**	**-538 137**	**-775 709**
	Net balance	**357**	**13 429**	**46 094**	**90 298**	**150 179**

The net deferred tax assets corresponding to these base amounts were € 37.8 million in 2021 (2021: € 45.7 million).

Deferred tax assets were recognized only to the extent that it was probable that future taxable profits would be available, taking into account all evidence, both positive and negative. This assessment was done using prudent estimates based on the business plan for the entity concerned, typically using a five year time horizon.

In some countries, deferred tax assets on capital losses, trade losses and tax credits were recognized to the extent of uncertain tax provisions recognized, in order to reflect that some tax audit adjustments would result in an adjustment of the amount of tax losses rather than in a cash tax out for the entity concerned.

6.8. Operating working capital

2021

in thousands of €	As at 1 January	Organic increase or decrease [1]	Write-downs and write-down reversals	New consolidations	Exchange gains and losses	Other	As at 31 December
Raw materials	*120 139*	*116 358*	*4 247*	–	*4 514*	–	*245 259*
Consumables and spare parts	*78 711*	*3 241*	*7 191*	–	*4 027*	–	*93 170*
Work in progress	*125 676*	*45 196*	*958*	–	*6 329*	–	*178 159*
Finished goods	*234 858*	*110 973*	*4 059*	–	*12 282*	–	*362 173*
Goods purchased for resale	*124 093*	*121 680*	*817*	–	*-4 131*	–	*242 458*
Inventories	683 477	397 448	17 272	–	23 021	–	1 121 219
Trade receivables	587 619	146 039	1 412	–	15 595	–	750 666
Bills of exchange received	54 039	-17 652	–	–	4 887	–	41 274
Advances paid	18 594	-140	-1	–	1 535		19 988
Trade payables	-668 422	-368 659	–	–	-25 105	–	-1 062 185
Advances received	-15 682	-7 581	–	–	-1 091	–	-24 354
Remuneration and social security payables	-116 014	-40 082	–	–	-4 602	1	-160 699
Employment-related taxes	-9 101	850	–	–	-138	–	-8 389
Operating working capital	**534 510**	**110 224**	**18 683**	**–**	**14 101**	**1**	**677 519**

2022

in thousands of €	As at 1 January	Organic increase or decrease [1]	Write-downs and write-down reversals	New consolidations	Exchange gains and losses	Other	As at 31 December
Raw materials	*245 259*	*-35 496*	*-1 086*	*12*	*5 978*	*4*	*214 673*
Consumables and spare parts	*93 170*	*26 995*	*-1 258*	*74*	*714*	*2*	*119 696*
Work in progress	*178 159*	*3 906*	*-1 961*	*–*	*1 645*	*85*	*181 834*
Finished goods	*362 173*	*-13 120*	*-3 421*	*36*	*5 451*	*327*	*351 445*
Goods purchased for resale	*242 458*	*29 785*	*-5 289*	*27*	*8 884*	*-418*	*275 448*
Inventories	1 121 219	12 070	-13 014	149	22 672	–	1 143 096
Trade receivables	750 666	-28 033	2 044	171	5 938	–	730 786
Bills of exchange received	41 274	-1 213	–	–	-297	–	39 764
Advances paid	19 988	-5 848	–	–	407	–	14 547
Trade payables	-1 062 185	163 526	–	-448	-22 005	–	-921 113
Advances received	-24 354	28	–	–	229	–	-24 097
Remuneration and social security payables	-160 699	40 220	–	-68	-1 773	20	-122 300
Employment-related taxes	-8 389	-2 462	–	-2	43	–	-10 810
Operating working capital	**677 519**	**178 288**	**-10 970**	**-199**	**5 214**	**20**	**849 872**

[1] The organic increase or decrease represents the cash movements of the working capital, which are adjusted in the cash flow statement against purchase of intangible assets and property, plant and equipment for the variation of outstanding trade payables at year-end related to capital expenditure (2022: increase of outstanding payables by € 0.4 million (2021: increase of outstanding payables by € 9.4 million)).

The average working capital, weighted by the number of periods that an entity has contributed to the consolidated result, represented 13.5% of sales (2021: 12.6%). Additional information is as follows:

- Inventories
  The inventories remained rather stable (€ +21.9 million from year-end last year). The cost of sales included expenses related to transport and handling of finished goods amounting to € 303.5 million (2021: € 249.5 million), which have never been capitalized in inventories. Movements in inventories in 2022 included write-downs of € -46.8 million (2021: € -22.8 million) and reversals of write-downs of € 33.7 million (2021: € 40.1 million) Similar as in 2021, in 2022, no inventories were pledged as security for liabilities.
- Trade receivables and bills of exchange received
  The trade accounts receivable decreased by € -21.4 million from year-end last year. The carrying amount of the trade receivables involved in the factoring program amounted to € 267.5 million (2021: € 224.8 million).

The following table presents the movements in the allowance for bad debt on trade receivables. No allowance was posted for bills of exchange received.

Trade receivables and bills of exchange received

in thousands of €	2021	2022
Gross amount	833 840	810 441
Allowance for bad debts (impaired)	-41 899	-39 891
specific allowance for bad debts	*-35 099*	*-36 034*
general allowance for bad debts	*-6 801*	*-3 857*
Net carrying amount	791 940	770 550

More information about allowances of receivables is provided in the following table:

Allowance for bad debt

in thousands of €	2021	2022
As at 1 January	-40 494	-41 899
Losses recognized in current year	-3 009	-6 029
Losses recognized in prior years - amounts used	1 079	1 138
Losses recognized in prior years - reversal of amounts not used	3 343	6 935
Exchange gains and losses (-)	-2 817	-36
As at 31 December	**-41 899**	**-39 891**

In accordance with the IFRS 9 ‘expected credit loss' model for financial assets, a general bad debt allowance is made for trade receivables to cover the unknown bad debt risk at each reporting date. This general allowance constitutes of a percentage on outstanding trade receivables at each reporting date. The percentages are taking into account historical information on losses on trade receivables and are reviewed year-on-year. For more information on credit enhancement techniques, see note 7.2. ‘Financial risk management and financial derivatives'.

- Trade payables decreased significantly, mainly as a result of the organic evolution

As part of the Company's ongoing efforts to improve its working capital position, it continuously negotiates with its customers and suppliers on pricing, payment conditions and other terms. The purchase conditions that are agreed upon, are obtained in function of the Group's presence in the market, the Group's weight as a customer and its competitive position. In general, the Group's trade payables have a wide range of maturities depending on the type of material, the geographical area in which the purchase transaction occurs and the various contractual agreements. The invoice amounts arise from good and services in the normal cash operating cycle of the Group and are therefore an integral part of the working capital.

The Group offers for selected suppliers to participate in different supply chain finance models. This involves giving suppliers the option to receive early payment by selling their receivables to a financial institution at a discount. The Group pays at the time the invoice under the reverse factoring agreement is due. At year-end 2022, the outstanding trade payables linked to supply chain finance models amounted to € 98.9 million. The payments are presented in the cash flows from operating activities because they are considered a part of the Group's ordinary operating cycle and continue to be elements of its operating costs.

6.9. Other receivables

Carrying amount

in thousands of €	2021	2022
As at 1 January	101 330	157 005
Increase or decrease	51 532	-11 312
Write-downs (-) and write-down reversals	158	1 134
New consolidations	–	197
Exchange gains and losses	3 985	4 402
As at 31 December	**157 005**	**151 426**

Other receivables mainly related to income taxes (€ 59.8 million (2021: € 43.2 million)), VAT and other taxes (€ 75.0 million (2021: € 74.6 million)), loans to employees (€ 3.3 million (2021: € 3.4 million)) and dividends from joint ventures (€ 5.9 million (2021: € 27.5 million)). See also note 6.21. 'Tax positions'. Write-downs of other receivables are included in note 5.5. 'Other financial income and expense'.

6.10. Cash & cash equivalents and short term deposits

Carrying amount

in thousands of €	2021	2022
Cash & cash equivalents	677 270	728 095
Short-term deposits	80 058	4 766

The cash balance within the Russian entity amounts to € 6,5 million and is primarily used within the day to day cash flow and treasury activities in the local operational activities, and need to comply with local Russian legislation in case the cash would be used in cross border transactions.

For the changes in cash & cash equivalents, please refer to the consolidated cash flow statement and to note 7.1. 'Notes to the cash flow statement'. Cash equivalents and short-term deposits did not include any listed securities or equity instruments at the balance sheet date.

6.11. Other current assets

Carrying amount

in thousands of €	2021	2022
Financial receivables and cash guarantees	6 475	6 352
Advances paid	19 988	14 547
Derivatives (cf.note 7.2.)	1 416	5 694
Deferred charges and accrued income	14 394	28 948
As at 31 December	**42 272**	**55 541**

The financial receivables and cash guarantees mainly related to receivables from the disposal of the majority stake in the rubber reinforcement plant Sumaré (Brazil) in 2017 (€ 3.8 million (2021: € 4.6 million)) and various cash guarantees (€ 1.1 million (2021: € 0.5 million)).

The advances paid mainly related to advance payments in the context of large capex projects and advance payments for deliveries of wire rod.

The increase in deferred charges and accrued income mainly related to the sale of idle land in Doncaster (UK).

6.12. Assets classified as held for sale and liabilities associated with those assets

Carrying amount (net)

in thousands of €	2021	2022
As at 1 January	6 740	1 803
Increases and decreases (-)	-5 264	-1 063
Exchange gains and losses	327	20
As at 31 December	**1 803**	**760**

in thousands of €	2021	2022
Property, plant and equipment	1 803	760
Total assets classified as held for sale	**1 803**	**760**
Total liabilities associated with assets classified as held for sale	**–**	**–**

The change in assets classified as held for sale included the sale of the machinery and equipment attached to the property in Ingelmunster (Belgium) following the discontinuation of the operations (€ -0.5 million), together with the land of Bridon-Bekaert Scanrope AS (Sweden) (€ -0.3 million) and the property received as payment by customers in Ecuador (€ -0.2 million).

As at 31 December 2022, fair value less costs to sell of the assets held for sale did not fall below the carrying value, hence no write-downs to the carrying amount of the assets was required.

6.13. Ordinary shares, treasury shares and equity-settled share-based payments

A total of 26 400 subscription rights were exercised under the Company's SOP 2005-2009 stock option plan in 2022, requiring the issue of a total of 26 400 new shares of the Company.

On 31 December 2021, the Company held 3 145 446 own shares. Between 1 January 2022 and 31 December 2022, a total of 130 300 shares were transferred under the 2010-2014 and 2015-2017 Stock Option Plans. Bekaert sold 13 757 shares to members of the Bekaert Group Executive in the framework of the Bekaert Personal Shareholding Requirement Plan and transferred another 2 445 shares under the share-matching plan. A total of 12 080 shares were granted to the Chairman and other non-executive Directors as part of their remuneration for the performance of their duties. A total of 256 760 shares were disposed of following the vesting of 256 760 performance share units under the Bekaert Performance Share Plan. Bekaert bought back 3 095 629 shares in total and cancelled 1 449 409 shares of these at the end of June. Including the transactions exercised under the liquidity agreement with Kepler Cheuvreux, the balance of own shares held by Bekaert on 31 December 2022 was 4 380 475.

Issued capital		2021		2022	
in thousands of €		Nominal value	Number of shares	Nominal value	Number of shares
1	As at 1 January	177 812	60 414 841	177 922	60 452 261
	Movements in the year				
	Issue of new shares	*110*	*37 420*	*80*	*26 400*
	Cancellation of shares			*-4 266*	*-1 449 409*
	As at 31 December	177 922	60 452 261	173 737	59 029 252
2	Structure				
2.1	Classes of ordinary shares				
	Ordinary shares without par value	*177 922*	*60 452 261*	*173 737*	*59 029 252*
2.2	Registered shares		22 841 937		22 870 686
	Dematerialized shares		37 610 324		36 158 566
	Authorized capital not issued	**176 000**		**176 000**	

Stock option plans ('SOP')

Details of the stock option plans which showed an outstanding balance either at the balance sheet date or at the previous balance sheet date, are as follows:

Overview of SOP 2005-2009 Stock Option Plan

Date offered	Date granted	Date of issue of subscription rights	Exercise price (in €)	Number of subscription rights				First exercise period	Last exercise period
				Granted	Exercised	Forfeited	Outstanding		
20.12.2007	18.02.2008	22.04.2008	28.335	215 100	202 400	12 700	–	22.05 - 30.06.2011	15.11 - 15.12.2022
				785 058	**615 893**	**169 165**	**–**		

Overview of SOP 2010-2014 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options				First exercise period	Last exercise period
			Granted	Exercised	Forfeited	Outstanding		
20.12.2012	18.02.2013	19.200	267 200	264 500	2 700	–	End Feb. - 10.04.2016	Mid Nov. - 19.12.2022
29.03.2013	28.05.2013	21.450	260 000	235 000	–	25 000	End Feb. - 09.04.2017	End Feb. - 28.03.2023
19.12.2013	17.02.2014	25.380	373 450	325 150	2 400	45 900	End Feb. - 09.04.2017	Mid Nov. - 18.12.2023
18.12.2014	16.02.2015	26.055	349 810	210 400	18 510	120 900	End Feb. - 08.04.2018	Mid Nov. - 17.12.2024
			1 250 460	**1 035 050**	**23 610**	**191 800**		

Overview of SOP 2015-2017 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options				First exercise period	Last exercise period
			Granted	Exercised	Forfeited	Outstanding		
17.12.2015	15.02.2016	26.375	227 250	122 000	28 250	77 000	End Feb. - 07.04.2019	Mid Nov. - 16.12.2025
15.12.2016	13.02.2017	39.426	273 325	144	47 125	226 056	End Feb. - 12.04.2020	Mid Nov. - 14.12.2026
21.12.2017	20.02.2018	34.600	225 475	72 500	8 375	144 600	End Feb. - 11.04.2021	Mid Nov. - 20.12.2027
			726 050	**194 644**	**83 750**	**447 656**		

	2021		2022	
SOP 2005-2009 Stock Option Plan	**Number of subscription rights**	**Weighted average exercise price (in €)**	**Number of subscription rights**	**Weighted average exercise price (in €)**
Outstanding as at 1 January	63 820	28.594	26 400	28.335
Exercised during the year	-37 420	28.776	-26 400	28.335
Outstanding as at 31 December	**26 400**	**28.335**	**–**	**28.335**

	2021		2022	
SOP 2010-2014 Stock Option Plan	**Number of options**	**Weighted average exercise price (in €)**	**Number of options**	**Weighted average exercise price (in €)**
Outstanding as at 1 January	700 058	24.488	300 600	24.300
Exercised during the year	-399 458	24.630	-108 800	22.548
Outstanding as at 31 December	**300 600**	**24.300**	**191 800**	**24.300**

	2021		2022	
SOP 2015-2017 Stock Option Plan	**Number of options**	**Weighted average exercise price (in €)**	**Number of options**	**Weighted average exercise price (in €)**
Outstanding as at 1 January	640 800	33.769	469 156	35.198
Exercised during the year	-171 644	29.860	-21 500	26.375
Outstanding as at 31 December	**469 156**	**35.198**	**447 656**	**35.198**

Weighted average remaining contractual life

in years	2021	2022
SOP 2005-2009	1.0	–
SOP 2010-2014	2.2	1.5
SOP 2015-2017	5.1	4.1

The weighted average share price at the date of exercise in 2022 was € 22.55 for the SOP 2010-2014 options (2021: € 24.63), € 26.38 for the SOP 2015-2017 options (2021: € 29.86) and € 28.34 for the SOP 2005-2009 subscription rights (2021: € 28.78). The exercise price of the subscription rights and options is equal to the lower of (i) the average closing price of the Company's share during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer. When subscription rights are exercised under the SOP 2005-2009 plan, equity is increased by the amount of the proceeds received. Under the terms of the SOP2 plan any subscription rights or options granted through 2004 were vested immediately.

Under the terms of the SOP 2010-2014 stock option plan, options to acquire existing Company shares have been offered to the members of the Bekaert Group Executive, the Senior Vice Presidents and senior executive personnel during the period 2010-2014. The grant dates of each offering were scheduled in the period 2011-2015. The exercise price of the SOP 2010-2014 options was determined in the same manner as in the previous plans. The vesting conditions of the SOP 2010-2014 grants, as well as of the SOP 2005-2009 grants and of the SOP2 grants beginning in 2006, are such that the subscription rights or options will be fully vested on 1 January of the fourth year after the date of the offer. In accordance with the Economic Recovery Act of 27 March 2009, the exercise period of the SOP2 options and SOP 2005-2009 subscription rights granted in 2006, 2007 and 2008 was extended by five years in favor of the persons who were plan beneficiaries and subject to Belgian income tax at the time such extension was offered.

The options granted under SOP2, SOP 2010-2014 and SOP 2015-2017 and the subscription rights granted under SOP 2005- 2009 are recognized at fair value at grant date in accordance with IFRS 2 (see note 6.14. 'Retained earnings and other Group reserves'). The fair value of the options is determined using a binomial pricing model.

During 2022, no options (2021: no options) were granted under SOP 2015-2017. No expense against equity has been recorded in 2022 (2021: none).

Performance Share Plan ('PSP')

The members of the Bekaert Group Executive, the senior management and a limited number of management staff members of the Company and a number of its subsidiaries received Performance Share Units: during 2019, 2020 and 2021 under the conditions of the Performance Share Plan 2018-2020 and in 2022 under the conditions of the Performance Share Plan 2022-2024. These Performance Share Units will vest following a vesting period of three years, conditional to the achievement of a pre-set performance target. The performance target was set by the Board of Directors, in line with the Company strategy. The vesting percentage can vary from 0% to 300%. At granting date, the assumption is taken that the grant will vest at a vesting percentage of 100%, the vesting percentage is reassessed for the expected performance at each balance sheet date, if needed the vesting percentage is adjusted based on that assessment. For more information we refer to the 'Remuneration Report' in the 'Corporate Governance Statements' section of this report.

Overview of Performance Share Plan	Number of units				
Date granted	**Granted**	**Delivered**	**Forfeited**	**Outstanding**	**Expiry date**
15.02.2019	178 233	136 023	42 210	–	31.12.2021
26.07.2019	35 663	31 778	3 885	–	31.12.2021
21.01.2020	182 900	–	64 584	118 316	31.12.2022
17.08.2020	12 580	–	713	11 867	31.12.2022
15.01.2021	144 708	–	34 057	110 651	31.12.2023
19.08.2021	15 101	–	732	14 369	31.12.2023
09.09.2021	7 966	–	–	7 966	31.12.2023
04.03.2022	131 407	–	21 030	110 377	31.12.2024
25.08.2022	3 209	–	–	3 209	31.12.2024
26.09.2022	12 864	–	–	12 864	31.12.2024
	724 631	**167 801**	**167 211**	**389 619**	

The Performance Share Units granted under these plans are recognized at fair value at grant date in accordance with IFRS 2 (see note 6.14. 'Retained earnings and other Group reserves'). The fair value is determined as the share price at the transaction date.

In 2022, on 4 March an offer of 131 407 equity settled performance share units, on 25 August an offer of 3 209 equity settled performance share units and on 26 September an offer of 12 864 equity settled performance share units were made under the terms of the PSP 2022-2024 (2021: on 15 January an offer of 144 708 equity settled performance share units, on 19 August an offer of 15 101 and on 9 September an offer of 7 966 under the terms of the PSP 2018-2020). The fair value of the Performance Share Units under the terms of the PSP plan is equal to the share price at grant date (4 March 2022: € 33.80, 25 August 2022: € 31.02 and 26 September 2022: € 25.98 (15 January 2021: € 29.14, 19 August 2021: € 39.74 and 9 September 2021: € 38.44)), since the performance conditions are non-market conditions (Underlying EBITDA and operational cash flow). The grant in 2022 represented a fair value of € 4.9 million (2021: € 5.1 million). The Group has recorded an expense against equity of € 9.2 million in 2022 (2021: € 14.8 million).

PSP	2021 Number of units	2021 Weighted average exercise price (in €)	2022 Number of units	2022 Weighted average exercise price (in €)
Outstanding as at 1 January	390 631	24.185	473 006	26.251
Granted during the year	167 775	30.536	147 480	33.057
Delivered during the year	0	–	-167 801	23.794
Forfeited during the year	-85 400	25.217	-63 065	29.456
Outstanding as at 31 December	**473 006**	**26.251**	**389 620**	**29.360**

Personal Shareholding Requirement Plan ('PSR')

In March 2016, the Company introduced a Personal Shareholding Requirement Plan for the Chief Executive Officer and the other members of the Bekaert Group Executive ('BGE'), pursuant to which they can build and maintain a personal shareholding in Company shares and whereby the acquisition of the number of Company shares is supported by a so-called Company matching mechanism. The Company matching mechanism provides that the Company will match the BGE member's investment in Company shares in year x, with a direct grant of a similar number of Company shares as acquired by the BGE member (such grant to be made at the end of year x + 2). These PSR units will vest following a vesting period of three years, conditional to a service condition subject to bad or good leaver conditions. For more information we refer to the 'Remuneration Report' in the 'Corporate Governance Statements' section of this report.

Overview of Personal Shareholding Requirement Plan

Date acquired	Number of units				
	Acquired	Matched	Forfeited	Outstanding	Expiry date
31.03.2020	10 766	3 489	7 277	–	31.12.2022
31.03.2021	9 112	–	3 930	5 182	31.12.2023
31.03.2022	13 757	–	1 597	12 160	31.12.2024
	33 635	**3 489**	**12 804**	**17 342**	

The matching shares to be granted under the Personal Shareholding Requirement Plan 2016 are recognized at fair value at start date in accordance with IFRS 2 (see note 6.14. 'Retained earnings and other Group reserves'). The fair value of the matching shares is determined using a binomial pricing model. Inputs and outcome of this pricing model are detailed below:

	To be matched in December 2022	To be matched in December 2023	To be matched in December 2024
Pricing model details - Personal Shareholding Requirement plan	**Start date March 2020**	**Start date March 2021**	**Start date March 2022**
Inputs to the model			
Share price at start date (in €)	14.98	35.68	35.48
Expected volatility	36%	36%	37.37%
Expected dividend yield	3%	3%	4.89%
Vesting period (years)	2.75	2.75	2.75
Employee exit rate	0%	0%	0%
Risk-free interest rate	-0.47%	-0.47%	1.27%
Outcome of the model			
Fair value (in €)	13.81	32.99	6.48
Outstanding PSR Units	–	5 182	12 160

The matching shares to be granted represented a fair value of € 0.1 million (2021: € 0.4 million). The Group has recorded an expense against equity of € 0.2 million (2021: € 0.1 million) for the matching shares to be granted, based on their fair value and vesting period.

Number of units - PSR	2021	2022
Outstanding as at 1 January	10 766	18 878
Matched during the year	–	-3 489
Forfeited during the year	-1 000	-11 804
Acquired during the year	9 112	13 757
Outstanding as at 31 December	**18 878**	**17 342**

Stock grant Board members

The fixed fee of the Chairperson is paid partly in cash and partly in Company shares, subject to a three-year holding period from grant date. For the other non-executive Directors, the fixed fee for performance of duties as a member of the Board are paid in cash, but with the option each year to receive part (0%, 25% or 50%) in Company shares. In accordance with IFRS 2 this is treated as a share-based payment award with a cash alternative. The fair value of the stock grant are equal to the share price at grant date, being 31 May 2022 (€ 37.58) (being 31 May 2021: € 39.37). This stock grant vested immediately. The stock grant represented a fair value of € 0.5 million (2021: € 0.4 million). The Group has recorded an expense against equity of € 0.5 million (2021: € 0.4 million).

6.14. Retained earnings and other group reserves

Carrying amount

in thousands of €	2021	2022
Revaluation reserve for non-consolidated equity investments	-5 986	-8 353
Remeasurement reserve for defined-benefit plans	-16 790	-12 660
Deferred tax reserve	23 464	18 381
Other reserves	688	-2 631
Cumulative translation adjustments[1]	-137 127	-93 820
Total other Group reserves[1]	**-136 440**	**-96 451**
Treasury shares	**-95 517**	**-139 314**
Retained earnings[1]	**1 981 876**	**2 115 216**

[1] *See note 2.8 'Restatement effects'*

In the following sections of this disclosure, the movements in the Group reserves and in retained earnings are presented and commented.

Revaluation reserve for non-consolidated equity investments

in thousands of €	2021	2022
As at 1 January	-11 867	-5 986
Fair value changes	5 882	-2 367
As at 31 December	**-5 986**	**-8 353**
Of which		
Investment in Shougang Concord Century Holdings Ltd	-6 078	-9 228
Other investments	92	876

The revaluation of the investment in Shougang Concord Century Holdings Ltd is based on the closing price of the share on the Hong Kong Stock Exchange. See also note 6.6. 'Other non-current assets'.

Remeasurement reserve for defined-benefit plans

in thousands of €	2021	2022
As at 1 January	-63 543	-16 790
Remeasurements of the period	46 753	4 024
Equity reclassification	–	107
As at 31 December	**-16 790**	**-12 660**

The remeasurements originate from using different actuarial assumptions in calculating the defined-benefit obligation, from differences with actual returns on plan assets at the balance sheet date and any changes in unrecognized assets due to the asset ceiling principle (see note 6.16. 'Employee benefit obligations').

Deferred tax reserve

in thousands of €	2021	2022
As at 1 January	26 785	23 464
Deferred taxes relating to other comprehensive income	-3 321	-5 083
As at 31 December	**23 464**	**18 381**

Deferred taxes relating to other comprehensive income are also recognized in OCI (see note 6.7. 'Deferred tax assets and liabilities').

Cumulative translation adjustments

in thousands of €	2021	2022
As at 1 January	-227 823	-137 127
Exchange differences on dividends declared	-2 463	13 250
Recycled to income statement - relating to disposed entities or step acquisitions	1 270	–
Movements arising from exchange rate fluctuations[2]	91 888	30 057
As at 31 December	**-137 127**	**-93 820**
Of which relating to entities with following functional currencies		
Chinese renminbi	*145 149*	*133 695*
US dollar	*30 558*	*54 214*
Brazilian real	*-218 372*	*-191 871*
Chilean peso	*-28 753*	*-22 760*
Venezuelan bolivar soberano [1]	*-59 691*	*-59 691*
Indian rupee	*-7 625*	*-10 725*
Czech koruna	*11 291*	*12 711*
British pound	*2 115*	*-9 931*
Russian ruble	*-6 463*	*-208*
Romenian leu	*-3 991*	*-4 002*
Other currencies	*-1 345*	*4 748*

[1] As a consequence of the functional currency switch to the US dollar on 1 January 2019, the value related to Venezuelan bolivar soberano remains frozen
[2] See note 2.8 'Restatement effects'.

The swings in CTA reflected both the exchange rate evolution and the relative importance of the net assets denominated in the presented currencies.

Treasury shares

in thousands of €	2021	2022
As at 1 January	-106 148	-95 517
Shares purchased	-11 570	-125 905
Shares sold	28 988	35 707
Price difference on shares sold	-6 787	-5 172
Cancellations	–	51 573
As at 31 December	**-95 517**	**-139 314**

The number of shares on hand were sufficient, both to anticipate any dilution and to hedge the cash flow risk on share-based payment plans. In 2022 a total of 3 749 238 additional shares were bought back including the transactions exercised under the liquidity agreement with Kepler Cheuvreux (2021: 309 242). A total of 1 449 409 were cancelled. A total of 1 064 800 treasury shares were sold to the beneficiaries of the share-based payment plans of the Group and under the liquidity agreement with Kepler Cheuvreux (2021: 973 330). Treasury shares are accounted for using the FIFO principle (first-in, first-out). Gains and losses on disposals of treasury shares are directly recognized through retained earnings (see movements in retained earnings below). See also note 6.13. 'Ordinary shares, treasury shares and equity-settled share-based payments'.

Retained earnings

in thousands of €	Notes	2021	2022
As at 1 January (as reported)		1 614 781	1 981 876
Equity-settled share-based payments	–	15 261	-6 813
Result for the period attributable to equity holders of Bekaert[1]		404 062	268 859
Dividends		-56 795	-86 463
Equity reclassification		–	-107
Treasury shares transactions	6.13	6 787	-42 136
Changes in Group structure		-2 220	–
As at 31 December		**1 981 876**	**2 115 216**

[1] See note 2.8 'Restatement effects'

Treasury shares transactions (€ -42.1 million vs € 6.8 million in 2021) represented the difference between the proceeds and the FIFO book value of the shares that were sold and cancelled. Changes in Group structure in 2021 related to the merger of Proalco SAS (subsidiary of Bekaert) with the steel wire activities of Almasa SA, both located in Colombia.

6.15. Non-controlling interests

Carrying amount

in thousands of €	2021	2022
As at 1 January	87 175	130 971
Changes in Group structure	3 601	–
Share of the result for the period	43 643	20 457
Share of other comprehensive income excluding CTA	422	-396
Dividend pay-out	-6 649	-19 763
Capital increases	3 975	–
Exchange gains and losses (-)	-1 196	5 581
As at 31 December	**130 971**	**136 850**

The changes in Group structure and the Capital Increase in 2021 mainly related to the merger of Proalco SAS (subsidiary of Bekaert) with the steel wire activities of Almasa SA, both located in Colombia.

The share in the result of the period for entities in which NCI are held, deteriorated significantly. The main contributing entities were located in Chile and Peru.

In accordance with IFRS 12 'Disclosures of Interests in Other Entities', following information is provided on subsidiaries that have non-controlling interests that are material to the Group. The objective of IFRS 12 is to require an entity to disclose information that enables users of its financial statements to evaluate (a) the nature and risks associated with its interests in other entities, and (b) the effects of those interests on its financial position, financial performance and cash flows. Bekaert has many partnerships across the world, most entities of which would not individually meet any reasonable materiality criterion. Therefore, the Group has identified two non-wholly owned groups of entities which are interconnected through their line of business and shareholder structure: (1) the ''Steel Wire Solutions' entities (SWS entities) in Chile and Peru, where the non-controlling interests are mainly held by the Chilean partners, and (2) the SWS entities in the Andina region, where the non-controlling interests are mainly held by the Ecuadorian Kohn family and ArcelorMittal. In presenting aggregated information for these entity groups, only intercompany effects within each entity group have been eliminated, while all other entities of the Group have been treated as third parties.

		Proportion of NCI at year-end	
Entities included in material NCI disclosure	**Country**	**2021**	**2022**
BBRG entities			
Procables SA	Peru	3.9%	3.9%
SWS entities Chile and Peru			
Acma SA	Chile	48.0%	48.0%
Acmanet SA	Chile	48.0%	48.0%
Industrias Acmanet Ltda	Chile	48.0%	48.0%
Industrias Chilenas de Alambre - Inchalam SA	Chile	48.0%	48.0%
Sujetar del Peru SAC	Peru	0.0%	62.5%
Procercos SA	Chile	48.0%	48.0%
Prodalam SA	Chile	48.0%	48.0%
Prodicom Selva SAC	Peru	62.5%	62.5%
Prodimin SAC	Peru	62.5%	62.5%
Prodac Contrata SAC	Peru	62.5%	62.5%
Productos de Acero Cassadó SA	Peru	62.5%	62.5%
SWS entities Andina region			
Agro-Bekaert Colombia SAS	Colombia	60.0%	60.0%
Agro - Bekaert Springs, SL	Spain	60.0%	60.0%
Bekaert Ideal SL	Spain	20.0%	20.0%
Bekaert Guatemala SA	Guatemala	41.6%	41.6%
Servicios Ideal AGF Inttegra Cia. Ltda	Ecuador	70.8%	70.8%
BIA Alambres Costa Rica SA	Costa Rica	41.6%	41.6%
Ideal Alambrec SA	Ecuador	41.6%	41.6%
InverVicson SA	Venezuela	20.0%	20.0%
Productora de Alambres Colombianos Proalco SAS	Colombia	60.0%	60.0%
Vicson SA	Venezuela	20.0%	20.0%

The principal activity of the main entities listed above is manufacturing and selling wire and other wire products, mainly for the local market. Following entities are essentially holdings, having interests in one or more of the other entities listed above: Industrias Acmanet Ltda, Procercos SA, Bekaert Ideal SL and Agro - Bekaert Springs SL. The following table shows the relative importance of the entity groups with material NCI in terms of results and equity attributable to NCI.

Material and other NCI	Result attributable to NCI		Equity attributable to NCI	
in thousands of €	2021	2022	2021	2022
SWS entities Chile and Peru	35 633	15 733	100 872	105 814
SWS entities Andina region	6 075	2 711	21 858	22 421
Consolidation adjustments on material NCI	-651	228	-27 573	-27 316
Contribution of material NCI to consolidated NCI	41 057	18 672	95 157	100 919
Other NCI	2 586	1 785	35 814	35 931
Total consolidated NCI	43 643	20 457	130 971	136 850

The following tables show concise basic statements of the non-wholly owned groups of entities.

SWS entities Chile and Peru

in thousands of €	2021	2022
Current assets	382 128	339 103
Non-current assets	119 973	130 920
Current liabilities	247 022	224 591
Non-current liabilities	60 402	42 767
Equity attributable to equity holders of Bekaert	**93 805**	**96 852**
Equity attributable to NCI	**100 872**	**105 814**

SWS entities Chile and Peru

in thousands of €	2021	2022
Sales	689 790	681 733
Expenses	-619 952	-650 307
Result for the period	69 838	31 426
Result for the period attributable to equity holders of Bekaert	34 205	15 693
Result for the period attributable to NCI	35 633	15 733
Other comprehensive income for the period	-8 946	11 354
OCI attributable to equity holders of Bekaert	-5 302	5 512
OCI attributable to NCI	-3 644	5 842
Total comprehensive income for the period	60 892	42 780
Total comprehensive income attributable to equity holders of Bekaert	28 903	21 205
Total comprehensive income attributable to NCI	31 989	21 575
Dividends paid to NCI	-3 475	-17 588
Net cash inflow (outflow) from operating activities	-4 351	9 166
Net cash inflow (outflow) from investing activities	-8 402	-13 344
Net cash inflow (outflow) from financing activities	22 430	-26 881
Net cash inflow (outflow)	9 676	-31 059

The combination of a slight decrease in sales (-1.2%) and increase in expenses (+4.9%) results in worse profitability in absolute terms. As the increase in expenses was not mirrored in the sales evolution, profitability as percentage was decreased significantly (underlying EBIT margin on sales at 7.1% compared to (15.0% last year).

The strong decrease in EBITDA was amplified by the working capital evolution. As a result the Net Debt position ended per year-end much higher than last year.

SWS entities Andina region

in thousands of €	2021	2022
Current assets	150 291	117 430
Non-current assets	52 206	51 291
Current liabilities	143 778	111 249
Non-current liabilities	11 067	10 028
Equity attributable to equity holders of Bekaert	**25 795**	**25 023**
Equity attributable to NCI	**21 858**	**22 421**

SWS entities Andina region

in thousands of €	2021	2022
Sales	237 878	276 074
Expenses	-224 404	-270 266
Result for the period	13 473	5 808
Result for the period attributable to equity holders of Bekaert	7 398	3 098
Result for the period attributable to NCI	6 075	2 711
Other comprehensive income for the period	-254	864
OCI attributable to equity holders of Bekaert	-203	893
OCI attributable to NCI	-51	-29
Total comprehensive income for the period	13 220	6 673
Total comprehensive income attributable to equity holders of Bekaert	7 196	3 991
Total comprehensive income attributable to NCI	6 024	2 682
Dividends paid to NCI	-3 137	-2 078
Net cash inflow (outflow) from operating activities	28 707	-32 320
Net cash inflow (outflow) from investing activities	-4 940	-5 829
Net cash inflow (outflow) from financing activities	-13 089	26 195
Net cash inflow (outflow)	10 678	-11 954

Sales in 2022 were 16.1% higher compared to last year. However, due to a bigger increase in cost of sales, the underlying EBIT margin on sales deteriorated from 9.5% last year to 5.9% this year. Increased net working capital together with a decrease in EBITDA decreased the cash flow from operating activities, resulting in an increase of the Net Debt position.

The situation for Vicson SA (Venezuela) remains under control. The company manages to source an adequate amount of wire rod to keep its operations going, albeit at a subdued level. Furthermore, the access to US dollar has become more flexible in the country to a point that now invoicing to many customers is made in that currency. Its cash & cash equivalents and short-term deposits amounted to € 0.5 million at 31 December 2022 (compared to € 0.4 million at 31 December 2021).

6.16. Employee benefit obligations

The total net liabilities for employee benefit obligations, which amounted to € 197.9 million as at 31 December 2022 (€ 233.3 million as at year-end 2021), are as follows:

in thousands of €	2021	2022
Liabilities for		
Post-employment defined-benefit plans [1]	69 675	65 960
Other long-term employee benefits	4 821	4 783
Cash-settled share-based payment employee benefits	7 150	6 042
Short-term employee benefits	160 699	122 300
Termination benefits	10 786	11 019
Total liabilities in the balance sheet	**253 130**	**210 104**
of which		
Non-current liabilities [1]	75 971	68 037
Current liabilities	177 159	142 068
Assets for		
Defined-benefit pension plans	-19 847	-12 243
Total assets in the balance sheet	**-19 847**	**-12 243**
Total net liabilities	**233 283**	**197 862**

[1] *See note 2.8. 'Restatement effects'.*

Post-employment benefit plans

In accordance with IAS 19, 'Employee benefits', plans are classified as either defined-contribution plans or defined-benefit plans.

Defined-contribution plans

For defined-contribution plans, Bekaert pays contributions to publicly or privately administered pension funds or insurance companies. Once the contributions have been paid, the Group has no further payment obligation. These contributions constitute an expense for the year in which they are due.

The Belgian defined-contribution pension plans are by law subject to minimum guaranteed rates of return. Pension legislation defines the minimum guaranteed rate of return as a variable percentage linked to government bond yields observed in the market as from 1 January 2016 onwards. As of 2016 the minimum guaranteed rate of return became 1.75% on both employer contributions and employee contributions. The old rates (3.25% on employer contributions and 3.75% on employee contributions) continue to apply to the accumulated past contributions in the group insurance as at 31 December 2015. As a consequence, the defined-contribution plans are reported as defined-benefit obligations at year-end, whereby an actuarial valuation was performed.

Bekaert participates in a multi-employer defined-benefit plan in the Netherlands funded through the Pensioenfonds Metaal & Techniek ('PMT'). This plan is treated as a defined-contribution plan because no sufficient information is available with respect to the plan assets attributable to Bekaert to apply defined-benefit accounting. Contributions for the plan amounted to € 1.6 million (2021: € 1.6 million). Employer contributions are set periodically by PMT, they are equal for all participating companies and are expressed as a percentage of pensionable salary. Bekaert's total contribution represents less than 0.1% of the overall PMT contribution. The financing rules specify that an employer is not obliged to pay any further contributions in respect of previously accrued benefits. The funded status of PMT was 106.8% at 31 December 2022 (2021: 106.1%). There is no obligation for participating companies to fund any deficit of PMT (nor to receive any surplus).

Defined-contribution plans

in thousands of €	2021	2022
Expenses recognized	14 420	15 417

Defined-benefit plans

Several Bekaert companies operate retirement benefit and other post-employment benefit plans. These plans generally cover all employees and provide benefits which are related to salary and length of service.

The latest actuarial valuations under IAS 19 were carried out as of 31 December 2022 for all significant post-employment defined-benefit plans by independent actuaries. The Group's largest defined-benefit obligations were in Belgium, the United States and the United Kingdom. They accounted for 85.9% (2021: 90.3%) of the Group's defined-benefit obligations and 99.5% (2021: 99.6%) of the Group's plan assets.

Plans in Belgium

The funded plans in Belgium mainly related to retirement plans representing a defined-benefit obligation of € 173.5 million (2021: € 216.5 million) and € 182.9 million assets (2021: € 213.4 million). This is including the related plans funded through a group insurance.

The traditional defined-benefit plans foresee in a lump sum payment upon retirement and in risk benefits in case of death or disability prior to retirement. The plans are externally funded through two self-administrated institutions for occupational retirement provision (IORP). On a regular basis, an Asset Liability Matching (ALM) study is performed in which the consequences of strategic investment policies are analyzed in terms of risk-and-return profiles. Statement of investment principles and funding policy are derived from this study. The purpose is to have a well-diversified asset allocation to control the risk. Investment risk and liability risk are monitored on a quarterly basis. Funding policy targets to be at least fully funded in terms of the technical provision (this is a prudent estimate of the pension liabilities).

Other plans mainly related to pre-retirement pensions (defined-benefit obligation € 6.3 million (2021: € 8.0 million)) which are not externally funded. An amount of € 3.8 million (2021: € 4.6 million) related to employees in active service who have not yet entered into any pre-retirement agreement.

Plans in the United States

The funded plans in the United States mainly related to pension plans representing a defined-benefit obligation of € 102.8 million (2021: € 128.1 million) and assets of € 99.1 million (2021: € 124.4 million). The plans provide for benefits for the life of the plan members but have been closed for new entrants. Plan assets are invested, in fixed-income funds and in equities. Funding policy targets to be sufficiently funded in terms of Pension Protection Act requirements and thus to avoid benefit restrictions or at-risk status of the plans.

Unfunded plans included medical care plans (defined-benefit obligation € 2.0 million (2021: € 2.4 million)).

Plans in the United Kingdom

The funded plan in the United Kingdom related to a pension scheme closed for new entrants and further accrual representing a defined-benefit obligation of € 52.5 million (2021: € 93.6 million) and assets of € 59.9 million (2021: € 113.5 million). The scheme is administrated by a separate board of Trustees which is legally separate from the company. The Trustees are composed of representatives of both employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits.

The defined-benefit obligation solely includes benefits for deferred vested members (members whose employment has terminated and have not yet reached the eligible retirement age for drawing a pension) and pensioners (members who are already receiving pension as they have reached the eligible retirement age). Broadly, about 72% of the liabilities are attributable to deferred vested members and 28% to pensioners (2021: 30% pensioners).

UK legislation requires that pension schemes are funded prudently. The funding valuation of the scheme carried out as at 31 December 2019 by a qualified actuary showed a surplus of € 7.4 million. As a consequence, the company is not required to pay contributions into the scheme. Administration costs are reported separately from IAS 19.

The amounts recognized in the balance sheet are as follows:

in thousands of €	2021	2022
Belgium		
Present value of funded obligations	216 562	173 519
Fair value of plan assets	-213 440	-182 880
Deficit / surplus (-) of funded obligations	**3 122**	**-9 361**
Present value of unfunded obligations	7 994	6 264
Total deficit / surplus (-) of obligations	**11 116**	**-3 097**
United States		
Present value of funded obligations	128 125	102 803
Fair value of plan assets	-124 372	-99 106
Deficit / surplus (-) of funded obligations	**3 753**	**3 697**
Present value of unfunded obligations	7 556	6 207
Total deficit / surplus (-) of obligations	**11 309**	**9 904**
United Kingdom		
Present value of funded obligations	93 635	52 464
Fair value of plan assets	-113 482	-59 908
Deficit / surplus (-) of funded obligations	**-19 847**	**-7 444**
Present value of unfunded obligations	–	–
Total deficit / surplus (-) of obligations	**-19 847**	**-7 444**
Other		
Present value of funded obligations	2 545	3 103
Fair value of plan assets	-1 615	-1 830
Deficit / surplus (-) of funded obligations	**930**	**1 273**
Present value of unfunded obligations [1]	46 320	53 081
Total deficit / surplus (-) of obligations	**47 250**	**54 354**
Total		
Present value of funded obligations	440 867	331 889
Fair value of plan assets	-452 909	-343 724
Deficit / surplus (-) of funded obligations	**-12 042**	**-11 835**
Present value of unfunded obligations [1]	61 870	65 552
Total deficit / surplus (-) of obligations	**49 828**	**53 717**

[1] *See note 2.8. 'Restatement effects'.*

Liabilities at year end 2021 have been restated for Indonesia and reflect the impact of the May 2021 IFRIC agenda decision on the attribution of benefits to periods of service. This has resulted in a € 1.7 million decrease of the defined-benefit obligation which has been reflected as a negative past service cost in restated 2021 numbers reported in the table below.

The movement in the defined-benefit obligation, plan assets, net liability and asset over the year were as follows.

in thousands of €	Defined-benefit obligation	Plan assets	Net liability / asset (-)
As at 1 January 2021	**522 889**	**-422 079**	**100 810**
Current service cost	17 424	–	17 424
Past service cost [1]	-1 869	–	-1 869
Gains (-) / losses from settlements	-87	–	-87
Interest expense / income (-)	7 384	-5 500	1 884
Net benefit expense / income (-) recognized in profit and loss	**22 853**	**-5 500**	**17 353**
Components recognized in EBIT			*15 469*
Components recognized in financial result			*1 884*
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / income (-)	*–*	*-21 127*	*-21 127*
Gain (-) / loss from change in demographic assumptions	*-1 622*	*–*	*-1 622*
Gain (-) / loss from change in financial assumptions	*-28 439*	*–*	*-28 439*
Experience gains (-) / losses	*3 836*	*–*	*3 836*
Changes recognized in equity	**-26 224**	**-21 127**	**-47 351**
Contributions			
Employer contributions / direct benefit payments	–	-19 430	-19 430
Employee contributions	148	-148	–
Payments from plans			
Benefit payments	-32 275	32 275	–
Foreign-currency translation effect [1]	**15 346**	**-16 900**	**-1 554**
As at 31 December 2021	**502 737**	**-452 909**	**49 828**

[1] *See note 2.8. 'Restatement effects'.*

in thousands of €	Defined-benefit obligation	Plan assets	Net liability / asset (-)
As at 1 January 2022	**502 737**	**-452 909**	**49 828**
Current service cost	16 125	–	16 125
Past service cost	54	–	54
Gains (-) / losses from settlements	502	–	502
Interest expense / income (-)	9 822	-7 928	1 894
Net benefit expense / income (-) recognized in profit and loss	**26 503**	**-7 928**	**18 575**
Components recognized in EBIT			*16 681*
Components recognized in financial result			*1 894*
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / income (-)	–	*97 349*	*97 349*
Gain (-) / loss from change in demographic assumptions	*1 903*	–	*1 903*
Gain (-) / loss from change in financial assumptions	*-119 037*	–	*-119 037*
Experience gains (-) / losses	*16 392*	–	*16 392*
Changes recognized in equity	**-100 742**	**97 349**	**-3 393**
Contributions			
Employer contributions / direct benefit payments	–	-11 933	-11 933
Employee contributions	130	-130	–
Payments from plans			
Benefit payments	-35 786	35 786	–
Foreign-currency translation effect	**4 599**	**-3 959**	**640**
As at 31 December 2022	**397 441**	**-343 724**	**53 717**

Gains and losses from settlements in 2022 mainly related to restructurings in Ecuador (€ 0.4 million gain), Indonesia (€ 0.9 million loss). The past service cost related to recognition of past service in Turkey upon permanent recruitment of temporary workforce. In the income statement, current and past service cost, including gains or losses from settlements are included in the operating result (EBIT), and interest expense or income is included in interest expense, under interest element of interest-bearing provisions.

Changes recognized in equity amounted in 2022 to € -3.4 million and were driven by € 97.3 million loss on plan assets reflecting negative asset return, offset by € 100.7 million gains in defined benefit obligation. The latter can be broken down into € 119.0 million gains due to changes in financial assumptions reflecting increased discount rates and increased inflation assumptions, € 1.9 million losses due to changes in demographic assumptions and € 16.4 million losses in liabilities due to experience.

Reimbursement rights arising from reinsurance contracts covering retirement pensions, death and disability benefits in Germany amounted to less than € 0.1 million (2021: € 0.1 million).

Estimated contributions and direct benefit payments for 2023 are as follows:

Estimated contributions and direct benefit payments

in thousands of €	2023
Pension plans	18 141

Fair values of plan assets at 31 December were as follows:

in thousands of €	2021	2022
Belgium		
Bonds	**55 905**	**53 018**
Equity	**94 366**	**69 047**
Cash	**4 077**	**3 000**
Insurance contracts	**59 092**	**57 815**
Total Belgium	**213 440**	**182 880**
United States		
Bonds		
USD Long Duration Bonds	36 617	29 060
USD Fixed Income	5 842	4 817
USD Guaranteed Deposit	4 437	4 235
Equity		
USD Equity	49 690	38 372
Non-USD Equity	20 317	17 970
Real estate	7 470	4 652
Total United States	**124 372**	**99 106**
United Kingdom		
Bonds	**35 480**	**16 009**
Derivatives	**62 806**	**37 015**
Equity	**13 850**	**5 677**
Cash	**1 346**	**1 207**
Total United Kingdom	**113 482**	**59 908**
Other		
Bonds	**1 614**	**1 830**
Total Other	**1 614**	**1 830**
Total	**452 909**	**343 724**

In the USA, investments are primarily made through mutual fund investments and insurance company separate accounts, in quoted equity and debt instruments. In Belgium, the investments are made through mutual fund investments in quoted equity and debt instruments. Investments are well-diversified so that the failure of any single investment would not have a material impact on the overall level of assets. In UK a large proportion of assets is invested in liability driven investments and bonds.

The Group's plan assets include no direct positions in Bekaert shares or bonds, nor do they include any property used by a Bekaert entity.

The principal actuarial assumptions on the balance sheet date (weighted averages based on outstanding DBO) were:

Actuarial assumptions	2021	2022
Discount rate	2.0%	4.7%
Future salary increases	3.3%	3.7%
Underlying inflation rate	2.3%	2.8%
Health care cost increases (initial)	6.5%	7.5%
Health care cost increases (ultimate)	5.0%	5.0%
Health care (years to ultimate rate)	6	10

The discount rate for the UK, USA and Belgium is reflective both of the current interest rate environment and the plan's distinct liability characteristics. The plan's projected cash flows are matched to spot rates, after which an associated present value is developed. A single equivalent discount rate is then determined that produces that same present value. The underlying yield curve for deriving spot rates is based on high quality AA-credit rated corporate bonds issues denominated in the currency of the applicable regional market.

This resulted into the following discount rates:

Discount rates	2021	2022
Belgium	1.0%	3.8%
United States	2.8%	5.3%
United Kingdom	1.9%	5.0%
Other	4.7%	6.3%

This resulted into the following inflation rates:

Inflation rates	2021	2022
Belgium	1.8%	2.2%
United States	N/A	N/A
United Kingdom	3.3%	3.3%
Other	2.9%	4.8%
Total	**2.3%**	**2.8%**

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translated into the following average life expectancy in years for a pensioner retiring at age 65.

	2021	2022
Life expectancy of a man aged 65 (years) at balance sheet date	20.2	20.2
Life expectancy of a woman aged 65 (years) at balance sheet date	22.6	22.7
Life expectancy of a man aged 65 (years) ten years after balance sheet date	20.9	20.9
Life expectancy of a woman aged 65 (years) ten years after balance sheet date	23.4	23.4

Sensitivity analyses show the following effects:

Sensitivity analysis

in thousands of €	Change in assumption	Impact on defined-benefit obligation		
Discount rate	-0.50%	Increase by	17 354	4.4%
Salary growth rate	0.50%	Increase by	4 007	1.0%
Health care cost	0.50%	Increase by	83	0.02%
Life expectancy	1 year	Increase by	4 616	1.2%

The above analyses were done on a mutually exclusive basis, while holding all other assumptions constant.

Through its defined-benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Salary risk	The majority of the plans' benefit obligations are calculated by reference to the future salaries of plan members. As such, a salary increase of plan members higher than expected will lead to higher liabilities.
Longevity risk	Belgian pension plans provide for lump sum payments upon retirement. As such, there is limited or no longevity risk. Pension plans in the USA and UK provide for benefits for the life of the plan members, so increases in life expectancy will result in an increase in the plans' liabilities.

The weighted average durations of the defined-benefit obligations were as follows:

Weighted average durations of the DBO

in years	2021	2022
Belgium	12.5	10.0
United States	11.5	9.5
United Kingdom	20.0	16.5
Other	10.3	9.7
Total	**13.4**	**10.7**

Termination benefits

Termination benefits are cash and other services paid to employees when their employment has been terminated.

Other long-term employee benefits

The other long-term employee benefits related to service awards.

Cash-settled share-based payment employee benefits

Stock appreciation rights ('SAR')

The Group issues stock appreciation rights (SARs) for certain management employees, granting them the right to receive the intrinsic value of the SARs at the date of exercise. These SARs are accounted for as cash-settled share-based payments in accordance with IFRS 2. The fair value of each grant is recalculated at balance sheet date, using a binomial pricing model. Based on local regulations, the exercise price for any grant under the USA SAR plan is equal to the average closing price of the Company's share during the thirty days following the date of the offer. The exercise price for the other SAR plans is determined in the same way as for the equity-settled stock option plans: it is equal to the lower of (i) the average closing price of the Company's share during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer.

Following inputs to the model are used for all grants: share price at balance sheet date: € 36.28 (2021: € 39.14), expected volatility in a range between 31% and 37% (2021: 34%), expected dividend yield in a range between 4.3% and 4.6% (2021: 3.0%), vesting period of 3 years and a contractual life of 10 years. Inputs for risk-free interest rates vary by grant and are based on the return of Belgian OLO's (Obligation Linéaire / Lineaire Obligatie) with a term equal to the maturity of the SAR grant under consideration.

Exercise prices and fair values of outstanding SARs by grant are shown below:

USA SAR Plan details by grant

in €	Granted	Exercise price	Fair value as at 31 December 2021	Fair value as at 31 December 2022
Grant 2013	20 900	22.09	17.04	–
Grant 2014	36 800	25.66	13.72	11.17
Grant 2015	40 200	25.45	13.99	11.68
Grant 2016	20 250	28.38	11.91	11.33
Grant 2017	26 375	38.86	7.88	7.35
Grant 2018	16 875	37.06	8.76	8.95

Other SAR Plans details by grant

in €	Granted	Exercise price	Fair value as at 31 December 2021	Fair value as at 31 December 2022
Grant 2013	24 500	19.20	19.92	–
Exceptional grant 2013	10 000	21.45	17.69	–
Grant 2014	54 800	25.38	13.96	11.39
Grant 2015	44 700	26.06	13.42	11.24
Grant 2016	38 500	26.38	13.33	12.42
Grant 2017	53 000	39.43	7.85	7.35
Grant 2018	37 500	34.60	9.48	9.74

At 31 December 2022, the total liability for the USA SAR plan amounted to € 0.3 million (2021: € 0.4 million), while the total liability for the other SAR plans amounted to € 0.5 million (2021: € 0.5 million).

The Group recorded a total income of € 0.1 million (2021: income of € 0.0 million) during the year in respect of SARs.

Performance Share Units ('PSU')

Certain management employees received cash-settled Performance Share Units (PSUs) entitling the beneficiary to receive the value of Performance Share Units: during 2019, 2020 and 2021 under the conditions of the Performance Share Plan 2018-2020 and during 2022 under the conditions of the Performance Share Plan 2022-2024. These Performance Share Units will vest following a vesting period of three years, conditional to the achievement of a pre-set performance target. The performance target was set by the Board of Directors, in line with the Company strategy, and can vary from 0% to 300%. At granting date, the assumption is taken that the grant will vest at a vesting percentage of 100%, the performance target is reassessed for the expected performance at each balance sheet date, if needed the vesting percentage is adjusted based on that assessment.

These Performance Share Units are accounted for as cash-settled share-based payments in accordance with IFRS 2. The fair value of each grant under PSU 2018-2020 and under PSU 2022-2024 is equal to the share price at balance sheet date, since the performance conditions are non-market conditions (Underlying EBITDA and operational cash flow).

The fair value of outstanding Performance Share Units by grant is shown below:

Performance Share Units details by grant

in €	Granted	Fair value as at 31 December 2021	Fair value as at 31 December 2022
Grant 2020	45 141	39.14	36.28
Grant 2020	444	39.14	36.28
Grant 2021	4 567	39.14	36.28
Grant 2022	24 832	–	36.28

At 31 December 2022, the total liability for the USA PSUs amounted to € 1.6 million (2021: € 1.6 million), while the total liability for the other PSUs amounted to € 3.7 million (2021: € 4.8 million).

The Group recorded a total cost of € 2.2 million (2021: cost of € 4.8 million) during the year in respect of PSUs.

Short-term employee benefit obligations

Short-term employee benefit obligations relate to liabilities for remuneration and social security that are due within twelve months after the end of the period in which the employees render the related service. End 2021, they included considerable higher bonus provisions than at end 2022.

6.17. Provisions

in thousands of €	Restructuring	Claims	Environment	Other	Total
As at 1 January 2021	**6 525**	**6 600**	**20 015**	**3 448**	**36 588**
Additional provisions	56	1 516	2 397	867	4 836
Unutilized amounts released	-220	-3 309	-591	-1 069	-5 188
Increase in present value	–	–	–	15	15
Charged to the income statement	**-164**	**-1 793**	**1 807**	**-187**	**-337**
Amounts utilized during the year	-5 661	-1 930	-858	-388	-8 837
Exchange gains (-) and losses	3	186	89	11	289
As at 31 December 2021	**703**	**3 062**	**21 053**	**2 884**	**27 703**
Of which					
current	703	1 987	635	1 066	4 392
non-current - between 1 and 5 years	–	1 075	9 008	1 250	11 333
non-current - more than 5 years	–	–	11 410	568	11 978

in thousands of €	Restructuring	Claims	Environment	Other	Total
As at 1 January 2022	**703**	**3 062**	**21 053**	**2 884**	**27 703**
Additional provisions	123	5 163	1 225	6 764	13 275
Unutilized amounts released	-117	-1 681	-539	-836	-3 173
Increase in present value	–	–	–	13	13
Charged to the income statement	**6**	**3 482**	**686**	**5 941**	**10 116**
Amounts utilized during the year	-680	-942	-1 718	-484	-3 824
Exchange gains (-) and losses	1	-37	32	89	85
As at 31 December 2022	**30**	**5 565**	**20 053**	**8 430**	**34 079**
Of which					
current	30	2 345	415	3 364	6 154
non-current - between 1 and 5 years	–	3 221	8 228	4 398	15 847
non-current - more than 5 years	–	–	11 410	667	12 077

Provisions for claims mainly related to product warranty programs and various product quality claims in several entities.

The environmental provisions mainly related to sites in EMEA. The expected soil sanitation costs are reviewed at each balance sheet date, based on external expert assessments. Timing of settlement is uncertain as it is often triggered by decisions on the destination of the premises. The increase in the environmental provisions mainly relate to a new provision linked to the disposal of the Figline plant, martially offset by the utilization and release of environmental provisions linked to sites in Belgium and UK.

The increase of other provisions mainly relate to the new provision in Indonesia with regards to customs and VAT cases.

6.18. Interest-bearing debt

An analysis of the carrying amount of the Group's interest-bearing debt by contractual maturity is presented below:

2021

in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
Lease liability	*20 219*	*36 837*	*19 588*	*76 644*
Cash guarantees received	*–*	*84*	*120*	*204*
Credit institutions	*217 523*	*177 047*	*–*	*394 571*
Schuldschein loans	*–*	*298 964*	*20 941*	*319 905*
Bonds	*–*	*200 000*	*200 000*	*400 000*
Convertible bonds	*–*	*–*	*–*	*–*
Total financial debt	**237 742**	**712 932**	**240 649**	**1 191 324**

2022

in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
Lease liability	*20 002*	*36 872*	*20 331*	*77 205*
Cash guarantees received	*–*	*144*	*66*	*210*
Credit institutions	*291 989*	*146 413*	*–*	*438 401*
Schuldschein loans	*188 598*	*131 582*	*–*	*320 179*
Bonds	*–*	*400 000*	*–*	*400 000*
Total financial debt	**500 588**	**715 011**	**20 397**	**1 235 996**

An analysis of the undiscounted outflows relating to the Group's financial liabilities by contractual maturity is presented in note 7.2. 'Financial risk management and financial derivatives'. The financial debt due within one year increased with € 262.8 million mainly due to repayments of the Schuldschein loans which will take place in June 2023 (€ 188.6 million at amortized cost per year-end 2022).

As a general principle, loans are entered into by Group companies in their local currency to avoid currency risk. If funding is in another currency without an offsetting position on the balance sheet, the companies hedge the currency risk through derivatives (cross-currency interest-rate swaps or forward exchange contracts). Bonds, commercial paper and debt towards credit institutions are unsecured, except for the factoring programs.

For further information on financial risk management, we refer to note 7.2. 'Financial risk management and financial derivatives'.

Net debt calculation

The following table summarizes the calculation of the net debt.

in thousands of €	2021	2022
Non-current interest-bearing debt	953 581	735 408
Current interest-bearing debt	237 742	500 588
Total financial debt	**1 191 324**	**1 235 996**
Non-current financial receivables and cash guarantees	-10 192	-9 665
Current financial receivables and cash guarantees	-6 475	-6 352
Short-term deposits	-80 058	-4 766
Cash and cash equivalents	-677 270	-728 095
Net debt	**417 329**	**487 118**

Changes in liabilities arising from financing activities

In accordance with the disclosure requirements of IAS 7 'Statement of Cash Flows', this section presents an overview of the changes in liabilities arising from financing activities. The qualification as long-term vs short-term debt is based on the initial maturity of the debt. In the consolidated cash flow statement, the cash flows from long-term interest-bearing debt are analyzed between proceeds and repayments.

In 2022, other changes in financial debt mainly related to the non-cash movements on the lease liability (€ 33.5 million) (see also note 6.4. 'Right-of-use (RoU) property, plant and equipment'). Derivatives held to hedge financial debt included swaps and options that provide (economic) hedges for interest-rate risk, see note 7.2. 'Financial risk management and financial derivatives'.

In 2021, other changes in financial debt mainly related to the non-cash movements on the lease liability (€ 19.6 million) (see also note 6.4. 'Right-of-use (RoU) property, plant and equipment'), and interest accruals from amortizations on liabilities using the effective interest method (€ 4.9 million). Derivatives held to hedge financial debt included swaps and options that provide (economic) hedges for interest-rate risk, see note 7.2. 'Financial risk management and financial derivatives'.

2021			Non-cash changes				
in thousands of €	**As at 1 January**	**Cash flows**	**Acquisitions & disposals**	**Cumulative translation adjustments**	**Fair value changes**	**Other changes**	**As at 31 December**
Financial debt							
Long-term interest-bearing debt [1]	1 380 866	-416 174	–	3 619	–	24 802	993 114
Cash guarantees received	*171*	*12*	–	*20*	–	–	*204*
Lease liability	*80 505*	*-26 290*	–	*2 805*	–	*19 624*	*76 644*
Credit institutions	*205 463*	*-9 896*	–	*794*	–	–	*196 361*
Schuldschein loans	*319 635*	–	–	–	–	*270*	*319 905*
Bonds	*400 000*	–	–	–	–	–	*400 000*
Convertible bonds	*375 092*	*-380 000*	–	–	–	*4 908*	–
Short-term interest bearing debt	228 865	-43 328	–	12 672	–	–	198 210
Total financial debt	**1 609 732**	**-459 501**	**–**	**16 291**	**–**	**24 802**	**1 191 324**
Derivatives held to hedge financial debt							
Interest-rate swaps	1 081	–	–	–	-964	–	118
Cross-currency interest-rate swaps	-5 030	–	–	–	6 675	–	1 645
Other liabilities from financing activities							
Conversion derivative	34	–	–	–	-34	–	–
Total liabilities from financing activities	**1 605 817**	**-459 501**	**–**	**16 291**	**5 677**	**24 802**	**1 193 087**

[1] *Including the current portion of non-current interest-bearing debt of € 412.8 million as at 1 January and € 39.5 million as at 31 December.*

2022			Non-cash changes				
in thousands of €	As at 1 January	Cash flows	Acquisitions & disposals	Cumulative translation adjustments	Fair value changes	Other changes	As at 31 December
Financial debt							
Long-term interest-bearing debt [1]	993 114	-75 577	–	2 107	–	33 974	953 618
Cash guarantees received	*204*	*11*	–	*-5*	–	–	*210*
Lease liability	*76 644*	*-31 704*	–	*-1 434*	–	*33 699*	*77 205*
Credit institutions	*196 361*	*-43 885*	–	*3 546*	–	–	*156 023*
Schuldschein loans	*319 905*	–	–	–	–	*275*	*320 179*
Bonds	*400 000*	–	–	–	–	–	*400 000*
Convertible bonds	–	–	–	–	–	–	–
Short-term interest bearing debt	198 210	67 349	614	16 205	–	–	282 378
Total financial debt	**1 191 324**	**-8 228**	**614**	**18 312**	**–**	**33 974**	**1 235 996**
Derivatives held to hedge financial debt							
Interest-rate swaps	118	–	–	–	-7 295	–	-7 178
Cross-currency interest-rate swaps	1 645	–	–	–	-4 290	–	-2 645
Total liabilities from financing activities	**1 193 087**	**-8 228**	**614**	**18 312**	**-11 586**	**33 974**	**1 226 173**

[1] Including the current portion of non-current interest-bearing debt of € 39.5 million as at 1 January and € 218.1 million as at 31 December.

6.19. Other non-current liabilities

Carrying amount

in thousands of €	2021	2022
Other non-current amounts payable	142	150
Derivatives (cf. note 7.2.)	703	–
Total	**844**	**150**

The derivatives related to an interest-rate swap to hedge the variable interest in some of the Schuldschein loans are nil in 2022 (2021: € 0.1 million). CCIRSs are also nil in 2022. (2021: € 0.6 million) (see notes 6.18. 'Interest-bearing debt' and 7.2. 'Financial risk management and financial derivatives').

6.20. Other current liabilities

Carrying amount

in thousands of €	2021	2022
Other amounts payable	9 122	14 362
Derivatives (cf. note 7.2.)	2 324	1 548
Advances received	24 354	24 097
Other taxes	24 127	36 940
Accruals and deferred income	8 322	11 171
Total	**68 249**	**88 118**

The increase in 2022 of Other amounts payable was mainly due to higher outstanding dividend payable and payable relating to tax consolidation regime in Italy.

The derivatives included forward-exchange contracts (€ 1.3 million (2021: € 0.7 million)) and CCIRSs (€ 0.2 million (2021: € 1.7 million)).

Advances received mainly related to the project business of Bridon-Bekaert Ropes Group (BBRG) and advance payments from the Brazilian joint ventures on equipment orders at Engineering.

Other taxes related to VAT payable (€ 10.2 million (2021: € 5.1 million)), employment-related taxes withheld (€ 10.8 million (2021: € 8.4 million)) and other non-income taxes payable (€ 15.9 million (2021: € 10.6 million))

6.21. Tax positions

The table below provides an overview of the tax receivables, tax payables and uncertain tax positions recognized at balance sheet closing date. The tax receivables and payables include both current income taxes, VAT and other taxes.

in thousands of €	2021	2022
Tax receivables	113 568	126 694
Certain tax liabilities	71 376	59 292
Uncertain tax positions	38 882	43 828

The certain tax liabilities include the balances of other taxes presented in the table of note '6.20. Other current liabilities'.

7. Miscellaneous items

7.1. Notes to the cash flow statement

Summary

in thousands of €	2021	2022
Operating result (EBIT)[1]	*510 589*	*365 754*
Non-cash items added back to operating result (EBIT)[1]	*164 256*	*260 729*
EBITDA[1]	*674 845*	*626 483*
Other gross cash flows from operating activities	*-140 345*	*-121 294*
Gross cash flows from operating activities[1]	*532 884*	*505 189*
Changes in operating working capital [2]	*-119 773*	*-174 467*
Other operating cash flows	*-32 620*	*9 570*
Cash from operating activities[1]	380 491	340 292
Cash from investing activities[1]	-91 810	-124 956
Cash from financing activities	-567 082	-174 398
Net increase or decrease in cash and cash equivalents[1]	**-278 401**	**40 937**

[1] See note 2.8 'Restatement effects'
[2] For reconciliation of the changes in operating working capital with the organic variation of the working capital, see note 6.8. 'Operating working capital'.

The cash flow from operating activities is presented using the indirect method, whereas the direct method is used for the cash flows from other activities. The direct method focuses on classifying gross cash receipts and gross cash payments by category.

Cash from operating activities

Details of selected operating items

in thousands of €	2021	2022
Non-cash items included in operating result (EBIT)		
Depreciation and amortization [1 2]	*165 774*	*202 795*
Impairment losses on assets	*-1 518*	*57 934*
Non-cash items added back to operating result (EBIT)[2]	164 256	260 729
Gains (-) and losses on business disposals (portion retained)	–	-474
Employee benefits: set-up / reversal (-) of amounts not used [2]	*12 428*	*26 158*
Provisions: set-up / reversal (-) of amounts not used	*-352*	*10 102*
CTA recycled on business disposals	*-2 987*	*-555*
Equity-settled share-based payments	*15 261*	*92*
Other non-cash items included in operating result (EBIT)[2]	24 349	35 324
Total[2]	**188 605**	**296 053**
Investing items included in operating result (EBIT)		
Gains (-) and losses on business disposals (portion sold)	170	210
Gains (-) and losses on disposals of intangible assets + PP&E	-23 404	-11 591
Total	**-23 234**	**-11 381**
Amounts used on provisions and employee benefit obligations		
Employee benefits: amounts used	-41 503	-24 123
Provisions: amounts used	-8 837	-3 824
Total	**-50 340**	**-27 947**
Income taxes paid		
Current income tax expense	-116 006	-79 593
Increase or decrease (-) in net income taxes payable	23 269	-37 697
Total	**-92 737**	**-117 289**
Other operating cash flows		
Movements in other receivables and payables	-27 411	9 365
Other	-5 209	205
Total	**-32 620**	**9 570**

[1] *Including € 11.0 million (2021: € -18.6 million) write-downs / (reversals of write-downs) on inventories and trade receivables (see note 6.8. 'Operating working capital').*
[2] *See note 2.8 'Restatement effects'*

Gross cash flows from operating activities decreased by € -27.7 million as a result of lower EBITDA (€ -48.4 million), lower set-up for equity-settled share-based payments (€ -15.2 million) and a higher cash-out from income taxes paid (€ -24.5 million higher). This is partially offset with a lower adjustment for the accounting profit on investing items (€ +11.9 million lower), by a higher set-up of employee benefit obligations and provisions, and a lower reversal and usage of employee benefits and provisions (€ +46.6 million higher).

The cash outflow from the increase in working capital, driven by the lower outstanding accounts payable, partially offset with higher inventories and trade receivables, amounted to € -178.7 million in 2022 (2021: € -119.8 million) (see organic decrease in note 6.8. 'Operating working capital').

Other operating cash flows mainly related to swings in other receivables and payables not included in working capital and not arising from investing or financing activities.

In 2022, the cash-out from income taxes was € 117.3 million. Most taxes were paid in China (€ 25.3 million), Chile (€ 17.5 million), Belgium (€ 10.8 million), Turkey (€ 11.2 million), Czech Republic (€ 8.7 million), Peru (€ 8 million), Colombia (€ 3.8 million) and Indonesia (€ 3.3 million).

Cash from investing activities

The following table presents more details on selected investing cash flows:

Details of selected investing items

in thousands of €	2021	2022
Other portfolio investments		
New business combinations	–	-2 384
Other investments	-863	-8 613
Total	**-863**	**-10 997**
Proceeds from disposals of fixed assets		
Proceeds from disposals of intangible assets	121	127
Proceeds from disposals of property, plant and equipment	12 235	2 115
Proceeds from disposals of RoU Land	712	7
Proceeds from disposals of assets classified as held for sale	23 683	891
Total	**36 752**	**3 141**

The other investments in 2022 relate to the investment in Pajarito Powder LLC (€ 3.9 million) and TFI Marine Nominees Limited (€ 4.0 million). New business combinations relate to the investments in new subsidiaries in 2022. The other investments in 2021 relate to the investment in a power generation company in India.

Cash-outs from capital expenditure for property, plant and equipment increased from € 143.8 million in 2021 to € 170.2 million in 2022.

The proceeds from sales of fixed assets in 2022 relate to sales transactions, mainly in Belgium. In 2021 they relate to the real estate sales transactions, mainly in Peru, Malaysia, Belgium and Canada.

Cash from financing activities

The following table presents more details about selected financing items:

Details of selected financing items

in thousands of €	2021	2022
Other financing cash flows		
New shares issued following exercise of subscription rights	1 077	748
Increase (-) or decrease in current and non-current receivables	495	-763
Increase (-) or decrease in current financial assets	-28 439	75 552
Other financial income and expenses	-2 879	-7 064
Total	**-29 747**	**68 473**

New long-term debt issued was limited to € 12.0 million in 2022 (2021: € 23.6 million). Repayments of long-term debt (€ -87.6 million) refinancing of local loans in Peru (€ -25.5 million), Australia (€ -16.2 million) and China (€ -12.0 million). Cash-ins from short-term debt amounted to € +67.3 million in 2022 (2021: cash-outs € -43.3 million), mostly by entering in new short term loans by the Latin American entities. For an overview of the movements in liabilities arising from financing activities, see note 6.18. 'Interest-bearing debt'.

In 2022 the treasury shares transactions decreased with € -97.1 million (2021: increase by € 17.4 million) and consisted mainly of the costs of share buy-back program being exercised.

As for other financing cash flows, cash-ins resulted from new shares issued following exercise of subscription rights (€ 0.7 million vs € 1.1 million in 2021), decrease from loans and receivables (€ -0.8 million vs € 0.5 million in 2021) and cash-ins from current financial assets, mainly short-term deposits (€ 75.6 million vs € -28.4 million in 2021). Other financial income and expenses mainly related amongst others to taxes and bank charges on financial transactions (€ -7.1 million vs € -2.9 million in 2021).

7.2. Financial risk management and financial instruments

Principles of financial risk management

The Group is exposed to risks from movements in exchange rates, interest rates and market risks that affect its assets and liabilities. Financial risk management within the Group aims at reducing the impact of these market risks through ongoing operational and financing activities. Selected derivative hedging instruments are used depending on the assessment of risk involved. The Group mainly hedges the risks that affect the Group's cash flows. Derivatives are used exclusively as hedging instruments and not for trading or other speculative purposes. To reduce the credit risk, hedging transactions are generally only concluded with financial institutions whose long term credit rating is at least A according to Moody's Investors Service Inc., Fitch and S&P.

The guidelines and principles of the Bekaert financial risk policy are defined by the Audit, Risk and Finance Committee and overseen by the Board of the Group. Group Treasury is responsible for implementing the financial risk policy. This encompasses defining appropriate policies and setting up effective control and reporting procedures. The Audit, Risk and Finance Committee is regularly kept informed on the exposures.

Currency risk

The Group's currency risk can be split into two categories: translational and transactional currency risk.

Translational currency risk

A translational currency risk arises when the financial data of foreign subsidiaries are converted into the Group's presentation currency, the euro. The main currencies are Chinese renminbi, US dollar, Czech koruna, Brazilian real, Chilean peso, Russian ruble, Indian rupee and pound sterling. Since there is no impact on the cash flows, the Group usually does not hedge against such risk.

Transactional currency risk

The Group is exposed to transactional currency risks resulting from its operating, investing and financing activities.

Foreign currency risk in the area of operating activities arises from commercial activities with sales and purchases in foreign currencies, as well as payments and receipts of royalties. The Group uses forward-exchange contracts to limit the currency risk on the forecasted cash inflows and outflows for the coming three months. Significant exposures and firm commitments beyond that time frame may also be covered.

Foreign currency risk in the area of investment results from the acquisition and disposal of investments in foreign companies, and sometimes also from dividends receivable from foreign investments. If material, these risks are hedged by means of forward exchange contracts.

Foreign currency risk in the financing area results from financial liabilities in foreign currencies. In line with its policy, Group Treasury hedges these risks using cross-currency interest-rate swaps and forward exchange contracts to convert financial obligations denominated in foreign currencies into the entity's functional currency. At the reporting date, the foreign currency liabilities for which currency risks were hedged mainly consisted of intercompany loans in euro and US dollar.

Currency sensitivity analysis

Currency sensitivity relating to the operating, investing and financing activities

The following table summarizes the Group's net foreign currency positions of operating, investing and financing receivables and payables at the reporting date for the most important currency pairs. The net currency positions are presented before intercompany eliminations. Positive amounts indicate that the Group has a net future cash inflow in the first currency. In the table, the 'Total exposure' column represents the position on the balance sheet, while the 'Total derivatives' column includes all financial derivatives hedging those balance sheet positions as well as forecasted transactions.

Currency pair - 2021

in thousands of €	Total exposure	Total derivatives	Open position
AUD/EUR	-6 506	-8 323	-14 829
CAD/EUR	-11 171	–	-11 171
CZK/EUR	24 625	-1 132	23 493
EUR/CNY	-17 706	–	-17 706
EUR/GBP	12 479	6 206	18 685
EUR/INR	-27 084	19 725	-7 359
EUR/MYR	-12 495	–	-12 495
EUR/RON	-39 256	–	-39 256
EUR/RUB	-35 641	22 134	-13 507
IDR/USD	-13 740	–	-13 740
JPY/CNY	8 229	-1 925	6 304
JPY/USD	5 888	-3 362	2 526
NOK/GBP	16 221	–	16 221
USD/BRL	-10 822	–	-10 822
USD/CLP	-18 970	–	-18 970
USD/CNY	35 648	11 528	47 176
USD/EUR	140 008	-96 566	43 442
USD/INR	-48 924	–	-48 924
USD/MXN	-5 939	–	-5 939
USD/RUB	-6 970	–	-6 970

Currency pair - 2022

in thousands of €	Total exposure	Total derivatives	Open position
AUD/EUR	540	-8 866	-8 326
BRL/EUR	18 504	–	18 504
CLP/EUR	5 696	–	5 696
CZK/EUR	23 458	572	24 030
EUR/CNY	-19 024	–	-19 024
EUR/GBP	-47 925	11 669	-36 256
EUR/INR	-13 018	–	-13 018
EUR/MYR	-13 114	–	-13 114
EUR/RON	-34 186	–	-34 186
EUR/RUB	-46 298	–	-46 298
IDR/USD	-20 872	–	-20 872
JPY/CNY	6 695	-2 285	4 410
USD/BRL	-7 319	–	-7 319
USD/CAD	14 569	-14 400	169
USD/CNY	43 243	–	43 243
USD/EUR	161 321	-126 037	35 284
USD/GBP	8 948	–	8 948
USD/INR	-50 110	–	-50 110
USD/MXN	-6 641	–	-6 641

The reasonably possible changes used in this calculation were based on annualized volatility relating to the daily movement of the exchange rate of the reported year, with a 95% confidence interval.

If rates had weakened/strengthened by such changes with all other variables constant, the result for the period before taxes would have been € 0.5 million lower/higher (€ 39.7 million higher or lower if ruble position is included) (2021: € 10.8 million).

Currency sensitivity in relation to hedge accounting

At 31 December 2022 the Group does not apply hedge accounting (also none at 31 December 2021).

Interest-rate risk

The Group is exposed to interest-rate risk, mainly on debt denominated in US dollar, Chinese renminbi and euro. To minimize the effects of interest-rate fluctuations in these regions, the Group manages the interest-rate risk for net debt denominated in the respective currencies of these countries separately. General guidelines are applied to cover interest-rate risk:

- The target average life of long-term debt is four years.
- The allocation of long-term debt between floating and fixed interest rates must remain within the defined limits approved by the Audit, Risk and Finance Committee.

Group Treasury uses interest-rate swaps and cross-currency interest-rate swaps to ensure that the floating and fixed portions of the long-term debt remain within the defined limits.

The following table summarizes the weighted average interest rates, excluding the effects of any swaps, at the balance sheet date.

2021	Long-term				
	Fixed rate	Floating rate	Total	Short-term	Total
US dollar	4.04%	2.37%	3.29%	1.31%	1.60%
Chinese renminbi	-%	-%	-%	3.62%	3.62%
Euro	2.27%	1.48%	2.07%	-%	2.07%
Other	6.71%	-%	6.71%	4.58%	4.58%
Total	**2.65%**	**1.53%**	**2.38%**	**2.41%**	**2.38%**

2022	Long-term				
	Fixed rate	Floating rate	Total	Short-term	Total
US dollar	4.21%	-%	4.21%	5.36%	5.25%
Chinese renminbi	-%	-%	-%	3.41%	3.41%
Euro	1.51%	3.95%	2.12%	-%	2.12%
Other	4.59%	-%	4.59%	7.23%	6.48%
Total	**1.71%**	**3.95%**	**2.24%**	**5.68%**	**3.02%**

Interest-rate sensitivity analysis

Interest-rate sensitivity of the financial debt

As disclosed in note 6.18. 'Interest-bearing debt', the total financial debt of the Group as of 31 December 2022 amounted to € 1 236 million (2021: € 1 191.3 million). The following table shows the currency and interest rate profile, i.e. the percentage distribution of the total financial debt by currency and by type of interest rate (fixed, floating), including the effect of any swaps.

2021	Long-term		Short-term	
	Fixed rate	Floating rate	Floating rate	Total
US dollar	1.40%	1.10%	14.30%	16.80%
Chinese renminbi	-%	-%	3.00%	3.00%
Euro	52.70%	17.70%	-%	70.40%
Other	4.40%	-%	5.40%	9.80%
Total	**58.50%**	**18.80%**	**22.70%**	**100.00%**

2022	Long-term		Short-term	
	Fixed rate	Floating rate	Floating rate	Total
US dollar	1.50%	-%	14.00%	15.50%
Chinese renminbi	-%	-%	2.40%	2.40%
Euro	55.10%	18.30%	-%	73.40%
Other	2.50%	-%	6.20%	8.70%
Total	**59.10%**	**18.30%**	**22.60%**	**100.00%**

On the basis of the annualized daily volatility of the 3-month Interbank Offered Rate in 2022 and 2021, the reasonable estimates of possible interest rate changes, with a 95% confidence interval, are set out for the main currencies in the table below.

2021	Interest rate at 31 December	Reasonably possible changes (+/-)
Chinese renminbi [1]	2.21%	0.36%
Euro	-%	-%
US dollar	0.21%	0.17%

2022	Interest rate at 31 December	Reasonably possible changes (+/-)
Chinese renminbi [1]	2.16%	0.36%
Euro	2.22%	0.37%
US dollar	4.77%	3.20%

[1] For the Chinese renminbi, the interest rate is the PBOC benchmark interest rate for lending up to six months.

Applying the estimated possible changes in the interest rates to the floating rated debt, with all other variables constant, the result for the period before tax would have been € 4.6 million higher/lower (2021: € 3.5 million higher/ lower).

Interest-rate sensitivity in relation to hedge accounting

At 31 December 2022, the Group does not apply hedge accounting (2021: none) and no sensitivity analysis was required.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and certain financing activities, including deposits with banks and financial institutions. In respect of its operating activities, the Group has a credit policy in place, which takes into account the risk profiles of the customers in terms of the market segment to which they belong. Based on activity platform, product sector and geographical area, a credit risk analysis is made of customers and a decision is taken regarding the covering of the credit risk. The exposure to credit risk is monitored on an ongoing basis and credit evaluations are made of all customers. In terms of the characteristics of some steel wire activities with a limited number of global customers, the concentration risk is closely monitored and, in combination with the existing credit policy, appropriate action is taken when needed. In accordance with IFRS 8 §34, none of the specified disclosures on individual customers (or groups of customers under common control) are required, since none of the Group's customers accounts for more than 10% of its revenues. At 31 December 2022, 64.4% (2021: 65.4%) of the credit risk exposure was covered by credit insurance policies and by trade finance techniques such as letters of credit, cash against documents and bank guarantees. In respect of financing activities, transactions are normally concluded with counterparties that have at least an A credit rating. There are also limits allocated to each counterparty which depend on their rating. Due to this approach, the Group considers the risk of counterparty default to be limited in both operating and financing activities. In accordance with the IFRS 9 'expected credit loss' model for financial assets, a general bad debt allowance is made for trade receivables to cover the unknown bad debt risk at each reporting date. This general allowance constitutes of a percentage on outstanding trade receivables at each reporting date. The percentages reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at reporting date about past events, current conditions and forecasts of future economic conditions and are reviewed year-on-year.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations as they come due because of an inability to liquidate assets or obtain adequate funding. To ensure liquidity and financial flexibility at all times, the Group, in addition to its available cash, has several uncommitted short-term credit lines at its disposal in the major currencies and in amounts considered adequate for current and near-future financing needs. These facilities are generally of the mixed type and may be utilized, for example, for advances, overdrafts, acceptances and discounting. The Group also has committed credit facilities at its disposal up to a maximum equivalent of € 200 million (2021: € 200 million) at floating interest rates with fixed margins. At year-end, nothing was outstanding under these facilities (2021: nil). In addition, the Group has a commercial paper and medium-term note program available for a maximum of € 123.9 million (2021: € 123.9 million). At the end of 2022, no commercial paper notes were outstanding (2021: nil). At year-end, no external bank debt was subject to debt covenants (2021: nil). The Group has discounted outstanding receivables per 31 December 2022 for a total amount of € 267.5 million (2021: € 224.8 million) under its existing factoring agreements. Under these agreements, substantially all risks and rewards of ownership of the receivables are transferred to the factor. As a consequence, at the end of 2022, the factored receivables are derecognized.

The following table shows the Group's contractually agreed (undiscounted) outflows in relation to financial liabilities (including financial liabilities reclassified as liabilities associated with assets held for sale). Only net interest payments and principal repayments are included.

2021

in thousands of €	2022	2023	2024-2026	2027 and thereafter
Financial liabilities - principal				
Trade payables	*-1 062 185*	–	–	–
Other payables	*-9 122*	*-142*	–	–
Interest-bearing debt	*-240 525*	*-224 519*	*-494 605*	*-248 279*
Derivatives - gross settled	*-109 565*	–	–	–
Financial liabilities - interests				
Trade and other payables	–	–	–	–
Interest-bearing debt	*-22 087*	*-18 049*	*-40 723*	*-5 778*
Derivatives - net settled	*-343*	*-272*	*-309*	–
Derivatives - gross settled	*-2 805*	–	–	–
Total undiscounted cash flow	**-1 446 632**	**-242 982**	**-535 637**	**-254 057**

2022

in thousands of €	2023	2024	2025-2027	2028 and thereafter
Financial liabilities - principal				
Trade payables	*-921 113*	–	–	–
Other payables	*-14 362*	*-150*	–	–
Interest-bearing debt	*-500 588*	*-95 656*	*-619 407*	*-20 345*
Derivatives - gross settled	*-121 843*	–	–	–
Financial liabilities - interests				
Trade and other payables	–	–	–	–
Interest-bearing debt	*-27 705*	*-19 501*	*-33 571*	–
Derivatives - net settled	–	–	–	–
Derivatives - gross settled	*-2 800*	–	–	–
Total undiscounted cash flow	**-1 588 410**	**-115 307**	**-652 978**	**-20 345**

All instruments held at the reporting date and for which payments had been contractually agreed are included. Forecasted data relating to future, new liabilities have not been included. Amounts in foreign currencies have been translated at the closing rate at the reporting date. The variable interest payments arising from the financial instruments were calculated using the applicable forward interest rates.

Hedging

All financial derivatives the Group enters into, relate to an underlying transaction or forecasted exposure. In function of the expected impact on the income statement and if the stringent IFRS 9 criteria are met, the Group decides on a case-by-case basis whether hedge accounting will be applied. The following sections describe the transactions whereby hedge accounting is applied and transactions which do not qualify for hedge accounting but constitute an economic hedge.

Hedge accounting

The Group did not apply hedge accounting in 2022 (2021: none) so there were no fair value hedges nor cash flow hedges in 2022 (2021: none).

Economic hedging and other derivatives

The Group also uses financial instruments that represent an economic hedge but for which no hedge accounting is applied, either because the criteria to qualify for hedge accounting defined in IFRS 9 ‘Financial Instruments’ are not met or because the Group has elected not to apply hedge accounting. These derivatives are treated as free-standing instruments held for trading.

- The Group uses cross-currency interest-rate swaps and forward-exchange contracts to hedge the currency risk on intercompany loans involving two entities with different functional currencies. Until now, the Group has elected not to apply hedge accounting as defined in IFRS 9. Since nearly all cross-currency interest-rate swaps are floating-to-floating, the fair value gain or loss on the financial instruments is expected to offset the foreign-exchange result arising from the remeasurement of the intercompany loans. The major currencies involved are US dollar and British pound.
- To manage its interest-rate exposure, the Group uses interest-rate swaps to convert its floating-rate debt to a fixed rate debt. The Group entered into interest-rate swaps for € 196.5 million to hedge the Schuldschein loans with floating interest rates (2021: € 196.5 million).
- The Group uses forward exchange contracts to limit currency risks on its various operating and financing activities. For all forward exchange contracts, the fair value change is recorded immediately under other financial income and expenses.
- In June 2019, the Group entered into a renewable energy Virtual Power Purchase Agreement (VPPA) for a wind generation facility located in North America. In addition, in July 2022 the group entered into an additional contract for a solar project located in Texas (North America). The characteristics of the contracts are such that the VPPA constitutes a derivative in accordance with IFRS 9. The fair value of the derivative amounted to € 7.5 million at 31 December 2022 (2021: € 13.2 million), as a result of which a loss of € 5.7 million was recognized in other financial costs.

Derivatives

The following table analyzes the notional amounts of the derivatives according to their maturity date. In the case that derivatives are designated for hedge accounting as set out in IFRS 9, a distinction will be made depending on whether these are part of a fair value hedge (FVH) or cash flow hedge (CFH). At 31 December 2022, Bekaert does not apply hedge accounting

2021

in thousands of €	Due within one year	Due between one and 5 years	Due after more than 5 years
Held for trading			
Forward exchange contracts	67 716	–	–
Interest-rate swaps	–	196 500	–
Cross-currency interest-rate swaps	128 947	–	–
Conversion derivative	–	–	–
Total	**196 663**	**196 500**	**–**

2022

in thousands of €	Due within one year	Due between one and 5 years	Due after more than 5 years
Held for trading			
Forward exchange contracts	65 493	–	–
Interest-rate swaps	116 000	80 500	–
Cross-currency interest-rate swaps	121 843	–	–
Total	**303 336**	**80 500**	**–**

The following table summarizes the fair values of the various derivatives carried. In the case that derivatives are designated for hedge accounting as set out in IFRS 9, a distinction will be made depending on whether these are part of a fair value hedge (FVH) or cash flow hedge (CFH). At 31 December 2022, Bekaert does not apply hedge accounting:

Fair value of current and non-current derivatives	Assets		Liabilities	
in thousands of €	2021	2022	2021	2022
Financial instruments				
Held for trading				
Forward exchange contracts	805	2 833	654	1 333
Interest-rate swaps	–	7 178	118	–
Cross-currency interest-rate swaps	610	2 860	2 255	215
Conversion derivative	–		–	–
Other derivative financial assets	13 244	7 500	–	–
Total	**14 659**	**20 372**	**3 026**	**1 548**
Non-current	13 244	14 678	703	–
Current	1 416	5 694	2 324	1 548
Total	**14 659**	**20 372**	**3 026**	**1 548**

In 2022, the other derivative financial assets related to the VPPA derivatives for € 7.5 million (2021: € 13.2 million).

The Group has no financial assets and financial liabilities that are presented net in the balance sheet due to set-off in accordance with IAS 32. The Group enters into ISDA (International Swaps and Derivatives Association) master agreements with its counterparties for some of its derivatives, allowing the counterparties to net derivative assets with derivative liabilities when settling in case of default. Under these agreements, no collateral is being exchanged, neither in cash nor in securities.

The potential effect of the netting of derivative contracts is shown below:

Effect of enforceable netting agreements	Assets		Liabilities	
in thousands of €	2021	2022	2021	2022
Total derivatives recognized in balance sheet	14 659	20 372	3 026	1 548
Enforceable netting	-610	-215	-610	-215
Net amounts	**14 049**	**20 157**	**2 416**	**1 333**

Additional disclosures on financial instruments by class and category

The following tables list the different classes of financial assets and liabilities with their carrying amounts and their respective fair values, analyzed by their measurement category in accordance with IFRS 9 'Financial Instruments'.

Cash and cash equivalents, short-term deposits, trade and other receivables, bills of exchange received, loans and receivables primarily have short terms to maturity; hence, their carrying amounts at the reporting date approximate the fair values. Trade and other payables also generally have short terms to maturity and, hence, their carrying amounts also approximate their fair values. The Group has no exposure to collateralized debt obligations (CDOs).

The following abbreviations are used for the IFRS 9 categories:

Abbreviation	Category in accordance with IFRS 9
AC	Financial assets or financial liabilities at amortized cost
FVTOCI/Eq	Equity instruments designated as at fair value through OCI
FVTPL/Mnd	Financial assets mandatorily measured at fair value through profit or loss
FVTPL	Financial liabilities measured as at fair value through profit or loss

Carrying amount vs fair value		31 December 2021		31 December 2022	
in thousands of €	Category in accordance with IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Non-current financial assets					
- Financial & other receivables and cash guarantees	AC	12 549	12 549	12 211	12 211
- Equity investments	FVTOCI/Eq	20 081	20 081	26 023	26 023
- Derivatives					
- Held for trading	FVTPL/Mnd	13 244	13 244	14 678	14 678
Current financial assets					
- Financial receivables and cash guarantees	AC	6 475	6 475	6 352	6 352
- Cash and cash equivalents	AC	677 270	677 270	728 095	728 095
- Short term deposits	AC	80 058	80 058	4 766	4 766
- Trade receivables	AC	750 666	750 666	730 786	730 786
- Bills of exchange received	AC	41 274	41 274	39 764	39 764
- Other current assets					
- Other receivables	AC	43 437	43 437	24 732	24 732
- Derivatives					
- Held for trading	FVTPL/Mnd	1 416	1 416	5 694	5 694
Liabilities					
Non-current interest-bearing debt					
- Lease liabilities	AC	56 425	56 425	57 203	57 203
- Cash guarantees received	AC	204	204	210	210
- Credit institutions	AC	177 047	177 047	146 413	146 413
- Schuldschein loans	AC	319 905	319 905	131 582	131 582
- Bonds	AC	400 000	395 074	400 000	347 800
Current interest-bearing debt					
- Lease liabilities	AC	20 219	20 219	20 002	20 002
- Credit institutions	AC	217 523	217 523	291 989	291 989
- Schuldschein loans	AC	–	–	188 598	188 598
- Bonds	AC	–	–	–	–
Other non-current liabilities					
- Other derivatives	FVTPL	118	118	–	–
- Other payables	AC	142	142	150	150
Trade payables	AC	1 062 185	1 062 185	921 113	921 113

Carrying amount vs fair value		31 December 2021		31 December 2022	
in thousands of €	Category in accordance with IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
Other current liabilities					
- Conversion option	FVTPL	–	–	–	–
- Other payables	AC	33 476	33 476	38 459	38 459
- Derivatives					
- Held for trading	FVTPL	2 324	2 324	1 548	1 548
Aggregated by category in accordance with IFRS 9					
Financial assets	AC	1 611 729	1 611 729	1 546 706	1 546 706
	FVTOCI/Eq	20 081	20 081	26 023	26 023
	FVTPL/Mnd	14 659	14 659	20 372	20 372
Financial liabilities	AC	2 287 127	2 282 201	2 195 718	2 143 518
	FVTPL	2 441	2 441	1 548	1 548

The fair value of all financial instruments measured at amortized cost in the balance sheet has been determined using level-2 fair value measurement techniques. For most financial instruments the carrying amount approximates the fair value.

Financial instruments by fair value measurement hierarchy

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- ‘Level 1’ fair value measurement: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in these active markets for identical assets and liabilities. This mainly relates to financial assets at fair value through other comprehensive income such as the investment in Shougang Concord Century Holdings Ltd (see note 6.6. ‘Other non-current assets’).
- ‘Level 2’ fair value measurement: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments. Forward exchange contracts are measured using quoted forward-exchange rates and yield curves derived from quoted interest rates with matching maturities. Interest-rate swaps are measured at the present value of future cash flows estimated and discounted using the applicable yield curves derived from quoted interest rates. The fair value measurement of cross-currency interest-rate swaps is based on discounted estimated cash flows using quoted forward-exchange rates, quoted interest rates and applicable yield curves derived therefrom.
- ‘Level 3’ fair value measurement: the fair value of the remaining financial assets and financial liabilities is derived from valuation techniques which include inputs that are not based on observable market data. At the end of 2022, Bekaert had two types of financial instruments, namely the VPPA agreement and several equity investments, for which the fair value measurement can be characterized as ‘level 3’. The fair value of the VPPA contract is determined using a Monte Carlo valuation model. The main factors determining the fair value of the VPPA agreement are the discount rate (level 2), the estimated energy output based on wind or solar studies in the area and the off-peak/on-peak price volatility (level 3). The fair value of the main equity investment (Xinju Metal Products Co Ltd) is determined using a 5-year forecast timeframe of cash flows based on the latest business plan, followed by a terminal value assumption. The main factors determining the fair value are the discount rate and EBITDA.

Derivative in VPPA arrangement	31 December 2022
Level 2 inputs	
Discount rate	Weighted average of investment grade corporate bond curves
Level 3 inputs	
Power forward sensitivity	Estimated on peak/off peak price forecasts
Production sensitivity	Based on wind / solar studies in the area
Outcome of the model (in thousands of €)	
Fair value of the VPPA derivative	7500

The carrying amount (i.e. the fair value) of the level-3 liabilities/(assets) has evolved as follows:

Level-3 Financial liabilities / (assets)

in thousands of €	2021	2022
At 1 January	-10 682	-23 561
(Expenditure) / Disposal	-863	-8 537
(Gain) / loss in fair value through OCI	-1 916	-555
(Gain) / loss in fair value through P&L	-10 100	5 743
At 31 December	-23 561	-26 910

Gains and losses in fair value are reported in other financial income and expenses (€ 5.7 million), except for the equity investments where fair value changes are carried through other comprehensive income (€ -0.6 million) (see note 6.6. 'Other non-current assets').

The following table shows the sensitivity of the fair value calculation to the most significant level-3 inputs of the VPPA agreement for King Plains.

Sensitivity analysis King Plains

in thousands of €	Change	Impact on VPPA derivative	
Power forward sensitivity	+10%	increased by	188
	-10%	decreased by	-281
Production sensitivity	+5%	increased by	375
	-5%	decreased by	-469

The following table shows the sensitivity of the fair value calculation to the most significant level-3 inputs of the VPPA agreement for Rockhound

Sensitivity analysis Rockhound

in thousands of €	Change	Impact on VPPA derivative	
Power forward sensitivity	+10%	increased by	2 344
	-10%	decreased by	-2 438
Production sensitivity	+5%	increased by	750
	-5%	decreased by	-750

The sensitivity of the fair value calculation of the equity investment in Xinju Metal Products Co Ltd (€ 6.5 million) is shown below:

- If EBITDA would be CNY 4.0 million lower in all periods of the business plan, the fair value would be € 5.5 million;
- If the discount factor would be 1% higher, the fair value would be € 6.0 million;
- If EBITDA would be CNY 4.0 million lower in all years of the business plan and the discount factor would be 1% higher, the fair value would be € 5.1 million.

The following table provides an analysis of financial instruments measured at fair value in the balance sheet, in accordance with the fair value measurement hierarchy described above:

2021

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured as at fair value through profit or loss				
Derivative financial assets	*–*	*1 416*	*13 244*	*14 659*
Equity instruments designated as at fair value through OCI				
Equity investments	*9 764*	*–*	*10 317*	*20 081*
Total assets	**9 764**	**1 416**	**23 561**	**34 741**
Financial liabilities held for trading				
Other derivative financial liabilities	*–*	*3 026*	*–*	*3 026*
Total liabilities	**–**	**3 026**	**–**	**3 026**

2022

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured as at fair value through profit or loss				
Derivative financial assets	*–*	*12 872*	*7 500*	*20 372*
Equity instruments designated as at fair value through OCI				
Equity investments [1]	*6 614*	*–*	*19 410*	*26 023*
Total assets	**6 614**	**12 872**	**26 910**	**46 395**
Financial liabilities held for trading				
Other derivative financial liabilities	*–*	*1 548*	*–*	*1 548*
Total liabilities	**–**	**1 548**	**–**	**1 548**

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the net debt and equity balance. The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of net debt, as defined in note 6.18. 'Interest-bearing debt', and equity (both attributable to equity holders of Bekaert and to non-controlling interests).

Gearing ratio

The Group's Audit, Risk and Finance Committee reviews the capital structure on a semi-annual basis. As part of this review, the committee assesses the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 50% determined as the proportion of net debt to equity. To realize this target (excluding the impact of IFRS 16 'Leases'), the Group is following systematically a number of guidelines, a.o.

- strict cost control to improve profitability;
- managing working capital levels by:
  - operational excellence;
  - cash collection actions;
  - better aligned payment terms;
  - optimized factoring usage;
- strict control of capital expenditure;
- active business portfolio management, including M&A and divestments.

Gearing

in thousands of €	2021	2022
Net debt	417 329	487 118
Equity[1]	2 097 663	2 229 556
Net debt to equity ratio	**19.9%**	**21.8%**

[1] *See note 2.8 'Restatement effects'*

7.3. Contingencies, commitments, secured liabilities and assets pledged as security

As at 31 December, the important contingencies and commitments were:

in thousands of €	2021	2022
Contingent liabilities	4 200	6 840
Commitments to purchase fixed assets	48 984	67 935
Commitments to invest in venture capital funds	3 269	2 600

At year-end 2022, there were no outstanding bank guarantees linked to environmental obligations.

Apart from the leases, there are no restrictions to realize assets or settle liabilities. The lease liabilities are effectively secured as the rights to the leased assets recognized in the financial statements revert to the lessor in the event of default. The contingencies, commitments and assets pledged as security in joint ventures are disclosed in note 6.5.'Investments in joint ventures and associates'.

7.4. Related parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this note. Transactions with other related parties are disclosed below.

Transactions with joint ventures

in thousands of €	2021	2022
Sales of goods	13 231	21 951
Purchases of goods	18 509	21 152
Services rendered	81	64
Royalties and management fees received	14 981	18 374
Interest and similar income	–	6
Dividends received	44 847	42 508

Outstanding balances with joint ventures

in thousands of €	2021	2022
Trade receivables	6 116	6 592
Other current receivables [1]	27 452	5 881
Trade payables	4 945	3 557
Other current payables	54	–

[1] *The other current receivables are at year-end 2021 significantly higher due to outstanding receivables for dividends from the Brazilian joint ventures (€ 27.5 million).*

None of the related parties have entered into any other transactions with the Group that meet the requirements of IAS 24 'Related Party Disclosures'. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. Advances have been received for ongoing capex projects. More information on transactions with joint ventures are disclosed in note 6.5. 'Investments in joint ventures and associates'.

Key Management includes the Board of Directors, the CEO, the members of the Bekaert Group Executive (BGE) and the Senior Vice Presidents (see last page of this report).

Key Management remuneration

in thousands of €	2021	2022
Number of persons	34	32
Short-term employee benefits		
Basic remuneration	*8 407*	*8 368*
Variable remuneration	*4 126*	*6 314*
Remuneration as directors of subsidiaries	511	513
Post-employment benefits		
Defined-benefit pension plans	*327*	*190*
Defined-contribution pension plans	*1 551*	*1 594*
Share-based payment benefits	11 719	6 467
Total gross remuneration	**26 641**	**23 446**
Average gross remuneration per person	784	733
Number of performance share units granted (cash-settled and equity-settled)	131 442	111 135
Number of matching share units to be granted	9 112	13 757
Number of shares granted	10 940	12 080

The disclosures relating to the Belgian Corporate Governance Code are included in the Corporate Governance Statement of this annual report.

7.5. Events after the balance sheet date

- Since 1 January 2023, a total of 199 931 treasury shares have been disposed of following the exercise of stock options under the stock option plans SOP 2010-2014 and SOP 2015-2017 and a total of 213 317 treasury shares following the vesting of performance share units under the Performance Share Plan.
- On 24 February 2023, The Company's capital was reduced from € 173 737 000 to € 167 736 414 following the cancellation of 2 038 935 treasury shares. These shares were purchased by Kepler Cheuvreux on behalf of Bekaert in the framework of the share buyback program that started on 18 March 2022. On 2 March 2023, the capital was increased with € 586 to round up the capital without the issue of new shares. Therefore, as of 2 March 2023, the capital of the Company amounts to € 167 737 000 and is represented by 56 990 317 shares.
- On 1 March 2023, Bekaert announced the continuation of its share buyback program for a total amount of up to € 120 million over a period of up to twelve months and the immediate start of the fifth tranche of the program for an aggregate amount of up to € 30 million.
- On 1 March 2023, Bekaert announced the sale of its Steel Wire Solutions businesses in Chile en Peru to its current partners. The transaction, with a total enterprise value of approximately US$ 350 million and resulting in net proceeds for Bekaert's stake of US$ 136 million, is expected to close in 2023, subject to applicable regulatory approvals and customary closing conditions. The transaction covers the production and distribution facilities of the Steel Wire Solutions activities in Chile and Peru. These facilities manufacture, sell, and distribute steel wire products primarily for construction, agricultural fencing, mining, and industrial applications. The intended transaction regards the sale of the shares held by Bekaert in the following entities: Industrias Chilenas de Alambre-Inchalam SA in Talcahuano, Chile; and Prodalam SA in Santiago, Chile; along with their subsidiaries in Chile and Peru. Bekaert currently holds 52% of the shares in the Chilean entities and 38% of the shares in the Peruvian entities. The transaction excludes Bekaert's wholly owned Bridon-Bekaert ropes entities in Chile and Peru.
- Annie Xu-Huhmann succeeded Arnaud Lesschaeve as Divisional CEO Rubber Reinforcement with effect as of 1 March 2023.
- A grant of 139 141 equity settled performance share units was made on 10 March 2023 under the terms of the Performance Share Plan. The

granted performance share units represented a fair value of € 5.9 million.

- A grant of 28 472 cash-settled performance share units was made on 10 March 2023 under the terms of the PSU A&L and PSU USA Performance Share Plan. The granted performance share units represented a fair value of € 1.2 million.

7.6. Services provided by the statutory auditor and related persons

During 2022, the statutory auditor and persons professionally related to him performed additional services for fees amounting to € 191 088.

These fees essentially relate to further assurance services (€ 150 588), tax advisory services (€ 6 500) and other non-audit services (€ 34 000). The additional services were approved by the Audit, Risk and Finance Committee.

The audit fees for NV Bekaert SA and its subsidiaries amounted to € 2 493 708.

7.7. Subsidiaries, joint ventures and associates

Companies forming part of the Group as at 31 December 2022

Subsidiaries

Industrial companies	Address	FC [1]	% [2]
EMEA			
Bekaert Advanced Cords Aalter NV	Aalter, Belgium	EUR	100
Bekaert Bohumín sro	Bohumín, Czech Republic	CZK	100
Bekaert Bradford UK Ltd	Bradford, United Kingdom	GBP	100
Bekaert Combustion Technology BV	Assen, Netherlands	EUR	100
Bekaert Heating Romania SRL	Negoiesti, Brazi Commune, Romania	RON	100
Bekaert Hlohovec as	Hlohovec, Slovakia	EUR	100
Bekaert Izmit Çelik Kord Sanayi ve Ticaret AS	Izmit, Turkey	EUR	100
Bekaert Kartepe Çelik Kord Sanayi ve Ticaret AS	Kartepe, Turkey	EUR	100
Bekaert Petrovice sro	Petrovice, Czech Republic	CZK	100
Bekaert Sardegna SpA	Assemini, Italy	EUR	100
Bekaert Slatina SRL	Slatina, Romania	RON	100
Bekaert Slovakia sro	Sládkovičovo, Slovakia	EUR	100
Bekintex NV	Wetteren, Belgium	EUR	100
Bridon International GmbH	Gelsenkirchen, Germany	EUR	100
Bridon International Ltd	Doncaster, United Kingdom	GBP	100
Industrias del Ubierna SA	Burgos, Spain	EUR	100
OOO Bekaert Lipetsk	Gryazi, Russian Federation	RUB	100
VisionTek Engineering Srl	Rovereto, Italy	EUR	100
North America			
Bekaert Corporation	Wilmington (Delaware), United States	USD	100
Bridon-American Corporation	New York, United States	USD	100
Latin America			
Acma SA	Santiago, Chile	CLP	52
Acmanet SA	Talcahuano, Chile	CLP	52
BBRG - Osasco Cabos Ltda	São Paulo, Brazil	BRL	100
BIA Alambres Costa Rica SA	San José-Santa Ana, Costa Rica	USD	58
Ideal Alambrec SA	Quito, Ecuador	USD	58

Industrial companies	Address	FC [1]	% [2]
Industrias Chilenas de Alambre - Inchalam SA	Talcahuano, Chile	CLP	52
Prodinsa SA	Maipú, Chile	CLP	100
Productora de Alambres Colombianos Proalco SAS	Bogotá, Colombia	COP	40
Productos de Acero Cassadó SA	Callao, Peru	USD	38
Vicson SA	Valencia, Venezuela	USD	80
Asia Pacific			
Bekaert Applied Material Technology (Shanghai) Co Ltd	Shanghai, China	CNY	100
Bekaert Binjiang Steel Cord Co Ltd	Jiangyin (Jiangsu province), China	CNY	90
Bekaert (China) Technology Research and Development Co Ltd	Jiangyin (Jiangsu province), China	CNY	100
Bekaert (Chongqing) Steel Cord Co Ltd	Chongqing, China	CNY	100
Bekaert Industries Pvt Ltd	Taluka Shirur, District Pune, India	INR	100
Bekaert (Jining) Steel Cord Co Ltd	Jining City, Yanzhou district (Shandong Province), China	CNY	60
Bekaert Jiangyin Wire Products Co Ltd	Jiangyin (Jiangsu province), China	CNY	100
Bekaert Mukand Wire Industries Pvt Ltd	Pune, India	INR	100
Bekaert New Materials (Suzhou) Co Ltd	Suzhou (Jiangsu province), China	CNY	100
Bekaert (Qingdao) Wire Products Co Ltd	Qingdao (Shandong province), China	CNY	100
Bekaert (Shandong) Tire Cord Co Ltd	Weihai (Shandong province), China	CNY	100
Bekaert (Shenyang) Advanced Cords Co Ltd	Shenyang (Liaoning province), China	CNY	100
Bekaert Shenyang Advanced Products Co Ltd	Shenyang (Liaoning province), China	CNY	100
Bekaert Toko Metal Fiber Co Ltd	Tokyo, Japan	JPY	70
Bekaert Vietnam Co Ltd	Son Tinh District, Quang Ngai Province, Vietnam	USD	100
Bekaert Wire Ropes Pty Ltd	Mayfield East, Australia	AUD	100
Bridon (Hangzhou) Ropes Co Ltd	Hangzhou (Zhejiang province), China	CNY	100
China Bekaert Steel Cord Co Ltd	Jiangyin (Jiangsu province), China	CNY	90
PT Bekaert Indonesia	Karawang, Indonesia	USD	100
PT Bekaert Wire Indonesia	Karawang, Indonesia	USD	100
PT Bridon	Bekasi, West Java, Indonesia	USD	100

[1] *Functional currency*
[2] *Financial interest percentage*

Sales offices, warehouses and others	Address	FC[1]	%[2]
EMEA			
Bekaert Emirates LLC	Dubai, United Arab Emirates	AED	49
Bekaert Figline SpA	Milano, Italy	EUR	100
Bekaert France SAS	Lille, France	EUR	100
Bekaert Gesellschaft mbH	Vienna, Austria	EUR	100
Bekaert GmbH	Neu-Anspach, Germany	EUR	100
Bekaert Middle East LLC	Dubai, United Arab Emirates	AED	49
Bekaert Norge AS	Oslo, Norway	NOK	100
Bekaert Poland Sp z oo	Warsaw, Poland	PLN	100
Bekaert (Schweiz) AG	Baden, Switzerland	CHF	100
Bekaert Svenska AB	Gothenburg, Sweden	SEK	100
Bridon-Bekaert ScanRope AS	Tonsberg, Norway	NOK	100
Bridon Middle East FZE	Sharjah, United Arab Emirates	AED	100
Bridon Scheme Trustees Ltd	Doncaster, United Kingdom	GBP	100
British Ropes Ltd	Doncaster, United Kingdom	GBP	100
Leon Bekaert SpA	Milano, Italy	EUR	100
OOO Bekaert Wire	Moscow, Russian Federation	RUB	100
Rylands-Whitecross Ltd	Bradford, United Kingdom	GBP	100
Scheldestroom NV	Zwevegem, Belgium	EUR	100
Twil Company	Bradford, United Kingdom	GBP	100
North America			
Wire Rope Industries Ltd/Industries de Câbles d'Acier Ltée	Montréal, Canada	CAD	100
Latin America			
Bekaert Guatemala SA	Ciudad de Guatemala, Guatemala	GTQ	58
Bekaert Specialty Films de Mexico SA de CV	Monterrey, Mexico	MXN	100
Bekaert Trade Mexico S de RL de CV	Mexico City, Mexico	MXN	100
Procables SA	Cercado de Lima, Peru	PEN	96
Prodac Contrata SAC	Callao, Peru	USD	38
Prodalam SA	Santiago, Chile	CLP	52
Prodicom Selva SAC	Ucayali, Peru	USD	38
Prodimin SAC	Lima, Peru	USD	38
Specialty Films de Services Company SA de CV	Monterrey, Mexico	MXN	100

Sales offices, warehouses and others	Address	FC [1]	% [2]
Asia Pacific			
Bekaert Japan Co Ltd	Tokyo, Japan	JPY	100
Bekaert Korea Ltd	Seoul, South-Korea	KRW	100
Bekaert Malaysia Sdn Bhd	Kuala Lumpur, Malaysia	MYR	100
Bekaert Management (Shanghai) Co Ltd	Shanghai, China	CNY	100
Bekaert Shah Alam Sdn Bhd	Kuala Lumpur, Malaysia	MYR	100
Bekaert Singapore Pte Ltd	Singapore	SGD	100
Bekaert Taiwan Co Ltd	Taipei City	TWD	100
Bekaert (Thailand) Co Ltd	Tambol Pluakdaeng, Amphur Pluakdaeng,Thailand	USD	100
BOSFA Pty Ltd	Mayfield East, Australia	AUD	100
Bridon Hong Kong Ltd	Hong Kong, China	HKD	100
Bridon New Zealand Ltd	Aukland, New Zealand	NZD	100
Bridon Singapore (Pte) Ltd	Singapore	SGD	100
Bridon (South East Asia) Ltd	Hong Kong, China	HKD	100
PT Bekaert Trade Indonesia	Karawang, Indonesia	USD	100

[1] *Functional currency*
[2] *Financial interest percentage*

Financial companies	Address	FC [1]	% [2]
Acma Inversiones SA	Santiago, Chile	CLP	100
BBRG Finance (UK) Ltd	Doncaster, United Kingdom	EUR	100
Becare DAC	Dublin, Ireland	EUR	100
Bekaert Building Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Carding Solutions Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Coördinatiecentrum NV	Zwevegem, Belgium	EUR	100
Bekaert do Brasil Ltda	Contagem, Brazil	BRL	100
Bekaert Holding Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Ibérica Holding SL	Burgos, Spain	EUR	100
Bekaert Ideal SL	Burgos, Spain	EUR	80
Bekaert Investments NV	Zwevegem, Belgium	EUR	100
Bekaert Investments Italia SpA	Milano, Italy	EUR	100
Bekaert North America Management Corporation	Wilmington (Delaware), United States	USD	100
Bekaert Services Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Singapore Holding Pte Ltd	Singapore	SGD	100
Bekaert Specialty Wire Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Stainless Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Steel Cord Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Strategic Partnerships Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Wire Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Wire Rope Industry NV	Zwevegem, Belgium	EUR	100
Bridon-Bekaert Ropes Group Ltd	Doncaster, United Kingdom	EUR	100
Bridon Holdings Ltd	Doncaster, United Kingdom	GBP	100
Bridon Ltd	Doncaster, United Kingdom	GBP	100
Industrias Acmanet Ltda	Talcahuano, Chile	CLP	52
InverVicson SA	Valencia, Venezuela	USD	80
Procercos SA	Talcahuano, Chile	CLP	52

Joint ventures

Industrial companies	Address	FC [1]	% [2]
Latin America			
Agro-Bekaert Colombia SAS	Malambo - Atlántico, Colombia	COP	40
Belgo Bekaert Arames Ltda	Contagem, Brazil	BRL	45
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Vespasiano, Brazil	BRL	45
Servicios Ideal AGF Inttegra Cia Ltda	Quito, Ecuador	USD	29

Sales offices, warehouses and others	Address	FC [1]	% [2]
EMEA			
Netlon Sentinel Ltd	Blackburn, United Kingdom	GBP	50
Asia Pacific			
Bekaert Engineering (India) Pvt Ltd	New Delhi, India	INR	40

Financial companies	Address	FC [1]	% [2]
EMEA			
Agro - Bekaert Springs SL	Burgos, Spain	EUR	40

[1] Functional currency
[2] Financial interest percentage

Changes in 2022

1. Subsidiaries acquired through business combinations

Subsidiaries	Address	% [1]
VisionTek Engineering Srl	Rovereto, Italy	100

2. Mergers

Subsidiaries	Merged into
Sujetar del Peru SAC	Productos de Acero Cassadó SA

3. Liquidated

Companies	Address
Bekaert AS	Hellerup, Denmark
Bekaert Architectural Design Consulting (Shanghai) Co Ltd	Shanghai, China
Bekaert Heating Technology (Suzhou) Co Ltd	Taicang City (Jiangsu province), China

In accordance with Belgian legislation, the table below lists the registered numbers of the Belgian companies.

Companies	Company number
Bekaert Advanced Cords Aalter NV	BTW BE 0645.654.071 RPR Gent, division Gent
Bekaert Coördinatiecentrum NV	BTW BE 0426.824.150 RPR Gent, division Kortrijk
Bekaert Investments NV	BTW BE 0406.207.096 RPR Gent, division Kortrijk
Bekaert Wire Rope Industry NV	BTW BE 0550.983.358 RPR Gent, division Kortrijk
Bekintex NV	BTW BE 0452.746.609 RPR Gent, division Dendermonde
NV Bekaert SA	BTW BE 0405.388.536 RPR Gent, division Kortrijk
Scheldestroom NV	BTW BE 0403.676.188 RPR Gent, division Kortrijk

[1] Financial interest percentage

Parent company information

Annual report of the Board of Directors and financial statements of NV Bekaert SA

The report of the Board of Directors and the financial statements of the parent company, NV Bekaert SA (the ‘Company’), are presented below in a condensed form.

The report of the Board of Directors ex Article 3:6 of the Belgian Companies Code is not included in full in the report ex Article 3:32.

Copies of the full Directors’ report and of the full financial statements of the Company are available free of charge upon request:

NV Bekaert SA
Bekaertstraat 2
BE-8550 Zwevegem
Belgium
www.bekaert.com

The statutory auditor has issued an unqualified report on the financial statements of the Company.

The Directors’ report and financial statements of the Company, together with the statutory auditor’s report, will be deposited with the National Bank of Belgium as provided by law.

Condensed income statement

in thousands of € - Year ended 31 December	2021	2022
Sales	415 161	587 208
Operating result before non-recurring items	58 418	95 724
Non-recurring operational items	-145	-546
Operating result after non-recurring items	58 273	95 178
Financial result before non-recurring items	67 831	392 597
Non-recurring financial items	-1 158	-2 523
Financial result after non-recurring items	66 673	390 074
Profit before income taxes	124 945	485 252
Income taxes	13 997	2 346
Result for the period	**138 943**	**487 598**

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2021	2022
Fixed assets	**2 001 872**	**2 010 406**
Intangible fixed assets	71 411	79 425
Tangible fixed assets	29 349	31 106
Financial fixed assets	1 901 112	1 899 875
Current assets	**413 107**	**579 856**
Total assets	**2 414 979**	**2 590 262**
Shareholders' equity	**1 010 924**	**1 359 133**
Share capital	177 923	173 737
Share premium	38 850	39 519
Revaluation surplus	1 995	1 995
Statutory reserve	17 792	17 792
Unavailable reserve	94 713	139 317
Reserves available for distribution, retained earnings	679 651	986 773
Provisions and deferred taxes	**78 866**	**54 535**
Creditors	**1 325 189**	**1 176 594**
Amounts payable after one year	845 650	656 650
Amounts payable within one year	479 539	519 944
Total equity and liabilities	**2 414 979**	**2 590 262**

Valuation principles

Valuation and foreign currency translation principles applied in the parent company’s financial statements are based on Belgian accounting legislation.

Summary of the annual report of the Board of Directors

The Belgium-based entity's sales amounted to € 587.2 million, an increase of 41% compared to 2021. The operating profit before non-recurring items was € 95.7 million, compared to € 58.4 million last year. The increase of the operating result was a combined effect of higher sales volumes, higher margins and royalties and reversal of provisions.

Non-recurring items included in the operating result amounted to € -0.5 million in 2022 (mainly accelerated depreciation and realization of tangible fixed assets), compared to € -0.1 million last year.

The financial result before non-recurring items was € 392.6 million compared to € 67.8 million last year. The higher dividend income in 2022 was the main element explaining this evolution.

The non-recurring financial items amounted to € -2.5 million in 2022, against € -1.2 million in the previous year, which was in 2022 mainly driven by write-downs on financial receivables.

The income taxes of € 2.3 million were positive due to tax credit receivable on intangible fixed assets. This led to a result for the period of € 487.6 million compared with € 138.9 million in 2021.

Environmental programs

The provisions for environmental programs decreased to € 15.9 million (2021: € 16.5 million).

Information on research and development

Information on the company's research and development activities can be found in the 'Knowledge' section in the 'Strategy and performance' chapter.

Interests in share capital

In connection with the entry into force of the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act), the Company has in its Articles of Association set the thresholds of 3% and 7.50% in addition to the legal thresholds of 5% and each multiple of 5%. In 2022, the Company received following transparency notifications. On 31 December 2022, the total number of securities conferring voting rights was 59 029 252. The voting rights attached to the treasury shares held by the Company are suspended. On 31 December 2022, the Company held 4 380 475 treasury shares.

Person subject to notification requirement	Reason for notification	Threshold crossed	Date on which threshold is crossed	Denominator	Total number of voting rights	Total % of voting rights
Stichting Administratiekantoor Bekaert and NV Bekaert SA	Acquisition or disposal of voting securities or voting rights	NV Bekaert SA 5%	15/3/2022	60 452 261	23 224 038	38.42%
Stichting Administratiekantoor Bekaert and NV Bekaert SA	Acquisition or disposal of voting securities or voting rights	NV Bekaert SA 5%	25/3/2022	60 452 261	23 319 401	38.57%
Norges Bank	Acquisition or disposal of voting securities or voting rights	3%	17/5/2022	60 452 261	1 835 989	3.04%
Stichting Administratiekantoor Bekaert and NV Bekaert SA	Acquisition or disposal of voting securities or voting rights	40%	30/5/2022	60 452 261	24 187 875	40.01%
Norges Bank	Acquisition or disposal of voting securities or voting rights	3%	17/6/2022	60 452 261	1 857 298	3.07%
Norges Bank	Acquisition or disposal of voting securities or voting rights	3%	21/6/2022	60 452 261	1 857 298	3.07%
Stichting Administratiekantoor Bekaert and NV Bekaert SA	Passive crossing of a threshold	40% and NV Bekaert SA 5%	29/6/2022	59 002 852	23 142 526	39.22%
Stichting Administratiekantoor Bekaert and NV Bekaert SA	Acquisition or disposal of voting securities or voting rights	NV Bekaert SA 5%	5/7/2022	59 004 952	23 263 289	39.43%
Stichting Administratiekantoor Bekaert and NV Bekaert SA	Acquisition or disposal of voting securities or voting rights	40%	29/8/2022	59 004 952	23 610 616	40.01%
Norges Bank	Acquisition or disposal of voting securities or voting rights	3%	31/10/2022	59 013 952	1 805 822	3.06%
Norges Bank	Acquisition or disposal of voting securities or voting rights Downward crossing of lowest threshold	3%	4/11/2022	59 013 952	1 717 133	2.91%
Norges Bank	Acquisition or disposal of voting securities or voting rights	3%	7/12/2022	59 013 952	1 788 886	3.03%

Detailed information can be found on: https://www.bekaert.com/en/investors/our-shareholders/shareholder-structure/transparency-disclosures

Proposed appropriation of NV Bekaert SA 2022 result

The after-tax result for the year was € 487 597 943 compared with € 138 942 685 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 10 May 2023 appropriate the above result as follows:

	in €
Result of the year to be appropriated	487 597 943
Transfer to other reserves	-399 033 745
Profit for distribution	**88 564 198**

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 1.65 per share (2021 € 1.50 per share).

The dividend will be payable in euro on 15 May 2023 by the following banks:

- BNP Paribas Fortis, ING Belgium, Bank Degroof Petercam, KBC Bank, Belfius Bank in Belgium;
- Société Générale in France;
- ABN AMRO Bank in The Netherlands;
- UBS in Switzerland.

Appointments pursuant to the Articles of Association

The term of office of the Directors Gregory Dalle, Maxime Parmentier, Oswald Schmid, Caroline Storme, Jürgen Tinggren and Mei Ye will expire at the close of the Annual General Meeting of 10 May 2023.

The Board of Directors has proposed that the General Meeting:

- re-appoint Gregory Dalle as Director for a term of four years, up to and including the Annual General Meeting to be held in 2027;
- re-appoint Maxime Parmentier as Director for a term of four years, up to and including the Annual General Meeting to be held in 2027;
- re-appoint Oswald Schmid as Director for a term of one year, up to and including the Annual General Meeting to be held in 2024;
- re-appoint Caroline Storme as Director for a term of four years, up to and including the Annual General Meeting to be held in 2027;
- re-appoint Jürgen Tinggren as independent Director and Chairman of the Board for a term of four years, up to and including the Annual General Meeting to be held in 2027.
- re-appoint Mei Ye as independent Director for a term of one year, up to and including the Annual General Meeting to be held in 2024.

Alternative performance measures

Metric	Definition	Reason for use
Capital employed (CE)	Working capital + net intangible assets + net goodwill + net property, plant and equipment + net RoU Property, plant and equipment. The weighted average CE is weighted by the number of periods that an entity has contributed to the consolidated result.	Capital employed consists of the main balance sheet items that operating management can actively and effectively control to optimize its financial performance, and serves as the denominator of ROCE.
Capital ratio (financial autonomy)	Equity relative to total assets.	This ratio provides a measure of the extent to which the Group is equity-financed.
Current ratio	Current assets to Current liabilities.	This ratio provides a measure for the liquidity of the company. It measures whether a company has enough resources to meet it short-term obligations.
Combined figures	Sum of consolidated companies + 100% of joint ventures and associates after elimination of intercompany transactions (if any). Examples: sales, capital expenditure, number of employees.	In addition to Consolidated figures, which only comprise controlled companies, combined figures provide useful insights of the actual size and performance of the Group including its joint ventures and associates.
EBIT	Operating result (earnings before interest and taxation).	EBIT consists of the main income statement items that operating management can actively and effectively control to optimize its profitability, and a.o. serves as the numerator of ROCE and EBIT interest coverage.
EBIT – underlying (EBITu)	EBIT before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business.	EBIT – underlying is presented to assist the reader's understanding of the operating profitability before one-off items, as it provides a better basis for comparison and extrapolation.
EBITDA	Operating result (EBIT) + depreciation, amortization and impairment of assets + negative goodwill.	EBITDA provides a measure of operating profitability before non-cash effects of past investment decisions and working capital assets.
EBITDA – underlying (EBITDAu)	EBITDA before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business.	EBITDA – underlying is presented to assist the reader's understanding of the operating profitability before one-off items and non-cash effects of past investment decisions and working capital assets, as it provides a better basis for comparison and extrapolation.
EBIT interest coverage	Operating result (EBIT) divided by net interest expense.	The EBIT interest coverage provides a measure of the Group's capability to service its debt through its operating profitability.
Free Cash Flow (FCF)	Cash flows from Operating activities - capex + dividends received - net interest paid	Free cash flow (FCF) represents the cash available for the company to repay financial debt or pay dividends to investors.
Gearing	Net debt relative to equity.	Gearing is a measure of the Group's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.
Margin on sales	EBIT, EBIT-underlying, EBITDA and EBITDA-underlying on sales.	Each of these ratios provides a specific measure of operating profitability expressed as a percentage on sales.

Metric	Definition	Reason for use
Net capitalization	Net debt + equity.	Net capitalization is a measure of the Group's total financing from both lenders and shareholders.
Net debt	Interest-bearing debt after deducting non-current and current financial receivables and cash guarantees, short-term deposits, cash and cash equivalents.	Net debt is a measure of debt after deduction of financial assets that can be deployed to repay the gross debt.
Net debt on EBITDA	Net debt divided by EBITDA.	Net debt on EBITDA provides a measure of the Group's capability (expressed as a number of years) to repay its debt through its operating profitability.
Operating free cash flow	Cash flows from Operating activities - capex (net of disposals of fixed assets)	Operating cash flow measures the net cash required to support the business (working capital and capital expenditure needs).
Return on capital employed (ROCE)	Operating result (EBIT) relative to the weighted average capital employed.	ROCE provides a measure of the Group's operating profitability relative to the capital resources deployed and managed by operating management.
Return on equity (ROE)	Result for the period relative to average equity.	ROE provides a measure of the Group's net profitability relative to the capital resources provided by its shareholders.
WACC	Cost of debt and cost of equity weighted with a target gearing of 50% (net debt/ equity structure) after tax.	WACC is used to assess an investor's return on an investment in the Company.
Operating Working capital	Inventories + trade receivables + bills of exchange received + advanced paid - trade payables - advances received - remuneration and social security payables - employment-related taxes. The weighted average WC is weighted by the number of periods that an entity has contributed to the consolidated result.	Working capital includes all current assets and liabilities that operating management can actively and effectively control to optimize its financial performance. It represents the current component of capital employed.
Internal Bekaert Management Reporting	Focusing on the operational performance of the industrial companies of the Group, leaving out financial companies and other non-industrial companies, in a flash approach and as such not including all consolidation entries reflected in the full hard-close consolidation on which the annual report is based.	The pragmatic approach enables a short follow-up process regarding the operational performance of the business throughout the year.

in millions of €	Note annual report	2021	2022
Net Debt			
Non-current interest-bearing debt		897	678
L/T Lease Liability - non-current		56	57
Current interest-bearing debt		218	481
L/T Lease Liability - current		20	20
Total financial debt	**6.18**	**1 191**	**1 236**
Non-current financial receivables and cash guarantees		-10	-10
Current financial receivables and cash guarantees		-6	-6
Short-term deposits		-80	-5
Cash and cash equivalents		-677	-728
Net debt	**6.18**	**417**	**487**

Capital Employed		2021	2022
Intangible assets[1]		57	62
Goodwill		151	153
Property, plant and equipment		1 254	1 238
RoU Property plant and equipment		132	131
Working capital (operating)	6.8	678	850
Capital employed[1]		**2 271**	**2 433**
Weighted average capital employed[1]		**2 167**	**2 354**

[1] *See note 2.8 'Restatement effects'*

Working capital (operating)		2021	2022
Inventories		1 121	1 143
Trade receivables		751	731
Bills of exchange received		41	40
Advances paid		20	15
Trade payables		-1 062	-921
Advances received		-24	-24
Remuneration and social security payables		-161	-122
Employment-related taxes		-8	-11
Working capital (operating)	**6.8**	**678**	**850**
Weighted average working capital (operating)		**607**	**764**

EBIT Underlying to EBIT	**5.2**		

EBITDA	2021	2022
EBIT[1]	**511**	**366**
Amortization intangible assets	9	10
Depreciation property, plant & equipment	151	155
Depreciation RoU property, plant & equipment	24	27
Write-downs/(reversals of write-downs) on inventories and receivables	-19	11
Impairment losses/ (reversals of depreciation and impairment losses) on fixed assets	-2	58
EBITDA[1]	**675**	**626**

[1] *See note 2.8 'Restatement effects'*

EBITDA - Underlying	2021	2022
EBIT - Underlying[1]	**512**	**459**
Amortization intangible assets	9	10
Depreciation property, plant & equipment	151	154
Depreciation RoU property, plant & equipment	24	27
Write-downs/(reversals of write-downs) on inventories and receivables	-11	3
Impairment losses/ (reversals of impairment losses) on fixed assets	–	1
EBITDA - Underlying[1]	**686**	**654**

[1] *See note 2.8 'Restatement effects'*

ROCE	2021	2022
EBIT[1]	511	366
Weighted average capital employed	2 167	2 354
ROCE	**23.6%**	**15.5%**

[1] *See note 2.8 'Restatement effects'*

EBIT interest coverage		2021	2022
EBIT[1]		**511**	**366**
(Interest income)	5.4	-3	-5
Interest expense	5.4	44	43
(interest element of discounted provisions)	5.4	-2	-1
Net interest expense		39	37
EBIT interest coverage[1]		**13.0**	**9.9**

[1] *See note 2.8 'Restatement effects'*

ROE (return on equity)	2021	2022
Result for the period[1]	447	289
Average equity (period-weighted)[1]	1 816	2 164
ROE[1]	**24.6%**	**13.4%**

[1] *See note 2.8 'Restatement effects'*

Capital ratio (Financial autonomy)	2021	2022
Equity[1]	2 098	2 230
Total assets[1]	4 839	4 829
Financial autonomy[1]	**43.3%**	**46.2%**

[1] *See note 2.8 'Restatement effects'*

Gearing (net debt on equity)		2021	2022
Net debt		417	487
Equity[1]		2 098	2 230
Gearing (net debt on equity)[1]	7.2	**19.9%**	**21.8%**

[1] *See note 2.8 'Restatement effects'*

Net debt on EBITDA	2021	2022
Net debt	417	487
EBITDA[1]	675	626
Net debt on EBITDA[1]	**0.6**	**0.8**

[1] *See note 2.8 'Restatement effects'*

Net debt on EBITDA-underlying	2021	2022
Net debt	417	487
EBITDA-Underlying[1]	686	654
Net debt on EBITDA-underlying[1]	**0.6**	**0.7**

[1] *See note 2.8 'Restatement effects'*

Current Ratio	2021	2022
Current Assets	2 872	2 854
Current liabilities	1 636	1 724
Current Ratio	**1.8**	**1.7**

Operating free cash flow	2021	2022
Cash flows from operating activities[1]	380	340
Purchase of intangible assets[1]	-9	-15
Purchase of PP&E	-144	-170
Purchase of RoU Land	–	–
Proceeds from disposals of fixed assets	37	3
Operating free cash flow[1]	**265**	**158**

[1] *See note 2.8 'Restatement effects'*

Free Cash Flow	2021	2022
Cash flows from operating activities[1]	380	340
Purchase of intangible assets[1]	-9	-15
Purchase of property, plant and equipment	-144	-170
Purchase of RoU Land	–	–
Dividends received	25	68
Interest received	3	5
Interest paid	-35	-37
Free Cash Flow[1]	**221**	**190**

[1] *See note 2.8 'Restatement effects'*

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
Pauline van Pottelsberghelaan 12
B - 9051 Gent

Tel: +32 (0) 9 242 51 11
ey.com

Independent auditor's report to the general meeting of NV Bekaert SA for the year ended 31 December 2022

In the context of the statutory audit of the Consolidated Financial Statements of NV Bekaert SA (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2022 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 12 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2023. We performed the audit of the Consolidated Financial Statements of the Group during two consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of NV Bekaert SA, that comprise of the consolidated balance sheet on 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the year and the disclosures, which show a consolidated balance sheet total of € 4.829.313 thousand and of which the consolidated income statement shows a profit for the year of € 289.316 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2022, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Besloten vennootschap
Société à responsabilité limitée
RPR Brussel - RPM Bruxelles - BTW-TVA BE0446.334.711-IBAN N° BE71 2100 9059 0069
*handelend in naam van een vennootschap:/agissant au nom d'une société

A member firm of Ernst & Young Global Limited

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

1. Valuation of goodwill related to the BBRG cash-generating unit

Description of the key audit matter

As at 31 December 2022, the total carrying value of goodwill amounted to € 153 million (note 6.2 to the Consolidated Financial Statements), representing 3% of the Group's total assets. A significant part of this goodwill (€ 128 million) relates to the Bridon Bekaert Ropes Group ("BBRG") cash-generating unit.

Goodwill is allocated to Cash Generating Units ("CGUs") for which management is required to test the carrying value of goodwill for impairment, annually or more frequently, if there is a triggering event. The Group assesses the recoverable amount of the BBRG CGU by calculating the value in use of the assets within the CGU, using a discounted cash flow ("DCF") method. This valuation method is complex and requires significant judgement in estimating cash flow projections impacted by management's expectations of future performance and sales growth, margin evolution, the discount rate and the terminal growth rate.

Due to the involvement of significant judgements, complexity of the valuation methodology, inherent uncertainty related to forecasting and assumptions that are affected by economic conditions, we consider this assessment as a key audit matter.

The above stated assumptions have been disclosed in notes 3.2 and 6.2 to the Consolidated Financial Statements.

Summary of the procedures performed

- We evaluated management's assessment to classify BBRG as a cash generating unit;
- We evaluated and challenged the key drivers of revenue growth, expected margin evolution, long-term growth rate beyond the projection period, and the discount rate;
- We included our internal valuation specialist on our team to analyze and test the valuation model and the abovementioned critical assumptions used in the valuation model;
- We carried out probing inquiries to management involved in the preparation of BBRG's 5-year plan (adopted and approved by the Board of Directors), which serves as the basis in the valuation model;
- We have assessed the methodology, clerical accuracy, revenue growth, long term growth rate, and discount rate, by comparison to peer-group information, the Group's cost of capital and relevant risk factors.

- We analyzed and tested the sensitivity analysis prepared by management to understand the impact of reasonable changes in the key assumptions on the available headroom for the BBRG CGU;
- We considered additional impairment indicators by reading minutes of the board of directors' meetings, and we held regular discussions with the management and the audit committee.
- We assessed the adequacy of the information disclosed in note 6.2 to the Consolidated Financial Statements.

2. Income taxes – Recoverability of deferred tax assets

Description of the key audit matter

The Group has recognized deferred tax assets to the extent that the realization of these deferred tax assets through future taxable profits are probable. The management's estimate of foreseeable future taxable profits is based on the approved strategic plan which is then allocated to the tax-paying entities in the various jurisdictions and can be impacted by legislative developments. The recognition of deferred tax assets is therefore sensitive to changes in the strategic plan and legislation changes, because the Group operates in various tax jurisdictions which are subject to their respective local tax regulations.
We refer to notes 5.6 and 6.7 to the Consolidated Financial Statements with management's estimates on the recoverability of deferred tax assets.

Based on internal calculations with respect to the expected taxable profits in foreseeable future years, the Group has recognized a deferred tax asset of € 104 million. This area was important to our audit due to the amount of the tax losses as well as the judgment involved in management's assessment of the likelihood and magnitude of budgeted taxable profits to offset the tax losses in the foreseeable future.

Summary of the procedures performed

- We assessed and challenged management's assumptions and estimates to determine the probability to recover the recognized deferred tax assets through future taxable income in respective jurisdictions.
- We evaluated management's budgets and forecasts and considered the relevant tax laws of the respective tax jurisdictions. We critically assessed the consistency of the group's profit forecasts included in their assessment for recognized deferred tax assets to the strategic plan as well as the appropriateness of used tax rates.
- We have evaluated the reasonableness of the time period in which the Group expects to recover the recognized deferred tax assets in accordance with IAS 12 "Income taxes".
- We assessed the adequacy of the information disclosed in Notes 5.6 and 6.7 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit.

We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Section "Our performance in 2022 - Financial Performance"

- Section "Parent Company Information"
- Section "Alternative Performance Measurements"

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on the Global Reporting Initiative. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the Global Reporting Initiative.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of NV Bekaert SA per 31 December 2022 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Ghent, 29 March 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

marnix van dooren
Digitally signed by marnix van dooren
DN: cn=marnix van dooren, email =marnix.van.dooren@be.ey.com
Date: 2023.03.29 11:10:06 +02'00'

Marnix Van Dooren *
Partner
*Acting on behalf of a BV

francis boelens
Digitally signed by francis boelens
DN: cn=francis boelens, email=francis.boelens@be.ey.com
Date: 2023.03.29 08:18:04 +02'00'

Francis Boelens *
Partner
*Acting on behalf of a BV

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Environmental statements

Energy

Our ambition is to reduce our combined Scope 1 and Scope 2 CO_2 emissions by -46.2% by 2030, compared to 2019, in line with science-based targets. We also aim to reach net-zero emissions by 2050. A key way of reducing our CO_2 emissions is to improve the energy efficiency of our operations by installing energy-efficient infrastructure and equipment in our new plants and plant extensions, in addition to upgrading our existing facilities.

Total energy consumption = 4 888 GWh (including JVs) of which:

- Electrical energy (including cooling) = 3 000 GWh
- Thermal energy (heat) = 31 GWh
- Thermal energy (steam) = 157 GWh
- Natural gas (including LPG) = 1 670 GWh
- Fuel = 31 GWh

GRI 302-1

Total energy Intensity ratio = 1 582 kWh/ton (including JVs) of which:

- Electrical energy (including cooling) = 971 kWh/ton
- Thermal energy (heat) = 10 kWh/ton
- Thermal energy (steam) = 51 kWh/ton
- Natural gas (including LPG) = 540 kWh/ton
- Fuel = 10 kWh/ton

Energy intensity ratio: the energy (electricity, thermal, gas and fuel) used per ton of end product produced.

GRI 302-3

Renewable Electricity: 40% of our electricity needs came from renewable energy sources in 2022.

GRI 302-1

Methodology used and restatements made for Energy and Emission disclosures Scope 1 and 2:

Our methodology to calculate CO_2 related figures (such as absolute CO_2 emissions, CO_2 intensity, and share of renewable electricity) is developed with reference to the GHG protocol. For natural gas, LPG, and fuel (Scope 1) emissions, we use the emission factors that were published by DEFRA in 2021. For purchased steam and heat (Scope 2) emissions, we derived the emission factor from the one applicable to natural gas. For electricity (Scope 2) emissions, we use the emission factors that are published yearly by IEA. These emission factors are published with 2.5 years of delay. Therefore we use the latest available figures in our calculations of today and we update the numbers once IEA publishes the official emission factor for the corresponding year. This implies that some changes in our figures can be observed 2.5 years after publication. The reported Scope 2 electricity emissions are calculated based on the grey electricity (IEA emission factor) and green electricity, purchased from the grid or self-generated, which is considered to have a zero emission factor (market-based approach).

To calculate the '% of electricity needs that came from renewable sources', we deduct the green electricity what we produce ourselves from the consumption baseline. The consumption that is left comes from the grid and we estimate the amount of renewable electricity it contains based on average country-specific numbers published in 2022 by 'Our world in data'. The GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge to determine emission factors and the values needed to combine emissions of different gases.

The energy consumption and CO_2 emissions by fuel is an estimated value. We have collected the detailed invoices for a Bekaert representative plant in 2022 and extrapolated the number to all other plants and years weighted on the energy consumption in each plant in the corresponding year. The energy and CO_2 data includes the following contributors: the Bekaert production sites, the headquarters in Belgium, the technology center in Belgium, and

company cars. It does not include the small offices and warehouses of Bekaert.
GHG emissions other than CO_2, for example methane, are not currently included in our Scope 1&2 emissions inventory but will be in future. As a result, our emissions in this section are reported as CO_2 rather than CO_2e.

Some figures for the last months of the year 2022 have been estimated as some utility invoices arrive with delays. The published 2022 Energy and CO_2 data is based on all the utility invoices that were available by 1 March 2023.

Data restatement: 2019, 2020 and 2021 data have been restated. During the validation of our science-based targets by SBTi we made some updates in our energy & CO_2 emission calculations in line with SBTi recommendations. One update with impact on CO_2 emissions is about using consistent electricity emission factors for all countries (instead of mixing residual and average emission factors). Furthermore we updated the steam data with our improved steam data collection process in order to avoid double counts with natural gas. The effect on our figures of the updated methodology varies per year and is relatively limited. In addition, we are now also disclosing 2019 and 2020 figures for consolidated entities, whereas in previous reports, these data were reported on the combined level only (including joint ventures). Moreover, we now also disclose the energy consumption and Scope 1 CO_2 emission data of fuel and LPG, which we did not yet report in previous periods.
GRI 2-4

Due to the above, total energy consumption in GWh was restated by +1.2% for the year 2021 (consolidated entities) and by +3.0% for the average of the years 2019-2020-2021 (combined, including joint ventures).

Our 2022 Scope 1 & 2 GHG emissions including joint ventures (in ton CO_2) and 2022 Scope 3 GHG emissions (all categories) (in ton CO_2e) have been externally validated by EY. Their limited assurance audit report is available further below in this section 'Environmental Statements'.
GRI 2-5

Actual energy consumption in GWh	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
Total energy consumption	**4 553**	**4 158**	**4 509**	**4 273**	**5 178**	**4 743**	**5 192**	**4 888**
from renewable sources	1 074	846	926	930	1 396	1 147	1 269	1 237
from non-renewable sources	3 480	3 311	3 583	3 343	3 783	3 596	3 923	3 651
Electrical energy (including cooling)	**2 782**	**2 511**	**2 768**	**2 634**	**3 169**	**2 868**	**3 177**	**3 000**
from renewable sources	1 053	823	901	907	1 375	1 123	1 244	1 213
from non-renewable sources	1 728	1 689	1 867	1 728	1 794	1 745	1 932	1 787
Thermal energy heat	**28**	**32**	**32**	**31**	**28**	**32**	**32**	**31**
from renewable sources	20	24	25	24	20	24	25	24
from non-renewable sources	8	9	7	7	8	9	7	7
Thermal energy steam	**170**	**168**	**192**	**157**	**170**	**168**	**192**	**157**
from renewable sources	0	0	0	0	0	0	0	0
from non-renewable sources	170	168	192	157	170	168	192	157
Natural gas & LPG	**1 542**	**1 417**	**1 486**	**1 422**	**1 777**	**1 644**	**1 758**	**1 670**
natural gas	1 399	1 282	1 332	1 357	1 634	1 500	1 574	1 570
LPG	143	135	154	65	143	143	184	100
Fuel	**31**	**29**	**31**	**29**	**33**	**31**	**34**	**31**

GRI 302-1, GRI 302-4

Energy intensity ratio in kWh per ton	Excluding JVs				Including JVs			
	2019	2020	2021	2022[1]	2019	2020	2021	2022[1]
Total energy intensity	**1 666**	**1 689**	**1 642**	**1 727**	**1 537**	**1 529**	**1 503**	**1 582**
Electrical energy (including cooling)	1 018	1 020	1 008	1 065	941	924	920	971
Thermal energy heat	10	13	12	12	8	10	9	10
Thermal energy steam	62	68	70	63	51	54	56	51
Natural gas (including LPG)	564	576	541	575	527	530	509	540
Fuel	11	12	11	12	10	10	10	10

[1] *The total energy intensity in 2022 increased compared to 2021 mainly due to lower production volumes (there is a fixed energy consumption).*
GRI 302-3

Actual energy consumption in GWh per significant location of operation (> 1000 employees: payroll + contingent workers)	2019	2020	2021	2022
Belgium	**245**	**221**	**236**	**206**
Electricity	83	67	73	66
Natural gas	147	139	148	125
Purchased heat & steam	0	0	0	0
Fuel	15	15	15	14
Chile	**81**	**68**	**70**	**65**
Electricity	33	31	32	26
Natural gas	43	31	29	30
Purchased heat & steam	5	6	9	9
Fuel	0	0	0	0
China	**1 796**	**1 701**	**1 744**	**1 605**
Electricity	1 223	1 170	1 197	1 096
Natural gas	414	375	375	356
Purchased heat & steam	153	150	167	147
Fuel	6	6	6	6
India	**137**	**133**	**180**	**182**
Electricity	112	108	148	149
Natural gas	24	25	31	33
Purchased heat & steam	0	0	0	0
Fuel	0	0	1	1

Actual energy consumption in GWh per significant location of operation (> 1000 employees: payroll + contingent workers)	2019	2020	2021	2022
Indonesia	**305**	**281**	**308**	**273**
Electricity	213	193	215	186
Natural gas	91	87	92	86
Purchased heat & steam	0	0	0	0
Fuel	1	1	1	1
Slovakia	**445**	**409**	**460**	**451**
Electricity	226	195	224	222
Natural gas	216	213	234	227
Purchased heat & steam	1	0	0	0
Fuel	2	1	2	2
Turkey	**283**	**251**	**302**	**291**
Electricity	196	171	207	209
Natural gas	74	67	78	82
Purchased heat & steam	13	12	17	0
Fuel	1	1	1	1
US	**475**	**382**	**389**	**414**
Electricity	242	181	196	214
Natural gas	231	200	192	198
Purchased heat & steam	0	0	0	0
Fuel	2	1	2	1

GRI 302-3

% of electricity needs that came from renewable sources	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
	38%	33%	33%	34%	43%	39%	39%	40%

GRI 302-1

CO_2

We aim for carbon neutrality, as we believe this is the only way to take conscious and bold actions in reducing our carbon footprint.

In line with this, we have committed to join the Business Ambition for 1.5°C. Companies committed to the Business Ambition for 1.5°C receive independent validation of their targets from the Science Based Targets initiative (SBTi) and become part of the UN Climate Champions' Race to Zero.

- Total Scope 1 & 2 GHG emissions = 1 606 581 ton CO_2
- Total Scope 1 & 2 GHG emissions intensity ratio = 520 kg CO_2 /ton

Total Scope 1 & 2 GHG emissions in ton CO2	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
Scope 1 & 2 GHG emissions	1 657 859	1 508 077	1 647 254	1 510 987	1 741 837	1 583 568	1 752 900	1 606 581

GRI 305-1, GRI 305-2

Our Scope 1 & 2 emissions (excluding JVs) reduced by 8.3% compared to 2021 and were 8.9% lower than our reference base year 2019.

Our Scope 1 & 2 emissions (including JVs) reduced by 8.3% in 2022 compared to 2021 and were 7.8% lower than our reference base year 2019.
GRI 305-5

Total Scope 1 & 2 GHG intensity ratio in kg CO_2/ton	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
Total GHG intensity ratio	606	612	600	611	517	510	507	520

GRI 305-4

Methodology used and restatements made for energy and emission disclosures Scope 1 and 2: see disclosure in the previous chapter (Energy).

Scope 1 GHG emissions natural gas was restated by -7.2% for the year 2021 (consolidated entities) and by +1.5% for the average of the years 2019-2020-2021 (combined, including joint ventures).

Scope 2 GHG emissions from purchased electricity and other types of energy was restated by +0.6% for the year 2021 (consolidated entities) and by +0.9% for the average of the years 2019-2020-2021 (combined, including joint ventures).

The Scope 1 & 2 intensity ratios in kg CO_2/ton were restated due to the changes in calculation methods applied and the extension of the reported disclosures with LPG and fuel. In addition, where in the past the denominator used was 'volumes sold' (in line with the financial disclosures of the Company), we now used the more relevant reference 'volumes produced'. As a result of the scope extension of emission data and the change in denominator, the restated intensity ratios are higher than previously reported. Scope 1 GHG intensity ratio for natural gas was restated by +7.4% for the average of the years 2019-2020-2021 (combined, including joint ventures) and Scope 2 GHG intensity ratio from purchased electricity and other types of energy was restated by +6.6% over the same period.
GRI 2-4

Scope 1

Scope 1 emissions are direct greenhouse gas (GHG) emissions that are related to our operations.

Natural gas, LPG and fuel

- Scope 1 GHG emissions = 316 951 ton CO_2
- Scope 1 GHG intensity ratio = 103 kg CO_2 /ton

GRI 305-1, GRI 305-4

Scope 1 GHG emissions natural gas, LPG and fuel (in ton CO_2	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
GHG emission natural gas & LPG	**286 932**	**263 785**	**277 023**	**262 581**	**329 982**	**305 547**	**327 690**	**309 001**
GHG emission natural gas	256 158	234 792	243 897	248 561	299 207	274 823	288 240	287 587
GHG emission LPG	30 774	28 993	33 127	14 021	30 774	30 724	39 449	21 414
GHG emission fuel	**7 867**	**7 445**	**7 887**	**7 388**	**8 438**	**7 980**	**8 511**	**7 950**

GRI 305-1

Scope 1 GHG intensity ratio in kg CO_2/ton	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
GHG intensity ratio natural gas & LPG	105	107	101	106	98	98	95	100
GHG intensity ratio fuel	3	3	3	3	3	3	2	3

GRI 305-4

Global Scope 1 emissions from natural gas, LPG and fuel in ton CO_2 per significant location of operation (> 1000 employees: payroll + contingent workers)	2019	2020	2021	2022
Belgium	30 845	29 266	31 070	26 584
Chile	7 910	5 776	5 382	5 463
China	77 384	70 306	70 248	66 598
India	5 373	5 469	6 891	7 254
Indonesia	19 750	18 970	20 034	15 994
Slovakia	40 011	39 310	43 305	42 040
Turkey	13 796	12 582	14 532	15 253
US	42 766	36 913	35 591	36 657

GRI 305-1

Global Scope 1 emissions from natural gas, LPG and fuel in ton CO_2 per business unit	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
Rubber Reinforcement	155 655	141 491	152 814	140 995	165 134	150 674	166 366	154 874
Steel Wire Solutions	108 597	99 425	102 830	102 636	142 738	132 539	140 569	135 739
Bridon-Bekaert Ropes Group	16 452	16 029	15 229	14 647	16 452	16 029	15 229	14 647
Speciality Businesses	8 922	9 267	9 048	8 119	8 922	9 267	9 048	8 119
Corporate	5 173	5 019	4 989	3 572	5 173	5 019	4 989	3 572

GRI 305-1

Scope 2

Scope 2 emissions are indirect emissions, from purchased electricity, steam etc. that have been calculated based on energy consumption data and country specific kWh/MWh to CO_2 conversion factors as provided by the International Energy Agency (IEA).

GHG emissions from purchased electricity and other types of energy:

- Electrical energy (including cooling) = 1 250 460 ton CO_2
- Thermal energy (purchased heat) = 5 587 ton CO_2
- Thermal energy (purchased steam) = 33 583 ton CO_2

GRI 305-2

GHG Intensity Ratio:

- Electrical energy (including cooling) = 405 kg CO_2/ton
- Thermal energy (purchased heat) = 2 kg CO_2/ton
- Thermal energy (purchased steam) = 11 kg CO_2

GRI 305-4

Scope 2 GHG emissions from purchased electricity and other types of energy in ton CO_2	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
Electrical energy (including cooling)	1 321 356	1 194 936	1 315 297	1 201 848	1 361 715	1 228 129	1 369 652	1 250 460
Thermal energy purchased heat	5 168	5 910	5 818	5 587	5 168	5 910	5 818	5 587
Thermal energy purchased steam	36 536	36 001	41 230	33 583	36 536	36 001	41 230	33 583

GRI 305-2

Scope 2 GHG intensity ratio in kg CO_2/ton	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
Electrical energy (including cooling)	483	485	479	486	404	396	396	405
Thermal energy purchased heat	2	2	2	2	2	2	2	2
Thermal energy purchased steam	13	15	15	14	11	12	12	11

GRI 305-4

Global Scope 2 emissions in ton CO_2 per significant location of operation (> 1000 employees: payroll + contingent workers)	2019	2020	2021	2022
Belgium	0[1]	8 382	7 768	6 971
Chile	15 541	14 087	16 289	13 678
China	794 058	750 752	777 225	711 082
India	80 962	74 461	101 462	77 419
Indonesia	161 983	148 406	165 128	143 252
Slovakia	162	25 270	31 525	31 214
Turkey	87 027	72 933	90 440	87 638
US	92 616	59 126	71 747	42 456

[1] *zero in 2019 because in Belgium we a had contract for a green electricity tariff until and including 2019*
GRI 305-2

Global Scope 2 emissions in ton CO_2 per business unit	Excluding JVs				Including JVs			
	2019	2020	2021	2022	2019	2020	2021	2022
Rubber Reinforcement	1 222 347	1 088 383	1 189 756	1 071 971	1 243 295	1 104 536	1 217 766	1 097 982
Steel Wire Solutions	95 320	101 986	117 159	115 592	114 729	119 027	143 505	138 192
Bridon-Bekaert Ropes Group	17 141	19 482	22 889	25 290	17 141	19 482	22 889	25 290
Speciality Businesses	24 949	24 037	29 061	26 916	24 949	24 037	29 061	26 916
Corporate	3 303	2 958	3 478	1 249	3 303	2 958	3 478	1 249

GRI 305-2

Scope 3

Scope 3 emissions in ton CO_2e	2019[1]	2021	2022
Scope 3 emissions excluding JVs			
Purchased goods & services	4 874 911	5 446 554	4 762 032
Capital goods	72 870	113 767	133 995
Fuel & energy related activities (not included in Scope 1 or 2)	352 555	348 402	325 115
Upstream transportation & distribution	31 487	44 627	77 972
Waste generated in operations	27 261	32 713	37 984
Business travel	2 740	1 000	2 100
Employee commuting	20 400	20 400	20 400
Upstream leased assets	0	0	0
Downstream transportation & distribution[2]	47 230	66 941	116 899
Processing of sold products	161 870	163 893	156 846
Use of sold products	100 000	100 000	100 000
End of life treatment of sold products	106 999	108 341	94 448
Downstream Leased Assets	0	0	0
Franchises	0	0	0
Scope 3 emissions JVs			
Total JVs	247 313	290 324	359 295
Total Scope 3 emissions	**6 045 636**	**6 736 962**	**6 187 086**

[1] *2019 is the reference year for SBT calculation*
[2] *Our scope of calculating emissions from transport has been extended over the past years, which explains the increase.*

GRI 305-3

Methodology used:

- Methodology developed with reference to the GHG Protocol.
- The GHG Protocol defines Scope 3 emissions as all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.
- The SBTi recommended Scope 3 emissions estimation tool (Quantis) provides information on CO_2 equivalent emissions (CO_2e) as opposed to just CO_2, so emissions in this section are generally quoted as CO_2e.
- Quantification of GHG emissions is subject to inherent uncertainty because of incomplete scientific and methodological knowledge used to determine emission factors and the values needed to combine emissions of different gases.
- Purchased goods & services: Calculation based on tons of wire rod purchased and global average tCO_2/t steel data published by Worldsteel plus a calculation via the Quantis estimation tool based on raw materials spend excluding wire rod. Emissions associated with the purchase of spools, dies, wire, IT services, packaging & corporate services are excluded currently but will be included in future inventories after a revision that is planned during 2023. This will also result in a revision of the 2019 baseline and the 2021 and 2022 reported numbers, subject to agreement with the SBTi. Based on a first estimate of this planned revision, total Scope 3 emissions (in tCO_2e) reported for the 2019 baseline, 2021 and 2022 could each potentially increase by 5 to 8%.
- Capital goods: Calculation via the Quantis estimation tool based on Capex spend on tangible fixed assets, split between machinery (66.7%) and electrical equipment (33.3%).
- Fuel & energy related activities (not included in Scope 1 or 2): Calculation via the Quantis estimation tool based on Scope 1 & Scope 2 emissions.
- Upstream transportation and distribution: Estimate based on 66.7% of downstream transportation & distribution emissions.
- Waste generated in operations: Calculation via the Quantis estimation tool based on waste management spend.
- Business travel: Emissions from business air travel only – emissions from company cars/buses are included in Scope 1 emissions. Data provided by Egencia, based on journeys undertaken by Bekaert employees.
- Employee commuting: Calculation via the Quantis estimation tool based on >10,000 employees.
- Upstream leased assets: None in Bekaert.
- Downstream transportation and distribution: Calculation based on sea, air & road freight journeys (see below for more detail). For sea freight, the emissions are based on the MSC carbon calculator. Volumes shipped are considered as gross tons shipped, distances are per port-port pair and emission factors are taken from the MSC calculator. For road freight, the methodology applied is compliant with the GLEC framework, and uses Transporeon Carbon Visibility, with a combination of calculation methods using fuel based primary data, route-based modelling and/or industry

standard modelling. For air freight, emissions are based on input from Bekaert's main suppliers who all use the EcoTransIT emissions calculator.

- Processing of sold products: Calculation via the Quantis estimation tool based on estimated processing costs & tonnages for the two largest categories of products sold.
- Use of sold products: Estimate based on SBTi advice regarding qualifying products and direct/indirect Scope 3 emissions.
- End of life treatment of sold products: Calculation via the Quantis estimation tool based on total tons sold.
- Downstream leased assets: None in Bekaert.
- Franchises: None in Bekaert.
- Total JVs: Calculation via the Quantis estimation tool based on financial value of JVs.

Transport

Scope 3 emissions from transport are from Bekaert consolidated entities (excluding joint ventures).

GHG emissions from outbound logistics:

- Global sea freight: 29 263 ton CO_2e
- Road transport: 82 854 ton CO_2e
- Air freight: 4 782 ton CO_2e

GHG intensity ratio from outbound logistics:

- Global sea freight: 8.2 grams of CO_2e emitted required to transport 1 ton of goods over 1 km
- Road transport: 86.5 grams of CO_2e emitted required to transport 1 ton of goods over 1 km
- Air freight: 697.0 grams of CO_2e emitted required to transport 1 ton of goods over 1 km

GRI 305-3

Emissions of outbound logistics increased because of a strong demand rebound and agile supply chain management, and because of a scope extension of data.

Scope 3 GHG emissions from outbound logistics in ton CO_2e	2019[1]	2020[1]	2021[1]	2022[2]
Global sea freight	18 578	22 603	31 137	29 263
Road freight	9 284	8 249	10 562	82 854
Air freight	800	803	4 118	4 782

[1] Road freight 2019, 2020 and 2021 is limited to road freight for Rubber Reinforcement EMEA only
[2] Road freight 2022 includes emissions for all four business units and for both EMEA and North America

GRI 305-3

Scope 3 GHG intensity ratio from outbound logistics (in g CO_2e WtW/t-km)	2021	2022
Global sea freight	8.5	8.2
Road freight	44.0	86.5
Air freight	n.a.	697.0

GRI 305-4

GHG emissions intensity of company cars, personnel bus services and air travel:

- GHG emissions from company cars & buses: 3 497 ton CO_2e/year
- GHG emissions from business travel (air): 2 100 ton CO_2e (without radiative forcing (RF))

GHG emissions from company cars, personnel, bus services and air travel	2019	2020	2021	2022
GHG emissions from company cars & buses in ton CO_2e/year	n.a.	3 606	3 508	3 497
GHG emissions from business travel (air) in ton CO_2e (without radiative forcing (RF))	2 740	1 700	1 000	2 100

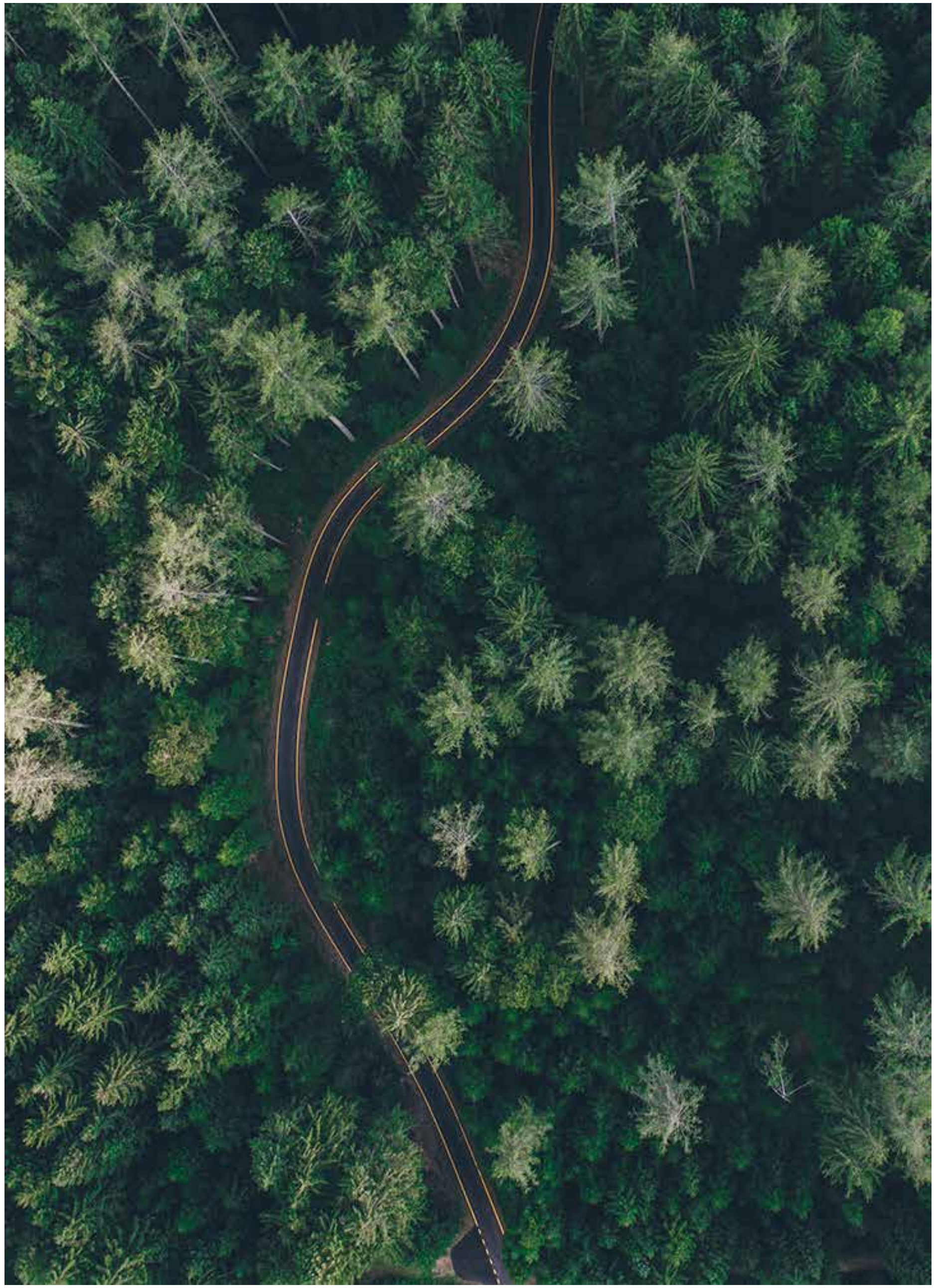
GRI 305-3

Purchased goods

Scope 3 emissions from purchased goods

Scope 3 emissions from purchased goods (in ton CO_2e)	2019[1]	2021	2022
Scope 3 emissions from purchased wire rod[2]	4 452 482	5 016 444	4 392 249
Scope 3 emissions from other purchased goods[2]	422 429	430 110	369 783

[1] 2019 is the reference year for SBT calculation
[2] Calculation based on tons of wire rod purchased and global average tCO_2/t steel data published by Worldsteel plus a calculation via the Quantis estimation tool based on raw materials spend excluding wire rod (see above for more details).
GRI 305-3



EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
Pauline van Pottelsberghelaan 12
B - 9051 Gent

Tel: +32 (0) 9 242 51 11
ey.com

Building a better working world

Independent auditor's limited assurance report on NV Bekaert SA's Greenhouse Gas Statement Scope

We have undertaken a limited assurance engagement of the accompanying Greenhouse Gas ("GHG") statement of NV Bekaert SA (Hereafter: Bekaert) for the period from 1 January 2022 to 31 December 2022, comprising the sustainability indicators 2022 Scope 1 & 2 GHG emissions including JV's (in CO_2) and 2022 Scope 3 GHG emissions (all categories in ton CO_{2e}) (the "Subject Matter") as reported in the Energy & CO_2 chapter of the accompanying integrated annual report 2022 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform any assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Bekaert

In preparing the Subject Matter, Bekaert applied the reporting standards of the Global Reporting Initiative ("GRI") and the Greenhouse Gas Protocol, as further described in the energy section of the Report (together the "Criteria").

As discussed in the Energy & CO_2 chapter of the Report, the GHG quantification is subject to inherent uncertainty because of incomplete scientific and methodological knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Bekaert's responsibilities

Bekaert's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with the Criteria. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the GHG statement, such that it is free from material misstatement, whether due to fraud or error.

Besloten vennootschap
Société à responsabilité limitée
RPR Brussel - RPM Bruxelles - BTW-TVA BE0446.334.711-IBAN N° BE71 2100 9059 0069
*handelend in naam van een vennootschap:/agissant au nom d'une société

A member firm of Ernst & Young Global Limited

EY's responsibilities

Our responsibility is to express a limited assurance conclusion on the presentation of the Subject Matter based on the procedures performed and the evidence we have obtained.

Our engagement was conducted in accordance with the *International Standard for Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance review.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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The engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other relevant procedures.

Our procedures included amongst other:

- Obtaining an understanding of the reporting processes for the Subject Matter;
- Evaluating the consistent application of the Criteria;
- Interviewing relevant staff at local level responsible for data collection, reporting and calculation of the Subject Matter;
- Interviewing management and relevant staff at corporate level responsible for consolidating and carrying out internal control procedures on the Subject Matter;
- Interviewing relevant staff responsible for reporting the Subject Matter in the Report;
- Determining the nature and extent of the review procedures for each of the locations contributing to the Subject Matter. We carried out our review procedures centrally relating to the data collection, data calculation, and data validation process;
- Performing an analytical review of the data and trends in the Subject Matter for consolidation at the level of the consolidation and at the level of the sites;
- Evaluating the overall presentation of the Subject Matter in the Report.

Conclusion

Based on our review, nothing has come to our attention that make us to believe that the Subject matter for the period from 1 January 2022 to 31 December 2022, was not prepared, in all material respects, in accordance with the Criteria.

Ghent, 29 March 2023

EY Bedrijfsrevisoren BV
Represented by

francis boelens

Digitally signed by francis boelens
DN: cn=francis boelens, email=francis.boelens@be.ey.com
Date: 2023.03.29 00:14:19 +02'00'

Francis Boelens*
Partner
*Acting on behalf of a BV

23FB0158

EU Taxonomy

This section covers the key performance indicators and accompanying information required under the EU Taxonomy (Regulation EU 2020/852[1] and the related Delegated Acts[2]).

The EU Taxonomy aims to channel capital towards sustainable activities, with the end-goal of financing sustainable growth and achieving the EU objective of becoming climate neutral by 2050.

Reporting on our contribution to the environment through the EU Taxonomy is in line with Bekaert's ambition to create sustainable value for all stakeholders and become an industry leader in sustainability.

While last year's exercise only covered the eligibility dimension, this is the first year that we have to report on alignment to two of the EU Taxonomy objectives, Climate Change Mitigation and Climate Change Adaptation. As the delegated act pertaining to the remaining four environmental objectives[3] has yet to be published, this year's analysis is restricted to the potential contribution of Bekaert's activities to the two Climate Change objectives. Certain aspects of the EU Taxonomy regulation are complex and open to interpretation at this point in time. As we await further guidance from the European Commission, Bekaert has prepared its EU Taxonomy reporting for fiscal year 2022 on a best effort basis, assessing compliance with the Taxonomy criteria using the latest guidance available and making assumptions or estimates where required. Bekaert's approach in determining eligibility and alignment with the EU Taxonomy regulation is further explained in the sections below.

Below we report on our EU Taxonomy eligibility and alignment for 2022, expressed through three KPIs: our share of eligible/aligned, eligible/non-aligned and non-eligible activities in the Bekaert consolidated sales of 2022, capital expenditure additions and 'applicable' operating expenditures.

Note: consolidated sales is the terminology used in the Bekaert income statement. It has the same definition as 'net turnover' as used in the EU Taxonomy. We refer to note 2.4 in Part II – Financial Statements of this report for more detailed information on our revenue recognition principles.

[1] Regulation EU 2020/852 of the European Parliament and of the Council, published in the Official Journal of the European Union on the 22.06.2020.
[2] The Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021) and the Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021).
[3] "Sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems".

EU Taxonomy eligibility assessment process

An 'eligible economic activity' is one that is described in the EU Taxonomy, regardless of whether it meets all the technical screening criteria laid out for that activity. To evaluate our EU Taxonomy eligibility, we have mapped all products manufactured by the Bekaert subsidiaries, the applicable expenses incurred and investments made, and matched them with the activities described in the EU Taxonomy.

To facilitate this exercise, the EU Taxonomy includes a reference to NACE codes (Revision 2) on each activity. However, such reference is only indicative and does not prevail over the specific definition provided in the text of the Climate Delegated Act. Therefore, we first mapped the eligibility of our products and expenses in relation to the descriptions in such Delegated Act, and only using NACE codes (Revision 2) and other reference classifications provided by the Sustainable Finance Platform as a further guide. For instance:

- For solutions that are listed under activity 3.1 "Manufacture of renewable technologies", TRBC Classification provided by the Sustainable Finance Platform refers to 5020101011 - Wind Systems & Equipment, 5020101013 – Photovoltaic Solar Systems & Equipment, 5210204013 – Turbine Manufacturing; BICS Classification refers to 131110111111 – Wind Turbine components, 1311101115 – Other Renewable Energy Equipment, 1710121413 – Wire & Cable; S&P Classification refers to 33299C – Other fabricated metal manufacturing, 332600 – Spring and wire product manufacturing and 331200- Steel product manufacturing from purchased steel. Following this guidance, we found our solutions that enable the manufacturing of renewable technologies such as the mooring lines for floating offshore wind towers or ultra-fine wires that are used to cut wafers for solar photovoltaic panels as Taxonomy-eligible.
- The same principle also applies to solutions that are listed under activity 3.2 "Manufacture of equipment for the production and use of hydrogen" where our products explicitly match the reference S&P Classification such as 33299C – Other fabricated metal manufacturing, 331200- Steel product manufacturing from purchased steel and 332600 - Spring and wire product manufacturing. Regarding activity 3.5 "Manufacture of energy efficiency equipment for buildings", not only our solutions meet S&P Classification for 331200- Steel product manufacturing from purchased steel and RBICS Classification for 451510102510 – General Metal Parts and Components Makers, their eligibility is further reinforced with substantial contribution criteria referring to manufacturing of one or more of products and their key components such as space heating and domestic hot water systems as is the case with our burners and heat exchangers.
- For activity 3.6. "Manufacture of low carbon technologies", Bekaert is required to demonstrate that its product/technology provides substantial life-cycle greenhouse gas (GHG) emission savings compared to the best performing alternative technology/product/solution available on the market:
  - substantial life cycle GHG emission savings: For each product considered under this activity, Bekaert carried out a Life Cycle Analysis (LCA) calculation. We consider life cycle GHG emission savings substantial where the total life cycle emissions of the Bekaert product are below the ones of the best performing alternative. To determine compliance with the criteria listed in the EU Taxonomy, only a limited testing was performed that represents the most material three product groups and the two digital LCA tools that were used.
  - Best performing alternative technology/product/solution: This is defined as the dominant, most-used product/technology on the market with the same core functionalities as the Bekaert product considered under this activity. Considering the fact that the publicly available information for alternative products is limited, we mostly chose a representative example from our product portfolio for comparative LCAs, and where no representative example was available, we modeled the competitor products based on certain assumptions.
  - The required third party verifications per LCA conducted are still in progress, which is the reason why 3.6 does not comply yet with criteria to formally claim alignment. Since we believe that the third-party verifications are just a formal process that needs to be completed, we further disclose under the EU Taxonomy Key Performance Indicators tables the amount of revenue, capex, and opex that will become aligned once the third-party verification is completed.

Find more about our sustainable products and solutions in Part I of this report: Our performance in 2022 - Knowledge.

We assessed our eligibility by collaborating with and involving each of our four business units in performing the mapping exercise as referred-to above. In our calculation of the KPIs, we considered values of only those products that are specifically made for the eligible activities. We took into consideration each of the elements included in the activity description in the Climate Delegated Act, and when in doubt we referred to the technical screening criteria and the TEG Final Report – Technical Annex for further information on which products manufactured by Bekaert could be assessed as eligible or not. As mentioned above, certain aspects of the EU Taxonomy regulation are complex and open to interpretation. Therefore, we determined the eligibility of our products on a best effort basis using the latest guidance available and keeping in mind the philosophy of EU Taxonomy that is re-orienting capital towards sustainable activities that are required for the net-zero future, where the key component suppliers such as Bekaert also play a significant role. If a strict interpretation of the European Commission (i.e., FAQ 37 on the **Commission Draft notice**) would have been applied, it would have impacted the scoring of all three KPIs of Bekaert between 2-7%. EU Taxonomy Regulation may evolve in the future and different interpretations can occur. As a result, in the interpretation currently used by Bekaert, certain judgments have been used for some activities. In case of any change in the interpretation of the EU Taxonomy, updates to the figures disclosed might be needed.

EU Taxonomy alignment assessment process

The alignment of a product goes beyond its mere eligibility as it means that the activity complies with specific technical screening criteria related to the six EU environmental objectives and minimum social safeguards. In order to achieve alignment, several factors must be taken into consideration:

- Substantial Contribution (SC): the activity/product needs to be considered as having a significant positive impact to one of the six environmental objectives, as defined by Technical Screening Criteria.
- Do No Significant Harm (DNSH): the activity must meet minimum requirements of causing no significant harm to the five other environmental objectives by complying with certain thresholds, requirements or existing laws and regulations.
- Minimum Social Safeguards (MSS): a company needs to respect minimum requirements concerning key social topics: human rights including workers' rights, bribery/corruption, taxation and fair competition.

A. Substantial contribution & scope

Bekaert has decided to report its contribution to the climate change mitigation objective, as it is in line with its overall sustainability strategy and SBTi-approved targets (find more information in section 'Planet' in Part I of this report). Given the complexity of the EU Taxonomy regulation, some criteria require additional clarification and interpretation. In the following section, we highlight a number of key considerations in Bekaert's EU Taxonomy assessment:

- Substantial contribution to 3.1. "Manufacture of renewable technologies": Bekaert produces key components for the manufacturing of renewable energy technologies. The substantial contribution criteria for this activity align with the activity description. Hence, if a product is deemed Taxonomy-eligible under activity 3.1, we determined that the 'substantial contribution' criterion was satisfied.
- Substantial contribution to activity 3.2. "Manufacture of products for the use of hydrogen": Bekaert produces components that enable the production of green hydrogen. Following the prudency principle and also based on the low output of green hydrogen production in the world today, Bekaert will confirm the alignment of its hydrogen products in upcoming years by substantiating the exact projects where green hydrogen is produced or used. As Bekaert already provides and invests in the development of next generation innovative solutions for green hydrogen production for more than 20 years, this approach is likely an underestimation of the actual portion of Bekaert components used for the production of green hydrogen.
- Substantial contribution to 3.5. "Manufacture of energy efficiency equipment for buildings": Bekaert is the world's leading supplier of innovative burners and heat exchangers for hydrogen-ready gas boilers. The substantial contribution criteria for this activity refers to space heating and domestic hot water systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation. To assess our compliance with this criterion, we referred to relevant guidance from the latest Q&A of the Commission in December 2022 and the website for EPREL - European Product Registry for Energy Labelling. According to our knowledge, the gas burners that use our solutions are at the highest rating possible for gas burners, i.e., rating A. Improving the rating is possible only by combining it with other environmentally friendly technologies such as hybrid or hydrogen ready boilers. Even though today Bekaert does not meet the substantial contribution criteria for this activity, several initiatives are ongoing to use our existing technology and know-how in such developments.
- Substantial contribution to activity 9.1. "Close to market research, development and innovation": Bekaert actively researches product innovations that reduce, remove or avoid GHG emissions along the life cycle of products. The expenditures related to technologies in this field that have been demonstrated in an industrially relevant environment., i.e. TRL6 level are reported under activity 9.1, which is a small percentage of all sustainable product innovation efforts that are taking place at Bekaert due to not meeting the criteria of TRL6. To demonstrate GHG savings, same approach as mentioned above for substantial contribution of activity 3.6 was applied where possible. In cases where publicly available information is limited, we made assumptions to estimate if potential GHG emission savings would occur.

B. Do No Significant Harm

As most of the eligible activities considered by Bekaert (3.1, 3.2., 3.5. and 3.6) require complying with the same Do No Significant Harm (DNSH) requirements, Bekaert has developed a systematic approach in assessing the compliance with these requirements:

- Generic criteria for DNSH to pollution prevention and control regarding use and presence of chemicals: As a global manufacturing company, Bekaert is subject to multiple regulations concerning the use and presence of chemicals and follows local regulations accordingly. To determine compliance with the criteria listed in the EU Taxonomy, a sample-based testing was applied to determine compliance of key manufacturing locations with the criteria set out by the EU Taxonomy Climate Delegated Act Appendix C. Bekaert used a turnover-based approach and a selection based on same or similar production processes to determine a representative sample for its product portfolio.
- Generic criteria for DNSH to sustainable use and protection of water and marine resources and protection and restoration of biodiversity and ecosystems: We comply with all European environmental regulations in force and carry out Environmental Impact Assessments (EIAs)in all locations. For locations outside the EU, we are implementing programs to reduce water usage, especially, but not exclusively, in water-stressed areas. Next to complying with EU norms and regulations, we are aiming to increase our efforts on biodiversity and protection of water resources. Please refer to the section 'Planet' in Part I of this report for more information.
- Generic criteria for DNSH to climate change adaptation: An in-depth climate risk study has been conducted to assess the impact of physical climate change on Bekaert's all global assets and operations. You can find more information in the 'Corporate Governance statement' section in Part II of this report.
- Criteria for the transition to a circular economy: Bekaert is committed to continuously improving the circularity of its products, including design for high durability, recyclability, reuse and use of secondary raw materials and waste management. We assessed the feasibility of the EU Taxonomy circular economy criteria for our eligible products and adopted relevant techniques where possible. As part of our efforts to establish a systematic approach to take circular economy initiatives to the next level establishing a common language within the organization, we have conducted multiple workshops and are actively working towards making our company more circular in the future. Additional details can be found in the section 'Planet' in Part I of this report.

For products that are listed as Taxonomy-eligible under activity 9.1, a separate assessment of DNSH requirements have been carried out as listed in EU Taxonomy regulation and no potential risks have been found. Our assessment is largely based on the fact that similar materials and processes are used in the development of these new innovative products.

C. Minimum Social Safeguards

Bekaert adheres to the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organisation (ILO) and the International Bill of Human Rights. We further assessed compliance with Minimum Social Safeguards in line with the final report of the Platform on Sustainable Finance on Minimum Social Safeguards, focusing on four core topics: human rights including workers' rights, bribery/corruption, taxation and fair competition.

Among other initiatives, we have a Supplier Code of Conduct and regular CSR audits, which allow us to further verify the respect of human/labor rights throughout our value chain. For more information on Social Safeguards and related risks throughout the Bekaert value chain, see 'Value Chain' section in Part I of this report and 'Corporate Governance statement' section in Part II.

EU Taxonomy Key Performance Indicators

1. Consolidated sales

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change Adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy aligned proportion of turnover, year N (18)**	**Taxonomy aligned proportion of turnover, year N-1 (19)**	**Category (enabling activity or) (20)**	**Category (transitional activity) (21)**
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	€47 922 000	1%	100	0%	–	–	–	–	N/A	Y	Y	Y	Y	Y	Y	1%	–	E	
Close to market research, development and innovation	9.1	€–	0%	100%	0%	–	–	–	–	N/A	Y	Y	Y	Y	Y	Y	0%	–	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		€47 922 000	1%	100%	0%												1%	–		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of equipment for the production and use of hydrogen	3.2	€13 327 770	0.24%																	
Manufacture of energy efficiency equipment for buildings	3.5	€95 385 177	2%																	
Manufacture of other low carbon technologies	3.6	€2 241 823 348	40%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€2 350 536 295	42%																	
Total (A.1 + A.2)		€2 398 458 295	42%														1%	–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		€3 253 331 705	58%																	
Total (A + B)		€5 651 790 000	100%																	

Numerator

The numerator is comprised of the Bekaert 2022 consolidated sales that are related to the economic activities listed in the table above (the numbers refer to the section in Annex I of the Climate Delegated Act that corresponds to such activity).

All of the activities above are considered as enabling activities, as referred to in Article 10(1) point (i) of Regulation (EU) 2020/852.

Each business unit performed the eligibility analysis separately, for the products manufactured within the business unit. To avoid double counting, this information was then aggregated and validated by Group Finance, following the same principles as for the consolidated financial reporting.

Examples of eligible and aligned products and solutions can be found in Part I of this report: Our performance in 2022 - ’Knowledge’ section.

Bekaert’s commitment is to create and deliver long-term value to all its stakeholders and to create green and sustainable solutions. This sustainable value is also translated into the extended lifespan of our products, energy efficiency offered by our products, the reduced carbon footprint from their use, as well as the utilization of alternative low carbon materials and innovative technologies in its manufacturing processes.

Denominator

The denominator is comprised of consolidated sales as disclosed in Part II of this report: Financial Statements.

Referring to our disclosure above on the alignment of Activity 3.6 in respect to the LCA third-party verifications that are in progress, once the third-party verifications are completed, an additional € 2 241 million would qualify for alignment, boosting our score to 41%.

2. Capital Expenditure (Capex)

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code(s) (2)**	**Absolute CapEx (3)**	**Proportion of CapEx (4)**	**Climate change mitigation (5)**	**Climate change adaption (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaption (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy aligned proportion of CapEx, year N (18)**	**Taxonomy aligned proportion of Capex, year N-1 (19)**	**Category (enabling activity or) (20)**	**Category (transitional activity) (21)**
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	€696 382	0%	100%	0%	–	–	–	–	N/A	Y	Y	Y	Y	Y	Y	0%	–	E	
Close to market research, development and innovation	9.1	€2 060 702	1%	100%	0%	–	–	–	–	N/A	Y	Y	Y	Y	Y	Y	1%	–	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned (A.1)		€2 757 084	2%	100%	0%	–	–	–	–	N/A	Y	Y	Y	Y	Y	Y	2%	–		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of equipment for the production and use of hydrogen	3.2	€5 538 595	3%																	
Manufacture of energy efficiency equipment for buildings	3.5	€3 731 482	2%																	
Manufacture of other low carbon technologies	3.6	€60 455 044	35%																	
Construction, extension and operation of water collection, treatment and supply systems	5.1	€39 054	0%																	
Renewal of water collection, treatment and supply systems	5.2	€360 725	0%																	
Construction, extension and operation of waste water collection and treatment	5.3	€2 041 344	1%																	
Renewal of waste water collection and treatment	5.4	€52 517	0%																	
Operation of personal mobility devices, cycle logistics	6.4	€16 524	0%																	
Renovation of existing buildings	7.2	€1 489 494	1%																	
Installation, maintenance and repair of energy efficiency equipment	7.3	€3 578 106	2%																	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	€543 869	0%																	
Data-driven solutions for GHG emissions reductions	8.2	€47 803	0%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€77 894 558	46%																	
Total (A.1 + A.2)		€80 651 642	47%														2%	–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		€90 011 452	53%																	
Total (A + B)		€170 663 094	100%																	

Numerator

The numerator is comprised of (i) capex related to Taxonomy-eligible solutions of Bekaert and (ii) capex related to other Taxonomy-eligible economic activities that are not directly linked to Taxonomy-eligible solutions of Bekaert (in both cases, we refer to capex invested during the fiscal year 2022), as described in Section 1.1.2.2 of Annex I of the Disclosure Delegated Act. The total EU Taxonomy-eligible capex is calculated from the following economic activities listed in the table above.

From the activities above, activities 3.1, 3.2, 3.5, 3.6, 7.3. 7.5, 8.2 and 9.1 are considered as (eligible to-be) enabling activities, as referred to in Article 10(1) point (i) of Regulation (EU) 2020/852, while activity 7.2 is considered as an (eligible to-be) transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852. In certain scenarios where asset investments are used to manufacture both eligible and non-eligible products, we have applied an allocation rule based on the tonnage of eligible products manufactured, in order to calculate the eligible capex. A similar approach was followed for aligned and non-aligned products.

Each business unit separately identified their capital expenditures related to eligible/aligned products manufactured by Bekaert (literal (a) of Section 1.1.2.2 of Annex I of the Disclosure Delegated Act). In a second stage, each business unit further screened the capex that was left out from the previous step to identify the capex related to the purchase of output from Taxonomy-eligible economic activities (literal (c) from the referred Section 1.1.2.2). Separately, the Group Finance department identified the capex related to other Taxonomy-eligible economic activities, which was not registered in the accounts of the business units.

Denominator

The denominator is comprised of Bekaert's total capex invested in the financial year 2022 as disclosed in Part II of this report – Financial Statements, covering additions to tangible and intangible assets considered before depreciation, amortization and any re-measurements that may apply.

Referring to our disclosure above on the alignment of Activity 3.6 in respect to the LCA third-party verifications that are in progress, once the third-party verifications are completed, an additional € 61 million would qualify for alignment, boosting our score to 37%.

3. Operational excellence expenses (opex)

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria (Does Not Significantly Harm): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx, year N (18)	Taxonomy aligned proportion of OpEx, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	€1 518 812	1%	100%	0%	–	–	–	–	N/A	Y	Y	Y	Y	Y	Y	1%	–	E	
Close to market research, development and innovation	9.1	€5 873 740	3%	100%	0%	–	–	–	–	N/A	Y	Y	Y	Y	Y	Y	3%	–	E	
Transport by motorbikes, passenger cars and commercial vehicles	6.5	€554 376	0%	100%	0%	–	–	–	–	N/A	Y	N/A	Y	Y	N/A	Y	0%	–		T
OpEx of environmentally sustainable activities (Taxonomy-aligned (A.1)		€7 946 928	4%	100%	0%	–	–	–	–								4%	–		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of equipment for the production and use of hydrogen	3.2	€766 224	0%	[redacted]																
Manufacture of energy efficiency equipment for buildings	3.5	€2 981 081	1%	[redacted]																
Manufacture of other low carbon technologies	3.6	€70 337 143	33%	[redacted]																
Transport by motorbikes, passenger cars and commercial vehicles	6.5	€6 945 929	3%	[redacted]																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€81 030 377	38%	[redacted]																
Total (A.1 + A.2)		€88 977 305	42%	[redacted]													4%	–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		€122 257 491	58%																	
Total (A + B)		€211 234 796	100%																	

Numerator

The concept of opex under the EU Taxonomy is not equal to one line item in the Income Statement. The EU Taxonomy has a specified scope for operational expenses to be reported (described in the Denominator section below), therefore, we refer to this reduced concept as 'applicable' opex to clearly differentiate it from the Income Statement lines reported by Bekaert.

The numerator is comprised of (i) 'applicable' opex related to Taxonomy-eligible activities and (ii) 'applicable' opex related to other Taxonomy-eligible economic activities, as described in Section 1.1.3.2 of Annex I of the Disclosure Delegated Act. The total EU Taxonomy-eligible 'applicable' opex is calculated from the economic activities referenced in above table.

All of the activities above are considered as (eligible to-be) enabling activities, as referred to in Article 10(1) point (i) of Regulation (EU) 2020/852, except for activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles".

In certain scenarios where it is impossible to allocate opex to individual product lines, we have applied an allocation rule based on the tonnage of eligible products manufactured, in order to calculate the eligible R&D expenses, building renovation measures, and maintenance and repair expenses.

Each business unit extracted separately the opex meeting the definition of the EU Taxonomy related to the eligible and aligned products. Separately, our central purchasing department identified the 'applicable' opex related to the purchase of other Taxonomy-eligible economic activities, which was not registered in the accounts of the business units. To avoid double counting, this information was then aggregated and validated by Group Finance, following the same principles as for the consolidated financial reporting.

Denominator

Opex is defined in the Disclosure Delegated Act as direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment. The denominator comprises of expenses that fit within this definition of opex.

Each business unit obtained the maintenance and repair costs (which include non-capitalized expenses for building renovation measures) from internal reporting systems.

Referring to our disclosure above on the alignment of Activity 3.6 in respect to the LCA third-party verifications that are in progress, once the third-party verifications are completed, an additional € 70 million would qualify for alignment, boosting our score to 37%.

Building a better working world

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
Pauline Van Pottelsberghelaan 12
B - 9051 Ghent

Independent auditor's limited assurance report on Bekaert SA's EU Taxonomy disclosures included in the annual report

Scope

We have undertaken a limited assurance engagement of the accompanying EU Taxonomy disclosures of NV Bekaert SA (Hereafter: Bekaert) for the period from 1 January 2022 to 31 December 2022 (the "Subject Matter"), as reported in the EU Taxonomy section in the accompanying integrated annual report 2022 (the "Report").

Criteria applied by Bekaert

In preparing the Subject Matter, Bekaert applied the requirements as included in the Regulation EU 2020/852 and the related Delegated Acts EU 2021/2139 and EU 2021/2178, as further described in the EU Taxonomy disclosures of the Report (together the "Criteria").

As discussed in the EU Taxonomy disclosures of the Report, the Subject Matter is subject to inherent uncertainty because of complexity and legislation that is open for interpretation.

Bekaert's responsibilities

Bekaert's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with the Criteria. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the EU Taxonomy disclosures, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a limited assurance conclusion on the presentation of the Subject Matter based on the procedures performed and the evidence we have obtained.

Our engagement was conducted in accordance with the *International Standard for* Assurance Engagements other than audits or reviews of historical financial information ('ISAE 3000 Revised'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance review.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information, and applying analytical and other relevant procedures.

Our procedures included amongst other:

- Obtaining an understanding of the reporting processes for the Subject Matter, including the identification of eligibility and alignment of the economic activities;
- Evaluating the consistent application of the Criteria;
- Interviewing relevant staff responsible for data collection, reporting and calculation of the Subject Matter;
- Interviewing management and relevant staff responsible for consolidating and carrying out internal control procedures on the Subject Matter;
- Interviewing relevant staff responsible for reporting the Subject Matter in the Report;
- Determining the nature and extent of the review procedures for each of the locations contributing to the Subject Matter. We carried out our review procedures centrally relating to the data collection, data calculation, and data validation process;
- Performing an analytical review of the data and trends in the Subject Matter for consolidation at the level of the consolidation and at the level of the sites;
- Evaluating the overall presentation of the Subject Matter in the Report.

Conclusion

Based on our review, nothing has come to our attention that make us to believe that the Subject matter for the period from 1 January 2022 to 31 December 2022, was not prepared, in all material respects, in accordance with the Criteria.

Ghent, 29 March 2023

EY Bedrijfsrevisoren BV
Represented by

francis boelens

Digitally signed by francis boelens
DN: cn=francis boelens, email=francis.boelens@be.ey.com
Date: 2023.03.29 00:16:08 +02'00'

Francis Boelens*
Partner
*Acting on behalf of a BV

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Water

We use water in our production processes, and we want to save every drop. We are taking a close look at our water consumption and are implementing programs to reduce our water usage, especially, but not exclusively, in water stressed areas. Our ambition is to reduce our freshwater intake in water stressed areas by -15% by 2030 compared to 2019.

After use, and reuse many times over, any water that cannot be further recycled is treated and cleaned before it leaves our premises.

All water data is combined data (consolidated entities + joint ventures)
GRI 303-1

Water stress: in areas with water stress, the ratio of total annual water withdrawal to total available annual renewable water supply is high (40-80%) or extremely high (>80%)

1 megaliter (ML) = 1 000 000 liter

Water withdrawal (in ML)	2019 (baseline)	2020[1]	2 021	2 022
Total water withdrawal	**9 237**	**8 122**	**8 975**	**8 402**
from areas with water stress	3 564	3 141	3 619	3 391

Freshwater withdrawal by source (in ML)	2019 (baseline)	2020[1]	2 021	2 022
Surface water	**761**	**587**	**626**	**583**
from areas with water stress	559	530	605	546
Groundwater	**2 355**	**2 201**	**2 571**	**2 503**
from areas with water stress	741	640	813	791
Total third-party water	**6 121**	**5 335**	**5 778**	**5 316**
from areas with water stress	2 264	1 971	2 201	2 054

Water withdrawal

Total water withdrawal was 8 402 megaliter (ML) of which 3 391 ML from areas with water stress.

Freshwater withdrawal by source:

- Surface water: 583 ML of which 546 ML from areas with water stress
- Groundwater: 2 503 ML of which 791 ML from areas with water stress
- Third party water: 5 316 ML of which 2 054 ML from areas with water stress:
  - 4 423 ML from surface water of which 1 742 ML from areas with water stress
  - 893 ML from groundwater of which 312 ML from areas with water stress

All data is provided by the respective plants.

Third-party water by source (in ML)	2019 (baseline)	2020[1]	2021	2022
Third-party water from surface water	**5 581**	**4 818**	**4 970**	**4 423**
from areas with water stress	2 007	1 752	1 846	1 742
Third-party water from ground water	**540**	**517**	**808**	**893**
from areas with water stress	257	220	355	312

[1] 2020 data has been restated due to improved reporting
GRI 2-4, GRI 303-3

Water discharge

Total water discharge is 3873 ML in 2021 of which 1644 ML to areas with water stress.

Water discharge by destination:

- Surface water: 1 421 ML of which 485 ML freshwater and 936 ML other water
- Groundwater: 0 ML
- Sea water: 17 ML of which 0 ML freshwater and 17 ML other water
- Third party water: 2 435 ML of which 147 ML freshwater and 2 288 ML other water

Water discharge to areas with water stress was 1 644 ML of which 526 ML freshwater and 1 118 ML other water.

Our water discharge is filtered at our own premises.

All data is provided by the respective plants.

Water stress: in areas with water stress, the ratio of total annual water withdrawal to total available annual renewable water supply is high (40-80%) or extremely high (>80%)

1 megaliter (ML) = 1 000 000 liter

Water discharge (in ML)	2020[1]	2021	2022
Total water discharge	**3712**	**4164**	**3873**
to areas with water stress	1486	2032	1644

Water discharge by destination (in ML)	2020[1]	2021	2022
Surface water	**1 511**	**1 466**	**1 421**
Freshwater	462	502	485
Other water	1 049	964	936
Groundwater	**0**	**0**	**0**
Sea water	**91**	**100**	**17**
Freshwater			
Other water	91	100	17
Third-party water	**2 110**	**2 598**	**2 435**
Freshwater	221	94	147
Other water	1 889	2 504	2 288
Water discharge to areas with water stress	**1 486**	**2 032**	**1 644**
Freshwater	527	557	526
Other water	959	1 475	1 118

[1] *2020 data has been restated due to improved reporting*

GRI 2-4, GRI 303-2, GRI 303-4

Water consumption

Water consumption = total water withdrawal - total water discharge.

Total water consumption was 4 529 ML of which 1 747 ML from areas with water stress

All data is provided by the respective plants.

Water stress: in areas with water stress, the ratio of total annual water withdrawal to total available annual renewable water supply is high (40-80%) or extremely high (>80%)

1 megaliter (ML) = 1 000 000 liter

Water consumption (in ML)	2020[1]	2021	2022
Total water consumption	4 410	4 811	4 529
From areas with water stress	1 655	1 587	1 747

[1] 2020 data has been restated due to improved reporting
GRI 2-4, GRI 303-5

Recycled input material

Recycled input material (consolidated, excluding JVs)	2020	2021	2022
% Recycled content in wire rod (purchased by the steel mills)	26	26	27
% scrap in wire rod (purchased by the steel mills + through recycling in their own production process)	38	34	32

GRI 301-2

Waste

Our ambition is to reduce our waste volume by 25% by 2030 compared to 2019. All steel scrap is returned to the steel mills for recycling.

Waste data is combined data (consolidated entities + joint ventures).

Steel scrap in ton	2019	2020	2021	2022
Preparation for re-use	0	0	0	0
Recycling	117 879	101 727	107 760	101 530
Other recovery operations	0	0	0	0

Steel scrap = steel wire scrap, end-of-life spools and machine spare parts, other steel-based scrap.
GRI 306-4

Chemical management

We have a product stewardship framework and related capability building in place. The framework covers:

- standardized chemical management,
- environmental compliance of both raw materials and finished products, and
- related customer expectations.

We have a global chemical management standard and a global tool in place that allows efficient implementation of the standard, strict governance process and more proactive product compliance.

In line with the ISO 14001 requirements, a company-wide process for lifecycle management has been deployed. The process aims to identify potentially significant environmental impacts in the entire supply chain and considering all the stages of the lifecycle of our finished products and how to address them in an appropriate way.

At Bekaert, we closely monitor the EU REACH regulation to confirm compliance in a proactive way related both to the raw materials we are using and to our finished products. We are in contact with our suppliers to verify their REACH compliance in the supply process of raw materials. Furthermore, we identify substances of concern and start proactive phase-out programs. In case we identify important regional differences in hazard classification and exposure limits, we are committed to applying our own company-specific hazard classification and exposure limits which are mandatory if no stricter regulations apply.
GRI 403-7

Social statements

Health & safety

Safety programs

The Bekaert safety programs guide all employees toward the same safety mindset and behaviors worldwide.

BeCare: no harm to anyone @Bekaert

It is our goal to create a no-harm-to-anyone working environment at Bekaert. We commit to do whatever is necessary to eliminate accidents in the workplace.

BeCare, the Bekaert global safety program, launched in 2016, is our way to do this. It focuses on creating an interdependent safety culture, promoting strong risk awareness, removing risk tolerance, and investing in the necessary tools and equipment to create a safer working environment. BeCare has changed the behavior in our plants and offices and in our meetings with business partners.

Bekaert also launched a development program for site managers and regional operations leaders that builds awareness, knowledge and understanding about SH&E related compliance and liabilities. More information on BeCare+ can be found in Part I of this report: Our Performance in 2022: People.
GRI 403-2

Safety procedures

Bekaert has developed several safety procedures and standards that are applicable in all our plants worldwide. They aim for a coherent and standardized approach of processes and actions across the group.
GRI 403-2

In line with our BeCare safety program, and to put more emphasis on safety in specific situations, our employees must follow the Life Saving Rules. The rules are simple dos and don'ts in 10 hazardous situations that have the highest potential to cause death. They apply to everyone: employees, contractors and visitors. Moreover, they are not only applicable at the workplace, but also highly recommended on the road, at home and in other situations.

Abiding by these rules is a condition of employment at and access to our sites. Following these rules and helping others to do so will save lives. That is why consequence management applies to those who do not follow the Life Saving Rules.
GRI 403-2, GRI 403-7

Apart from the behavioral component, we realize that equipment safety is also key in our efforts to improve our safety performance. To meet this need, we have an equipment safety standard in place that describes the requirements to which all new and existing equipment should comply. Our Engineering departments start their design process from this standard when they develop a new machine. Existing machinery is evaluated on its safety-related risks via a risk assessment method. The method prioritizes the risks that could have the most severe impact and are most likely to happen.

Bekaert has approved a safety investment program that will be rolled out between 2022 and 2025 as another enabler to create a safe environment for all people at the workplace.
GRI 403-2

A healthy workplace

In addition to the BeCare and safety investment initiatives aimed at eliminating safety risks, we also want to create and maintain a healthy workplace for our employees.

Workplace conditions

We monitor workplace conditions such as noise, dust, ergonomics and temperature, and are defining and implementing a roadmap to make further improvements. Our new investments consider strict standards with regards to all working conditions.
GRI 403-3

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

Bekaert will not purchase or renew the lease contract of diesel-powered forklifts and other internal trucks in the plants, unless there is no alternative, to eliminate the CO_2 emissions.
GRI 403-3

Handling and storing chemicals

Throughout the company, we pay special attention to the safe handling and storage of chemicals. A database records all chemicals used in our plants and strict health and safety guidelines apply to our employees. Employees who are exposed to potentially hazardous materials go through a medical check-up every six months. We are developing and optimizing techniques and processes that eliminate the need for hazardous chemicals during heat treatment processes.
GRI 403-2, GRI 403-3, GRI 403-7

More information on the standards we comply with regarding the handling of chemicals and other substances that may cause potential environmental and health risks, are included in Part II: Environmental Statements of this report.

Mental health

74% of our employees in the Bekaert subsidiaries have access to a globally deployed employee assistance program that focuses on mental health. In addition, other specific mental health programs run in various entities and are particularly oriented on the impact of the pandemic on well-being.
GRI 403-3, GRI 403-6

Safety data

- The Total Recordable Incident Rate decreased with 26% compared to 2021.
- The Lost-Time Incident Frequency Rate was 20% lower than last year, driven by the reduction in incidents that led to lost time.
- The number of incidents leading to life-altering injuries decreased from eight cases in 2021 to seven in 2022.
- 11% of all incidents either led or could potentially have led to a life-altering injury, down from 14% in 2021.
- The number of incidents that happened in high-risk situations (but not necessarily resulting in a serious injury) has decreased by 28% in 2022.
- No fatal accidents occurred on our premises in 2022.

46% of the injuries that happen at Bekaert involve hands and fingers. Despite all safety measures, six of these incidents in 2022 were life-altering, compared to eight life-altering incidents in 2021. In safety procedures and during safety trainings, special attention is given to the prevention of hand and finger injuries. Other body parts injured were head and neck (18%), upper limbs (13%), lower limbs (9%), feet and toes (7%) and torso, back and organs (7%).
GRI 403-9

In 2022 Bekaert expanded, as intended, its certifications against the well-known international management system standards for safety. Bekaert has a corporate integrated management system. This centrally governed management system is the basis of ISO 45001 certification (safety) of 28 sites (37% of the manufacturing plants). Increased certification to ISO 45001 is an ongoing goal.
GRI 403-1, GRI 403-8

On average, each Bekaert employee received 7 hours of safety-related training in 2022.
GRI 403-5

Key safety performance indicators Bekaert consolidated	2019	2020	2021	2022
TRIR	5.62	4.30	3.93	3.01
LTIFR	3.39	2.94	2.27	1.92
SI rate	0.13	0.02	0.10	0.12

Key safety performance indicators Bekaert combined (consolidated plants + joint ventures)	2019	2020	2021	2022
TRIR	5.18	4.02	3.67	2.71
LTIFR	3.08	2.65	2.08	1.66
SI rate	0.13	0.02	0.12	0.11

GRI 403-9

Incident rates per region

Group data per region 2021	EMEA	Latin America	North America	Asia Pacific	JVs in Brazil and Colombia	Bekaert Consolidated	Bekaert Combined
LTIFR[1]							
All (Bekaert payroll employees + contractors)	5.88	1.71	1.48	0.62	0.95	2.27	2.08
Bekaert payroll employees	6.06	1.82	1.64	0.71	1.31	2.59	2.42
Contractors	4.34	1.34	0	0.38	0	1.08	0.89
SI rate[1]							
All (Bekaert payroll employees + contractors)	0.32	0	0.3	0	0.21	0.1	0.12
Bekaert payroll employees	0.29	0	0.33	0	0.29	0.11	0.13
Contractors	0.62	0	0	0	0	0.08	0.07
TRIR[1]							
All (Bekaert payroll employees + contractors)	7.23	1.71	18.91	1.14	2.1	3.93	3.67
Bekaert payroll employees	7.28	1.82	19.97	1.23	2.63	4.44	4.2
Contractors	6.82	1.34	9.11	0.089	0.75	2	1.77

Group data per region 2022	EMEA	Latin America	North America	Asia Pacific	JVs in Brazil and Colombia	Bekaert Consolidated	Bekaert Combined
LTIFR[1]							
All (Bekaert payroll employees + contractors)	5.03	1.53	1.60	0.39	0.00	1.92	1.66
Bekaert payroll employees	5.19	1.47	1.79	0.54	0.00	2.21	1.94
Contractors	3.72	1.72	0.00	0.00	0.00	0.83	0.68
SI rate[1]							
All (Bekaert payroll employees + contractors)	0.13	0.31	0.27	0.04	0.00	0.12	0.11
Bekaert payroll employees	0.14	0.40	0.00	0.00	0.00	0.11	0.10
Contractors	0.00	0.00	2.46	0.13	0.00	0.17	0.14
TRIR[1]							
All (Bekaert payroll employees + contractors)	6.26	1.73	10.66	0.64	0.88	3.01	2.71
Bekaert payroll employees	6.48	1.73	10.76	0.78	0.93	3.43	3.12
Contractors	4.35	1.72	9.83	0.26	0.74	1.42	1.29

[1] *Contractor: employee of a supplier who performs predefined tasks on a regular base on our premises. This includes but is not limited to employees of cleaning services, security services, temporary employment agencies (interim workers).*

GRI 403-9

Incident rates per gender

Group data by gender (payroll employees)	Male		Female	
	2021	2022	2021	2022
LTIFR[1]	2.43	1.92	2.31	2.02
SI rate[2]	0.11	0.09	0.33	0.16
TRIR[3]	4.30	3.18	3.47	2.65

[1] LTIFR: Lost Time Incident Frequency Rate: number of lost time incidents per million worked hours.
[2] SI: real Serious Injuries per million worked hours.
[3] TRIR: Total Recordable Incident Rate: all recorded incidents per million worked hours.

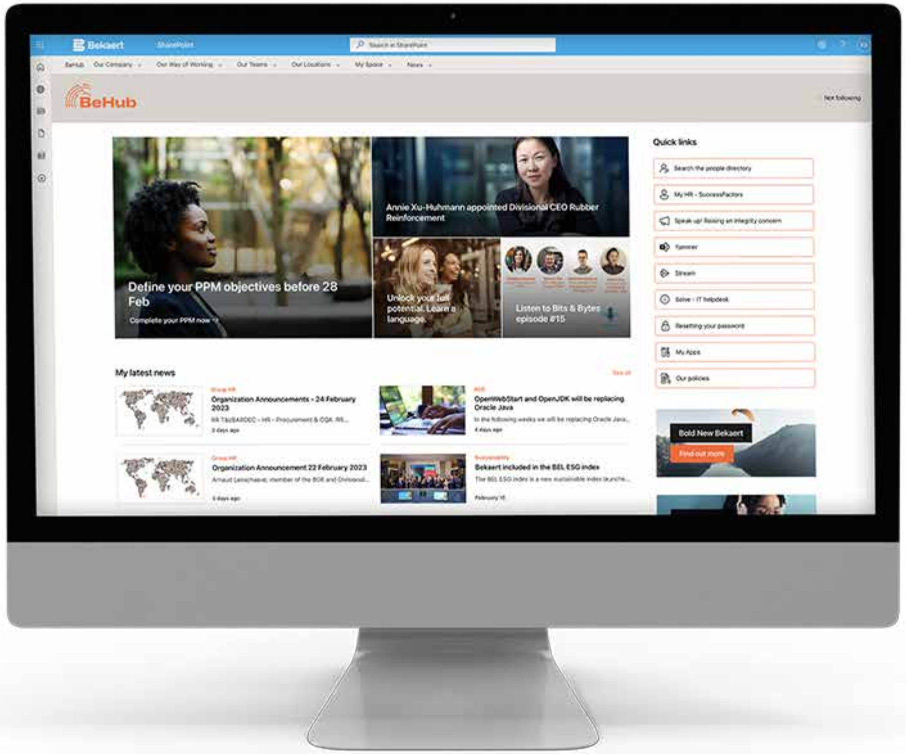
GRI 403-9

Communicating with and engaging our employees

People engagement and empowerment have always been important at Bekaert. We empower our teams with responsibility, authority and accountability, and count on the engagement of every Bekaert employee in driving a higher-level performance.

- The Bekaert Intranet is a place where employees can share and obtain knowledge, find relevant information fast, connect with colleagues, collaborate with team members on common development programs, and actively contribute to impactful communications across the company. Moreover, the company's internal social media platform Yammer and video platform Stream are intensively used tools to share best practices, celebrations and ideas. Our employees regularly receive internal news bulletins with corporate messages and business updates.
- Every quarter, Bekaert's CEO and CFO invite all managers and salaried professionals worldwide to join an internal webcast at the occasion of the financial news releases. They share information on Bekaert's performance and the actions to be taken and answer the questions raised. The sessions are recorded and can be replayed afterwards via our internal online video platform.
- Next to the quarterly financial updates, employees are also invited to Communication Town Halls, hosted by the CEO and the members of the Bekaert Group Executive. They share insights on market developments, decisions made, and strategies established and implemented. These sessions engage active interaction with all participants.
- Bekaert has its own employee podcast, Bekaert Bits & Bytes. The podcast shares stories from colleagues across the globe sharing inspiring ideas and discussions on highly relevant themes.

GRI 2-23, GRI 2-24, GRI 2-26, GRI 2-29



Learning & development

On average, each employee received 34 hours of training in 2022.

Average hours of training per employee per region	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
EMEA						
Blue collars	12	10	37	37	40	32
Salaried professionals	15	8	25	26	36	25
Management	12	16	17	20	17	22
Latin America						
Blue collars	7	7	39	150	62	221
Salaried professionals	7	6	23	21	29	27
Management	11	31	34	43	27	46
North America						
Blue collars	35	33	22	14	77	103
Salaried professionals	22	7	17	9	9	6
Management	11	8	20	19	14	12
Asia Pacific						
Blue collars	23	31	37	58	23	29
Salaried professionals	12	13	24	16	25	22
Management	14	21	39	27	25	22

Note: in 2022, intensive training programs were set up in Latin America and North America to bring more female workers in manufacturing and other operational roles. This clarifies the high average number of training hours for female operators in the region.
GRI 404-1

On average, each employee received 10 hours of mandatory training in 2022.
GRI 404-1

On average each employee received 7 hours of safety training in 2022.
GRI 403-5, GRI 404-1

On average each employee received 1 hour of well-being training in 2022.
GRI 403-6, GRI 404-1

Labor unions and collective bargaining agreements

Communication also includes the information exchange and negotiations with labor unions. We recognize the right of any employee to join or to refrain from joining a labor union. 62% of our employees worldwide are covered by collective bargaining agreements.

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

- Personal protective equipment
- Right to refuse unsafe work
- Joint management-employee health and safety committees
- Participation of worker representatives in health and safety matters
- Inspections, audits, and accident investigations
- Training and education
- Complaints mechanism
- Periodic inspections

GRI 2-29, GRI 2-30, GRI 407-1

Health and safety committees

Our integral workforce is represented in formal joint management-worker health and safety committees. They help monitor and formulate advice on occupational health and safety programs.
GRI 2-29, GRI 403-4

Highest ethical standards

Code of Conduct

Our hiring policy states that every new employee receives a copy of our Code of Conduct and every year, all salaried professionals and managers worldwide are required to read the Bekaert Code of Conduct, to pass a test on business ethics cases, and to renew their commitment to the principles of the Code and Bekaert values via Bekaert's online global learning platform.
GRI 2-24

As part of the annual commitment process a mandatory training session reminds employees of the principles to follow when confronted with ethical choices. 100% of the managers and 100% of the salaried professionals renewed their commitment to the Code of Conduct in 2022 and it is our goal to maintain full annual commitment results. Operators are being retrained and recertify on the Code of Conduct every three years.

Bekaert provides extensive compliance trainings to employees on a number of key topics including but not limited to anti-bribery and -corruption, antitrust, data privacy, compliance awareness, speak up culture and trade compliance (economic sanctions). Bekaert's training program includes a combination of classroom style/live trainings and online training modules. We use a risk-based approach and tailor training to selected functions based on the risks associated with their role. Bekaert modifies its training plan throughout the year to address compliance trends and lessons learned from internal investigations. The total number of mandatory e-course assignments more than doubled compared to 2021, resulting in more than 3 compliance e-courses per manager and salaried professional.

All managers and salaried professionals also completed the mandatory Privacy e-course.

In 2022, we re-deployed a mandatory anti-bribery and anti-corruption course to all managers at Bekaert and to salaried professionals employed in departments that have frequent contacts with third parties. 100% of the addressees completed the training and passed the test. A dedicated training on anti-trust was assigned to a specific target audience of managers, based on Hay classification level and function. 100% of the addressees completed the training and passed the test. Regional compliance e-trainings were also deployed using a risk-based approach e.g. on the topics of conflict of Interest, anti-harassment.

Live training on selected Compliance risks and policies are also provided to specific functional groups.

In addition, the Group Internal Audit department regularly audits adherence to the respective policies and procedures and recommends corrective actions where necessary. All policies are available on the Bekaert Intranet.
GRI 2-24, GRI 205-1, GRI 205-2, GRI 408-1, GRI 409-1

Our Integrity reporting channels are one of several communication vehicles for asking questions or raising concerns. Employees are encouraged to speak up and raise concerns by whichever method they feel most comfortable. They may reach out to their HR representative, to our Group Legal or Group Ethics and Compliance, to Internal Audit or to their direct manager or supervisor. Alternatively, they can send an email to integrity@bekaert.com or report a concern via the Bekaert website where reports can also be placed anonymously. A reporting channel is also available to third-parties. In 2022, we published our Investigation Protocol which ensures the quality and consistency of our investigations and their respective reporting requirements.

In 2022, 73 integrity allegations were reported through our integrity reporting channels. None of the allegations constituted a violation by Bekaert employees of integrity breaches related to discrimination, bribery, or corruption. Each allegation case was thoroughly investigated. Remedial measures were taken as necessary for all substantiated cases and for those cases where improvement areas were revealed. All incoming reports are handled with the highest level of confidentiality. Bekaert takes all necessary measures to protect employees against any form of retaliation when reporting a concern.

GRI 2-25, GRI 205-3, GRI 406-1

Embracing diversity

All diversity data apply to Bekaert subsidiaries (excluding joint ventures).

Nationality diversity

Throughout our organization, 449 employees have another nationality than that of the country they work in. The countries where we have the largest foreign employee workforce are Chile (132 foreign employees or 9% of the Chilean workforce), Belgium (95 foreign employees or 6% of the Belgian workforce) and Slovakia (78 foreign employees or 3% of the Slovakian workforce).

GRI 2-7

Nationality diversity - 31 December 2022	# People	# Nationalities
Blue collars	17 128	47
Salaried professionals	4 738	51
Management [1]	1 749	54
Total Bekaert employees	23 615	75

[1] B7 and above (Hay classification reference)

Nationality diversity in the Board of Directors and in the Leadership Team of Bekaert:

Nationality diversity - 31 December 2022	# People	# Nationalities	# Non-native [1]	% Non-native
Board of Directors	11	7	6	55%
Bekaert Group Executive (BGE)	8	6	6	75%
Senior Vice Presidents (B16-B18) [2]	12	5	5	42%
Next leadership level (B13-B15) [2]	92	18	52	57%
Total leadership team	112	21[3]	63	56%

[1] Non-native = nationality other than the one of the mother company's social seat (i.e. Belgium)
[2] Hay classification reference
[3] Sum of nationalities across leadership team

GRI 405-1

Gender diversity

Gender diversity - 31 December 2022	% Male	% Female
Blue collars	93%	7%
Salaried professionals	69%	31%
Management [1]	79%	21%
Total Bekaert employees	87%	13%

[1] *B7 and above (Hay classification reference)*

GRI 2-7

The manufacturing character of Bekaert's operations explains the predominantly male population among operators.

Bekaert adopts a recruitment and promotion policy that aims to gradually generate more diversity, including gender diversity. This fits within the Diversity & Inclusion program of the company. 28% of the managers and salaried professionals of the Bekaert subsidiaries are female (as per year-end 2022). We are committed to increase this share in support of gender equality. Our target is to achieve a ratio of 40% by 2030 through an annual improvement of +1.5% in the next coming eight years. This target has also been added, as of 2022 onwards, in the short-term incentives targets for Executive Management and a diversity target has been retained as one of the 2023 short-term incentives criteria for the management.
GRI 2-7

Gender diversity in the Board of Directors and in the Leadership Team of Bekaert:

Gender diversity - 31 December 2022	# People	% Male	% Female
Board of Directors	11	55%	45%
Bekaert Group Executive (BGE)	8	87%	13%
Senior Vice Presidents (B16-B18)	12	92%	8%
Next leadership level (B13-B15)	92	82%	18%
Total leadership team	112	83%	17%

More information about gender diversity in the Board of Directors can be found in Part I: Leadership, and in Part II: Governance Statements of this report.
GRI 405-1

Age diversity

Age diversity - 31 December 2022	% Under 30 years old	% 30-50 Years old	% Over 50 years old
Blue collars	17%	68%	15%
Salaried professionals	12%	70%	18%
Management [1]	3%	67%	30%
Total Bekaert employees	15%	68%	17%

[1] B7 and above (Hay classification reference)

GRI 2-7

Age diversity in Bekaert's highest governance bodies:

Age diversity - 31 December 2022	# People	% 30-50 Years old	% Over 50 years old
Board of Directors	11	45%	55%
Bekaert Group Executive (BGE)	8	13%	87%
Senior Vice Presidents (B16-B18) [1]	12	33%	67%
Next leadership level (B13-B15) [1]	92	45%	55%
Total leadership team	112	41%	59%

[1] Age diversity in Bekaert's highest governance bodies: Hay classification reference

GRI 405-1

Employment data:

Region - 31 December 2022	EMEA	North America	Latin America	Asia Pacific	TOTAL
Blue Collars	**5 984**	**1 208**	**2 039**	**7 897**	**17 128**
Male	5 127	1 138	1 969	7 649	15 883
Female	857	70	70	248	1 245
Salaried professionals	**1 424**	**256**	**1 224**	**1 834**	**4 738**
Male	923	154	791	1 401	3 269
Female	501	102	433	433	1 469
Management	**779**	**158**	**178**	**634**	**1 749**
Male	620	123	146	491	1 380
Female	159	35	32	143	369
Total Male	6 670	1 415	2 906	9 541	20 532
Total Female	1 517	207	535	824	3 083
Grand total	**8 187**	**1 622**	**3 441**	**10 365**	**23 615**

GRI 2-7

89% of people employed by Bekaert have a permanent contract, 11% has a temporary contract. Employees with a temporary contract are usually on the payroll of external organizations and agencies (Special Economic Zones, employment agencies) and are hence not included in the Bekaert payroll numbers.

99% of the Bekaert employees work full-time.

Workers who are not employees (contingent workers) - 31 December 2022	EMEA	North America	Latin America	Asia Pacific	TOTAL
Blue Collars	**180**	**7**	**1**	**387**	**575**
Male	111	7	0	358	476
Female	69	0	1	29	99
Salaried professionals	**15**	**1**	**20**	**33**	**69**
Male	7	0	11	26	44
Female	8	1	9	7	25
Management	**14**	**0**	**0**	**1**	**15**
Male	7	0	0	1	8
Female	7	0	0	0	7
Total Male	125	7	11	385	528
Total Female	84	1	10	36	131
Grand total	**209**	**8**	**21**	**421**	**659**

Contingent workers are workers who are not on our payroll. They provide temporary services mostly through agencies or consulting firms.

99% of the contingent workers work full-time.
GRI 2-8

New hires

Bekaert consolidated entities

New hires in 2022	Total	Male	Female
number of new hires	2 039	1 637	402
% new hires on total number of employees	9%	8%	13%
% new hires on total number of new hires		80%	20%

GRI 2-7, GRI 401-1

New hires in 2022 per region	EMEA	Latin America	North America	Asia Pacific
number of new hires	707	446	371	515
% new hires on total number of employees	9%	13%	23%	5%
% new hires on total number of new hires	35%	22%	18%	25%

GRI 2-7, GRI 401-1

New hires in 2022 per employee category	Blue collar	Salaried professional	Management
% new hires on total number of employees	8%	10%	11%
% new hires on total number of new hires	68%	23%	9%

GRI 2-7, GRI 401-1

Number of vacancies in 2022	
# vacancies	618
% vacancies filled within 90 days	80%
% vacancies open longer than 90 days	20%

Turnover

Bekaert consolidated entities excluding employees with a contract of definite duration and excluding collective dismissals:

Employee turnover in 2022	Total	Male	Female
turnover (number) taking into account voluntary leave	769	634	135
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	1 432	1 214	218
turnover (%) taking into account voluntary leave	4%	4%	5%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement -death in service)	7%	7%	8%

GRI 2-7, GRI 401-1

Employee turnover in 2022 per region	EMEA	Latin America	North America	Asia Pacific
turnover (number) taking into account voluntary leave	301	138	145	185
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	544	319	242	327
turnover (%) taking into account voluntary leave	4%	4%	9%	2%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	7%	10%	16%	4%

GRI 2-7, GRI 401-1

Employee turnover in 2022 per employee category	Blue collar	Salaried professional	Management
turnover (number) taking into account voluntary leave	440	235	94
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	938	353	141
turnover (%) taking into account voluntary leave	3%	5%	6%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	6%	8%	9%

GRI 2-7, GRI 401-1

Employee turnover in 2022 per age category	Under 30 years old	30-50 years old	Over 50 years old
turnover (number) taking into account voluntary leave	203	460	106
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	311	771	350
turnover (%) taking into account voluntary leave	7%	3%	3%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	11%	5%	10%

GRI 2-7, GRI 401-1

Performance management

Performance reviews

To stimulate high performance, commitment, and the continuous development of all employees, the group targets are deployed into team and personal targets for everyone.

Bekaert has developed and deployed a People Performance Management (PPM) program. PPM is our way of looking at people performance and how we can better achieve our goals in the future. As such, PPM is part of a larger effort to become a much more performance-driven organization.

The performance management process includes two-way personal development reviews, transparency, feedforward and leadership behavior.

Enablers for the people performance management practice are a clear alignment of team and individual goals with business priorities; frequent performance steering and coaching; fair recognition in line with the achieved performance; and better supporting tools that allow employees to keep track of their performance and feedforward actions throughout the year.

Percentage of employees who received a performance review in 2022[1]

Employee category	Percentage
Managers	99%
Salaried professionals	95%
Blue collars	70%

[1] *Excluding joint ventures*

GRI 404-3

Remuneration & benefits

We offer competitive salaries and benefits designed to enhance the financial, physical and overall well-being of our employees and their families. Our offerings differ from country to country and are often adapted to local social security policies. We provide a wide range of employee benefits that may include retirement benefits, healthcare plans, service awards, labor accident disability coverage and paid leave. For detailed information on employee benefits, we refer to Part II Financial Statements section 6.15.

GRI 201-3

Benefits provided to payroll employees in significant locations of operation

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

These benefits are applicable to payroll employees - not to contingent staff. Significant locations are locations with > 1 000 employees on the payroll (part-time, full-time, definite, indefinite).

GRI 401-2

Representation of females in salary bands

Blue collar wages are set in accordance with local collective labor agreements, in general they are driven by numbers of hours worked, experience and skills of the incumbent.

Salary levels for salaried professionals and managers are based on a job classification system.

Jobs with similar scope, required knowledge, levels of accountability and leadership requirements are clustered in so-called salary bands. Job classifications are determined independent from the incumbent and are as a consequence gender-neutral.

The table below shows the representation of females in each of those salary bands, indicating female representation is higher in lower salary bands.

Proportion of female employees per salary band		
Broadband	**% Female**	**% Male**
Bekaert Group Executive	13	87
Senior Vice Presidents	8	92
Senior Management	18	82
Mid Level Management	18	82
Junior Management	22	78
Salaried Professioinals	32	68
Total	**29**	**71**

Per salary band a midpoint is determined in reference with the competitive marketplace. Actual base salaries are in general positioned within 25% above or below such midpoint. The so-called compa-ratio measures the distance between actual base salary and said midpoint; this is calculated as the ratio of actual base salary to the midpoint of the relevant salary band.

The gender pay gap has been calculated as the difference between median compa-ratio for females versus median compa-ratio for males; this method allows for meaningful comparisons across countries and across salary bands.

Blue collar wages are set in accordance with local collective labor agreements. In general they are driven by numbers of hours worked, experience and skills of the incumbent.

The table below plots the difference in median compa-ratio for females and males:

Region	Gender pay gap (%)
EMEA	-4.0
Latin America	-7.6
North America	-2.0
Asia Pacific	-6.4
Total	**-4.3**

GRI 405-2

The global Gender Pay Gap at Bekaert is 4.3%, with differences between countries and a significant number of countries without pay gap. Overall, measures are in place to avoid this pay gap and an active plan is in place to close the gap in a short time period.

Annual total compensation ratio

Information on the annual total compensation ratio is available in Part II - 11. Executive remuneration in a wider context of the Corporate Governance Statement of this report.
GRI 2-21

Termination & severance

Bekaert has restructured several sites in 2022. The management only implements such measures when other options to restore the performance in view of securing a sustainable, profitable future, have failed or are non-existent.

In implementing such measures, the management aims at mitigating the social impact for the affected employees by considering re-industrialization, re-employment help and a fair severance package.
GRI 404-2

Social contributions & other community engagement programs

Contributions in 2022 in €	
Contributions to political parties, campaigns, events	0
Contributions to disaster relief	450 000
Estimated total of other contributions funded by the company	350 000
Total number of support programs	~ 100
Of which programs with voluntary and training hours	~ 25%

Some amounts are approximate numbers including estimates. Bekaert is establishing a tool to monitor support program spending and voluntary hours on an ongoing basis.

GRI 415-1

Main programs supported in terms of monetary donations in 2022	Total	Bekaert funding	Other funding
Ukraine support	**450 000**		
Of which funded by the company		**437 400**	
Of which collected through employee initiatives			12 600
River Cleanup	**25 000**	**25 000**	
Pontis Foundation Slovakia (on top of Ukraine support)	**100 000**		
Of which funded by the company		**30 000**	
Of which collected through employee initiatives			5 000
Of which funding through tax assignation			65 000
University partnership supporting students in Burgos (Spain)	**50 000**	**50 000**	
Jiangyin Charity Foundation (China)	**28 800**	**28 800**	
Ventilators to hospitals (Romania, India)	**37 500**	**37 500**	
Local cultural program support Concepción (Chile)	**22 000**	**22 000**	
United Way of Rogers (US)	**10 000**	**10 000**	

GRI 203-2