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 members of the Board of Directors are appointed by the General Meeting of Shareholders. At the beginning of 2023, the Board consisted of eleven Directors, six of whom were appointed from among candidates nominated by the principal shareholder.

On 31 July 2023, Gregory Dalle stepped down from his position as Director following his appointment as Managing Director at Citi with associated duties and obligations. The vacancy has not yet been filled. Therefore, the Board of Directors currently consists of ten members, five of whom were appointed from among candidates nominated by the principal shareholder.

On 31 August 2023, Oswald Schmid, former Chief Executive Officer and member of the Board of Directors, handed over to Yves Kerstens, who was appointed as the new Chief Executive Officer and was coopted as a Director, effective 1 September 2023.

All Directors are selected and nominated based upon a Board skills matrix. The purpose of the matrix is to ensure 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 skills matrix covers following areas: experience from other public companies, global CEO/C-suite experience, financial expertise, leadership/people expertise, information technology/digital expertise, sustainability/ESG expertise, M&A experience, manufacturing/industry experience. A Board education program is available to the Directors, which focuses on Director effectiveness, sustainability/ESG leadership, and cybersecurity oversight.

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 nine occasions in 2023 (seven regular meetings, one extraordinary meeting and one non-mandatory Board visit to China). 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 2023:

- the corporate strategy and strategic projects;
- the IT and digital strategy, including cybersecurity;
- the innovation strategy;
- sustainability and ESG;
- governance, risk and compliance;
- the objectives of the principal shareholder of the Company;
- the budget for 2023 and 2024;
- 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	End of (current) Board term	Principal occupation[2]	Number of regular/ extraordinary meetings attended
Chairman				
Jürgen Tinggren[1]	May 2019	May 2027	NV Bekaert SA	9
Chief Executive Officer				
Yves Kerstens	September 2023	May 2024	NV Bekaert SA	3
Oswald Schmid	May 2020	August 2023	NV Bekaert SA	6
Members nominated by the principal shareholder				
Gregory Dalle	May 2015	July 2023	Managing Director at Credit Suisse, in the division of Investment Banking and Capital Markets (UK)	6
Christophe Jacobs van Merlen	May 2016	May 2024	Managing Director, Bain Capital Europe, LLP (UK)	9
Maxime Parmentier	May 2022	May 2027	Chief Executive Officer, Birdie Care Services Ltd (UK)	9
Caroline Storme	May 2019	May 2027	R&D Finance Lead Neurology, UCB (Belgium)	9
Emilie van de Walle de Ghelcke	May 2016	May 2024	Head of Legal at Sofina (Belgium)	9
Henri Jean Velge	May 2016	May 2024	Director of Companies	9
Independent Directors				
Henriette Fenger Ellekrog	May 2020	May 2025	Chief Human Resources Officer, Ørsted (Denmark)	9
Eriikka Söderström	May 2020	May 2025	Independent Director of companies	9
Mei Ye	May 2014	May 2024	Independent Director of and advisor to companies	9

[1] *Jürgen Tinggren is an independent Director.*
[2] *The detailed résumés of the Board members are available in Part I: Leadership of this report.*

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 members are non-executive Directors and two of its members, Eriikka Söderström and Jürgen Tinggren, are independent. The Chairperson of the Committee, Eriikka Söderström, was appointed by the members of the Committee. 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.

The Chief Executive Officer and the Chief Financial Officer are invited to attend the Committee meetings as a guest, without being a member. This arrangement guarantees the essential interaction between the Board of Directors and the Executive Management.

On 31 July 2023, Gregory Dalle resigned from his role as Director, which led to a decrease in the number of Committee members from four to three.

The Committee had four regular meetings in 2023. The Statutory Auditor attended all of them. 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 reappointment of the Statutory Auditor;
- the reports of the Statutory Auditor;
- investor relations;
- Sustainability reporting and the related governance framework, data control framework and independent assurance;
- 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.

Name	End of (current) Board term	Number of meetings attended
Eriikka Söderström	2025	4
Gregory Dalle[1]	2023	3
Jürgen Tinggren	2027	4
Henri Jean Velge	2024	4

[1] Until 31 July 2023.

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	2027	6
Henriette Fenger Ellekrog	2025	6
Christophe Jacobs van Merlen	2024	6

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 meetings and one extraordinary meeting in 2023. In addition to its statutory powers and its powers under the Bekaert Corporate Governance Charter, the Committee discussed the following main subjects:

- leadership and talent development;
- succession planning at Board and Executive Management levels;
- the remuneration report 2022;
- the remuneration for the Chief Executive Officer and the other members of the Executive Management;
- the short-term and long-term incentive targets for the Group, the Chief Executive Officer and the other members of the Executive Management;
- diversity and inclusion.

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 conducted using a formal process, which may be facilitated externally and follows 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 the Board member's presence at the Board or Board Committee meetings, and his or her commitment and 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 per year in the absence of the Chief Executive Officer to assess their interaction with Executive Management.

In 2023, the Board of Directors did a self-assessment, focusing on the role and responsibility of the Board, the progress on action points from the 2022 Board self-assessment and the 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 who represent the global Business Units and the global functions.

Oswald Schmid, former Chief Executive Officer, stepped down on 31 August 2023. Yves Kerstens was appointed as his successor, effective 1 September 2023.

On 1 March 2023, Annie Xu-Huhmann joined Bekaert and took over as Divisional CEO Rubber Reinforcement following Arnaud Lesschaeve's departure.

On 1 July 2023, Barry Snyder joined Bekaert as Chief Operations Officer, succeeding Yves Kerstens.

On 1 September 2023, François Desné, who was already the Divisional CEO Steel Wire Solutions, took on the additional role of Divisional CEO Bridon-Bekaert Ropes Group.

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

[1] As of 1 September 2023.
[2] Until 31 August 2023.
[3] As of 1 July 2023.
[4] As of 1 March 2023.
[5] Until 1 March 2023.
[6] As of 1 September 2023.

The China Advisory Board, which was established early 2022 and acted as informal body of experts providing 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 2023. The China Advisory Board was dissolved at the end of 2023.

Diversity

As a truly global company, Bekaert embraces diversity across all levels in the organization, which is considered a major source of strength. 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 74 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.

31 December 2023	# people	# natio-nalities	# non-native[1]	% non-native
Board of Directors	10	5	4	40%
BGE	8	7	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 2023: People, and in Part II: Social Statements of this report.

31 December 2023	# people	% male	% female
Board of Directors	10	50%	50%
BGE	8	75%	25%

Age diversity

31 December 2023	# people	30-50 years old	over 50 years old
Board of Directors	10	40%	60%
BGE	8	25%	75%

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 2023. The provisions of Article 7:96 of the BCCA were complied with.

On 28 February 2023, 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 2022 performance as Chief Executive Officer (€ 297 000) and the increase of his annual base salary.

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 2022 performance; and*
- *ratifies the annual base salary increase for the Chief Executive Officer from € 825 000 to € 858 000 as from 1 January 2023.*

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 2023 (cf. Note 7.5 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 December 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.

Bekaert requires all employees, Executive Managers, and Directors to comply with the Code of Conduct. Bekaert's contractors, suppliers, and other business partners are expected to uphold the same standards.

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 2023 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 2023 remuneration for the non-executive Directors has been determined by General Meeting of Shareholders on 10 May 2023, 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 2023 - May 2027 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 2023 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). In addition, the non executive directors have the possibility to receive part of their fees in Company shares.

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 CEOs) 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.

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 CEOs) 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 2023 is based on the below metrics:

Business Objective Bekaert Group	Weight	Threshold	Target	Maximum	Actual Performance
Gross Profit	20%	14.2%	15.2%	16.2%	17.2 %
Underlying EBITDA	50%	€ 534 mln	€ 594 mln	€ 653 mln	€ 561 mln
Working Capital as % of Sales	20%	15.1%	14.2%	13.2%	14.8 %
Gender Diversity	10%	27.5%	27.8%	28.1%	28.3 %
Overall assessment					**109.5 %**

The Board, acting upon recommendation of the NRC, assessed the overall company performance at 109.5%.

For 2024 the same set of metrics namely gross profit, underlying EBITDA, working capital and 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 2024 remuneration report.

Long-term incentives (LTI)

The vesting criteria regarding to the performance share units issued in 2021, in relation to the 2021-2023 performance horizon, have reached the maximum level. Therefore, 300% of the performance share units granted in 2021 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 2021 in relation to the 2021-2023 performance horizon for members of the BGE were as follows:

Business Objective Bekaert Group	Weight	Threshold	Target	Maximum	Actual Performance
Underlying EBITDA growth	50%	€ 70 mln	€ 105 mln	€ 120 mln	€ 136 mln
Cumulative operational Cash Flow[1]	50%	€ 700 mln	€ 800 mln	€ 850 mln	€ 1 067 mln
Overall assessment					**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 2023-2025, for the performance period 2024-2026, 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. In addition, an ESG basket applies (CO_2 reduction, sustainable solutions as a % of sales and a safety target). Given the commercial sensitivity of our long-term goals, the 2024-2026 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 2023

The amount of the remuneration granted directly or indirectly to the non-executive Directors, by the Company or its subsidiaries, in respect of 2023 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]	01.01.2023 - 31.12.2023	650 000	n.a.	650 000
Mei Ye	01.01.2023 - 31.12.2023	70 000		70 000
Gregory Dalle[2,6]	01.01.2023 - 31.07.2023	40 833	11 667	52 500
Emilie van de Walle de Ghelcke	01.01.2023 - 31.12.2023	70 000		70 000
Christophe Jacobs van Merlen[4]	01.01.2023 - 31.12.2023	70 000	20 000	90 000
Henri Jean Velge[2]	01.01.2023 - 31.12.2023	70 000	20 000	90 000
Caroline Storme	01.01.2023 - 31.12.2023	70 000		70 000
Henriette Fenger Ellekrog[4]	01.01.2023 - 31.12.2023	70 000	20 000	90 000
Eriikka Söderström[2, 3]	01.01.2023 - 31.12.2023	70 000	25 000	95 000
Maxime Parmentier	01.01.2023 - 31.12.2023	70 000		70 000
Total Directors' Remuneration				**1 347 500**

[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.
[4] Member of the Nomination and Remuneration Committee.
[5] Share grant of € 650 000 on 31 May 2023 relating to the period June 2023 - May 2024.
[6] Resigned on 31 July 2023.

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 2023. 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	7 809	31/5/2025
Non-executive Directors nominated by the principal shareholder				
Gregory Dalle	50%	35 000	473	n.a.
Christophe Jacobs van Merlen	50%	35 000	479	n.a.
Maxime Parmentier	25%	17 500	220	n.a.
Caroline Storme	50%	35 000	435	n.a.
Emilie van de Walle de Ghelcke	50%	35 000	435	n.a.
Henri Jean Velge	50%	35 000	435	n.a.
Independent non-executive Directors				
Henriette Fenger Ellekrog	25%	17 500	237	n.a.
Eriikka Söderström	50%	35 000	472	n.a.
Mei Ye	25%	17 500	207	n.a.
Total		**912 500**	**11 202**	

[1] *The share grant of € 650 000 covers the period June 2023 - May 2024.*

5. Remuneration of the Chief Executive Officer in respect of 2023 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 2023

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 2023 for his role as Chief Executive Officer is set forth below:

	Former Chief Executive Officer	**Chief Executive Officer**	**Comments**
	Oswald Schmid	Yves Kerstens	
Period	01.01.2023-31.08.2023	01.09.2023-31.12.2023	
Fixed pay	572 000	290 000	Includes base remuneration and foreign director fees
STI	643 500	238 163	Annual variable remuneration, based on 2023 CEO performance
LTI	2 846 406	899 179	Value of vested performance share units (performance period 2021-2023)
Pension	138 875	72 500	Defined-Contribution
Share-matching	94 110	0	2023 Company matching of 2021 personal investment in Company shares
Other remuneration elements	81 657	27 443	Includes company car, risk insurances and housing allowance
Total remuneration	4 376 548	1 527 285	
Variable remuneration expressed as % of total	82%	74%	Sum of STI, LTI and Share-Matching
Fixed remuneration expressed as % of total	18%	26%	Sum of Fixed Pay, Pension and Other

The evaluation of STI performance criteria over 2023 leads to a payout of 100% versus target for the former CEO Oswald Schmid and to a payout of 109.5% for CEO Yves Kerstens.

There has been an LTI vesting at 300% versus target for the performance share units issued on 15 January 2021 covering performance period 2021-2023.

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 2023 of the personal investment of shares done in 2021 in accordance with the Personal Shareholding Requirement Plan for the former CEO Oswald Schmid.

7. Remuneration of the other members of the BGE in respect of 2023

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 2023 is set forth below on a global basis. The remuneration includes pro rata remuneration of Annie Xu-Huhmann (as of 1 March 2023), Barry Snyder (as of 1 July 2023), Yves Kerstens (up to his promotion to CEO on 1 September 2023), and of Arnaud Lesschaeve, who left on 1 March 2023.

	Remuneration	Comments
Fixed pay	3 119 941	Includes base remuneration as well as foreign director fees
STI	1 795 795	Annual variable remuneration, based on 2023 performance
LTI	5 870 075	Value of vested performance share units (performance period 2021-2023)
Pension	701 197	Defined-Contribution and Cash Balance pension
Share-matching	108 472	2023 Company matching of 2021 personal investment in Company shares
Other remuneration elements	533 419	Includes company car, risk insurances and school fees
Total remuneration	**12 128 899**	
Variable remuneration expressed as % of total	64%	Sum of STI, LTI and Share-Matching
Fixed remuneration expressed as % of total	36%	Sum of Fixed Pay, Pension and Other

The evaluation of STI performance criteria over 2023 leads to a payout of 109.5 % (weighted average) versus target. The STI for Annie Xu-Huhmann and Barry Snyder was pro-rated in accordance with their start date. The STI for Yves Kerstens was pro-rated based on his appointment date. For Arnaud Lesschaeve no STI has been paid for 2023 following his departure.

The vesting criterion with regard to the performance share units issued in 2021, in relation to the 2021-2023 performance horizon, has reached the maximum level. As a consequence, 300% of the performance share units granted in 2021 have vested in 2023 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 and the employer contribution into the mandatory second pillar arrangements.

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.

There are no outstanding stock options nor stock appreciation rights (or movements done in 2023) in relation to BGE members.

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 2023-2025 have been granted to the Executive Management on 10 March 2023. Following the start of Barry Snyder on 1 July 2023, performance share units have been granted on 22 August 2023.

Company financials retained as performance targets covering the 2023-2025 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. An ESG metric namely energy efficiency improvement (expressed as MWh per ton product) has been added.

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 – former Chief Executive Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/01/2021	31/12/2023	10 179	10 179			30 537	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	09/09/2021	31/12/2023	7 966	7 966			23 898	0
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	04/03/2022	31/12/2024	18 532	18 532				18 532
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	19 989		19 989	6 663		13 326
					TOTAL	**36 677**	**19 989**	**6 663**	**54 435**	**31 858**
Taoufiq Boussaid - Chief Financial Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/01/2021	31/12/2023	10 762	10 762			32 286	0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	04/03/2022	31/12/2024	6 949	6 949				6 949
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	7 944		7 944			7 944
					TOTAL	**17 711**	**7 944**	**0**	**32 286**	**14 893**
Kerstin Artenberg - Chief Human Resources Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/08/2021	31/12/2023	5 683	5 683			17 049	0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	04/03/2022	31/12/2024	6 314	6 314				6 314

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
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	7 296		7 296			7 296
					TOTAL	**11 997**	**7 296**	**0**	**17 049**	**13 610**
Juan Carlos Alonso - Chief Strategy Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/01/2021	31/12/2023	8 007	8 007			24 021	0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	04/03/2022	31/12/2024	5 956	5 956				5 956
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	6 887		6 887			6 887
					TOTAL	**13 963**	**6 887**	**0**	**24 021**	**12 843**
Yves Kerstens - Chief Executive Officer and former Div. CEO SB and Chief Operations Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/08/2021	31/12/2023	5 732	5 732			17 196	0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	04/03/2022	31/12/2024	7 783	7 783				7 783
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	8 988		8 988			8 988
					TOTAL	**13 515**	**8 988**	**0**	**17 196**	**16 771**
Arnaud Lesschaeve - former Div. CEO RR										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/01/2021	31/12/2023	10 043	10 043			30 129	0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	04/03/2022	31/12/2024	6 678	6 678		2 226		4 452
					TOTAL	**16 721**	**0**	**2 226**	**30 129**	**4 452**
François Desné - Div. CEO SWS and BBRG										
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	26/09/2022	31/12/2024	12 864	12 864			0	0
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	7 967		7 967			7 967
					TOTAL	**12 864**	**7 967**	**0**	**0**	**7 967**
Gunter Van Craen - Chief Digital and Information Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/01/2021	31/12/2023	2925	2 925			8 775	0
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	04/03/2022	31/12/2024	2379	2 379			0	2 379
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	25/08/2022	31/12/2024	1926	1 926				1 926
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	6115		6 115			6 115
					TOTAL	**7 230**	**6 115**	**0**	**8 775**	**10 420**
Annie Xu-Huhmann - Div. CEO RR										
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	10/03/2023	31/12/2025	9264		9264			9264
					TOTAL	**0**	**9 264**	**0**	**0**	**9 264**
Barry Snyder - Chief Operations Officer										
PSP 2023-2025	2023-2025	EBITDA-U, Cum. CF, TSR & ESG	22/08/2023	31/12/2025	3495		3495			3495
					TOTAL	**0**	**3 495**	**0**	**0**	**3 495**

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 2023 relating to the personal investment in shares on 31 March 2021 following the three-year retention period.

	Date personal investment	End holding period	Number of acquired shares	Acquired in 2023	Matched in 2023	Forfeited for matching
Oswald Schmid – former Chief Executive Officer						
	31/3/2021	31/12/2023	2 096		2 096	
	31/3/2022	31/12/2024	4 910			
	31/3/2023	31/12/2025		1 068		356
Taoufiq Boussaid - Chief Financial Officer						
	31/3/2021	31/12/2023	838		838	
	31/3/2022	31/12/2024	2 054			
	31/3/2023	31/12/2025		611		
Kerstin Artenberg - Chief Human Resources Officer						
	31/3/2022	31/12/2024	1 711			
	31/3/2023	31/12/2025		561		
Juan Carlos Alonso - Chief Strategy Officer						
	31/3/2021	31/12/2023	922		922	
	31/3/2022	31/12/2024	1 760			
	31/3/2023	31/12/2025		529		
Yves Kerstens - Chief Executive Officer and former Div. CEO SB and Chief Operations Officer						
	31/3/2022	31/12/2024	1 725			
	31/3/2023	31/12/2025		1 476		
Arnaud Lesschaeve - Former Div. CEO RR						
	31/3/2021	31/12/2023	698		698	
François Desné - Div. CEO SWS and BBRG						
	31/3/2023	31/12/2025		154		
Gunter Van Craen - Chief Digital & Information Officer						
	31/3/2023	31/12/2025		343		
Annie Xu-Huhmann - Div. CEO RR						
None						
Barry Snyder - Chief Operations Officer						
None						

9. Departure of Executive Managers

Within the context of the CEO change which happened on 1 September 2023, Oswald Schmid stepped down as CEO to hand over to Yves Kerstens. The CEO service agreement with Oswald Schmid which contractually runs until 30 June 2024 has been honored.

Arnaud Lesschaeve, Divisional CEO Rubber Reinforcement, has been a BGE member until 1 March 2023 and left Bekaert afterwards. In accordance with the contractual agreement, a severance arrangement based on twelve months of remuneration has been agreed.

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 2023.

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 122:1.

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.

	2019	2020	2021	2022	2023
Company remuneration					
Non-executive Directors					
Average remuneration (€)	121 629	104 000	111 458	132 273	140 609
Year-on-year difference (%)	+27.0%	-14,5%	+7.2%	+18.7%	+6.3%
CEO					
Average remuneration (€)	1 787 480	1 225 527	2 356 337	2 911 964	5 903 833
Year-on-year difference (%)	+57.5%	-31,4%	+92.3%	+23.6%	+102.7%
Other BGE members					
Average remuneration (€)	748 023	839 736	1 611 657	1 288 128	1 692 404
Year-on-year difference (%)	+22.7%	+12,3%	+91,9%	-20.1%	+31.4%
Other employees					
Average remuneration (€)	77 757	79 859	87 727	88 402	98 471
Year-on-year difference (%)	+2.2%	+2,7%	+9.9%	+0.8%	+11.4%
Key Company metrics					
EBITDA-underlying[1]					
Amount in million (€)	468	479	686	591	561
Year-on-year difference (%)	+9.9%	+2,4%	+43.2%	-13.8%	-5.1%
Sales[1]					
Amount in million (€)	4 322	3 772	4 840	5 004	4 328
Year-on-year difference (%)	+0.4%	-12,7%	+28.3%	+3.4%	-13.5%
Working Capital[1]					
Amount in million (€)	699	535	678	676	641
Year-on-year difference (%)	-20.1%	-23,5%	+26,6%	-0.3%	-5.2%
Company share price (as at 31 December)					
Share price (€)	26.50	27.16	39.14	36.28	46.52

[1] *The 2022 and 2023 data have been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru*

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. The 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

No derogations from the procedure for implementing the remuneration policy occurred in 2023.

Shares

The Bekaert share in 2023

The Bekaert share outperformed the reference index, Euronext Brussels BEL Mid, by 17.88% in 2023 and gained 28.22% comparing to the year-end closing price of 2022.

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.

Share performance

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Price as at 31 December (in €)	28.38	38.48	36.45	21.06	26.50	27.16	39.14	36.28	46.52
Price high (in €)	30.00	42.45	49.92	40.90	28.26	28.50	42.56	45.60	46.72
Price low (in €)	22.58	26.56	33.50	17.41	19.38	13.61	27.34	24.84	36.32
Price average closing (in €)	26.12	37.06	42.05	28.21	23.96	19.95	36.33	34.02	41.56
Daily volume	120 991	123 268	121 686	154 726	96 683	72 995	68 749	69 296	49 812
Daily turnover (in millions of €)	3.1	4.5	5.0	4.4	2.3	1.5	2.5	2.4	2.1
Annual turnover (in millions of €)	804	1 147	1 279	1 121	592	386	641	615	528
Velocity (% annual)	52	53	51	65	41	31	29	30	22
Velocity (% adjusted free float)	86	88	86	109	68	52	49	50	34
Free float (%)	56.7	59.2	59.6	59.3	59.3	59.5	58.7	55.6	60.3

Share trading

The average daily trading volume was about 50 000 shares in 2023. The volume peaked on 1 March, when 190 201 shares were traded.

On 31 December 2023, Bekaert had a market capitalization of € 2.5 billion and a free float market capitalization of € 1.5 billion. The free float was 60.3% and the free float band 65%.

The liquidity agreement that Bekaert made with Kepler Cheuvreux on 2 September 2021, was renewed in September 2022 for an additional one-year period. Bekaert decided to pause the agreement with Kepler Cheuvreux, effective 28 July 2023. It expired on 1 September 2023. This agreement provided for the purchase and sale by Kepler Cheuvreux of Bekaert shares on the regulated market of Euronext Brussels, for which Bekaert made 100 000 treasury shares available to Kepler Cheuvreux. The purpose of this liquidity contract was to support the liquidity of the Bekaert shares.

Bekaert decided in 2023 to prolong its share buyback program that was launched in March 2022. The purpose of this program was to decrease the Company's issued share capital. All shares repurchased through this program were annulled. More information is included below.

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 recent shareholder identification analysis, transparency notifications and treasury share movements, as per 31 December 2023, the Stichting Administratiekantoor Bekaert and parties acting in concert owned 36% of the shares of Bekaert and treasury shares represented 4%. The remaining free float of approximately 60% was held by a combination of institutional investors and private investors.

Capital structure

Per 31 December 2023, the capital of the Company amounted to € 161 145 000 and is represented by 54 750 174 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.

Treasury shares, stock option plans, performance share plan and share-matching plan

On 31 December 2022, the Company held 4 380 475 own shares. Between 1 January 2023 and 31 December 2023, a total of 413 581 treasury shares were transferred to (former) employees following the exercise of stock options under SOP 2010-2014 and SOP 2015-2017. Bekaert sold 4 742 shares to members of the BGE in the framework of the Bekaert personal shareholding requirement and transferred 3 496 shares to members of the BGE under the share-matching plan. A total of 11 202 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 213 317 shares were disposed of following the vesting of 213 317 performance share units under the performance share plan. Between 1 January 2023 and 31 December 2023, Bekaert bought back 2 712 858 shares in total and cancelled 4 279 078 shares (see below). Including the transactions exercised under the liquidity agreement with Kepler Cheuvreux which expired in September 2023, the balance of own shares held by the Company on 31 December 2023 was 2 156 137 (3.94% of the total share capital).

A grant of 139 141 equity settled performance share units was made on 10 March 2023. In addition, a mid-year grant of 4 843 equity settled performance share units in aggregate was made on 22 August 2023. Each performance share unit entitles the beneficiary to acquire one performance share subject to the conditions of the underlying Performance Share Plan.

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 depends on 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).

Share buyback

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 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 program, split over four equal tranches, was launched on 18 March 2022 and completed on 13 February 2023. On 1 March 2023, Bekaert announced the continuation of the program for an additional total amount up to € 120 million over an additional period of up to 12 months. The fifth tranche of the program began on 3 March 2023 and ended on 3 May 2023, during which the Company repurchased 725 443 shares for an aggregate amount of € 30 million. The sixth tranche began on 10 May 2023 and ended on 21 July 2023, during which the Company repurchased 609 016 shares for an aggregate amount of € 25.5 million. The seventh tranche began on 28 July 2023 and ended on 11 October 2023, during which the Company repurchased 699 463 shares for an aggregate amount of € 30 million. The eighth tranche began on 17 November 2023 and ended on 23 February 2024. During the eighth tranche, the Company repurchased 669 409 shares for an aggregate amount of € 30 million. In total, Bekaert repurchased 6 191 675 shares for an aggregate consideration of € 232.8 million since the start of the program in 2022. Of these repurchased shares, Bekaert already canceled 5 728 487 shares in total and the capital was reduced accordingly. The balance will be canceled in 2024. In 2023, Bekaert canceled 4 279 078 shares leading to a capital decrease of € 12 593 327. After each capital decrease, the capital was rounded up through a small capital increase without the issue of new shares (by € 1 327 in total and within the framework of the authorized capital). On 1 March 2024 the Board decided to pause the share buyback program in view of the intention to prioritize investment in the business, both organically and inorganically.

Dividend distribution

The Board of Directors will propose that the Annual General Meeting to be held on 8 May 2024 approve the distribution of a gross dividend of € 1.80 per share.

The board of Directors reconfirms the Dividend Policy which, subject to profit generation, targets a growing dividend while maintaining a prudent balance sheet and an adequate level of cash flow in the company for investment to support growth. Over the long term, the company is aiming for a pay-out ratio of around 40% of the result for the period attributable to equity holders of Bekaert.

in €	2016	2017	2018	2019	2020	2021	2022	2023
Total gross dividend	1.100	1.100	0.700	0.350	1.000	1.500	1.650	1.800[1]
Net dividend[2]	0.770	0.770	0.490	0.245	0.700	1.050	1.155	1.260
Coupon number	8	9	10	11	12	13	14	15

[1] The dividend is subject to approval by the Annual General Meeting of Shareholders 2024.
[2] Subject to the applicable tax legislation.

General Meeting of Shareholders 2023

The Annual General Meeting was held on 10 May 2023.

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

Investor Relations

Bekaert is committed to provide clear, timely, and accurate information to all of its financial stakeholders.

Bekaert's Investor Relations team is available to share information and updates on the company's strategy, business outlook, financial performance, and sustainability progress. Key information can be found in the Investor Relations section of the website www.bekaert.com/investors

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, except those disclosed in the notifications referred to in the Parent Company Information section (interests in share capital).

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. They retire 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 41 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 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 authorization set forth above does 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 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, 12 May 2021 and 10 May 2023 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, 24 June 2021 and 20 February 2024 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.

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 the 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.

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 Sustainable Finance team 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 finance 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 December 2023. 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.

In addition, higher management plus specific functional teams follow a governance training and are required to report potential concerns about the integrity of the company's financial and ESG statement, as a sub-certification step to the 'statement from the responsible persons' in the integrated annual report.

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.

A global approach

Bekaert's Enterprise Risk Management (ERM) approach is integrated within the company's strategy and the resulting decisions and activities that drive its implementation.

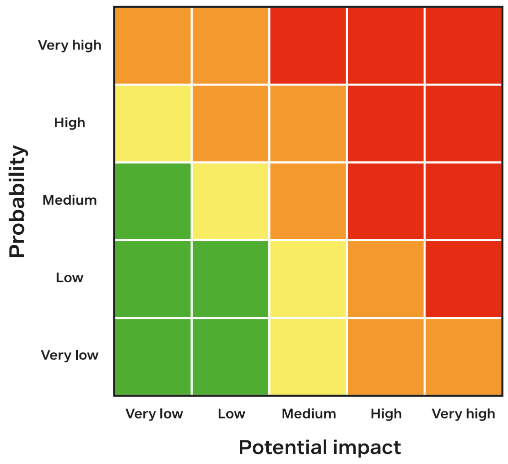
This permanent ERM framework helps managing uncertainty in Bekaert's value creation model. It also contributes to achieving the company's objectives, both financial and non-financial, and complying with laws and regulations as well as with the Bekaert Code of Conduct.

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 are considered very high; in orange: high; and in yellow: medium.

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

	Probability		Financial Impact	Non-financial Impact
Very low	· Extremely remote · Not expected to occur but may do so in very exceptional circumstances	Rare	None	· No negative publicity · No loss of confidence by key stakeholders · No injury to individual(s)
Low	· Extremely remote · Not expected to occur but may do so in exceptional circumstances	Unlikely	Below € 1 mln	· Negligible/insignificant negative publicity · Minor loss of confidence by key stakeholders · Minor injury to individual(s), non-life altering, no Significant Injury or Fatality (SIF)
Medium	· There is a low exposure to the risk · Little probability of event occurring	Possible	Between € 1 mln - € 10 mln	· Low level of sustained negative publicity · Moderate loss of confidence by key stakeholders · Significant injury / life altering to one individual, no fatality
High	· There is a moderate exposure to the risk · Reasonable to expect event to occur	Likely	Above € 10 mln	· 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
Very High	· There is a high exposure to the risk · Indication of imminent occurrence	Very likely		

Below are the main risks included in Bekaert's 2023 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.	Building Scouting and Technology Intelligence Networks Define and deploy strategic technology 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 established a robust framework for managing capital allocation and M&A projects. This framework includes strict criteria and close governance, which ensures high-quality defense measures in the preparation, execution, and monitoring of growth projects. Additionally, the Industrial Projects team provides support and oversight for technical preparation, optimization, and execution of investment projects, while an experienced and multi-disciplinary M&A team handles M&A projects.	Stable	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.	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 for example 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 legislation 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 comprehensive cybersecurity roadmap over the past year to mitigate risk and ensure the safety of our assets and data. This includes the establishment of a robust security governance model, continuous enhancements to our cybersecurity solutions, and a focus on improving our response and recovery capabilities. We have also invested in next-generation threat management to stay ahead of the evolving cybersecurity landscape. These efforts serve to ensure the ongoing protection of our company and our stakeholders.	Stable	Very high	Very 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 anti-bribery and anti-corruption, 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. In addition, more than 160 managers (higher management plus specific functional teams) are required to report potential concerns about the integrity of the company's financial and ESG statements, as a sub-certification step to the 'statement from the responsible persons' in the integrated annual report.	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 2023, Bekaert had approximately 2 100 patents and patent applications and more than 2 000 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.	Increasing	Very High	Very 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.	Stable	Very high	Very 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 program in place to limit such risks. Bekaert has not been confronted in the past years with increased bad debt provisions.	Bekaert has credit management processes and risk transfer solutions in place to monitor overdue and exposure and limit credit risks. The group has also strengthened its credit procedures, reporting and IT-tools.	Stable	Very high	High
	Bekaert is exposed to increased funding costs in adverse macro conditions				
	Increasing interest rates might lead to higher financing cost and/or (more) restrictive covenants and/or more securities (pledges, collaterals). Lack of funding availability could hamper the realization of M&A projects	Reduce Net Debt by: Reducing working capital (Accounts Receivable, Inventory), Controlling Capex, Controlling Expenses	Stable	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), we refer to 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 2022 impairment of the Russian assets which was maintained in 2023, the company has not identified additional risks in the fiscal year 2023.	Stable	High	High
	Risk of events or losses that are uninsurable, not insured or not fully insured				
	Insurance coverage restrictions and insurance premium cost adjustment are applicable for most risks, 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 volatility and other cost inflation 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 40% 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. 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.	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 an ambitious sustainability strategy and a clear roadmap, including investment plan to execute the strategy. The strategy will be reviewed to ensure that the stakeholder interests and outcome of double materiality assessment are fully embedded. A robust data framework and stringent governance measures have been established to ensure high quality data and to enable us to closely monitor the progress of the sustainability performance.	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.	Stable	Very high	Very 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	As part of a business continuity plan, Bekaert performs scenario analyses and has measures in place to reduce this risk through back-up scenarios and delivery approvals from other locations. Apart from the 2022 impairment of the Russian assets which was maintained in 2023, the company has not identified additional risks in the fiscal year 2023.	Stable	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 management 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 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 in the next section of this report.	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 was done, starting in 2022 together with WTW (former Willis Towers Watson) to assess the possible impact of physical climate change on Bekaert's global assets and operations. In 2023, Bekaert further finetuned this study focusing on adaptation solutions, mitigation plans and mapping of main exposures of key suppliers.

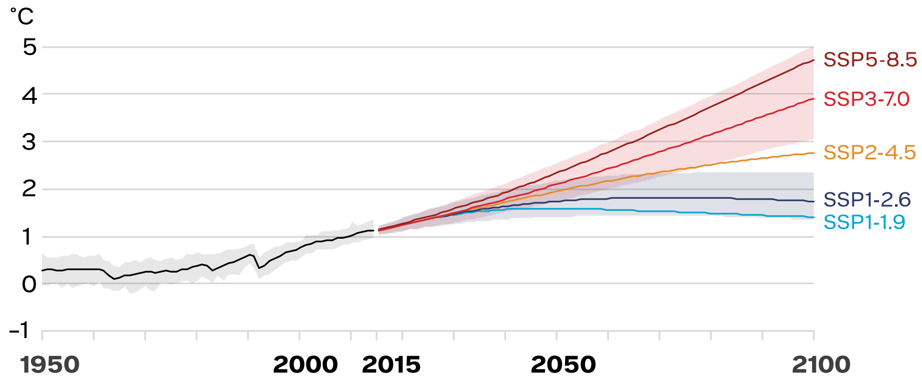
The assessment focused on identifying potential future vulnerabilities, consequences and risk adaptation measures to Bekaert's operations associated with physical climate change exposures.

Three climate change scenarios (representative concentration pathways 2.6, 4.5 and 8.5) were considered based on the IPCC (Intergovernmental Panel on Climate Change) 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 the 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 (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.

In 2023, Bekaert rolled-out an exposure analysis and self-assessment tool to all production plants to raise awareness on climate change and collect insights on readiness and feasibility of mitigation plans. The outcome of this assessment will be used to feed the adaptation approach and plan.

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 on a mid to longer term horizon.

Bekaert's adaptation approach will be further developed considering specific targeted measures and local insights (following the self-assessment performed), as well as overarching measures working across wider range of plausible identified risks, 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 could 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.

	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 minimize fresh water use in production that would help reduce the future potential risks. Further plans are developed with regards to building internal reserves and optimization 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 2023.	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 to our production sites in 2023.	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 localized fires. At present, no incidents have happened.	Unfavorable conditions increase and the number of sites moving into moderate conditions and a longer fire season doubles.	Bekaert already takes actions to maintain a good level of fire protection for their operations. It is reasonable to assume that existing fire control and prevention measures would reduce the likelihood of severe impacts in the future.
Flooding	Some Bekaert operations are located in zones where severe flooding could occur, though the likelihood is low. 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 2023.	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

	Current climate risk	Climate risks for 2050 under the high emission scenario (RCP8.5)	Response / Adaptation
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 of 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 minimize significant impacts to operations.

Financial statements

Consolidated financial statements

Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2022[1]	2023
Sales	5.1	5 003 969	4 327 892
Cost of sales	5.2	-4 338 917	-3 623 289
Gross profit	**5.2**	**665 052**	**704 602**
Selling expenses	5.2	-159 678	-159 907
Administrative expenses	5.2	-149 788	-158 034
Research and development expenses	5.2	-62 315	-56 587
Other operating revenues	5.2	46 895	35 151
Other operating expenses	5.2	-23 071	-30 814
Operating result (EBIT)	5.2	**317 094**	**334 412**
of which			
EBIT - Underlying	**5.2 / 5.3**	**409 904**	**388 328**
One-off items	**5.2**	**-92 810**	**-53 917**
Interest income	5.4	4 421	12 983
Interest expense	5.4	-34 044	-40 092
Other financial income and expenses	5.5	-9 867	-38 879
Result before taxes		**277 604**	**268 424**
Income taxes	5.6	-74 159	-62 167
Result after taxes (consolidated companies)		**203 446**	**206 257**
Share in the results of joint ventures and associates	5.7	54 211	46 623
RESULT FOR THE PERIOD FROM CONTINUED OPERATIONS		**257 656**	**252 881**

in thousands of € - Year ended 31 December	Notes	2022[1]	2023
Discontinued operations of the Group			
Result for the period from discontinued operations		31 660	–
RESULT FOR THE PERIOD		**289 316**	**252 881**
Attributable to			
equity holders of Bekaert		*268 859*	*254 619*
non-controlling interests	6.15	*20 457*	*-1 738*
Earnings per share			
in € per share	**5.8**		**2023**
Result for the period attributable to equity holders of Bekaert			
Basic		*4.784*	*4.754*
Basic from continued operations		*4.503*	*4.754*
Diluted		*4.745*	*4.725*
Diluted from continued operations		*4.465*	*4.725*

[1] 2022 amounts have been restated for the disposal of the Steel Wire Businesses in Chile and Peru (see note 7.2. 'Effect of business combinations and business disposals')
The accompanying notes are an integral part of this income statement

Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2022	2023
Result for the period		**289 316**	**252 881**
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		30 527	-49 308
Exchange differences arising during the year on joint ventures and associates		18 916	9 925
Reclassification adjustments relating to entity disposals or step acquisitions		-555	8 570
OCI reclassifiable to income statement in subsequent periods, after tax		**48 888**	**-30 813**
Other comprehensive income non-reclassifiable to income statement in subsequent periods			
Remeasurement gains and losses on defined-benefit plans		3 393	-15 000
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI		-2 367	-2 822
Share of non-reclassifiable OCI of joint ventures and associates		27	-85
Deferred taxes relating to non-reclassifiable OCI	6.7	-4 874	3 948
OCI non-reclassifiable to income statement in subsequent periods, after tax		**-3 821**	**-13 960**
Other comprehensive income for the period		**45 067**	**-44 773**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**334 383**	**208 108**
Attributable to			
equity holders of Bekaert		*308 741*	*210 046*
non-controlling interests	*6.15*	*25 642*	*-1 938*

The accompanying notes are an integral part of this statement of comprehensive income.

Consolidated balance sheet

Assets as at 31 December

in thousands of €	Notes	2022	2023
Intangible assets	6.1	62 149	68 669
Goodwill	6.2	152 567	152 072
Property, plant and equipment	6.3	1 238 041	1 118 063
RoU Property, plant and equipment	6.4	130 750	134 910
Investments in joint ventures and associates	6.5	221 886	223 623
Other non-current assets	6.6	65 314	68 202
Deferred tax assets	6.7	104 372	120 779
Non-current assets		**1 975 079**	**1 886 317**
Inventories	6.8	1 143 096	788 506
Bills of exchange received	6.8	39 764	55 507
Trade receivables	6.8	730 786	552 989
Other receivables	6.9 / 6.21	151 426	103 089
Short-term deposits	6.10	4 766	1 238
Cash and cash equivalents	6.10	728 095	631 687
Other current assets	6.11	55 541	49 553
Assets classified as held for sale	6.12	760	12 337
Current assets		**2 854 234**	**2 194 907**
Total		**4 829 313**	**4 081 224**

Equity and liabilities as at 31 December

in thousands of €	Notes	2022	2023
Share capital	6.13	173 737	161 145
Share premium		39 519	39 517
Retained earnings	6.14	2 115 216	2 131 937
Treasury shares	6.14	-139 314	-76 896
Other Group reserves	6.14	-96 451	-142 838
Equity attributable to equity holders of Bekaert		**2 092 706**	**2 112 865**
Non-controlling interests	6.15	**136 850**	**53 164**
Equity		**2 229 556**	**2 166 029**
Employee benefit obligations	6.16	68 037	57 050
Provisions	6.17	27 925	25 795
Interest-bearing debt	6.18	735 408	646 652
Other non-current liabilities	6.19	150	1 876
Deferred tax liabilities	6.7	44 018	35 618
Non-current liabilities		**875 537**	**766 991**
Interest-bearing debt	6.18	500 588	252 283
Trade payables	6.8	921 113	632 950
Employee benefit obligations	6.8 / 6.16	142 068	140 325
Provisions	6.17	6 154	4 344
Income taxes payable	6.21	66 180	57 780
Other current liabilities	6.20	88 118	60 523
Liabilities associated with assets classified as held for sale	6.12	–	–
Current liabilities		**1 724 220**	**1 148 204**
Total		**4 829 313**	**4 081 224**

The accompanying notes are an integral part of this balance sheet.

Consolidated statement of changes in equity

in thousands of €	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjust-ments	Revaluation 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'.*

in thousands of €	Attributable to equity holders of Bekaert [1]											
	Share capital	**Share premium**	**Retained earnings**	**Treasury shares**	**Cumulative translation adjust-ments**	**Revaluation reserve for non-consoli-dated equity invest-ments**	**Remea-surement reserve for DB plans**	**Deferred tax reserve**	**Other revaluatio n reserves**	**Total**	**Non-controlling interests [2]**	**Total equity**
Balance as at 1 January 2023	**173 737**	**39 519**	**2 115 216**	**-139 314**	**-93 820**	**-8 353**	**-12 659**	**18 381**	**-1**	**2 092 706**	**136 850**	**2 229 556**
Result for the period			254 619							**254 619**	-1 738	**252 881**
Other comprehensive income			-1		-30 713	-2 822	-15 038	4 000		**-44 574**	-199	**-44 773**
Reclassifications			123				-123			**–**		**–**
Effect of other changes in Group structure [3]									-1 691	**-1 691**	-76 995	**-78 686**
Equity-settled share-based payment plans			-8 919							**-8 919**		**-8 919**
Creation of new shares	1	-1	–							**–**		**–**
Treasury shares transactions	-12 593		-140 536	62 418						**-90 712**		**-90 712**
Dividends			-88 564							**-88 564**	-4 754	**-93 318**
Balance as at 31 December 2023	**161 145**	**39 517**	**2 131 937**	**-76 897**	**-124 533**	**-11 175**	**-27 820**	**22 381**	**-1 692**	**2 112 865**	**53 164**	**2 166 029**

[1] *See note 6.14. 'Retained earnings and other Group reserves'.*
[2] *See note 6.15. 'Non-controlling interests'.*
[3] *See note 7.2. 'Effect of business combinations and business disposals'.*

Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2022	2023
Operating activities			
Operating result (EBIT) from continued operations	5.2 / 5.3	317 094	334 412
Operating result (EBIT) from discontinued operations		48 660	–
Operating result (EBIT)		**365 754**	**334 412**
Non-cash items included in operating result	7.1	296 053	217 046
Investing items included in operating result	7.1	-11 381	-4 114
Amounts used on provisions and employee benefit obligations	7.1	-27 947	-36 872
Income taxes paid	5.6 / 7.1	-117 289	-79 155
Gross cash flows from operating activities		**505 189**	**431 316**
Change in operating working capital	6.8	-178 697	12 147
Other operating cash flows	7.1	13 800	-3 628
Cash flows from operating activities		**340 292**	**439 834**
Investing activities			
New business combinations	7.3	-2 384	-5 864
Other portfolio investments	7.1	-8 613	-8 843
Proceeds from disposals of investments	7.2	94	109 294
Dividends received	6.5	67 944	59 886
Purchase of intangible assets	6.1	-14 937	-18 750
Purchase of property, plant and equipment	6.3	-170 195	-191 260
Purchase of RoU Land	6.4	-6	–
Proceeds from disposals of fixed assets	7.1	3 141	15 003
Cash flows from investing activities		**-124 956**	**-40 534**

in thousands of € - Year ended 31 December	Notes	2022	2023
Financing activities			
Interest received	5.4	4 848	12 539
Interest paid	5.4	-37 428	-35 360
Gross dividend paid to shareholders of NV Bekaert SA		-86 463	-88 564
Gross dividend paid to non-controlling interests		-18 496	-5 678
Proceeds from long-term interest-bearing debt	6.18	12 050	25
Repayment of long-term interest-bearing debt	6.18	-87 627	-217 428
Cash flows from / to (-) short-term interest-bearing debt	6.18	67 349	-36 918
Treasury shares transactions	6.13	-97 104	-99 373
Sales and purchases of NCI	7.1	–	–
Other financing cash flows	7.1	68 473	-11 357
Cash flows from financing activities		**-174 398**	**-482 113**
Net increase or decrease (-) in cash and cash equivalents		**40 937**	**-82 813**
Cash and cash equivalents at the beginning of the period		**677 270**	**728 095**
Effect of exchange rate fluctuations		9 888	-13 596
Cash and cash equivalents at the end of the period		**728 095**	**631 687**

The accompanying notes are an integral part of this cash flow statement.

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 2024.

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 2023

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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 17 ‘Insurance contracts; initial application of IFRS 17 and IFRS 9 - Comparative information', effective 1 January 2023.
- 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 12 'Income taxes' - International Tax Reform - Pillar Two Model Rules, effective 1 January 2023.

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

Standards, amendments and interpretations that are not yet effective in 2023 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 in 2023. These new, and amendments to, standards and interpretations effective after 2023 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 16 'Leases - Lease liability in a Sale and Leaseback, effective on 1 January 2024.
- Amendments to IAS 7 'Statement of cash flows' and IFRS 7 'Financial instruments' - Supplier Finance Arrangements, effective on 1 January 2024.
- Amendments to IAS 21 'The effects of changes in foreign exchange rates' - Lack of exchangeability, effective on 1 January 2025.

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

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

The financial statements of joint ventures are prepared according to the accounting and valuation principles of the Group and for the same reporting period as the Group. Currently Bekaert does not have shareholdings in entities to be considered as associates.

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.

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.

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:

- project passed the concept freeze; which means that the requirements as well as the concept on how to realize these requirements are clear and fixed. In practice, this confirms both the technical feasibility of completing the intangible asset so that it will be available for use of sale as well as the intention to complete the intangible asset.
- the development expenditure is more than 100k EUR;
- 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 the estimated future benefits are longer than 1 year; 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. Capitalized development is amortized using a straight-line method over the period of their expected benefit, in general five 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.

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. 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%

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.

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.

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. 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.

There may be an exception when the bill of exchange with recourse, that is provided by a trust worthy financial institution, is being endorsed by a vendor, meaning the vendor upon acceptance takes over all the risks and rewards linked to that bill of exchange – in that case upon consideration and agreement on transfer of risks and rewards, trade receivables can be derecognized upon endorsement by the vendor

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.

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.

Claims

A provision for claims related to product warranty programs, or related various product quality claims is recognized in accordance with the Group's published policy.

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

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

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.

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

Lease liabilities

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.

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

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.

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.

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.

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.

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 concluded that the criteria for capitalization of development expenditure were met for several projects and capitalized a total of € 7.3 million in 2023 (2022: none). The research and development expenditure for which the criteria were not met, were recognized 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 7.8. '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 2023, 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.
- As Belgium enacted the law of 19 December 2023 implementing a minimum taxation (at an effective minimum tax rate of 15%) for multinational groups as from 1 January 2024, NV Bekaert and its subsidiaries are in scope of the OECD Pillar 2 model rules. Because the Pillar 2 legislation was not applicable with respect to financial year 2023, the Bekaert Group has no related current tax exposure. In May 2023, the IASB published amendments to IAS 12 that, provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to legislation that is enacted to implement the OECD's Pillar 2 model rules, and introduce additional disclosure requirements. Bekaert has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes. Bekaert has performed a qualitative and quantitative preliminary assessment of the Group's potential exposure to Pillar 2 top-up taxes. Based on the 2022 country-by-country reporting, most of the jurisdictions are expected to be eligible for transitional safe harbor relief. The main jurisdiction with a potential top-up tax exposure will be Belgium, the jurisdiction of the ultimate parent entity. Based on the actual assessment, a material impact of the Pillar 2 legislation is not to be expected for 2024 but will be monitored continuously.

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 2023 Bekaert has uncertain tax positions recognized as income taxes payable amounting to € 42.7 million (2022: € 43.8 million). See note 6.21. 'Tax positions'.

3.3. Impact of macro-economic environment and climate

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 '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, recession or changing demand trends 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 is re-positioning its businesses towards segments with higher value propositions that are much less impacted by cyclicality. The Group also implements measures to be cost-competitive, to flex costs, and to pass on cost inflation.

The re-positioning is clear when looking at the weight of profitability that is contributed by higher growth, higher margin and less cyclical platforms. The business units of Specialty Businesses and Bridon-Bekaert Ropes Group contribute 60% of the total underlying EBIT of the 4 business units versus 23% in 2019. Measures to flex costs and mitigate volume reductions as well as footprint rationalizations are reflected in the 2023 financials. The underlying gross profit in absolute numbers is almost flat versus 2022 and the underlying EBIT bridge demonstrates that the positive price and mix impact, driven by further business-mix improvements and strong pricing discipline, entirely offsets the adverse effects of lower sales volumes and higher conversion cash costs. (see note 5.2. Operating result (EBIT) by function and press release related to the 2023 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 in 2023 to € 15 million and were driven by € 5.3 million gain on plan assets reflecting positive asset return, offset by € 20.3 million losses in defined benefit obligation. The latter can be broken down into € 7.9 million loss due to changes in financial assumptions reflecting decreased discount rates, € 0.3 million gain due to changes in demographic assumptions and € 12.7 million loss in liabilities due to experience adjustments.

Impact of climate changes and environmental footprint

In order to further support the market and technology positioning in green energy markets, Bekaert has concluded investments and partnerships in 2023 that are improving market access and technology positions in high growth sectors (see note 6.6. Other non-current assets). These included:

- a partnership agreement with Toshiba to commercialize Proton Exchange Membrane (PEM) Membrane Electrode Assemblies (MEA) technology for green hydrogen production, which will support the green hydrogen industry to scale and further improve cost competitiveness
- expanding manufacturing and research capacity in Porous Transport Layers for electrolysis technologies
- a further investment in electrolysis technologies for green hydrogen production in Ionomr Innovations, a leader in proton- and anion exchange membrane technologies
- a partnership with ABB to deliver peace of mind to mine hoist system operators by improving predictive maintenance services offering to enhance efficiency and reduce downtime.

The Group has also signed Virtual Power Purchase Agreements (see note 7.3. Financial risk management and financial instruments) in the US and India and installed a solar park in Burgos, Spain, to help reduce and offset its carbon greenhouse emissions.

The Group also invested in capital expenditure in 2023 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). The Group doesn't expect that climate change will impact the valuation or useful life of current fixed assets.

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]

1. Rubber Reinforcement (RR): 43% of consolidated third party sales (2022: 44%)
2. Steel Wire Solutions (SWS): 27% of consolidated third party sales (2022: 29%)
3. Specialty Businesses (SB): 16% of consolidated third party sales (2022: 15%)
4. Bridon-Bekaert Ropes Group (BBRG): 14% of consolidated third party sales (2022: 12%)

[1] 2022: excluding Steel Wire Solutions businesses in Chile and Peru.

No segments have been aggregated.

43%	27%	16%	14%
Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	Bridon-Bekaert Ropes Group

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.

2022 as reported

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 [1]	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) [2]	11 491	6 310	2 133	2 421	1 196	–	23 551

2022 excluding Steel Wire businesses in Chile and Peru

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Intersegment	Consolidated
Consolidated third party sales	2 197 656	1 426 936	772 162	585 205	22 010	–	5 003 969
Consolidated sales	2 228 682	1 467 187	788 242	588 819	118 857	-187 817	5 003 969
Operating result (EBIT)	**110 776**	**98 092**	**130 986**	**38 744**	**-67 191**	**5 687**	**317 094**
EBIT - Underlying	178 665	99 611	131 766	60 418	-61 509	953	409 904
Depreciation and amortization [1]	91 038	34 792	22 171	42 745	7 881	-9 580	189 047
Impairment losses	59 050	830	120	2 669	–	-4 735	57 934
EBITDA	**260 865**	**133 714**	**153 277**	**84 158**	**-59 310**	**-8 627**	**564 076**
Segment assets	1 495 373	716 614	470 005	628 577	-54 894	-137 080	3 118 595
Unallocated assets							1 710 717
Total assets							**4 829 313**
Segment liabilities	376 208	290 214	142 568	137 694	109 608	-70 894	985 398
Unallocated liabilities							1 614 359
Total liabilities							**2 599 757**
Capital employed	1 119 165	426 399	327 437	490 883	-164 502	-66 185	2 133 197
Weighted average capital employed	1 146 926	390 933	295 100	467 986	-161 855	-69 063	2 070 028
Return on weighted average capital employed (ROCE)	9.7%	25.1%	44.4%	8.3%	–%	–%	15.3%
Capital expenditure – PP&E	74 823	32 304	23 648	33 740	3 171	-10 493	157 193
Capital expenditure – intangible assets	397	–	459	4	14 260	-311	14 809
Share in the results of joint ventures and associates	-217	54 435	–	–	-7	–	54 211
Investments in joint ventures and associates	54 880	167 754	–	–	-744	–	221 891
Number of employees (year-end) [2]	11 491	4 308	2 132	2 421	1 196	–	21 548

2023

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Intersegment	Consolidated
Consolidated third party sales	1 881 453	1 168 645	677 171	588 625	11 997	–	4 327 892
Consolidated sales	1 904 868	1 197 893	690 272	590 204	119 677	-175 023	4 327 892
Operating result (EBIT)	**155 546**	**74 954**	**103 939**	**72 405**	**-70 236**	**-2 196**	**334 412**
EBIT - Underlying	183 591	90 261	111 941	72 770	-68 038	-2 196	388 328
Depreciation and amortization [1]	88 846	34 494	24 597	26 698	13 100	-9 804	177 932
Impairment losses	4 764	3 541	2 640	–	-131	–	10 814
EBITDA	**249 156**	**112 990**	**131 176**	**99 103**	**-57 267**	**-12 001**	**523 157**
Segment assets	1 332 908	605 057	462 622	634 263	-5 701	-129 721	2 899 428
Unallocated assets							1 181 796
Total assets							**4 081 224**
Segment liabilities	302 430	204 519	101 344	121 813	115 922	-61 475	784 554
Unallocated liabilities							1 130 641
Total liabilities							**1 915 195**
Capital employed	1 030 478	400 538	361 278	512 450	-121 623	-68 247	2 114 874
Weighted average capital employed	1 077 321	414 446	344 364	500 503	-141 818	-66 218	2 128 598
Return on weighted average capital employed (ROCE)	14.4%	18.1%	30.2%	14.5%	–	–	15.7%
Capital expenditure – PP&E	81 856	33 125	40 457	37 084	8 292	-12 862	187 950
Capital expenditure – intangible assets	731	127	35	5 622	12 898	-662	18 750
Share in the results of joint ventures and associates	-4 026	50 660	–	–	-11	–	46 623
Investments in joint ventures and associates	51 894	171 729	–	–	–	–	223 623
Number of employees (year-end) [2]	10 378	4 126	2 098	2 417	1 314	–	20 332

[1] *Depreciation and amortization included write-downs / (reversals of write-downs) on inventories and trade receivables.*
[2] *Number of employees: full-time equivalents on Bekaert payroll (excluding contingent workers) - consolidated entities.*

4.2. Revenue by country

The table below shows the relative importance of Belgium (i.e. the country of domicile), China, India, 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 €	2022	% of total	2023	% of total
Consolidated third party sales [1]				
from Belgium	502 642	10 %	413 693	9 %
from China	849 151	17 %	823 291	19 %
from India	232 028	5 %	204 581	5 %
from USA	1 032 090	20 %	866 132	20 %
from Slovakia	541 153	11 %	425 590	10 %
from other countries	1 846 905	37 %	1 594 606	37 %
Total third party consolidated sales	**5 003 969**	**100 %**	**4 327 892**	**100 %**
Selected non-current assets [1]				
in Belgium	126 717	7 %	155 829	9 %
in China	300 300	18 %	274 478	16 %
in India	58 748	3 %	59 613	4 %
in USA	166 967	10 %	166 253	10 %
in Slovakia	126 725	8 %	134 264	8 %
in other countries	899 927	54 %	906 901	53 %
Total selected non-current assets	**1 679 383**	**100 %**	**1 697 336**	**100 %**

Bekaert's top-5 customers together represented 23% (2022: 24%) of the Group's total consolidated sales, while the next 5 customers represented another 6% (2022: 5%) of the Group's total consolidated sales. No individual customer contributed 10% to consolidated sales.

[1] 2022: excluding Steel Wire Solutions businesses in Chile and Peru.

5. Income statement items

5.1. Net sales

The Group recognizes revenue from the following sources: delivery of products and, to a lesser 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 €	2022[1]	% of total	2023	% of total
Sales of products	4 993 291	99.8%	4 323 497	99.9%
Sales of machines by engineering	10 202	0.2%	4 181	0.1%
Other sales	476	0.0%	213	0.0%
Net sales	**5 003 969**	**100.0%**	**4 327 892**	**100.0%**

[1] See note 7.2. Effect of business combinations and business disposals'

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').

2022[1 2]

in thousands of €	RR	SWS	SB	BBRG	Group	Consolidated
Industry						
Tire & Automotive	*2 195 386*	*135 559*	*39 238*	*9 825*	–	*2 380 008*
Energy & Utilities	–	*340 293*	*30 960*	*111 467*	–	*482 720*
Construction	–	*314 895*	*462 657*	*76 464*	–	*854 016*
Consumer Goods	–	*109 604*	*4 176*	–	–	*113 780*
Agriculture	–	*288 443*	–	*42 209*	–	*330 652*
Equipment	*2 270*	*116 104*	*136 678*	*163 371*	*22 010*	*440 433*
Basic Materials	–	*122 038*	*98 453*	*181 869*	–	*402 360*
Total	**2 197 656**	**1 426 936**	**772 162**	**585 205**	**22 010**	**5 003 969**

1 See note 7.2 'Effect of business combinations and business disposals'

2023[2]

in thousands of €	RR	SWS	SB	BBRG	Group	Consolidated
Industry						
Tire & Automotive	*1 879 494*	*122 952*	*36 188*	*9 445*	–	*2 048 079*
Energy & Utilities	–	*274 155*	*31 889*	*115 142*	–	*421 186*
Construction	–	*248 533*	*408 441*	*77 383*	–	*734 357*
Consumer Goods	–	*79 871*	*3 145*	–	–	*83 016*
Agriculture	–	*238 751*	–	*34 491*	–	*273 242*
Equipment	*1 959*	*94 700*	*106 585*	*153 168*	*11 997*	*368 409*
Basic Materials	–	*109 683*	*90 923*	*198 997*	–	*399 603*
Total	**1 881 453**	**1 168 645**	**677 171**	**588 626**	**11 997**	**4 327 892**

2 RR = Rubber Reinforcement; SWS = Steel Wire Solutions; SB = Specialty Businesses; BBRG = Bridon-Bekaert Ropes Group

5.2. Operating result (EBIT) by function

Sales and gross profit

in thousands of €	2022[1]	2023	variance (%)
Sales	5 003 969	4 327 892	-13.5%
Cost of sales	-4 338 917	-3 623 289	-16.5%
Gross profit	**665 052**	**704 602**	**5.9%**
Gross profit in % of sales	13.3%	16.3%	

[1] See note 7.2. 'Effect of business combinations and business disposals'

Bekaert achieved consolidated sales of € 4.3 billion in 2023, a decrease of -13.5% compared to 2022, driven primarily by passed-on lower raw material costs, lower volumes and an unfavorable impact from exchange rate movements. The organic sales decrease (-10.5%) was driven by the negative impact from the passed-on cost inflation (-8.7%) and decreased volumes (-3.7%), partially offset by positive price-mix effects (+2.0%), The currency movements were -3% negative (mainly related to movements in US dollar and Chinese renminbi).

Gross profit of the Group increased by € 39.5 million in absolute terms (+5.9%), resulting in a margin of 16.3% (2022: 13.3%). The increase was driven by cost savings programs, strong pricing and positive mix effects both from higher added value products and end markets served, offsetting the impact of lower sales.

Overheads

in thousands of €	2022[1]	2023	variance (%)
Selling expenses	-159 678	-159 907	0.1%
Administrative expenses	-149 788	-158 034	5.5%
Research and development expenses	-62 315	-56 587	-9.2%
Total	**-371 782**	**-374 527**	**0.7%**

[1] See note 7.2. 'Effect of business combinations and business disposals'

The overhead expenses increased by € 2.7 million to € 374.5 million (8.7% on sales). The increase in absolute value was mainly linked to the increase of the one-off impact from restructuring programs on overheads (€ 7.5 million in 2023; € 3.6 million in 2022) and other one-off acquisition related expenses (€ 1.9 million in 2023; € 0.5 million in 2022). The increase was offset by a positive foreign exchange impact of € 5.7 million (mainly related to positive exchange effects in US dollar and Chinese renminbi). There was also a decrease of the R&D expenses, mainly due to the capitalization of costs (€ -6.6 million), but offset with increased labor costs (€ 10.4 million). In 2023, selling expenses included bad debt allowances recognized (excluding one-offs) for € -2.0 million (2022: € -3.6 million) and reversal of bad debt allowances (excluding one-offs) for amounts used and not used for € 5.1 million (2022: € 6.6 million).

Other operating revenues

in thousands of €	2022[1]	2023	variance
Royalties received	18 949	14 651	-4 297
Gains on disposal of PP&E and intangible assets	12 316	740	-11 576
Tax rebates	26	–	-26
Government grants	2 631	1 569	-1 062
Compensations received for claims	2 345	2 019	-326
Restructuring[2]	1 515	4 456	2 941
Environmental	100	–	-100
Gains on business disposals (portion sold)	–	5 958	5 958
Other revenues	9 013	5 758	-3 255
Total	**46 895**	**35 151**	**-11 744**

[1] See note 7.2. 'Effect of business combinations and business disposals'
[2] Mainly related to the disposal of PP&E

The royalty income decreased by -23% due to lower 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.

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

Other operating expenses

in thousands of €	2022[1]	2023	variance
Royalties paid	-942	-951	-9
Losses on disposal of PP&E and intangible assets	-740	-1 446	-706
Amortization of intangible assets	-1 500	-1 500	–
Bank charges	-2 518	-2 279	239
Tax related expenses (other than income taxes)	-3 841	-3 823	18
Impairment losses	-857	-320	537
Restructuring	-5 932	-1 573	4 359
Environmental	-1 225	-3 273	-2 048
Losses on business disposals	-210	-9 325	-9 115
Other expenses	-5 307	-6 324	-1 017
Total	**-23 071**	**-30 814**	**-7 743**

[1] See note 7.2. 'Effect of business combinations and business disposals'

In 2023 ‘Restructuring - revenues’ mainly consists of the gain from the closure of Figline (Italy) and the reversal of the provision of a claim for customs and VAT in Lonand (India). 'Restructuring - expenses’ on the other hand includes part of the cost (lay-off costs) related to restructuring programs and plant closures.

In 2022 ‘Restructuring - revenues’ mainly consisted of the gain from the sales of land and buildings following plant closures due to restructuring. 'Restructuring - expenses’ on the other hand included lay-off costs related to restructuring programs and plant closures.

The total loss of € -2.1 million (gain of € 5.9 million and CTA loss of € -8.1 million) on business disposals is related to the sale of the Steel Wire Solution businesses in Chile and Peru to the partners. There was also the sale of Agro-Bekaert Colombia SAS and Agro-Bekaert Springs which generated a loss of € -1.3 million.

The environmental costs in 2023 are mainly related to environmental provisions for the closure of the Figline plant (Italy).

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	2022[1]			2023		
in thousands of €	reported	of which underlying	of which one-offs	reported	of which underlying	of which one-offs
Sales	5 003 969	5 003 969	–	4 327 892	4 327 892	–
Cost of sales	-4 338 917	-4 254 936	-83 981	-3 623 289	-3 582 853	-40 437
Gross profit	**665 052**	**749 033**	**-83 981**	**704 602**	**745 039**	**-40 437**
Selling expenses	-159 678	-158 598	-1 080	-159 907	-157 076	-2 831
Administrative expenses	-149 788	-146 729	-3 059	-158 034	-152 709	-5 325
Research and development expenses	-62 315	-62 139	-176	-56 587	-55 375	-1 212
Other operating revenues	46 895	44 251	2 643	35 151	24 663	10 488
Other operating expenses	-23 071	-15 914	-7 157	-30 814	-16 214	-14 600
Operating result (EBIT)	**317 094**	**409 904**	**-92 810**	**334 412**	**388 328**	**-53 917**

[1] *See note 7.2. 'Effect of business combinations and business disposals'*

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).*

One-off items 2023

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]	-23 478	-853	-754	-307	1 629	-973	-24 736
Steel Wire Solutions [2]	-10 597	-736	-145	–	–	-106	-11 584
Specialty Businesses [3]	-5 993	-752	–	-904	2	-327	-7 974
Bridon-Bekaert Ropes Group (BBRG) [4]	128	-490	–	–	-1	-2	-365
Group [5]	-160	–	-2 523	–	2 825	-165	-22
Total restructuring programs	**-40 100**	**-2 831**	**-3 422**	**-1 212**	**4 456**	**-1 573**	**-44 682**
Business disposals							
Steel Wire Solutions [6]	–	–	–	–	5 958	-9 325	-3 368
Total business disposals	**–**	**–**	**–**	**–**	**5 958**	**-9 325**	**-3 368**
Environmental provisions/(reversals of provisions)							
Rubber Reinforcement [1]	–	–	–	–	–	-3 000	-3 000
Group	–	–	–	–	–	-273	-273
Total environmental provisions/(reversals)	**–**	**–**	**–**	**–**	**–**	**-3 273**	**-3 273**
Other events and transactions							
Rubber Reinforcement [7]	-310	–	–	–	–	–	-310
Steel Wire Solutions [8]	–	–	–	–	74	-429	-355
Specialty Businesses	-27	–	–	–	–	–	-27
Group [9]	–	–	-1 903	–	–	–	-1 903
Total other events and transactions	**-337**	**–**	**-1 903**	**–**	**74**	**-429**	**-2 595**
Total	**-40 437**	**-2 831**	**-5 325**	**-1 212**	**10 488**	**-14 600**	**-53 917**

[1] Related mainly to closure and lay-off costs in China, lay-off costs in Indonesia and the building remediation project in Rome (US); environmental provisions related to the closure of the Figline plant (Italy).
[2] Related mainly to closure costs in Indonesia and lay-off costs in Belgium and China.
[3] Related mainly to lay-off costs in the Netherlands and restructuring in China.
[4] Related to the restructuring in the UK and the closure of the plant in Germany.
[5] Related mainly to the reversal of a customs/VAT provision in India and lay-off costs in China and Belgium.
[6] Related to the sale of the Steel Wire businesses in Chile and Peru and the sale of Agro-Bekaert Colombia SAS and Agro - Bekaert Springs, SL.
[7] Related to the plant in Russia.
[8] Related to the liquidation of Bekaert Shah Alam Sdn Bhd in Malaysia
[9] Acquisition-related expenses.

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 €	2022[1]	% on sales	2023	% on sales
Sales	5 003 969	100%	4 327 892	100%
Other operating revenues	46 895	–	35 151	–
Total operating revenues	5 050 864	–	4 363 043	–
Own construction of PP&E	47 172	0.9%	68 033	1.6%
Raw materials	-2 190 641	-43.8%	-1 604 328	-37.1%
Semi-finished products and goods for resale	-249 668	-5.0%	-185 499	-4.3%
Change in work-in-progress and finished goods	49 787	1.0%	-97 568	-2.3%
Staff costs	-826 127	-16.5%	-858 594	-19.8%
Depreciation and amortization	-189 021	-3.8%	-177 924	-4.1%
Impairment losses	-57 934	-1.2%	-10 814	-0.2%
Transport and handling of finished goods	-289 104	-5.8%	-193 878	-4.5%
Consumables and spare parts	-305 836	-6.1%	-295 661	-6.8%
Utilities	-343 641	-6.9%	-314 937	-7.3%
Maintenance and repairs	-70 778	-1.4%	-62 317	-1.4%
Lease and related expenses	-35 925	-0.7%	-40 747	-0.9%
Commissions in selling expenses	-5 602	-0.1%	-4 287	-0.1%
Export VAT and export customs duty	-16 350	-0.3%	-12 452	-0.3%
ICT costs	-59 165	-1.2%	-63 096	-1.5%
Advertising and sales promotion	-6 578	-0.1%	-7 715	-0.2%
Travel, restaurant & hotel	-14 827	-0.3%	-18 383	-0.4%
Consulting and other fees	-39 241	-0.8%	-39 637	-0.9%
Office supplies and equipment	-10 022	-0.2%	-9 591	-0.2%
Venture capital funds R&D	-1 297	0.0%	–	0.0%
Temporary or external labor	-37 157	-0.7%	-33 025	-0.8%
Insurance expenses	-15 650	-0.3%	-14 394	-0.3%
Miscellaneous	-66 163	-1.3%	-51 816	-1.2%
Total operating expenses	-4 733 769	-94.6%	-4 028 631	-93.1%
Operating result (EBIT)	317 094	6.3%	334 412	7.7%

[1] *See note 7.2. 'Effect of business combinations and business disposals'*

Due to the decreased wire rod prices and lower purchased quantities, the total raw material costs have decreased in 2023 compared to 2022.

The impairment losses of 2023 mainly related to the impairment of PP&E in China and Indonesia. For 2022 the losses are 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 €	2022[1]	2023
Interest income on financial assets not measured at FVTPL	4 421	12 983
Interest income	**4 421**	**12 983**
Interest expense on interest-bearing debt not measured at FVTPL	*-29 837*	*-37 386*
Other debt-related interest expense	*-3 391*	*-1 109*
Debt-related interest expense	-33 228	-38 495
Interest element of discounted provisions	-815	-1 596
Interest expense	**-34 044**	**-40 092**
Total	**-29 622**	**-27 108**

[1] *See note 7.2. 'Effect of business combinations and business disposals'*

The interest income and expenses increased compared to the expenses and revenues of 2022, due to the increased interest rates. The interest income increase is also related to the interest received from interest rate swaps in 2023.

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 € -1.6 million (2022: € -0.8 million) to defined-benefit liabilities (see note 6.16. 'Employee benefit obligations'). There are no interest costs in 2023 related to other provisions (2022: nil) (see note 6.17. 'Provisions').

5.5. Other financial income and expenses

in thousands of €	2022[1]	2023
Value adjustments to derivatives	*7 085*	*-3 620*
Exchange results on hedged items	*-13 854*	*-7 475*
Net impact of derivatives and hedged items	-6 769	-11 095
Other exchange results	31	-14 814
Gains and losses on disposal of financial assets	19	–
Dividends from non-consolidated equity investments	2 666	908
Bank charges and taxes on financial transactions	-8 563	-16 501
Impairments of other receivables	1 265	304
Other	1 484	2 318
Total	**-9 867**	**-38 879**

[1] See note 7.2. 'Effect of business combinations and business disposals'

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 2023 value adjustments to derivatives included a fair value loss of € 8.3 million, offset with gain related to Virtual Power Purchase Agreement (VPPA) of € 4.7 million. In 2022 value adjustments to derivatives included a fair value gain of € 13.7 million, however partially offset with a loss of € -6.6 million, related to a Virtual Power Purchase Agreement (VPPA) For more details on the impact of derivatives and hedged items, see note 7.3. Financial risk management and financial derivatives'.

Other exchange results in 2023 amounted to € -14.8 million and were mainly related to the devaluation of the Turkish lira, the Russian ruble and Venezuelan bolívar, resulting in unrealized and realized FX results on working capital items and intercompany loans. The bank charges and taxes on financial transactions include charges linked to the factoring programs (€ 16.5 million).

In 2023, other elements related mainly to a gain of € 2.3 million (€ 1.5 million in 2022) from the net settlements out of the VPPA.

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 €	2022[1]	2023
Current income taxes - current year	-76 846	-72 594
Current income taxes - prior periods	5 874	-8 062
Deferred taxes - due to changes in temporary differences	-48 858	-20 924
Deferred taxes - due to changes in tax rates	-1 039	-1 079
Deferred taxes - adjustments to tax losses of prior periods	-3 046	-891
Deferred taxes - utilization of deferred tax assets not previously recognized	49 756	41 383
Total tax expense	**-74 159**	**-62 167**

[1] See note 7.2. 'Effect of business combinations and business disposals'

Relationship between tax expense and accounting profit

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

in thousands of €	2022[1]	2023
Result before taxes	277 604	268 424
Tax expense at the theoretical domestic rates applicable to results of taxable entities in the countries concerned	-73 046	-67 429
Theoretical tax rate [2]	-26.3%	-25.1%
Tax effect of:		
Non-deductible items	*-5 740*	*-8 848*
Other tax rates, tax credits and special tax regimes [3]	*11 109*	*7 107*
Non-recognition of deferred tax assets [4]	*-39 242*	*-11 518*
Utilization or recognition of deferred tax assets not previously recognized [5]	*49 756*	*41 383*
Deferred tax due to change in tax rates	*-1 039*	*-1 079*
Tax relating to prior periods [6]	*2 828*	*-8 953*
Exempted income	*291*	*–*
Withholding taxes on dividends, royalties, interests & services	*-15 448*	*-7 695*
Other	*-3 627*	*-5 135*
Total tax expense	**-74 159**	**-62 167**
Effective tax rate	-26.7%	-23.2%

[1] *See note 7.2. 'Effect of business combinations and business disposals'*
[2] *The theoretical tax rate is computed as a weighted average taking into account the results before taxes in different countries at different rates.*
[3] *In 2023, the special tax regimes and tax credits mainly related to tax incentives in Belgium, similar as in 2022.*
[4] *In 2023, the non-recognition of deferred tax assets mainly related to losses in plants in Asia of which the closure was announced, while in 2022, it mainly related to the impairment of Russian fixed assets, the German restructuring and losses carried forward in China and the US.*
[5] *In 2023, the movement was mainly triggered by the recognition in Belgium and the US of deferred tax assets previously not recognized as well as by the usage of losses carried forward.*
[6] *In 2023, the prior year tax adjustments mainly related to the settlement of a tax audit in China , while 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 Advance Pricing Agreement (APA) between the competent Authorities of Belgium and Indonesia.*

5.7. Share in the results of joint ventures and associates

In 2023, the share in the result of joint ventures and associates reflected the performance decline of both the Steel Wire Solutions and Rubber Reinforcement businesses in Brazil compared to the strong performance in 2022. There was no significant impact from currency movements between the Brazilian real and the euro.

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

in thousands of €		2022	2023
Joint ventures			
Agro-Bekaert Colombia SAS	Colombia	-1 135	-263
Agro - Bekaert Springs, SL	Spain	-7	-11
Belgo Bekaert Arames Ltda[1]	Brazil	55 522	50 885
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	-217	-4 026
Servicios Ideal AGF Inttegra Cía Ltda	Ecuador	48	37
Total		**54 211**	**46 623**

[1] *See note 7.2. 'Effect of business combinations and business disposals'*

5.8. Earnings per share

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
Result from discontinued operations attributable to ordinary shareholders	15 832	15 832
Earnings from continued operations	**253 027**	**253 027**
Earnings per share (in €)	**4.784**	**4.745**
Earnings per share (in €) from continued operations	**4.503**	**4.465**

2023	Number
Weighted average number of ordinary shares (basic)	**53 559 847**
Dilution effect of share-based payment arrangements	330 248
Weighted average number of ordinary shares (diluted)	**53 890 095**

in thousands of €	Basic	Diluted
Result for the period attributable to ordinary shareholders	254 619	254 619
Earnings	**254 619**	**254 619**
Earnings per share (in €)	**4.754**	**4.725**

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 € -0.03 per share (2022: € -0.04).

The average closing price during 2023 was € 41.56 per share (2022: € 34.02 per share). There are no anti-dilutive instruments for the period presented.

The EPS from continued operations, excluding the impact of the result linked to the discontinued operations in Chile and Peru, was added for 2022.

6. Balance sheet items

6.1. Intangible assets

Cost in thousands of €	Licenses, patents & similar rights	Computer software	Commercial assets	Other	Total
As at 1 January 2022	27 306	93 275	58 717	14 752	194 050
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**	**208 424**
As at 1 January 2023	27 163	108 282	56 599	16 380	208 424
Expenditure	–	11 436	–	7 315	18 750
Disposals and retirements	-156	-809	–	–	-964
Transfers [1]	–	301	–	–	301
New consolidations	520	–	–	–	520
Deconsolidations		-4 883	–	-310	-5 192
Exchange gains and losses (-)	56	-1 076	520	-1 196	-1 696
As at 31 December 2023	**27 584**	**113 251**	**57 119**	**22 189**	**220 143**

[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, etc.) and included € 2.9 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. The other intangible expenditure related to capitalized R&D expenditures in Belgium and the UK, while the deconsolidated intangibles related to the disposal of the Steel Wire Solutions businesses in Chile and Peru in 2023. See also note 7.2. 'Effect of business combinations and business disposals'.

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

Accumulated amortization and impairment in thousands of €	**Licenses, patents & similar rights**	**Computer software**	**Commercial assets**	**Other**	**Total**
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**
As at 1 January 2023	21 303	81 681	28 880	14 409	146 274
Charge for the year	1 913	6 044	4 021	307	12 285
Impairment losses	–	1	–	–	1
Disposals and retirements	-124	-809	–	–	-932
Deconsolidations	–	-4 139	–	-250	-4 389
Exchange gains (-) and losses	-10	-1 013	75	-817	-1 766
As at 31 December 2023	**23 082**	**81 765**	**32 976**	**13 649**	**151 473**
Carry amount as at 31 December 2022	**5 860**	**26 601**	**27 718**	**1 971**	**62 150**
Carry amount as at 31 December 2023	**4 502**	**31 486**	**24 142**	**8 540**	**68 670**

[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').*

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'.

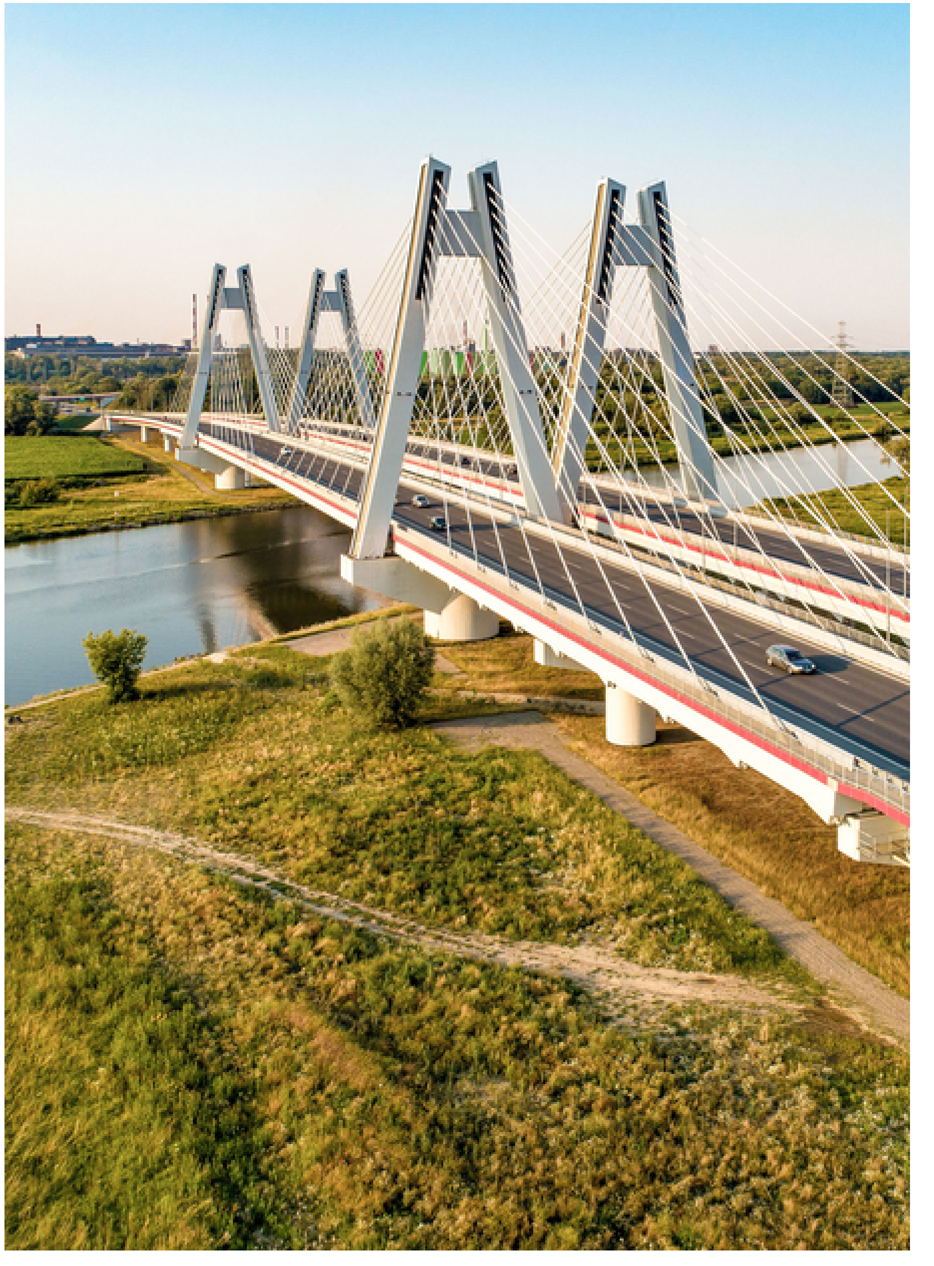
Cost

in thousands of €	2022	2023
As at 1 January	155 970	157 901
New consolidations	1 376	2 259
Deconsolidation	–	-1 822
Exchange gains and losses (-)	556	-1 021
As at 31 December	**157 901**	**157 318**

Impairment losses

in thousands of €	2022	2023
As at 1 January	5 295	5 334
Exchange gains (-) and losses	39	-88
As at 31 December	**5 334**	**5 246**

Carrying amount as at 31 December	**152 567**	**152 072**



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:

2022

in thousands of €	Group of cash-generating units	Carrying amount 1 January	Increases	Disposals	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
SWS	Grating Peru SAC	–	–	–	–	–
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**

2023

in thousands of €	Group of cash-generating units	Carrying amount 1 January	Increases	Disposals	Exchange differences	Carrying amount 31 December
Subsidiaries						
SWS	Bekaert Bradford UK Ltd	2 523	–	–	52	2 575
SB	Combustion - heating EMEA	3 027	–	–	–	3 027
SB	Building Products	71	–	–	–	71
RR	Rubber Reinforcement	4 255	–	–	–	4 255
SWS	Orrville plant (USA)	10 998	–	–	-382	10 616
SWS	Inchalam group	699	–	-699	–	–
SWS	Bekaert Ideal SL companies	1 994	–	-1 123	–	871
SWS	Bekaert (Qingdao) Wire Products Co Ltd	385	–	–	–	385
SWS	Bekaert Jiangyin Wire Products Co Ltd	47	–	–	–	47
BBRG	Flintstone Technology Ltd	–	2 259	–	46	2 306
BBRG	BBRG	128 567	–	–	-649	127 918
Subtotal		**152 567**	**2 259**	**-1 822**	**-933**	**152 072**
Joint ventures and associates						
SWS	Belgo Bekaert Arames Ltda	2 666	–	–	138	2 803
RR	BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	1 630	–	–	84	1 714
Subtotal		**4 295**	**–**	**–**	**222**	**4 517**
Total		**156 862**	**2 259**	**-1 822**	**-711**	**156 589**

The increase in goodwill related to the acquisition of Flintstone Technology Ltd. The decrease in goodwill related to the disposal of the businesses in Chile and Peru.

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 2022: 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 € 615.6 million (2022: € 200.1 million). The increase is the combined result of a strong updated business plan despite increased discount rates (€ +412.8 million) and by a small decrease of the capital employed of the business (€ -2.8 million).

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

- 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 € 47.5 million lower (remaining € 568.1 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 € 82.1 million lower (remaining € 533.5 million);
- If the sales level would be 10% lower in all periods of the business plan, then headroom would be € 143.3 million lower (remaining € 472.3 million);
- If the discount factor would be 1% higher, then headroom would be € 129.9 million lower (remaining € 485.7 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 € 217.2 million in headroom (remaining € 398.4 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 a drop of € 324.6 million in headroom (remaining € 291.0 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					
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%**

Discount rates for impairment testing					
2023			**EUR region**	**USD region**	**CNY region**
Group target ratios					
Gearing: net debt / equity		50%			
% debt		33.0%			
% equity		67.0%			
% LT debt		75%			
% ST debt		25%			
Cost of Bekaert debt			**2.7%**	**3.9%**	**4.8%**
Long term interest rate			3.1%	4.2%	4.9%
Short term interest rate			1.6%	3.2%	4.4%
Cost of Bekaert equity (post tax)	**= Rf + b * Em + S**		**13.5%**	**14.7%**	**15.2%**
Risk free rate = Rf			3.3%	4.5%	4.9%
Beta = b		1.3			
Market equity risk premium = Em		6.8%			
Size premium = S		1.4%			
Corporate tax rate		**27%**			
Cost of Bekaert equity			**18.5%**	**20.2%**	**20.8%**
Bekaert WACC - nominal			**9.7%**	**10.8%**	**11.3%**
Expected inflation			2.0%	2.0%	2.3%
Bekaert WACC in real terms			**7.7%**	**8.8%**	**9.0%**

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 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**
As at 1 January 2023	1 270 838	3 041 305	116 506	17 611	184 110	4 630 371
Expenditure	50 559	114 594	6 497	262	16 039	187 950
Disposals and retirements	-1 722	-43 827	-4 960	-97	-2 348	-52 954
New consolidations	–	151	1	–	–	153
Deconsolidations	-95 825	-95 560	-10 487	-319	-13 628	-215 820
Transfers [1]	–	–	–	–	-301	-301
Reclassification to (-) / from held for sale [2]	-22 097	-70	-521	-376	–	-23 064
Exchange gains and losses (-)	-39 586	-107 321	-3 158	-1	-3 446	-153 512
As at 31 December 2023	**1 162 167**	**2 909 272**	**103 879**	**17 079**	**180 427**	**4 372 824**

[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 2022, the reclassification to held for sale mainly related to the plant, machinery and equipment of the Ingelmunster (Belgium) site and the property received as payment by customers in Ecuador; in 2023 this related to the Ingelmunster site and part of the Deerlijk (Belgium) site as well as land and buildings in Germany and Italy (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 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**
As at 1 January 2023	748 070	2 529 033	103 682	6 531	–	3 387 317
Charge for the year	41 043	86 762	4 992	852	–	133 649
Impairment losses	1 304	9 672	88	–	–	11 063
Disposals and retirements	-317	-43 263	-4 911	-98	–	-48 590
Deconsolidations	-27 618	-60 898	-7 765	-319	–	-96 599
Reclassification to (-) / from held for sale [2]	-10 820	-63	-491	-103	–	-11 477
Exchange gains (-) and losses	-27 612	-94 343	-2 821	-20	–	-124 796
As at 31 December 2023	**724 050**	**2 426 900**	**92 774**	**6 844**	**–**	**3 250 568**

[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 2022, the reclassification to held for sale mainly related to the Ingelmunster (Belgium) site, while in 2023 this related to the Ingelmunster site and part of the Deerlijk (Belgium) site (see note 6.20 'Other current liabilities') as well as buildings in Germany and Italy (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 2022 before investment grants	**522 768**	**512 272**	**12 824**	**11 079**	**184 110**	**1 243 054**
Net investment grants	-4 218	-794	–	–	–	-5 012
Carry amount as at 31 December 2022	**518 550**	**511 478**	**12 824**	**11 079**	**184 110**	**1 238 041**
Carrying amount as at 31 December 2023 before investment grants	**438 117**	**482 373**	**11 105**	**10 234**	**180 427**	**1 122 256**
Net investment grants	-3 526	-667	–	–	–	-4 193
Carry amount as at 31 December 2023	**434 591**	**481 707**	**11 105**	**10 234**	**180 427**	**1 118 063**

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 and the US, and to a lesser extent also in Latin America and China.

In the Specialty Businesses segment, expansion capital expenditure was in Central Europe (Building Products and Hose and Conveyor Belt Solutions) and in China (Fiber Technologies), while improvement capital expenditure was in the European plants of Combustion Technologies, Building Products and Fiber Technologies.

Finally, capital expenditure in BBRG was mainly in its UK- and US-based Ropes entities and in Advanced Cords plants.

The ending balance of Assets under Construction per year-end 2023 related to a few big expansion projects (such as the plant in Vietnam, the expansions in the Rubber Reinforcement plants in China, in the Steel Wire Solutions and Rubber Reinforcement plants in Central Europe, and the expansion in Advanced Cords) but predominantly to a series of smaller capital expenditure projects not yet completed in various Bekaert entities.

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.
In 2023, due to plant closures impairment losses have been recorded in Rubber Reinforcement (China), Steel Wire Solutions (Indonesia) and Specialty Businesses (Combustion Technologies China and Netherlands).

The deconsolidated property, plant and equipment in 2023 related to the disposal of the Steel Wire Solutions businesses in Chile and Peru. See also note 7.2. 'Effect of business combinations and business disposals'.

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 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**
As at 1 January 2023	77 896	73 684	4 053	26 431	23 696	2 811	995	209 566
New leases / extensions	–	10 478	10 512	6 847	13 457	654	23	41 971
Ending contracts / reductions in contract term	–	-9 138	-211	-5 253	-7 669	-464	-30	-22 765
Deconsolidations	–	-4 677	-691	-2 085	-36	-851	–	-8 341
Exchange gains and losses (-)	-4 306	-1 206	-49	-326	-353	-63	-2	-6 306
As at 31 December 2023	**73 590**	**69 141**	**13 614**	**25 613**	**29 095**	**2 086**	**986**	**214 126**

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 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**
As at 1 January 2023	21 484	27 374	2 628	12 392	13 270	1 440	227	78 816
Charge for the year	1 396	10 535	1 646	6 211	6 658	466	106	27 017
Ending contracts	–	-7 750	-211	-3 994	-7 163	-367	-13	-19 499
Deconsolidations	–	-2 500	-497	-1 165	-26	-504	–	-4 693
Exchange gains (-) and losses	-1 298	-693	-18	-158	-220	-27	-10	-2 425
As at 31 December 2023	**21 582**	**26 965**	**3 548**	**13 286**	**12 519**	**1 008**	**309**	**79 216**

[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 2022	**56 412**	**46 309**	**1 425**	**14 039**	**10 425**	**1 371**	**768**	**130 750**
Carrying amount as at 31 December 2023	**52 008**	**42 176**	**10 066**	**12 328**	**16 576**	**1 079**	**677**	**134 910**

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, computers and other 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 than those linked to an index or rate.

Lease contracts related to company cars and industrial vehicles do not contain any extension options.

In general, contracts related to buildings do also not include any extension options.

There were no future cash outflows arising from extension and termination options.

Additions to RoU buildings included new contracts for factories and warehouses, mainly in China and the the United States. Some contracts were ended, mainly in Turkey and China.

The increase in RoU Plant, machinery and equipment mainly related to the new solar park in Industrias del Ubierna, SA (Spain).

Most new contracts for company cars were concluded in Belgium.

The average lease term for the RoU assets (excluding the RoU land) was 9.4 years (2022: 9.3 years). RoU buildings had an average lease term of 13 years (2022: 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 2023 was 4.48% (2022: 4.39%).

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:

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**

2023

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	-1 396	-10 535	-1 646	-6 211	-6 658	-466	-106	-27 017
Interest expense (included in finance cost)								-3 748
Expense relating to short-term leases								-2 113
Expense relating to low-value leases								-1 587
Total								**-34 465**

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 2023 was € 31.1 million (2022: € 33.6 million).

6.5. Investments in joint ventures and associates

In 2023 and 2022, the Group had no investments in entities qualified as associates.

Investments excluding related goodwill

Carrying amount

in thousands of €	2022	2023
As at 1 January	184 823	217 590
Capital increases and decreases	-144	2 346
Result for the year	54 257	46 623
Dividends	-39 558	-57 152
Discontinued equity method consolidations	–	-1 179
Exchange gains and losses	18 186	10 963
Other comprehensive income	27	-85
As at 31 December	**217 590**	**219 106**

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 2023, the Brazilian real slightly increased in value against the euro (5.4 BRL/EUR end 2023) while it increased significantly in value against the euro in 2022 (5.6 BRL/EUR end 2022 vs 6.3 BRL/EUR end 2021).

In 2023, capital increases related to Agro - Bekaert Springs, SL and Agro-Bekaert Colombia SAS in Spain and Colombia. While while the discontinued equity method consolidations related to the sale of the Group's share in those same companies.,

Related goodwill

Cost

in thousands of €	2022	2023
As at 1 January	3 838	4 295
Exchange gains and losses	457	222
As at 31 December	**4 295**	**4 517**
Carrying amount of related goodwill as at 31 December	**4 295**	**4 517**
Total carrying amount of investments in joint ventures as at 31 December	**221 886**	**223 623**

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 €		2022	2023
Joint ventures			
Agro-Bekaert Colombia SAS	Colombia	-284	–
Agro - Bekaert Springs, SL	Spain	-744	–
Belgo Bekaert Arames Ltda	Brazil	165 312	168 835
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	53 250	50 180
Servicios Ideal AGF Inttegra Cía Ltda	Ecuador	56	91
Total for joint ventures excluding related goodwill		**217 590**	**219 106**
Carrying amount of related goodwill		**4 295**	**4 517**
Total for joint ventures including related goodwill		**221 886**	**223 623**

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	2022	2023
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 steel cord and bead wire for the reinforcement of tires.

Brazilian joint ventures: income statement

in thousands of €	2022	2023
Sales	1 240 955	1 034 383
Operating result (EBIT)	173 274	135 324
Interest income	13 135	9 774
Interest expense	-13 762	-11 453
Other financial income and expenses	-4 089	-3 882
Income taxes	-31 991	-14 323
Result for the period	136 567	115 439
Other comprehensive income for the period	57	-85
Total comprehensive income for the period	136 624	115 354
Depreciation and amortization	19 547	20 657
EBITDA	192 821	155 981
Dividends received from the entities	39 558	57 152

Brazilian joint ventures: balance sheet

in thousands of €	2022	2023
Current assets	420 218	352 935
Non-current assets	316 079	393 529
Current liabilities	-158 025	-125 648
Non-current liabilities	-94 806	-136 815
Net assets	**483 466**	**484 001**

Brazilian joint ventures: net debt elements

in thousands of €	2022	2023
Non-current interest-bearing debt	51 371	97 496
Current interest-bearing debt	19 680	19 868
Total financial debt	**71 051**	**117 363**
Non-current financial receivables and cash guarantees	-62 532	-108 311
Cash and cash equivalents	-22 154	-22 647
Net debt	**-13 635**	**-13 595**

The Brazilian joint ventures have been facing claims relating to indirect tax credits (ICMS) totaling € 7.6 million (2022: € 5.3 million). Several other tax claims, most of which date back several years, were filed for a total nominal amount of € 28.3 million (2022: € 22.0 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 € 6.1 million (2022: € 8.6 million), including € 2.6 million (2022: € 4.2 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 € 14.2 million (2022: € 13.6 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 €	2022	2023
Net assets of Belgo Bekaert Arames Ltda	366 385	373 874
Proportion of the Group's ownership interest	45.0%	45.0%
Proportionate net assets	164 873	168 243
Consolidation adjustments	438	592
Carrying amount of the Group's interest in Belgo Bekaert Arames Ltda	**165 312**	**168 835**
Net assets of BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	117 081	110 126
Proportion of the Group's ownership interest	44.5%	44.5%
Proportionate net assets	52 101	49 006
Consolidation adjustments	1 149	1 174
Carrying amount of the Group's interest in BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	**53 250**	**50 180**
Carrying amount of the Group's interest in the Brazilian joint ventures	**218 562**	**219 016**

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 €	2022	2023
The Group's share in the result from continuing operations	-1 095	-236
The Group's share of other comprehensive income	1	–
The Group's share of total comprehensive income	-1 093	-237
Aggregate carrying amount of the Group's interests in these joint ventures	-972	91

6.6. Other non-current assets

in thousands of €	2022	2023
Non-current financial receivables and cash guarantees	9 665	10 005
Reimbursement rights and other non-current amounts receivable	2 705	948
Derivatives (cf. note 7.3.)	14 678	15 169
Overfunded employee benefit plans - non-current	12 243	11 019
Equity investments at FVTOCI	26 023	31 060
Total other non-current assets	**65 314**	**68 202**

The overfunded employee benefit plans related to the UK and Belgian pension plans (see note 6.16. 'Employee benefit obligations').The surplus of assets can be used to offset future contributions or there is an option to have the surplus returned to the company.

Equity investments at FVTOCI

Carrying amount

in thousands of €	2022	2023
As at 1 January	20 081	26 023
Expenditure	8 613	8 843
Disposals	-76	–
Fair value changes	-2 595	-3 081
Deconsolidations	–	-725
As at 31 December	**26 023**	**31 060**

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 (€ 5.3 million). On this investment, a decrease in fair value of € 1.3 million was recognized through OCI (2022: decrease of € 3.2 million).
- Bekaert Xinyu Metal Products Co Ltd (€ 5.8 million). On this investment, a decrease in fair value of € 0.7 million was recognized through OCI (2022: an decrease of € 1.5 million).
- Pajarito Powder LLC (€ 3.8 million), an investment held by Bekaert Corporation (US).
- Zacua Ventures Builders Fund I, LP (€ 1.0 million), a new investment held by Bekaert Corporation (US).
- Moreda-Rivière Trefilerias SA, an investment held by Bekaert Ibérica Holding SL (€ 1.2 million);
- Ionomr Innovations Inc, a new investment held by NV Bekaert SA (€ 4.6 Million);

Due to the sale of Acma SA and Prodalam SA (Chile), the group no longer holds an equity investment in Transportes Puelche Ltda (€ -0.7 million).

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 €	2022	2023	2022	2023
As at 1 January	119 244	104 372	52 059	44 018
Increase or decrease via income statement	-618	22 249	886	3 759
Increase or decrease via OCI	1 175	2 648	6 049	-1 300
New consolidations	66	1 002	478	–
Deconsolidations	–	-9 992	–	-13 966
Exchange gains and losses	1 384	-3 726	1 425	-1 118
Change in set-off of assets and liabilities	-16 880	4 226	-16 880	4 226
As at 31 December	**104 372**	**120 779**	**44 018**	**35 618**

Recognized deferred tax assets and liabilities

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

	Assets		Liabilities		Net assets	
in thousands of €	2022	2023	2022	2023	2022	2023
Intangible assets	27 602	22 564	12 242	12 350	15 361	10 214
Property, plant and equipment	41 134	43 008	55 369	43 872	-14 234	-864
Financial assets	102	64	31 778	25 601	-31 676	-25 537
Inventories	11 925	8 247	14 756	12 911	-2 831	-4 664
Receivables	4 282	1 348	719	3 228	3 563	-1 881
Other current assets	1 246	537	3 049	3 312	-1 802	-2 775
Employee benefit obligations	20 175	19 519	280	799	19 894	18 720
Other provisions	3 393	2 830	198	5 134	3 195	-2 303
Other liabilities	40 566	36 344	9 514	8 071	31 052	28 273
Tax deductible losses carried forward, tax credits and recoverable income taxes	37 832	65 979	–	–	37 832	65 979
Tax assets / liabilities	**188 258**	**200 439**	**127 904**	**115 278**	**60 355**	**85 161**
Set-off of assets and liabilities	-83 886	-79 660	-83 886	-79 660	–	–
Net tax assets / liabilities	**104 372**	**120 779**	**44 018**	**35 618**	**60 355**	**85 161**

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.

The increase in deferred tax assets linked to tax deductible losses mainly related to the recognition of older previously unrecognized off balance sheet losses in Belgium and US. These losses are deemed recoverable given the improvement of future taxable income.

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

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**

2023

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	15 361	-4 946	–	31	-232	10 214
Property, plant and equipment	-14 234	1 884	–	12 494	-1 007	-864
Financial assets	-31 676	2 998	1 516	1 570	55	-25 537
Inventories	-2 831	1 627		-3 774	313	-4 664
Receivables	3 563	-3 936		-1 565	58	-1 881
Other current assets	-1 802	-840		43	-175	-2 775
Employee benefit obligations	19 894	582	2 411	-3 579	-589	18 720
Other provisions	3 195	-5 465	21	-6	-48	-2 303
Other liabilities	31 052	-1 307		-1 051	-422	28 273
Tax deductible losses carried forward, tax credits and recoverable income taxes	37 832	27 894		813	-560	65 979
Total	**60 355**	**18 490**	**3 948**	**4 976**	**-2 607**	**85 161**

Deferred taxes related to other comprehensive income (OCI)

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**

2023

in thousands of €	Before tax	Tax impact	After tax
Exchange differences	-30 813	–	-30 813
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI	-2 822	–	-2 822
Remeasurement gains and losses on defined-benefit plans	-15 000	3 948	-11 052
Share of OCI of joint ventures and associates	-129	44	-85
Total	**-48 765**	**3 992**	**-44 773**

Unrecognized deferred tax assets

Deferred tax assets, related to deductible temporary differences, have not been recognized for a gross amount of € 174.0 million (2022: € 208.2 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.

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**

2023

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*	–	–	–	*63 216*	*63 216*
	Allowance	–	–	–	*-63 216*	*-63 216*
	Net balance	–	–	–	–	–
Trade losses	*Gross value*	*26 371*	*79 299*	*37 148*	*707 849*	*850 667*
	Allowance	*-25 215*	*-78 337*	*-36 658*	*-433 166*	*-573 376*
	Net balance	1 156	962	490	274 683	277 291
Tax credits	*Gross value*	–	–	–	*12 785*	*12 785*
	Allowance	–	–	–	*-2 941*	*-2 941*
	Net balance	–	–	–	9 844	9 844
Total	**Gross value**	**26 371**	**79 299**	**37 148**	**783 850**	**926 668**
	Allowance	**-25 215**	**-78 337**	**-36 658**	**-499 322**	**-639 532**
	Net balance	**1 156**	**962**	**490**	**284 528**	**287 136**

The net deferred tax assets corresponding to these base amounts were € 66.0 million in 2023 (2022: € 37.8 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 tax cash-out for the entity concerned.

Capital losses, trade losses and tax credits by country

2023

in thousands of €	Capital losses	Trade losses	Tax credits	Total
Australia	2 984	–	30	3 014
Belgium	–	295 060	–	295 060
Brazil	–	11 668	–	11 668
Canada	–	39 896	–	39 896
Chile	–	10 519	–	10 519
China	–	84 422	–	84 422
Costa Rica	–	4 242	–	4 242
Germany	–	114 813	–	114 813
Guatemala	–	152	–	152
Hong Kong	–	1 728	–	1 728
India	–	1 711	–	1 711
Indonesia	–	3 116	–	3 116
Italy	–	23 707	–	23 707
Malaysia	18 548	5 823	2 941	27 311
New Zealand	–	650	–	650
Norway	–	19 065	–	19 065
Spain	–	44 474	–	44 474
Turkey	–	1 156	–	1 156
United Kingdom	11 246	78 093	9 815	99 154
United States	30 438	94 496	–	124 934
Venezuela	–	691	–	691
Vietnam	–	15 183	–	15 183
Total	**63 216**	**850 667**	**12 785**	**926 668**

6.8. Operating working capital

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 (2023: decrease of outstanding payables by € 3.3 million (2022: increase of outstanding payables by € 0.4 million)).*

2023

in thousands of €	As at 1 January	Organic increase or decrease [1]	Write-downs and write-down reversals	New consolidations	Deconsolidations	Exchange gains and losses	Other	As at 31 December
Raw materials	*214 673*	*-53 052*	*-719*	–	*-43 626*	*-2 210*	*388*	*115 453*
Consumables and spare parts	*119 696*	*-2 067*	*-4 534*	–	*-6 107*	*-3 487*	–	*103 502*
Work in progress	*181 834*	*-18 603*	*-1 537*	–	*-6 540*	*-3 969*	–	*151 185*
Finished goods	*351 445*	*-28 449*	*-645*	–	*-19 899*	*-6 459*	*-388*	*295 606*
Goods purchased for resale	*275 448*	*-50 357*	*567*	–	*-100 017*	*-2 882*		*122 760*
Inventories	1 143 096	-152 528	-6 868	–	-176 188	-19 006	–	788 506
Trade receivables	730 786	-74 554	1 673	78	-84 625	-20 368	–	552 989
Bills of exchange received	39 764	23 967	–	–	-5 477	-2 747	–	55 507
Advances paid	14 547	15 611	-102	–	-799	-545	–	28 712
Trade payables	-921 113	184 483	–	-568	84 151	20 096	–	-632 950
Advances received	-24 097	4 631	–	–	1 205	326	–	-17 935
Remuneration and social security payables	-122 300	-12 226	–	-32	7 490	2 275		-124 793
Employment-related taxes	-10 810	1 778	–	–	76	80	–	-8 876
Operating working capital	**849 872**	**-8 837**	**-5 296**	**-522**	**-174 168**	**-19 888**	**–**	**641 161**

[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 (2023: decrease of outstanding payables by € 3.3 million (2022: increase of outstanding payables by € 0.4 million)).*

The average working capital, weighted by the number of periods that an entity has contributed to the consolidated result, represented 15.2% of sales (2022: 13.5%).

- Inventories
  The inventories decreased significantly (€ -354.6 million from year-end last year of which € -176.2 million due to the sale of the Steel Wire Solutions in Chile and Peru, the rest was due to organic decreases and currency effects). The cost of sales included expenses related to transport and handling of finished goods amounting to € 193.9 million (2022: € 303.5 million), which have never been capitalized in inventories. Movements in inventories in 2023 included write-downs of € -42.4 million (2022: € -46.8 million) and reversals of write-downs of € 35.5 million (2022: € 33.7 million). Similar as in 2022, in 2023, no inventories were pledged as security for liabilities.
- Trade receivables and bills of exchange received
  The trade receivables and bills of exchange received decreased by € -162.1 million from year-end last year of which € -90.1 million due to the sale of the Steel Wire Solutions in Chile and Peru. The carrying amount of the trade receivables involved in the factoring program amounted to € 231.5 million (2022: € 267.5 million). The rest of the decrease related to organic decreases and currency effects.

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 €	2022	2023
Gross amount	810 441	638 165
Allowance for bad debts (impaired)	-39 891	-29 669
specific allowance for bad debts	*-36 034*	*-26 882*
ECL allowance IFRS 9 for bad debts	*-3 857*	*-2 787*
Net carrying amount	770 550	608 497

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

Allowance for bad debt

in thousands of €	2022	2023
As at 1 January	-41 899	-39 891
Losses recognized in current year	-6 029	-3 570
Losses recognized in prior years - amounts used	1 138	1 359
Losses recognized in prior years - reversal of amounts not used	6 935	3 884
Deconsolidations	–	7 052
Exchange gains and losses (-)	-36	1 498
As at 31 December	**-39 891**	**-29 669**

In accordance with the IFRS 9 ‘expected credit loss’ model for financial assets, a ECL allowance IFRS 9 is made for trade receivables to cover the unknown bad debt risk at each reporting date. This ECL allowance IFRS 9 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 7.3. ‘Financial risk management and financial derivatives’.

Trade payables decreased significantly (€ -288.2 million), mainly as a result of the organic evolution and the disposal of the Steel Wire solutions in Chile and Peru (€ -84.2 million).

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 2023, the outstanding trade payables linked to supply chain finance models amounted to € 50.7 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 €	2022	2023
As at 1 January	157 005	151 426
Increase or decrease	-11 312	-13 007
Write-downs (-) and write-down reversals	1 134	-1
New consolidations	197	103
Deconsolidations	–	-38 179
Exchange gains and losses	4 402	2 747
As at 31 December	**151 426**	**103 089**

Other receivables mainly related to income taxes (€ 37.8 million (2022: € 59.8 million)), VAT and other taxes (€ 56.4 million (2022: € 75.0 million)), loans to employees (€ 1.7 million (2022: € 3.3 million)) and dividends from joint ventures (€ 4.3 million (2022: € 5.9 million)). See also note 6.21. ’Tax positions’. Write-downs of other receivables are included in note 5.5. ‘Other financial income and expense’. The deconsolidated other receivables in 2023 related to the disposal of the Steel Wire Solutions businesses in Chile and Peru. See also note 7.2 'Effect of business combinations and business disposals'.

6.10. Cash & cash equivalents and short term deposits

Carrying amount

in thousands of €	2022	2023
Cash & cash equivalents	728 095	631 687
Short-term deposits	4 766	1 238

The cash balance within the Russian entity amounts to € 4.6 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 €	2022	2023
Financial receivables and cash guarantees	6 352	1 575
Advances paid	14 547	28 712
Derivatives (cf.note 7.3.)	5 694	1 034
Deferred charges and accrued income	28 948	18 231
As at 31 December	**55 541**	**49 553**

The financial receivables and cash guarantees of 2022 included a receivable related to the disposal of the majority stake in the rubber reinforcement plant Sumaré (Brazil) in 2017 (€ 3.8 million) which was settled in 2023 (see note 7.2. Effect of business combinations and business disposals). The accrued interest revenues amounted to € 1.0 million (2022: €0.6 million). The cash guarantees amounted to € 0.6 million (2022: € 1.1 million).

The main increase of advances paid in the context of large capex projects and advance payments for deliveries of wire rod could be found in the UK and Belgium.

The deferred charges and accrued income of 2022 included 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 €	2022	2023
As at 1 January	1 803	760
Increases and decreases (-)	-1 063	11 586
Exchange gains and losses	20	-9
As at 31 December	**760**	**12 337**

in thousands of €	2022	2023
Property, plant and equipment	760	12 337
Total assets classified as held for sale	**760**	**12 337**
Total liabilities associated with assets classified as held for sale	**–**	**–**

The change in assets classified as held for sale included the removal from held for sale of the property in Ingelmunster (Belgium) due to ongoing litigation (€ -0.5 million) and the classification as held for sale of 2 properties in Deerlijk (Belgium) due to imminent sale (€ 3.0 million) (see also note 6.20 Other current liabilities), together with the building and land of Bridon International GmbH (Germany) (€ 4.1 million) and the building of Bekaert Figline SpA (Italy) (€ 5.0 million).

At half year 2023 in the press release the Steel Wire Solutions businesses in Chile and Peru were still classified as held for sale. However, at 31 December 2023 this is no longer the case as the businesses have been disposed in the second half of the year. See also note 7.2. 'Effect of business combinations and business disposals'.

As at 31 December 2023, 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

Issued capital		2022		2023	
in thousands of €		Nominal value	Number of shares	Nominal value	Number of shares
1	As at 1 January	177 922	60 452 261	173 737	59 029 252
	Movements in the year				
	Issue of new shares	*80*	*26 400*	–	–
	Cancellation of shares	*-4 266*	*-1 449 409*	*-12 592*	*-4 279 078*
	As at 31 December	173 737	59 029 252	161 145	54 750 174
2	Structure				
2.1	Classes of ordinary shares				
	Ordinary shares without par value	*173 737*	*59 029 252*	*161 145*	*54 750 174*
2.2	Registered shares		22 870 686		22 256 305
	Dematerialized shares		36 158 566		32 493 869
	Authorized capital not issued	**177 793**		**177 792**	

On 31 December 2022, the Company held 4 380 475 own shares. Between 1 January 2023 and 31 December 2023, a total of 413 581 shares were exercised under Stock Option Plan 2010-2014 and Stock Option Plan 2015-2017. Bekaert sold 4 742 shares to members of the BGE in the framework of the Bekaert personal shareholding requirement and transferred 3 496 shares to members of the BGE under the share-matching plan. A total of 11 202 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 213 317 shares were disposed of following the vesting of 213 317 performance share units under the performance share plan.

Between 1 January 2023 and 31 December 2023, Bekaert bought back 2 712 858 shares in total and cancelled 4 279 078 shares leading to a capital decrease of € 12 593 327. After each capital decrease, the capital was rounded up through a small capital increase without the issue of new shares (by € 1 327 in total and within the framework of the authorized capital). Including the transactions under the liquidity agreement with Kepler Cheuvreux which expired in September 2023, the balance of own shares held by the Company on 31 December 2023 was 2 156 137 (3.94% of the total share capital).

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 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		
29.03.2013	28.05.2013	21.450	260 000	260 000	–	–	End Feb. - 09.04.2017	End Feb. - 28.03.2023
19.12.2013	17.02.2014	25.380	373 450	371 050	2 400	–	End Feb. - 09.04.2017	Mid Nov. - 18.12.2023
18.12.2014	16.02.2015	26.055	349 810	329 200	18 510	2 100	End Feb. - 08.04.2018	Mid Nov. - 17.12.2024
			983 260	**960 250**	**20 910**	**2 100**		

Overview of SOP 2015-2017 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options: Granted	Exercised	Forfeited	Outstanding	First exercise period	Last exercise period
17.12.2015	15.02.2016	26.375	227 250	173 750	28 250	25 250	End Feb. - 07.04.2019	Mid Nov. - 16.12.2025
15.12.2016	13.02.2017	39.426	273 325	94 775	54 125	124 425	End Feb. - 12.04.2020	Mid Nov. - 14.12.2026
21.12.2017	20.02.2018	34.600	225 475	150 750	8 375	66 350	End Feb. - 11.04.2021	Mid Nov. - 20.12.2027
			726 050	**419 275**	**90 750**	**216 025**		

	2022		2023	
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	26 400	28.335	–	–
Exercised during the year	-26 400	28.335	–	–
Outstanding as at 31 December	**–**	**28.335**	**–**	**–**

	2022		2023	
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	300 600	24.300	191 800	24.300
Exercised during the year	-108 800	22.548	-189 700	25.285
Outstanding as at 31 December	**191 800**	**24.300**	**2 100**	**26.055**

	2022		2023	
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	469 156	35.198	447 656	35.198
Exercised during the year	-21 500	26.375	-224 631	34.738
Outstanding as at 31 December	**447 656**	**35.198**	**216 025**	**36.418**

Weighted average remaining contractual life

in years	2022	2023
SOP 2010-2014	1.5	1.0
SOP 2015-2017	4.1	3.2

The weighted average share price at the date of exercise in 2023 was € 25.29 for the SOP 2010-2014 options (2022: € 22.55), € 34.74 for the SOP 2015-2017 options (2022: € 26.38) and none for the SOP 2005-2009 subscription rights (2022: € 28.34). 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 2023, no options (2022: no options) were granted under SOP 2015-2017. No expense against equity has been recorded in 2023 (2022: 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 and 2023 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	118 316	64 584	–	31.12.2022
17.08.2020	12 580	11 867	713	–	31.12.2022
15.01.2021	144 708	–	34 057	110 651	31.12.2023
19.08.2021	15 101	–	2 039	13 062	31.12.2023
09.09.2021	7 966	–	–	7 966	31.12.2023
04.03.2022	131 407	–	25 537	105 870	31.12.2024
25.08.2022	3 209	–	238	2 971	31.12.2024
26.09.2022	12 864	–	–	12 864	31.12.2024
10.03.2023	139 141	–	10 226	128 915	31.12.2025
22.08.2023	4 843	–	–	4 843	31.12.2025
	868 615	**297 984**	**183 489**	**387 142**	

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 2023, on 10 March an offer of 139 141 equity settled performance share units and on 22 August an offer of 4 843 equity settled performance share units were made under the terms of the PSP 2022-2024 (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). The fair value of the Performance Share Units under the terms of the PSP plan is determined using a binomial pricing model (10 March 2023: € 51.81 and 22 August 2023: € 55.30 (4 March 2022: € 39.97, 25 August 2022: € 34.60 and 26 September 2022: € 27.27 (restated due to updated valuation))), since the performance conditions are both market conditions (TSR) and non-market conditions (underlying EBITDA and operational cash flow). The grant in 2023 represented a fair value of € 7.5 million (2022: € 5.7 million (restated due to updated valuation)). The Group has recorded an expense against equity of € 7.1 million in 2023 (2022: € 9.2 million).

	2022		2023	
PSP	**Number of units**	**Weighted average exercise price (in €)**	**Number of units**	**Weighted average exercise price (in €)**
Outstanding as at 1 January	473 006	26.251	389 620	29.360
Granted during the year	147 480	33.057	143 984	42.584
Delivered during the year	-167 801	23.794	-130 183	24.391
Forfeited during the year	-63 065	29.456	-16 278	39.739
Outstanding as at 31 December	**389 620**	**29.360**	**387 143**	**35.512**

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	4 554	4 558	–	31.12.2023
31.03.2022	13 757	–	1 597	12 160	31.12.2024
31.03.2023	4 742	–	–	4 742	31.12.2025
	38 377	**8 043**	**13 432**	**16 902**	

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 2023	To be matched in December 2024	To be matched in December 2025
Pricing model details - Personal Shareholding Requirement plan	**Start date March 2021**	**Start date March 2022**	**Start date March 2023**
Inputs to the model			
Share price at start date (in €)	35.68	35.48	41.60
Expected volatility	36%	37.37%	0%
Expected dividend yield	3.00%	4.89%	4.17%
Vesting period (years)	2.75	2.75	2.75
Employee exit rate	0%	0%	0%
Risk-free interest rate	-0.47%	1.27%	3.19%
Outcome of the model			
Fair value (in €)	32.99	6.48	37.02
Outstanding PSR Units	–	12 160	4 742

The matching shares to be granted represented a fair value of € 0.2 million (2022: € 0.1 million). The Group has recorded an expense against equity of € 0.2 million (2022: € 0.2 million) for the matching shares to be granted, based on their fair value and vesting period.

Number of units - PSR	2022	2023
Outstanding as at 1 January	18 878	17 342
Matched during the year	-3 489	-4 554
Forfeited during the year	-11 804	-628
Acquired during the year	13 757	4 742
Outstanding as at 31 December	**17 342**	**16 902**

Stock grant Board members

The fixed fee of the Chairman of the Board is paid 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 2023 (€ 40.02) (being 31 May 2022: € 37.58). This stock grant vested immediately and represented a fair value of € 0.4 million (2022: € 0.5 million). The Group has recorded an expense against equity of € 0.4 million (2022: € 0.5 million).

6.14. Retained earnings and other group reserves

Carrying amount

in thousands of €	2022	2023
Revaluation reserve for non-consolidated equity investments	-8 353	-11 175
Remeasurement reserve for defined-benefit plans	-12 660	-27 820
NCI put option reserve	–	-1 691
Deferred tax reserve	18 381	22 381
Other reserves	-2 631	-18 305
Cumulative translation adjustments	-93 820	-124 533
Total other Group reserves	**-96 451**	**-142 838**
Treasury shares	**-139 314**	**-76 896**
Retained earnings	**2 115 216**	**2 131 937**

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 €	2022	2023
As at 1 January	-5 986	-8 353
Fair value changes	-2 367	-2 822
As at 31 December	**-8 353**	**-11 175**
Of which		
Investment in Shougang Concord Century Holdings Ltd	-9 228	-10 541
Other investments	876	-634

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 €	2022	2023
As at 1 January	-16 790	-12 660
Remeasurements of the period	4 024	-15 038
Equity reclassification	107	-123
As at 31 December	**-12 660**	**-27 820**

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’).

NCI put option reserve
The 'NCI put option reserve' consists of a liability of € 1.7 million that has been set up at fair value versus equity, which represents the put option granted to the remaining shareholders of Flintstone Technology Ltd on their remaining non-controlling interests in that same entity. Any subsequent changes in fair value of this financial liability are recognized through income statement in accordance with IFRS.

Deferred tax reserve

in thousands of €	2022	2023
As at 1 January	23 464	18 381
Deferred taxes relating to other comprehensive income	-5 083	4 000
As at 31 December	**18 381**	**22 381**

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 €	2022	2023
As at 1 January	-137 127	-93 820
Exchange differences on dividends declared	13 250	-2 328
Recycled to income statement - relating to disposed entities or liquidations	–	8 570
Movements arising from exchange rate fluctuations	30 057	-36 955
As at 31 December	**-93 820**	**-124 533**
Of which relating to entities with following functional currencies		
Chinese renminbi	*133 695*	*97 682*
US dollar	*54 214*	*31 605*
Brazilian real	*-191 871*	*-178 881*
Chilean peso	*-22 760*	*-8 540*
Venezuelan bolivar soberano [1]	*-59 691*	*-59 691*
Indian rupee	*-10 725*	*-13 679*
Czech koruna	*12 711*	*11 456*
British pound	*-9 931*	*-5 664*
Russian ruble	*-208*	*5 231*
Romanian leu	*-4 002*	*-4 249*
Other currencies	*4 748*	*197*

[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.*

The volatility 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 €	2022	2023
As at 1 January	-95 517	-139 314
Shares purchased	-125 905	-120 552
Shares sold	35 707	29 840
Price difference on shares sold	-5 172	-6 824
Cancellations	51 573	159 953
As at 31 December	**-139 314**	**-76 896**

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 2023 a total of 2 888 601 additional shares were bought back including the transactions exercised under the liquidity agreement with Kepler Cheuvreux (2022: 3 749 238). A total of 4 279 078 were cancelled. A total of 833 861 treasury shares were sold to the beneficiaries of the share-based payment plans of the Group and under the liquidity agreement with Kepler Cheuvreux (2022: 1 064 800). 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	2022	2023
As at 1 January (as reported)		1 981 876	2 115 216
Equity-settled share-based payments	–	-6 813	-8 919
Result for the period attributable to equity holders of Bekaert		268 859	254 619
Dividends		-86 463	-88 564
Equity reclassification		-107	122
Treasury shares transactions	6.13	-42 136	-140 536
As at 31 December		**2 115 216**	**2 131 937**

Treasury shares transactions (€ -140.5 million vs € -42.1 million in 2022) represented the difference between the proceeds and the FIFO book value of the shares that were sold and cancelled.

6.15. Non-controlling interests

Carrying amount

in thousands of €	2022	2023
As at 1 January	130 971	136 850
Changes in Group structure	–	-76 995
Share of the result for the period	20 457	-1 738
Share of other comprehensive income excluding CTA	-396	-99
Dividend pay-out	-19 763	-4 754
Exchange gains and losses (-)	5 581	-100
As at 31 December	**136 850**	**53 164**

The changes in Group structure mainly related to the disposal of the Steel Wire Solutions businesses in Chile and Peru in 2023. See also note 7.2. 'Effect of business combinations and business disposals'. And to a much lesser extend also the disposal of the Group's share in Agro-Bekaert Colombia and Agro - Bekaert Springs in Spain, offset in part by the minority interest related to the acquisition of Flintstone Technology Ltd (UK) .

The share in the result of the period for entities in which NCI are held, declined significantly. The main contributing entities were located in China.

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 several 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, which were divested in 2023 and where the non-controlling interests were mainly held by the Chilean partners, and (2) the SWS entities in the 'Andina' (Andean) 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**	**2022**	**2023**
SWS entities Chile and Peru			
Acma SA	Chile	48.0%	0.0%
Acmanet SA	Chile	48.0%	0.0%
Industrias Acmanet Ltda	Chile	48.0%	0.0%
Industrias Chilenas de Alambre - Inchalam SA	Chile	48.0%	0.0%
Sujetar del Peru SAC	Peru	62.5%	0.0%
Procercos SA	Chile	48.0%	0.0%
Prodalam SA	Chile	48.0%	0.0%
Prodicom Selva SAC	Peru	62.5%	0.0%
Prodimin SAC	Peru	62.5%	0.0%
Prodac Contrata SAC	Peru	62.5%	0.0%
Productos de Acero Cassadó SA	Peru	62.5%	0.0%
SWS entities Andina region			
Agro-Bekaert Colombia SAS	Colombia	60.0%	0.0%
Agro - Bekaert Springs, SL	Spain	60.0%	0.0%
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 steel wire and steel 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 €	**2022**	**2023**	**2022**	**2023**
SWS entities Chile and Peru	15 733	–	105 814	–
SWS entities Andina region	2 711	-243	22 421	22 451
Consolidation adjustments on material NCI	228	-176	-27 316	319
Contribution of material NCI to consolidated NCI	18 672	-419	100 919	22 770
Other NCI	1 785	-1 319	35 931	30 394
Total consolidated NCI	20 457	-1 738	136 850	53 164

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

SWS entities Chile and Peru	
in thousands of €	**2022**
Current assets	339 103
Non-current assets	130 920
Current liabilities	224 591
Non-current liabilities	42 767
Equity attributable to equity holders of Bekaert	**96 852**
Equity attributable to NCI	**105 814**

SWS entities Chile and Peru

in thousands of €	2022
Sales	681 733
Expenses	-650 307
Result for the period	31 426
Result for the period attributable to equity holders of Bekaert	15 693
Result for the period attributable to NCI	15 733
Other comprehensive income for the period	11 354
OCI attributable to equity holders of Bekaert	5 512
OCI attributable to NCI	5 842
Total comprehensive income for the period	42 780
Total comprehensive income attributable to equity holders of Bekaert	21 205
Total comprehensive income attributable to NCI	21 575
Dividends paid to NCI	-17 588
Net cash inflow (outflow) from operating activities	9 166
Net cash inflow (outflow) from investing activities	-13 344
Net cash inflow (outflow) from financing activities	-26 881
Net cash inflow (outflow)	-31 059

As the Steel Wire Solutions businesses in Chile and Peru were divested in 2023, they no longer contributed to the non-controlling interests at 31 December 2023. See also note 7.2. 'Effect of business combinations and business disposals'.

SWS entities Andina region

in thousands of €	2022	2023
Current assets	117 430	91 293
Non-current assets	51 291	53 205
Current liabilities	111 249	84 170
Non-current liabilities	10 028	9 572
Equity attributable to equity holders of Bekaert	**25 023**	**28 304**
Equity attributable to NCI	**22 421**	**22 451**

SWS entities Andina region

in thousands of €	2022	2023
Sales	276 074	227 279
Expenses	-270 266	-228 613
Result for the period	5 808	-1 334
Result for the period attributable to equity holders of Bekaert	3 098	-1 090
Result for the period attributable to NCI	2 711	-243
Other comprehensive income for the period	864	1 773
OCI attributable to equity holders of Bekaert	893	458
OCI attributable to NCI	-29	1 315
Total comprehensive income for the period	6 673	439
Total comprehensive income attributable to equity holders of Bekaert	3 991	-632
Total comprehensive income attributable to NCI	2 682	1 072
Dividends paid to NCI	-2 078	-1 646
Net cash inflow (outflow) from operating activities	-32 320	22 351
Net cash inflow (outflow) from investing activities	-5 829	-6 040
Net cash inflow (outflow) from financing activities	26 195	-18 124
Net cash inflow (outflow)	-11 954	-1 813

Sales in 2023 were 17.7% lower compared to last year. Due to a smaller decrease in cost of sales, the underlying EBIT margin on sales deteriorated from 5.9% last year to 4.7% this year. Decreased net working capital partly offset by a decrease in EBITDA increased the cash flow from operating activities, resulting in a decrease of the net debt position.

The situation of 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, enabling invoicing to customers in that currency. Its cash & cash equivalents and short-term deposits amounted to € 0.2 million at 31 December 2023 (compared to € 0.5 million at 31 December 2022).

6.16. Employee benefit obligations

The total net liabilities for employee benefit obligations, which amounted to € 186.4 million as at 31 December 2023 (€ 197.9 million as at year-end 2022), are as follows:

in thousands of €	2022	2023
Liabilities for		
Post-employment defined-benefit plans	65 960	55 080
Other long-term employee benefits	4 783	5 696
Cash-settled share-based payment employee benefits	6 042	4 590
Short-term employee benefits	122 300	124 793
Termination benefits	11 019	7 216
Total liabilities in the balance sheet	**210 104**	**197 375**
of which		
Non-current liabilities	68 037	57 107
Current liabilities	142 068	140 269
Assets for		
Defined-benefit pension plans	-12 243	-11 019
Total assets in the balance sheet	**-12 243**	**-11 019**
Total net liabilities	**197 862**	**186 356**

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 € 1.0 million (2022: € 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 105.5% at 31 December 2023 (2022: 106.8%). There is no obligation for participating companies to fund any deficit of PMT (nor to receive any surplus).

Defined-contribution plans

in thousands of €	2022	2023
Expenses recognized	15 417	15 599

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 2023 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 89.2% (2022: 85.9%) of the Group's defined-benefit obligations and 99.4% (2022: 99.5%) 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 € 185.6 million (2022: € 173.5 million) and € 192.9 million assets (2022: € 182.9 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).

The unfunded plans at year-end 2023 included retirement farewell premiums representing a defined-benefit obligation of € 0.9 million (2022: € 6.3 million). The decrease versus last year is explained by the reclassification of provisions for pre-retirement from 'Post Employment' to 'Termination' considering the significant decrease in new pre-pensioners claiming this benefit. This has lead to a liability transfer of € 1.5 million out of 'Post-Employment' into 'Termination' linked with retirement pension in payment and a negative past service cost linked with reversal of € 3.8 million for active employees who did not yet sign the pre-retirement agreement.

<u>**Plans in the United States**</u>

The funded plans in the United States mainly related to pension plans representing a defined-benefit obligation of € 96.1 million (2022: € 102.8 million) and assets of € 87.3 million (2022: € 99.1 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. During 2023, terminated vested participants were offered a lump sum settlement option; leading to a settlement income of € 0.4 million (i.e. the difference between cash outflow of € 3.8 million and € 4.2 million reduction in liabilities).

Unfunded plans included medical care plans (defined-benefit obligation € 2.0 million (2022: € 2.0 million)).

<u>**Plans in the United Kingdom**</u>

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 € 55.4 million (2022: € 52.5 million) and assets of € 59.4 million (2022: € 59.9 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 60% of the liabilities are attributable to deferred vested members and 40% to pensioners (2022: 28% pensioners).

There is uncertainty about whether the 16 June 2023 ruling in the Virgin Media vs NTL Pension Trustees Limited (and others) case will affect the defined benefit obligation of the scheme. The above judgement has been appealed to the Court of Appeal and the hearing is set for June 2024. The possible implications for the Scheme have not been fully investigated in detail at this stage considering the efforts to gather the relevant information and the uncertainty on the outcome of the appeal.

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. The funding valuation as at 31 December 2022 will be finalized in the first quarter of 2024.

Administration costs are reported separately from IAS 19.

The amounts recognized in the balance sheet are as follows:

in thousands of €	2022	2023
Belgium		
Present value of funded obligations	173 519	185 581
Fair value of plan assets	-182 880	-192 972
Deficit / surplus (-) of funded obligations	**-9 361**	**-7 391**
Present value of unfunded obligations	6 264	963
Total deficit / surplus (-) of obligations	**-3 097**	**-6 428**
United States		
Present value of funded obligations	102 803	96 065
Fair value of plan assets	-99 106	-87 268
Deficit / surplus (-) of funded obligations	**3 697**	**8 797**
Present value of unfunded obligations	6 207	6 089
Total deficit / surplus (-) of obligations	**9 904**	**14 886**
United Kingdom		
Present value of funded obligations	52 464	55 369
Fair value of plan assets	-59 908	-59 471
Deficit / surplus (-) of funded obligations	**-7 444**	**-4 102**
Present value of unfunded obligations	–	–
Total deficit / surplus (-) of obligations	**-7 444**	**-4 102**
Other		
Present value of funded obligations	3 103	3 644
Fair value of plan assets	-1 830	-2 089
Deficit / surplus (-) of funded obligations	**1 273**	**1 555**
Present value of unfunded obligations	53 081	38 150
Total deficit / surplus (-) of obligations	**54 354**	**39 705**
Total		
Present value of funded obligations	331 889	340 659
Fair value of plan assets	-343 724	-341 800
Deficit / surplus (-) of funded obligations	**-11 835**	**-1 141**
Present value of unfunded obligations	65 552	45 202
Total deficit / surplus (-) of obligations	**53 717**	**44 061**

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 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			*1 884*
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	-19 430
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**

in thousands of €	Defined-benefit obligation	Plan assets	Net liability / asset (-)
As at 1 January 2023	**397 441**	**-343 724**	**53 717**
Current service cost	13 093	–	13 093
Past service cost	2 733	–	2 733
Gains (-) / losses from settlements	-8 589	6 339	-2 250
Interest expense / income (-)	16 694	-15 020	1 674
Net benefit expense / income (-) recognized in profit and loss	**23 931**	**-8 681**	**15 250**
Components recognized in EBIT			*13 576*
Components recognized in financial result			*1 674*
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / income (-)	–	*-5 305*	*-5 305*
Gain (-) / loss from change in demographic assumptions	*-334*	–	*-334*
Gain (-) / loss from change in financial assumptions	*7 917*	–	*7 917*
Experience gains (-) / losses	*12 722*	–	*12 722*
Changes recognized in equity	**20 305**	**-5 305**	**15 000**
Contributions			
Employer contributions / direct benefit payments	–	-17 590	-17 590
Employee contributions	79	-79	–
Payments from plans			
Benefit payments	-31 467	31 467	–
Reclassifications	-1 516	–	**-1 516**
Disposals	*-15 107*	–	**-15 107**
Foreign-currency translation effect	**-7 805**	**2 112**	**-5 693**
As at 31 December 2023	**385 861**	**-341 800**	**44 061**

The divestment of the Steel Wire Solutions business in Chile and Peru has led to a decrease of € 15.1 million in liabilities.

Gains and losses from settlements in 2023 mainly related to the lump sum offer for terminated vested participants in US, the early retirement wave in Turkey driven by less stringent eligibility requirements for state pension published in 2023 and settlement payments in Indonesia and India linked to restructurings.

Past service cost was driven by the restructuring in Indonesia leading to enhanced benefits, and the recognition of past service in Turkey upon permanent recruitment of temporary workforce and first time valuation of retirement farewell premium. This was offset by a negative past service cost in Belgium related to the reclassification of pre-retirement schemes from 'Post Employment' to 'Termination'.

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 2023 to € 15 million and were driven by € 5.3 million gain on plan assets reflecting positive asset return, offset by € 20.3 million losses in defined benefit obligation. The latter can be broken down into € 7.9 million loss due to changes in financial assumptions reflecting decreased discount rates, € 0.3 million gain due to changes in demographic assumptions and € 12.7 million loss in liabilities due to experience adjustments.

Reimbursement rights arising from reinsurance contracts covering retirement pensions, death and disability benefits in Germany amounted to less than € 0.1 million (2022: less than € 0.1 million).

Estimated contributions and direct benefit payments for 2024 are as follows:

Estimated contributions and direct benefit payments

in thousands of €	**2024**
Pension plans	17 112

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

in thousands of €	2022	2023
Belgium		
Bonds	**53 018**	**57 563**
Equity	**69 047**	**75 714**
Cash	**3 000**	**2 463**
Insurance contracts	**57 815**	**57 232**
Total Belgium	**182 880**	**192 972**
United States		
Bonds		
USD Long Duration Bonds	29 060	34 810
USD Fixed Income	4 817	15 065
USD Guaranteed Deposit	4 235	4 771
Equity		
USD Equity	38 372	11 606
Non-USD Equity	17 970	7 296
Real estate	4 652	13 720
Total United States	**99 106**	**87 268**
United Kingdom		
Bonds	**16 009**	**12 622**
Derivatives	**37 015**	**40 213**
Equity	**5 677**	**6 208**
Cash	**1 207**	**428**
Total United Kingdom	**59 908**	**59 471**
Other		
Bonds	**1 830**	**2 089**
Total Other	**1 830**	**2 089**
Total	**343 724**	**341 800**

In the US, 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	2022	2023
Discount rate	4.7%	4.4%
Future salary increases	3.7%	3.9%
Underlying inflation rate	2.8%	2.9%
Health care cost increases (initial)	7.5%	7.3%
Health care cost increases (ultimate)	5.0%	5.0%
Health care (years to ultimate rate)	10	9

The discount rate for the UK, the US, 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	2022	2023
Belgium	3.8%	3.2%
United States	5.3%	5.0%
United Kingdom	5.0%	4.7%
Other	6.3%	8.0%

This resulted into the following inflation rates:

Inflation rates	2022	2023
Belgium	2.2%	2.2%
United States	N/A	N/A
United Kingdom	3.3%	3.2%
Other	4.8%	6.9%
Total	**2.8%**	**2.9%**

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.

	2022	2023
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	22.7	22.8
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	23.6

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	17 045	4.4%
Salary growth rate	0.50%	Increase by	3 879	1.0%
Health care cost	0.50%	Increase by	79	0.02%
Life expectancy	1 year	Increase by	4 894	1.3%

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	2022	2023
Belgium	10.0	11.2
United States	9.5	8.5
United Kingdom	16.5	15.4
Other	9.7	9.2
Total	**10.7**	**10.9**

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: € 46.52 (2022: € 36.28), expected volatility in a range between 21% and 34% (2022: 31%-37%), expected dividend yield in a range between 3.6% and 4.0% (2022: 4.3%-4.6%), 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 2022	Fair value as at 31 December 2023
Grant 2014	36 800	25.66	11.17	–
Grant 2015	40 200	25.45	11.68	21.07
Grant 2016	20 250	28.38	11.33	18.27
Grant 2017	26 375	38.86	7.35	10.79
Grant 2018	16 875	37.06	8.95	14.12

Other SAR Plans details by grant

in €	Granted	Exercise price	Fair value as at 31 December 2022	Fair value as at 31 December 2023
Grant 2014	54 800	25.38	11.39	–
Grant 2015	44 700	26.06	11.24	20.47
Grant 2016	38 500	26.38	12.42	20.15
Grant 2017	53 000	39.43	7.35	10.79
Grant 2018	37 500	34.60	9.74	15.39

At 31 December 2023, the total liability for the US SAR plan amounted to € 0.2 million (2022: € 0.3 million), while the total liability for the other SAR plans amounted to € 0.1 million (2022: € 0.5 million).

The Group recorded a total income of € 0.0 million (2022: income of € 0.1 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 is equal to the share price at balance sheet date for the grants with only non-market performance conditions (Underlying EBITDA and operational cash flow). The fair value of grants with market conditions (TSR) is recalculated at balance sheet data using the same binomial pricing model as for the equity-settled share-based payments (see note 6.12. 'Ordinary shares, treasury shares and equity settled share based payments').

Performance Share Units details by grant

in €	Granted	Fair value as at 31 December 2022	Fair value as at 31 December 2023
Grant 2021	4 567	36.28	46.52
Grant 2022	24 832	36.28	61.89
Grant 2023	32 511	–	58.61

At 31 December 2023, the total liability for the US PSUs amounted to € 1.2 million (2022: € 1.6 million), while the total liability for the other PSUs amounted to € 3.1 million (2022: € 3.7 million).

The Group recorded a total cost of € 2.8 million (2022: cost of € 2.2 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.

6.17. Provisions

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

in thousands of €	Restructuring	Claims	Environment	Other	Total
As at 1 January 2023	**30**	**5 565**	**20 053**	**8 430**	**34 079**
Additional provisions	2 771	7 030	3 597	684	14 082
Unutilized amounts released	-775	-2 966	-744	-4 381	-8 866
Increase in present value	–	–	–	–	–
Charged to the income statement	**1 996**	**4 064**	**2 853**	**-3 697**	**5 216**
Amounts utilized during the year	-1 707	-3 482	-3 129	-672	-8 989
Deconsolidations	–	–	-24	–	-24
Exchange gains (-) and losses	–	-71	-21	-51	-143
As at 31 December 2023	**319**	**6 077**	**19 733**	**4 010**	**30 138**
Of which					
current	–	3 356	704	283	4 344
non-current - between 1 and 5 years	319	2 721	8 128	3 651	14 818
non-current - more than 5 years	–	–	10 900	76	10 976

Provisions for claims mainly related to product warranty programs (in China) and various product quality claims in several entities, mainly in China, US and EMEA. The increase in 2023 is related to a higher amount of quality claims in US and China and 1 claim in Turkey regarding personnel related matters.

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, partially offset by the utilization and release of environmental provisions linked to sites in Italy, Belgium, and the UK.
The provision in Indonesia with regards to customs and VAT cases in 2022, has been released in 2023.

6.18. Interest-bearing debt

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

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*
Convertible bonds	*–*	*–*	*–*	*–*
Total financial debt	**500 588**	**715 011**	**20 397**	**1 235 996**

2023

in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
Lease liability	*21 570*	*44 264*	*20 876*	*86 710*
Cash guarantees received	*–*	*146*	*15*	*160*
Credit institutions	*230 713*	*50 000*	*–*	*280 713*
Schuldschein loans	*–*	*131 352*	*–*	*131 352*
Bonds	*–*	*400 000*	*–*	*400 000*
Total financial debt	**252 283**	**625 761**	**20 890**	**898 934**

The debt position of 2022 as shown above includes the Steel Wire Solution businesses in Chile and Peru.

An analysis of the undiscounted outflows relating to the Group's financial liabilities by contractual maturity is presented in note 7.3. 'Financial risk management and financial derivatives'. The financial debt due within one year decreased with € 248.3 million mainly due to repayments of the Schuldschein loans which took place in June 2023.

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 7.3. 'Financial risk management and financial derivatives'.

Net debt calculation

The net debt of 2022 contains the Steel Wire Solution businesses in Chile and Peru.

The following table summarizes the calculation of the net debt.

in thousands of €	2022	2023
Non-current interest-bearing debt	735 408	646 652
Current interest-bearing debt	500 588	252 283
Total financial debt	**1 235 996**	**898 934**
Non-current financial receivables and cash guarantees	-9 665	-10 005
Current financial receivables and cash guarantees	-6 352	-1 575
Short-term deposits	-4 766	-1 238
Cash and cash equivalents	-728 095	-631 687
Net debt	**487 118**	**254 430**

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.

Acquisitions and disposals in 2023 mainly relate to the disposal of the Steel Wire Solution businesses in Chile and Peru. Other changes in financial debt mainly related to the non-cash movements on the lease liability (€ 42.4 million) (see note 6.4. 'Right-of-use (RoU) property, plant and equipment'). The cash flows contains mainly the repayment of the Schuldschein loan which took place in June 2023. Derivatives held to hedge financial debt included swaps and options that provide (economic) hedges for interest-rate risk, see note 7.3. 'Financial risk management and financial derivatives'.

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 7.3. 'Financial risk management and financial derivatives'. The data of 2022 still include the Steel Wire Solutions businesses in Chile and Peru.

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
Other liabilities from financing activities							–
Conversion derivative	–	–	–	–	–	–	–
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.*

2023			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]	953 618	-217 332	-34 954	-644	–	42 534	743 221
Cash guarantees received	*210*	*-38*	–	*-12*	–	–	*160*
Lease liability	*77 205*	*-28 294*	*-3 932*	*-631*	–	*42 362*	*86 710*
Credit institutions	*156 023*	–	*-31 023*	–	–	–	*125 000*
Schuldschein loans	*320 179*	*-189 000*	–	–	–	*172*	*131 352*
Bonds	*400 000*	–	–	–	–	–	*400 000*
Convertible bonds	–	–	–	–	–	–	–
Short-term interest bearing debt	282 378	-36 918	-99 713	9 965	–	-1	155 713
Total financial debt	**1 235 996**	**-254 250**	**-134 667**	**9 322**	**–**	**42 533**	**898 934**
Derivatives held to hedge financial debt							
Interest-rate swaps	-7 178	–	–	–	3 818	–	-3 359
Cross-currency interest-rate swaps	-2 645	–	–	–	2 063	–	-583
Other liabilities from financing activities							
Put options of NCI	–	–	1 726	–	–	–	1 726
Total liabilities from financing activities	**1 226 173**	**-254 250**	**-132 941**	**9 322**	**5 881**	**42 533**	**896 718**

[1] *Including the current portion of non-current interest-bearing debt of € 218.1 million as at 1 January and € 96.6 million as at 31 December.*

6.19. Other non-current liabilities

Carrying amount

in thousands of €	2022	2023
Other non-current amounts payable	150	150
Derivatives (cf. note 7.3.)	–	–
Put options on NCI (cf. note 7.3.)	–	1 726
Total	**150**	**1 876**

The derivatives related to an interest-rate swap to hedge the variable interest in some of the Schuldschein loans were nil in 2023 (2022: nil). CCIRSs were also nil in 2023. (2022: nil) (see notes 6.18. 'Interest-bearing debt' and 7.3. 'Financial risk management and financial derivatives'). The put option (€ 1.7 million) is for a non-controlling interest in an investment.

6.20. Other current liabilities

Carrying amount

in thousands of €	2022	2023
Other amounts payable	14 362	3 839
Derivatives (cf. note 7.3.)	1 548	566
Advances received	24 097	17 935
Other taxes	36 940	29 574
Accruals and deferred income	11 171	8 609
Total	**88 118**	**60 523**

The decrease in 2023 of Other amounts payable was mainly due to lower outstanding dividend payable and payable relating to tax consolidation regime in Italy.

The derivatives included forward-exchange contracts (€ 0.5 million (2022: € 1.3 million)) and CCIRSs (€ 0.1 million (2022: € 0.2 million)).

The decrease in 2023 of 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. The amount of 2023 also contained an advance received relating to the sale of an office building in Belgium. The decrease due to the sale of the Steel Wire Solutions businesses in Chile and Peru amounted to € -1.2 million.

Other taxes related to VAT payable (€ 12.3 million (2022: € 10.2 million)), employment-related taxes withheld (€ 8.9 million (2022: € 10.8 million)) and other non-income taxes payable (€ 8.4 million (2022: € 15.9 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 €	2022	2023
Tax receivables	126 694	90 115
Certain tax liabilities	59 292	44 650
Uncertain tax positions	43 828	42 704

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 €	**2022**	**2023**
Operating result (EBIT)	*365 754*	*334 412*
Non-cash items added back to operating result (EBIT)	*260 729*	*188 745*
EBITDA	*626 483*	*523 157*
Other gross cash flows from operating activities	*-121 294*	*-91 841*
Gross cash flows from operating activities	*505 189*	*431 316*
Changes in operating working capital [1]	*-174 467*	*12 147*
Other operating cash flows	*9 570*	*-3 628*
Cash from operating activities	340 292	439 834
Cash from investing activities	-124 956	-40 534
Cash from financing activities	-174 398	-482 113
Net increase or decrease in cash and cash equivalents	**40 937**	**-82 813**

[1] 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 €	2022	2023
Non-cash items included in operating result (EBIT)		
Depreciation and amortization [1]	*202 795*	*177 932*
Impairment losses on assets	*57 934*	*10 814*
Non-cash items added back to operating result (EBIT)	260 729	188 745
Gains (-) and losses on business disposals (portion retained)	-474	–
Employee benefits: set-up / reversal (-) of amounts not used	*26 158*	*14 772*
Provisions: set-up / reversal (-) of amounts not used	*10 102*	*5 216*
CTA recycled on business disposals	*-555*	*8 570*
Equity-settled share-based payments	*92*	*-258*
Other non-cash items included in operating result (EBIT)	35 324	28 300
Total	**296 053**	**217 046**
Investing items included in operating result (EBIT)		
Gains (-) and losses on business disposals (portion sold)	210	-4 773
Gains (-) and losses on disposals of intangible assets + PP&E	-11 591	660
Total	**-11 381**	**-4 114**
Amounts used on provisions and employee benefit obligations		
Employee benefits: amounts used	-24 123	-27 883
Provisions: amounts used	-3 824	-8 989
Total	**-27 947**	**-36 872**
Income taxes paid		
Current income tax expense	-79 593	-80 656
Increase or decrease (-) in net income taxes payable	-37 697	1 501
Total	**-117 289**	**-79 155**
Other operating cash flows		
Movements in other receivables and payables	13 594	-3 728
Other	205	100
Total	**13 800**	**-3 628**

[1] Including € 5.3 million (2022: € 11.0 million) write-downs / (reversals of write-downs) on inventories and trade receivables (see note 6.8. Operating working capital').

Gross cash flows from operating activities decreased by € -73.9 million as a result of lower EBITDA (€ -103.3 million), a lower set-up of employee benefit obligations and provisions, a higher reversal and usage of employee benefits and provisions (€ -25.2 million), and a lower set-up for equity-settled share-based payments (€ -0.4 million). This was partially offset with a lower cash-out from income taxes paid (€ + 38.1 million), a lower adjustment for the accounting profit on investing items (€ +7.3 million) and a gain from the CTA recycling on the business disposal of SWS businesses in Chile and Peru (€ +9.1 million).

The decrease in working capital, driven by lower inventories and trade receivables, partly offset by lower trade payables, generated a cash-in for a total amount of € +12.1 million in 2023 (2022: cash-out of € -178.7 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 2023, the cash-out from income taxes was € -79.2 million. Most taxes were paid in China (€ 33.1 million), Belgium (€ 12.5 million), India (€ 6.1 million), Indonesia (€ 1.4 million), Turkey (€ 4.1 million), Slovakia (€ 4.7 million), Chile (€ 2.7 million), and Ecuador (€ 1.7 million).

Cash from investing activities

The net consideration received for the disposal of the Steel Wire Solutions businesses in Chile and Peru is presented in 'Proceeds from disposals of investments (see note 7.2. 'Effect of business combinations and business disposals').

The following table presents more details on selected investing cash flows:

Details of selected investing items

in thousands of €	2022	2023
Other portfolio investments		
New business combinations	-2 384	-5 864
Other investments	-8 613	-8 843
Total	**-10 997**	**-14 707**
Proceeds from disposals of fixed assets		
Proceeds from disposals of intangible assets	127	32
Proceeds from disposals of property, plant and equipment	2 115	14 971
Proceeds from disposals of RoU Land	7	–
Proceeds from disposals of assets classified as held for sale	891	–
Total	**3 141**	**15 003**

The other investments in 2023 relate to the investments mainly in Ionomr Innovations Inc (€ 4.6 million), Zacua Ventures Builders Fund I, LP (€ 1.1 million) and TFI Marine Nominees Ltd (€ 2.0 million). New business combinations relate to the investments in new subsidiaries in 2023 (Flintstone Technology Ltd).

Cash-outs from capital expenditure for property, plant and equipment increased from € 170.2 million in 2022 to € 191.2 million in 2023.

The proceeds from sales of fixed assets in 2023 related to sales transactions in United Kingdom. The proceeds from sales of fixed assets in 2022 related mainly to sales transactions in Belgium.

Cash from financing activities

The following table presents more details about selected financing items:

Details of selected financing items

in thousands of €	2022	2023
Other financing cash flows		
New shares issued following exercise of subscription rights	748	–
Increase (-) or decrease in current and non-current receivables	-763	-647
Increase (-) or decrease in current financial assets	75 552	3 462
Other financial income and expenses	-7 064	-14 171
Total	**68 473**	**-11 357**

New long-term debt issued was nearly nil in 2023 (2022: € 12.0 million). Repayments of long-term debt (€ -217.4 million) consists mainly of the repayment of the Schuldschein loan (€ 189.0 million) and repayment of current portion of the non-current lease liability (€ 27.4 million). Cash-outs from short-term debt amounted to € -36.9 million in 2023 (2022: cash-ins of € +67.3 million), mostly by repayment of short-term loans by the Latin American, Indonesian and Indian entities. For an overview of the movements in liabilities arising from financing activities, see note 6.18. 'Interest-bearing debt'.

In 2023 the impact of treasury share transactions amounted to € -99.4 million (2022: € -97.1 million) and mainly related to the share buy-back program.

As for other financing cash flows, there were cash-outs related to a decrease from loans and receivables (€ -0.6 million vs € -0.8 million in 2022) and cash-ins from current financial assets, mainly short-term deposits (€ 3.4 million vs € 75.6 million in 2022). Other financial income and expenses mainly related to taxes and bank charges on financial transactions (€ -14.1 million vs € -7.1 million in 2022).

7.2 Effect of business combinations and business disposals

Business disposals: disposal of the SWS businesses in Chile and Peru

On 11 November 2023, Bekaert sold its Steel Wire Solutions businesses in Chile and Peru to the partners who co-owned the business. The deal closed retroactively as from 1 January 2023.

The transaction covered the production and distribution facilities of the Steel Wire Solutions activities in Chile and Peru. These facilities manufactured, sold, and distributed steel wire products primarily for construction, agricultural fencing, mining, and industrial applications. The completed transaction included 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 has no entitlement to gains and losses from the operations of the segment since 1 January 2023, based on the terms of the SPA.

The proceeds of the other disposals related to the following transactions:

- The sale of Agro-Bekaert Colombia SAS and Agro - Bekaert Springs, SL on 4 July 2023
- The settlement of the outstanding receivable from the disposal of the majority stake in the rubber reinforcement plant in Sumaré, Brazil (€ 4.6 million before taxes)

The next table presents the net assets disposed by balance sheet caption. It also clarifies the amount shown in the consolidated cash flow statement as 'Proceeds from disposals of investments'.

in thousands of €	Disposal SWS Chile & Peru	Other disposals	Total disposals
Intangible assets	2 626	–	2 626
Property, plant and equipment	120 999	–	120 999
Investments in joint ventures	–	1 184	1 184
Other non-current assets	2 668	–	2 668
Deferred tax assets	9 992	–	9 992
Inventories	176 188	–	176 188
Trade receivables	90 103	–	90 103
Advances paid	799	–	799
Other receivables	38 179	–	38 179
Short-term deposits	–	–	–
Cash and cash equivalents	27 014	–	27 014
Other current assets	454	–	454
Non-current employee benefit obligations	-11 972	–	-11 972
Provisions	-24	–	-24
Non-current interest-bearing debt	-23 660	–	-23 660
Deferred tax liabilities	-13 966	–	-13 966
Current financial liabilities	-111 007	–	-111 007
Trade payables	-84 151	–	-84 151
Advances received	-1 205	–	-1 205
Current employee benefit obligations	-10 969	—	-10 969
Current provisions	–	—	–
Income taxes payable	-4 197	—	-4 197
Other current liabilities	-4 752	—	-4 752
Total net assets disposed	**203 119**	**1 184**	**204 303**
Total gain or loss (-) on business disposals	-2 099	-1 184	-3 283
CTA recycled on disposal (non-cash)	8 061	–	8 061
Cash disposed	-27 014	–	-27 014
NCI disposed	-77 374	–	-77 374
Deferred proceeds from earlier business disposals		4 600	4 600
Proceeds from disposals of investments[1]	**104 694**	**4 600**	**109 294**

1 Proceeds from disposal of business in Chile and Peru: the cash proceeds is the net from the incoming cash related to the sales price (€132 million) and outgoing cash (bank position, € 27 million).

The table below presents the impact of the discontinued operations on 2022 results.

(in thousands of €)	FY 2022 including	FY 2022 impact	FY 2022 excluding
Sales	5 652	648	5 004
Cost of sales	-4 879	-540	-4 339
Gross profit	**772**	**107**	**665**
Operating result (EBIT)	**366**	**49**	**317**
of which			
EBIT - Underlying	459	49	410
One-off items	-93	–	-93
Result before taxes	**316**	**39**	**278**
Income taxes	-81	-7	-74
Result after taxes (consolidated companies)	**235**	**32**	**203**
Share in the results of joint ventures and associates	54	–	54
RESULT FOR THE PERIOD	**289**	**32**	**258**

The net cash flows incurred by the Steel Wire Solutions businesses in Chile and Peru in 2022 were as follows:

(in thousands of €)	FY 2022
Operating activities	9 166
Investing activities	-13 344
Financing activities	-27 157
Net cash (outflow)/inflow	**-31 335**

Business combinations: acquisition of Flintstone Technology Ltd

On 1 December, Bekaert announced the acquisition of 75% of shares in Flintstone Technology Ltd. The company, based in Dundee Scotland, provides mooring technology solutions, systems design and testing capabilities for the global offshore energy markets. It offers a range of products and services including connectors and tensioners for permanent mooring.

The accounting for the business combination resulted in a goodwill of € 2.3 million. The non-controlling interest (€ 0.4 million) arising on the acquiree has been measured at their share in the fair value of the net assets acquired (€ 1.2 million).

In addition to this, a liability of € 1.7 million has been recognized in consolidation in respect of the put option granted to the other shareholder to sell all its shares to Bekaert by 1 January 2026 at fair value. In accordance with IFRS 9 ‘Financial Instruments’, the liability is initially recognized through equity, whereas subsequent changes in fair value are recognized through income statement.

7.3. 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 - 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

Currency pair - 2023

in thousands of €	Total exposure	Total derivatives	Open position
AUD/EUR	-15 942	-6 807	-22 749
BRL/EUR	28 002	–	28 002
CLP/EUR	4 607	–	4 607
CAD/EUR	-4 364	–	-4 364
CZK/EUR	9 217	–	9 217
EUR/CNY	-25 507	–	-25 507
EUR/GBP	-51 202	11 162	-40 040
EUR/INR	-14 066	–	-14 066
EUR/MYR	-14 238	–	-14 238
EUR/RON	-25 030	–	-25 030
EUR/RUB	-40 022	–	-40 022
IDR/USD	-2 255	–	-2 255
JPY/CNY	3 725	–	3 725
USD/BRL	-6 424	–	-6 424
USD/CAD	17 754	17 195	34 949
USD/CNY	47 136	–	47 136
USD/EUR	74 666	-43 859	30 807
USD/GBP	5 243	–	5 243
USD/INR	-40 409	–	-40 409
USD/MXN	-4 554	855	-3 699

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 € 12.4 million lower/higher (2022: € 39.7 million).

Currency sensitivity in relation to hedge accounting

At 31 December 2023 the Group does not apply hedge accounting (also none at 31 December 2022).

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.

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%**

2023	Long-term				
	Fixed rate	**Floating rate**	**Total**	**Short-term**	**Total**
US dollar	–%	–%	–%	6.42%	6.42%
Chinese renminbi	–%	–%	–%	3.19%	3.19%
Euro	1.80%	5.53%	2.33%	6.99%	2.36%
Other	–%	-%	–%	12.77%	12.77%
Total	**1.80%**	**5.53%**	**2.33%**	**5.82%**	**3.06%**

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 2023 decreased to € 899 million (2022: € 1 236 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.

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%**

2023	Long-term		Short-term	
	Fixed rate	**Floating rate**	**Floating rate**	**Total**
US dollar	–%	–%	9.50%	9.50%
Chinese renminbi	–%	–%	8.50%	8.50%
Euro	67.90%	11.40%	0.40%	79.70%
Other	–%	–%	2.30%	2.30%
Total	**67.90%**	**11.40%**	**20.70%**	**100.00%**

On the basis of the annualized daily volatility of the 3-month Interbank Offered Rate in 2023 and 2022, the reasonable estimates of possible interest rate changes, with a 95% confidence interval, are set out for the main currencies in the table below.

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%

2023	Interest rate at 31 December	Reasonably possible changes (+/-)
Chinese renminbi [1]	2.01%	0.33%
Euro	4.03%	0.66%
US dollar	5.59%	0.70%

[1] *For the Chinese renminbi, the interest rate is the PBOC benchmark interest rate for loans 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 € 0.2 million higher/lower (2022: € 4.6 million higher/ lower).

Interest-rate sensitivity in relation to hedge accounting

At 31 December 2023, the Group does not apply hedge accounting (2022: 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 2023, 75.5% (2022: 64.4%) 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 bad debt allowance is made for trade receivables to cover the unknown bad debt risk at each reporting date. This ECL allowance IFRS 9 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 € 300 million (2022: € 200 million) at floating interest rates with fixed margins. At year-end, nothing was outstanding under these facilities (2022: nil). In addition, the Group has a commercial paper and medium-term note program available for a maximum of € 123.9 million (2022: € 123.9 million). At the end of 2023, no commercial paper notes were outstanding (2022: nil). At year-end, no external bank debt was subject to debt covenants (2022: nil). The Group has discounted outstanding receivables per 31 December 2023 for a total amount of € 231.5 million (2022: € 267.5 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 2023, 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.

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 - gross settled	*-2 800*	–	–	–
Total undiscounted cash flow	**-1 588 410**	**-115 307**	**-652 978**	**-20 345**

2023

in thousands of €	2024	2025	2026-2028	2029 and thereafter
Financial liabilities - principal				
Trade payables	*-632 950*	–	–	–
Other payables	*-3 839*	*-150*	*-1 726*	–
Interest-bearing debt	*-252 283*	*-171 546*	*-454 230*	*-20 876*
Derivatives - gross settled	*-60 432*	–	–	–
Financial liabilities - interests				
Trade and other payables	–	–	–	–
Interest-bearing debt	*-21 432*	*-14 287*	*-17 557*	–
Derivatives - gross settled	*-2 851*	–	–	–
Total undiscounted cash flow	**-973 787**	**-185 982**	**-473 514**	**-20 876**

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 2023 (2022: none) so there were no fair value hedges nor cash flow hedges in 2023 (2022: 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 € 80.5 million to hedge the Schuldschein loans with floating interest rates (2022: € 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 the US. In July 2022 the group entered into an additional contract for a solar project located in Texas (US). 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 € 11.8 million at 31 December 2023 (2022: € 7.5 million), as a result of which a gain of € 4.3 million was recognized in other financial costs.
- The put option relating to the 2023 business combination with Flintstone qualifies as a non-current financial liability measured at fair value through profit or loss.

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 2023, Bekaert does not apply hedge accounting

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**	**–**

2023

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	37 526	–	–
Interest-rate swaps	–	80 500	–
Cross-currency interest-rate swaps	60 432	–	–
Total	**97 958**	**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 2023, Bekaert does not apply hedge accounting:

Fair value of current and non-current derivatives	Assets		Liabilities	
in thousands of €	2022	2023	2022	2023
Financial instruments				
Held for trading				
Forward exchange contracts	2 833	359	1 333	473
Interest-rate swaps	7 178	3 359	–	–
Cross-currency interest-rate swaps	2 860	675	215	93
Put options relating to non-controlling interests	–	–	–	1 726
Other derivative financial assets	7 500	11 810	–	–
Total	**20 372**	**16 203**	**1 548**	**2 292**
Non-current	14 678	15 169	–	1 726
Current	5 694	1 034	1 548	566
Total	**20 372**	**16 203**	**1 548**	**2 292**

In 2023, the other derivative financial assets related to the VPPA derivatives for € 11.8 million (2022: € 7.5 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 €	2022	2023	2022	2023
Total derivatives recognized in balance sheet	20 372	16 203	1 548	2 292
Enforceable netting	-215	-93	-215	-93
Net amounts	**20 157**	**16 110**	**1 333**	**2 199**

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 2022		31 December 2023	
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	12 211	12 211	10 799	10 799
- Equity investments	FVTOCI/Eq	26 023	26 023	31 060	31 060
- Derivatives					
- Held for trading	FVTPL/Mnd	14 678	14 678	15 169	15 169
Current financial assets					
- Financial receivables and cash guarantees	AC	6 352	6 352	1 575	1 575
- Cash and cash equivalents	AC	728 095	728 095	631 687	631 687
- Short term deposits	AC	4 766	4 766	1 238	1 239
- Trade receivables	AC	730 786	730 786	552 989	552 989
- Bills of exchange received	AC	39 764	39 764	55 507	55 507
- Other current assets					
- Other receivables	AC	24 732	24 732	12 974	12 974
- Derivatives					
- Held for trading	FVTPL/Mnd	5 694	5 694	1 034	1 034
Liabilities					
Non-current interest-bearing debt					
- Lease liabilities	AC	57 203	57 203	65 140	65 140
- Cash guarantees received	AC	210	210	160	160
- Credit institutions	AC	146 413	146 413	50 000	50 000
- Schuldschein loans	AC	131 582	131 582	131 352	131 352
- Bonds	AC	400 000	347 800	400 000	366 241
Current interest-bearing debt					
- Lease liabilities	AC	20 002	20 002	21 570	21 570
- Credit institutions	AC	291 989	291 989	230 713	230 713
- Schuldschein loans	AC	188 598	188 598	–	–
- Bonds	AC	–	–	–	–
Other non-current liabilities					
- Put option	FVTPL	–	–	1 726	1 726
- Other payables	AC	150	150	150	150
Trade payables	AC	921 113	921 113	632 950	632 950
Other current liabilities					

Carrying amount vs fair value		31 December 2022		31 December 2023	
in thousands of €	Category in accordance with IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
- Conversion option	FVTPL	–	–	–	–
- Other payables	AC	38 459	38 459	21 774	21 774
- Derivatives					
- Held for trading	FVTPL	1 548	1 548	566	566
Aggregated by category in accordance with IFRS 9					
Financial assets	AC	1 546 706	1 546 706	1 266 770	1 266 770
	FVTOCI/Eq	26 023	26 023	31 060	31 060
	FVTPL/Mnd	20 372	20 372	16 203	16 203
Financial liabilities	AC	2 195 718	2 143 518	1 553 808	1 520 049
	FVTPL	1 548	1 548	2 292	2 292

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 2023, Bekaert had three types of financial instruments, namely the VPPA agreement, the put option 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. The fair value of the put option, relating to non-controlling interests has been based on discounted estimated earnouts.

Derivative in VPPA arrangement	31 December 2023
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	11 810

Put option Flintstone	31 December 2023
Level 3 inputs	
Discount rate	12.60%

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 €	2022	2023
At 1 January	-23 561	-26 910
(Expenditure) / Disposal	-8 537	-8 117
(Gain) / loss in fair value through OCI	-555	1 767
(Gain) / loss in fair value through P&L	5 743	-4 309
At 31 December	-26 910	-37 569

Gains and losses in fair value are reported in other financial income and expenses (€ -4.3 million), except for the equity investments where fair value changes are carried through other comprehensive income (€ -15.2 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 and Rockhound.

Sensitivity analysis King Plains

in thousands of €	Change	Impact on VPPA derivative	
Discount Rate sensitivity	+1%	decreased by	45
	-1%	increased by	-45
Production sensitivity	+5%	increased by	226
	-5%	decreased by	-181

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	2 624
	-10%	decreased by	-2 715
Production sensitivity	+5%	increased by	1 267
	-5%	decreased by	-1 357

Equity Investments	31 December 2023
Level 3 inputs	
Discount Rate	Weighted average of cost of capital after tax
Result (cash flow projection)	EBITDA

The sensitivity of the fair value calculation of the equity investment in Xinju Metal Products Co Ltd (€ 5.8 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 € 4.9 million;
- If the discount factor would be 1% higher, the fair value would be € 5.4 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 € 4.6 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:

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	*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**

2023

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	–	*4 393*	*11 810*	*16 203*
Equity instruments designated as at fair value through OCI				
Equity investments	*5 300*	–	*25 760*	*31 060*
Total assets	**5 300**	**4 393**	**37 569**	**47 263**
Financial liabilities held for trading				
Other derivative financial liabilities	–	*566*	–	*566*
Put option relating to non-controlling interests	–	–	*1 726*	*1 726*
Total liabilities	**–**	**566**	**1 726**	**2 292**

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 has not changed its strategy in this regard compared to 2022.

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;
  - aligned payment terms;
  - optimized factoring usage;
- strict control of capital expenditure;
- active business portfolio management, including M&A and divestments.

The improvement of the gearing ratio in 2023 compared to 2022 is mainly due to the disposal of the Chile and Peru businesses.

Gearing[1]

in thousands of €	2022	2023
Net debt	487 118	254 430
Equity	2 229 556	2 166 029
Net debt to equity ratio	**21.8%**	**11.7%**

[1] *2022 data including Steel Wire Solutions Chile and Peru*

7.4. Contingencies, commitments, secured liabilities and assets pledged as security

As at 31 December, the important contingencies and commitments were:

in thousands of €	2022	2023
Contingent liabilities	6 840	6 083
Commitments to purchase fixed assets	67 935	52 732
Commitments to invest in venture capital funds	2 600	4 600

At year-end 2023, 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'.

7.5. 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 €	2022	2023
Sales of goods	21 951	9 542
Purchases of goods	21 152	15 647
Services rendered	64	43
Royalties and management fees received	18 374	14 220
Interest and similar income	6	20
Dividends received	42 508	57 412

Outstanding balances with joint ventures

in thousands of €	2022	2023
Trade receivables	6 592	3 664
Other current receivables	5 881	4 250
Trade payables	3 557	2 822
Other current payables	–	1

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 remuneration

in thousands of €	2022	2023
Number of persons	32	33
Short-term employee benefits		
Basic remuneration	*8 368*	*9 135*
Variable remuneration	*6 314*	*2 337*
Remuneration as directors of subsidiaries	513	473
Post-employment benefits		
Defined-benefit pension plans	*190*	*96*
Defined-contribution pension plans	*1 594*	*1 583*
Share-based payment benefits	6 467	5 820
Total gross remuneration	**23 446**	**19 444**
Average gross remuneration per person	733	589
Number of performance share units granted (cash-settled and equity-settled)	111 135	111 109
Number of matching share units to be granted	13 757	4 742
Number of shares granted	12 080	11 202

Key management includes the CEO, the members of the Bekaert Group Executive (BGE) and the Senior Vice Presidents. In addition to this, also the members of the Board of Directors are considered 'Related Parties'.

The disclosures relating to the Belgian Corporate Governance Code are included in the Corporate Governance Statement of this annual report.

7.6. Events after the balance sheet date

- Since 1 January 2024, a total of 19 100 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 220 965 treasury shares following the vesting of performance share units under the Performance Share Plan.
- On 1 March 2024, Bekaert announced to pause its share buyback program.
- A grant of 107 463 equity settled performance share units was made on 8 March 2024 under the terms of the Performance Share Plan. The granted performance share units represented a fair value of € 5.5 million.
- A grant of 27 481 cash-settled performance share units was made on 8 March 2024 under the terms of the PSU A&L and PSU US Performance Share Plan. The granted performance share units represented a fair value of € 1.4 million.

7.7. Services provided by the statutory auditor and related persons

During 2023, the statutory auditor and persons professionally related to him performed additional services for fees amounting to € 413 471.

These fees essentially relate to further assurance services. The additional services were approved by the Audit, Risk and Finance Committee.

The audit fees for NV Bekaert SA and its subsidiaries amounted to € 2 404 251.

7.8. Subsidiaries, joint ventures and associates

Companies forming part of the Group as at 31 December 2023

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 Portugal SA	Porto, Portugal	EUR	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			
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
Prodinsa SA	Maipú, Chile	CLP	100
Productora de Alambres Colombianos Proalco SAS	Bogotá, Colombia	COP	40

Industrial companies	Address	FC [1]	% [2]
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 (Jiangsu) Advanced Cords Co Ltd	Jiangyin, Wuxi (Jiangsu province), China	CNY	100
Bekaert Jiangyin Wire Products Co Ltd	Jiangyin (Jiangsu province), China	CNY	100
Bekaert (Jining) Steel Cord Co Ltd	Jining, Yanzhou district (Shandong province), China	CNY	60
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 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
Flintstone Technology Ltd	Dundee, United Kingdom	GBP	75
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
Specialty Films de Services Company SA de CV	Monterrey, Mexico	MXN	100
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 New Materials Trading (Suzhou) Co Ltd	Suzhou (Jiangsu province), China	CNY	100
Bekaert Singapore Pte Ltd	Singapore	SGD	100

Sales offices, warehouses and others	Address	FC[1]	%[2]
Bekaert Taiwan Co Ltd	Taipei City	TWD	100
Bekaert (Thailand) Co Ltd	Rayong,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
InverVicson SA	Valencia, Venezuela	USD	80

Joint ventures

Industrial companies	Address	FC [1]	% [2]
Latin America			
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

[1] *Functional currency*
[2] *Financial interest percentage*

Changes in 2023

1. New companies

Subsidiaries	Address	% [1]
Bekaert (Jiangsu) Advanced Cords Ltd	Jiangyin, Wuxi (Jiangsu province), China	100
Bekaert New Materials Trading (Suzhou) Co Ltd	Suzhou (Jiangsu province), China	100
Bekaert Portugal SA	Porto, Portugal	100

2. Acquired through business combinations

Subsidiaries	Address	% [1]
Flintstone Technology Ltd	Dundee, United Kingdom	75

3. Mergers

Subsidiaries	Merged into
Bridon-Bekaert ScanRope AS	Bekaert Norge AS

4. Disposals

Subsidiaries	Address	% [1]
Acma SA	Santiago, Chile	52
Acmanet SA	Talcahuano, Chile	52
Industrias Acmanet Ltda	Talcahuano, Chile	52
Industrias Chilenas de Alambre - Inchalam SA	Talcahuano, Chile	52
Procercos SA	Talcahuano, Chile	52
Prodac Contrata SAC	Callao, Peru	38
Prodalam SA	Santiago, Chile	52
Prodicom Selva SAC	Ucayali, Peru	38
Prodimin SAC	Lima, Peru	38
Productos de Acero Cassadó SA	Calloa, Peru	38

Joint ventures	Address	% [1]
Agro-Bekaert Colombia SAS	Malambo - Atlántico, Colombia	40
Agro - Bekaert Springs SL	Burgos, Spain	40

5. Liquidated

Companies	Address
Bekaert Shah Alam Sdn Bhd	Kuala Lupur, Malaysia

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	2022	2023
Sales	587 208	488 429
Operating result before non-recurring items	95 724	25 515
Non-recurring operational items	-546	-583
Operating result after non-recurring items	95 178	24 932
Financial result before non-recurring items	392 597	136 395
Non-recurring financial items	-2 523	124 958
Financial result after non-recurring items	390 074	261 353
Profit before income taxes	485 252	286 284
Income taxes	2 346	387
Result for the period	**487 598**	**286 671**

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2022	2023
Fixed assets	**2 010 406**	**2 017 295**
Intangible fixed assets	79 425	85 807
Tangible fixed assets	31 106	41 565
Financial fixed assets	1 899 875	1 889 923
Current assets	**579 856**	**374 957**
Total assets	**2 590 262**	**2 392 252**
Shareholders' equity	**1 359 133**	**1 392 092**
Share capital	173 737	161 145
Share premium	39 519	39 517
Revaluation surplus	1 995	1 995
Statutory reserve	17 792	17 792
Unavailable reserve	139 317	76 899
Reserves available for distribution, retained earnings	986 773	1 094 744
Provisions	**54 535**	**37 855**
Creditors	**1 176 594**	**962 305**
Amounts payable after one year	656 650	581 650
Amounts payable within one year	519 944	380 655
Total equity and liabilities	**2 590 262**	**2 392 252**

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 € 488.4 million, a decrease of -17% compared to 2022. The operating profit before non-recurring items was € 25.5 million, compared to € 95.7 million last year. The decrease of the operating result was a combined effect of lower sales, margins and royalties and less reversal of provisions.

Non-recurring items included in the operating result amounted to € -0.6 million in 2023 (mainly realization of tangible fixed assets), compared to € -0.5 million last year.

The financial result before non-recurring items was € 136.4 million, compared to € 392.6 million last year. The lower dividend income in 2023 was the main element explaining this evolution.

The non-recurring financial items amounted to € +125.0 million, compared to € -2.5 million in the previous year. The increase mainly related to the sale of investments.

The income taxes amounted to € 0.4 million (€ 2.3 million in previous year). The change mainly related to tax on the sale of investments. This led to a result for the period of € 286.7 million compared with € 487.6 million in 2022.

Environmental programs

The provisions for environmental programs slightly decreased to € 15.7 million (2022: € 15.9 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 2023, the Company received following transparency notifications. On 31 December 2023, the total number of securities conferring voting rights was 54 750 174. The voting rights attached to the treasury shares held by the Company are suspended. On 31 December 2023, the Company held 2 156 137 treasury shares.

Person(s) 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 7.5%	6/1/2023	59 029 252	4 428 814	7.5%
Stichting Administratiekantoor Bekaert and NV Bekaert SA	Passive crossing of a threshold Acquisition or disposal of voting securities or voting rights	Together 40% NV Bekaert SA 5%	24/2/2023	56 990 317	Together 21 196 121 NV Bekaert SA 2 703 354	Together 37.19% NV Bekaert SA 4.74%
Stichting Administratiekantoor Bekaert Individual controlling Aliundé Ltd and P2 Cap Aliundé Ltd Individual controlling Velge ID srl Velge ID srl Individual controlling Dabest Capital Dabest Capital Individual controlling Berfin sa Berfin sa Four individuals controlling Genefin sa Genefin sa Individual controlling Charisa sa Charisa sa Individual controlling CPA sa CPA sa P2 Cap Individual holding less than 1% Individual holding less than 1%	Notification by persons acting in concert	Together 35%	24/2/2023	56 990 317	20 307 147	35.63%
David Booth Rex Sinquefield Dimensional Holdings Inc. Dimensional Fund Advisors LP	Passive crossing of a threshold	3%	24/2/2023	56 990 317	1 748 293	3.07%
Stichting Administratiekantoor Bekaert NV Bekaert SA	Acquisition or disposal of voting securities or voting rights	NV Bekaert SA 5%	5/4/2023	56 990 317	2 856 323	5.01%
Stichting Administratiekantoor Bekaert NV Bekaert SA	Passive crossing of a threshold	NV Bekaert SA 5%	30/6/2023	55 877 772	2 308 142	4.13%
Stichting Administratiekantoor Bekaert NV Bekaert SA	Acquisition or disposal of voting securities or voting rights	NV Bekaert SA 5%	4/9/2023	55 877 772	2 800 090	5.01%
Stichting Administratiekantoor Bekaert NV Bekaert SA	Passive crossing of a threshold	NV Bekaert SA 5%	19/12/2023	54 750 174	2 141 862	3.91%

Detailed information can be found on: ***https://www.bekaert.com/en/investors/our-shareholders/shareholder-structure/transparency-disclosures***

Proposed appropriation of NV Bekaert SA 2023 result

The after-tax result for the year was € 286 671 406 compared with € 487 597 943 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 8 May 2024 appropriate the above result as follows:

	in €
Result of the year to be appropriated	286 671 406
Transfer to other reserves	-192 913 346
Profit for distribution	**93 758 060**

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 1.80 per share (2022 € 1.65 per share).

The dividend will be payable in euro on 14 May 2024 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 Christophe Jacobs van Merlen, Yves Kerstens, Emilie van de Walle de Ghelcke and Henri Jean Velge and of the independent Director Mei Ye will expire at the close of the Annual General Meeting of 8 May 2024. Mei Ye does not seek reelection.

The Board of Directors has proposed that the General Meeting:

- reappoint Christophe Jacobs van Merlen as Director for a term of four years, up to and including the Annual General Meeting to be held in 2028:
- reappoint Yves Kerstens as Director for a term of four years, up to and including the Annual General Meeting to be held in 2028;
- reappoint Emilie van de Walle de Ghelcke as Director for a term of four years, up to and including the Annual General Meeting to be held in 2028;
- re-appoint Henri Jean Velge as Director for a term of four years, up to and including the Annual General Meeting to be held in 2028.

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.
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).

Metric	Definition	Reason for use
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.
Underlying EPS	(EBITu + interest income - interest expense +/- other financial income and expense - income tax + share in the result of JVs and associates - result attributable to non-controlling interests) divided by the weighted average nr of ordinary shares (excluding treasury shares).	Underlying earnings per share or underlying EPS or EPSu is presented to assist the reader's understanding of the earnings per share before one-off items, as it provides a clearer basis for comparison and extrapolation.
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.

For 2022 all ratio's have been restated excluding the Steel Wire Solutions Businesses of Chile and Peru, unless otherwise indicated.

in millions of €	Note annual report		
Net Debt		**2022**	**2023**
Non-current interest-bearing debt		655	582
L/T Lease Liability - non-current		57	65
Current interest-bearing debt		371	231
L/T Lease Liability - current		18	22
Total financial debt	**6.18**	**1 101**	**899**
Non-current financial receivables and cash guarantees		-10	-10
Current financial receivables and cash guarantees		-6	-2
Short-term deposits		-5	-1
Cash and cash equivalents		-701	-632
Net debt	**6.18**	**380**	**254**

Capital Employed		2022	2023
Intangible assets		61	69
Goodwill		150	152
Property, plant and equipment		1 119	1 118
RoU Property plant and equipment		127	135
Working capital (operating)	6.8	676	641
Capital employed		**2 133**	**2 115**
Weighted average capital employed		**2 070**	**2 129**

Working capital (operating)		2022	2023
Inventories		967	789
Trade receivables		646	553
Bills of exchange received		34	56
Advances paid		14	29
Trade payables		-837	-633
Advances received		-23	-18
Remuneration and social security payables		-115	-125
Employment-related taxes		-11	-9
Working capital (operating)	**6.8**	**676**	**641**
Weighted average working capital (operating)		**600**	**658**

EBIT Underlying to EBIT	**5.2**		

EBITDA	2022	2023
EBIT	**317**	**334**
Amortization intangible assets	10	12
Depreciation property, plant & equipment	144	133
Depreciation RoU property, plant & equipment	25	27
Write-downs/(reversals of write-downs) on inventories and receivables	10	5
Impairment losses/ (reversals of depreciation and impairment losses) on fixed assets	58	11
EBITDA	**564**	**523**

EBITDA - Underlying	2022	2023
EBIT - Underlying	**410**	**388**
Amortization intangible assets	10	12
Depreciation property, plant & equipment	143	130
Depreciation RoU property, plant & equipment	25	27
Write-downs/(reversals of write-downs) on inventories and receivables	2	-7
Impairment losses/ (reversals of impairment losses) on fixed assets	1	10
EBITDA - Underlying	**591**	**561**

ROCE	2022	2023
EBIT	317	334
Weighted average capital employed	2 070	2 129
ROCE	**15.3%**	**15.7%**

EBIT interest coverage		2022	2023
EBIT		**317**	**334**
(Interest income)	5.4	-4	-13
Interest expense	5.4	34	40
(interest element of discounted provisions)	5.4	-1	-2
Net interest expense		29	26
EBIT interest coverage		**11.0**	**13.1**

ROE (return on equity)	2022	2023
Result for the period - excluding discontinued operations	258	253
Result for the period including discontinued operations	289	253
Average equity (period-weighted)	2 164	2 198
ROE[1]	**13.4%**	**11.5%**

[1] *2022: including SWS Chile and Peru*

Capital ratio (Financial autonomy)	2022	2023
Equity	2 230	2 166
Total assets	4 829	4 081
Financial autonomy	**46.2%**	**53.1%**

Gearing (net debt on equity)		2022	2023
Net debt - excluding discontinued operations		380	254
Net debt - including discontinued operations		487	254
Equity		2 230	2 166
Gearing (net debt on equity)[1]	**7.3**	**21.8%**	**11.7%**

[1] *2022: including SWS Chile and Peru*

Net debt on EBITDA	2022	2023
Net debt	380	254
EBITDA	564	523
Net debt on EBITDA	**0.7**	**0.5**

Net debt on EBITDA-underlying	2022	2023
Net debt	380	254
EBITDA-Underlying	591	561
Net debt on EBITDA-underlying	**0.6**	**0.5**

Current Ratio	2022	2023
Current Assets	2 854	2 195
Current liabilities	1 724	1 148
Current Ratio	**1.7**	**1.9**

Operating free cash flow	2022	2023
Cash flows from operating activities	340	440
Purchase of intangible assets	-15	-19
Purchase of PP&E	-170	-191
Purchase of RoU Land	–	–
Proceeds from disposals of fixed assets	3	15
Operating free cash flow	**158**	**245**

Free Cash Flow	2022	2023
Cash flows from operating activities	340	440
Purchase of intangible assets	-15	-19
Purchase of property, plant and equipment	-170	-191
Purchase of RoU Land	–	–
Dividends received	68	60
Interest received	5	13
Interest paid	-37	-35
Free Cash Flow	**191**	**267**

Underlying earnings per share (EPSu)	2022	2023
EBITu	410	388
Interest income	4	13
(Interest expense)	-34	-40
Other financial income/(expense)	-10	-39
(Income tax)	-74	-62
Share in result of JVs and associates	54	47
(Result attributable to non-controlling interests)	-5	2
Underlying earnings for the period attributable to shareholders of Bekaert	**346**	**309**
Basic Underlying earnings per share	6.15	5.76
Diluted Underlying earnings per share	6.10	5.73

Auditor's Report

EY
Building a better working world

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
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Independent auditor's report to the general meeting of NV Bekaert SA for the year ended 31 December 2023

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 2023, 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 for the year ended 31 December 2023 and the disclosures including material accounting policy information (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 3 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 2023, 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 of the year and the disclosures ,including material accounting policy information, which show a consolidated balance sheet total of € 4.081.224 thousand and of which the consolidated income statement shows a profit for the year of € 252.881 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 2023, 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.

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 2023, the total carrying value of goodwill amounted to € 152 million (note 6.2 to the Consolidated Financial Statements), representing 3,7% of the Group's total assets. A significant part of this goodwill (€ 129 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 revenue growth, margin evolution, the discount rate and the long term growth rate beyond the projection period.

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 included our internal valuation specialist in our team to analyze and test the valuation model, the methodology and clerical accuracy, and to assess the abovementioned critical assumptions used in the valuation model;
- We evaluated and challenged the key assumptions of revenue growth, expected margin evolution, the discount rate and long-term growth rate beyond the projection period by comparison to peer-group information, the Group's cost of capital and relevant risk factors;
- 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 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. Valuation of inventory

Description of the key audit matter

As at 31 December 2023, the total carrying value of inventory amounted to € 789 million (note 6.8 to the Consolidated Financial Statements), representing 19% of the Group's total assets. Inventory is valued at the lower of cost or net realizable value. The cost of inventory is determined according to the FIFO-method (first-in, first-out) and includes all direct and indirect production costs incurred in bringing the inventory to the stage of completion at the balance sheet date.

The price changes of wire rod in the market for raw materials, as well as the assessment and correct allocation of direct and indirect production costs to year-end inventory balances, have a significant impact on the inventory valuation and on the recognition and recording of the resulting inventory adjustments in the income statement, and is therefore considered a key audit matter.

Summary of the procedures performed

- We have evaluated the design and implementation of the key internal controls related to the inventory valuation, including ensuring its consistent application across each material production site of the Group;
- For a sample of raw materials, we have verified the historical cost as well as the valuation of these raw materials in the work in progress and the finished products;
- We verified the wire rod price changes in the market of raw materials to determine that these are correctly reflected in the cost of raw materials;
For the work in progress and finished products, we have verified that the allocation of direct and indirect production costs are based on actual costs in an efficient production environment with normal production capacity;
- We evaluated the net realizable value calculation of raw materials by comparing these against independent market benchmarks for wire rod prices and we assessed the appropriateness of inventory write-downs if the net realizable value is below the historical cost;
- We verified that the resulting inventory adjustments are correctly reflected in the income statement;
- We assessed the adequacy of the information disclosed in note 6.8 to 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 Statements, the non-financial information attached to the Board of Director's 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, as well as to report on these matters.

Aspects relating to Board of Directors' 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 "Financial performance - Financial highlights FY2023"
- Section "Parent Company Information"
- Section "Alternative Performance Measures"

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 standards ("GRI").

However, in accordance with article 3:80 § 1, 5° of the Code of companies and associations, we do not express any opinion on the question whether this non-financial information has been established in accordance with the GRI framework. As requested by the Company, we have issued a separate limited assurance report on a selection of Environmental and Social Key Performance Indicators ("KPI's"), EU Taxonomy disclosures and Double Materiality in accordance with the International Standard on Assurance Engagements ISAE 3000 revised.

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 2023 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, 27 March 2024

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

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Environmental statements

Energy

Our ambition is to reduce our combined Scope 1 and Scope 2 GHG 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 (scope 1 & 2). As outlined earlier, a key initiative to reduce our CO_2e 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 = 4 545 GWh (including JVs) of which:

- Electrical energy (including cooling) = 2 782 GWh
- Thermal energy (heat) = 24 GWh
- Thermal energy (steam) = 188 GWh
- Natural gas (including LPG) = 1 521 GWh
- Fuel = 30 GWh

GRI 302-1

Total energy Intensity ratio per ton = 1 646 kWh/ton (including JVs) of which:

- Electrical energy (including cooling) = 1 007 kWh/ton
- Thermal energy (heat) = 9 kWh/ton
- Thermal energy (steam) = 68 kWh/ton
- Natural gas (including LPG) = 551 kWh/ton
- Fuel = 11 kWh/ton

Total energy Intensity ratio per net revenue = 850 MWh/net revenue (including JVs) of which:

- Electrical energy (including cooling) = 520 MWh/net revenue (mln €)
- Thermal energy (heat) = 4 MWh/net revenue (mln €)
- Thermal energy (steam) = 35 MWh/net revenue (mln €)
- Natural gas (including LPG) = 285 MWh/net revenue (mln €)
- Fuel = 6 MWh/net revenue (mln €)

Energy intensity ratios: the energy (electricity, thermal, gas and fuel) used expressed per ton end product produced and expressed per net revenue.
GRI 302-3

Renewable Electricity: 41% of our electricity needs came from renewable energy sources in 2023 (including JVs).
GRI 302-1

Our methodology 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 2023 by 'Our world in data'. The energy consumption (and CO_2e emissions) by fuel is an estimated value. We have collected the detailed invoices for a Bekaert representative plant in 2022 and 2023 and extrapolated the number to all other plants and years before 2022 weighted on the energy consumption in each plant in the corresponding year. The energy and CO_2e data include 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.
GRI 2-4

Data restatements: as a consequence of the sale of the steel wire solutions plants in Chile and Peru, we restated our energy and CO_2e data (from 2019 onwards).
This resulted in a 2% decrease of total energy consumption (including JVs) compared to the values reported before.
GRI 2-4

Actual energy consumption in GWh	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Total energy consumption	**4 487**	**4 112**	**4 437**	**4 202**	**4 025**	**5 101**	**4 692**	**5 106**	**4 793**	**4 545**
from renewable sources	1 049	821	893	905	901	1 367	1 122	1 230	1 206	1 153
from non-renewable sources	3 438	3 291	3 544	3 297	3 124	3 733	3 570	3 876	3 587	3 392
Electrical energy (including cooling)	**2 736**	**2 468**	**2 720**	**2 584**	**2 486**	**3 118**	**2 823**	**3 118**	**2 941**	**2 782**
from renewable sources	1 029	797	873	881	883	1 347	1 098	1 210	1 182	1 135
from non-renewable sources	1 707	1 671	1 847	1 703	1 604	1 771	1 725	1 908	1 759	1 647
Thermal energy heat	**28**	**29**	**27**	**30**	**24**	**28**	**29**	**27**	**30**	**24**
from renewable sources	20	24	20	24	18	20	24	20	24	18
from non-renewable sources	8	6	7	7	5	8	6	7	7	5
Thermal energy steam	**221**	**221**	**231**	**192**	**188**	**221**	**221**	**231**	**192**	**188**
from renewable sources	0	0	0	0	0	0	0	0	0	0
from non-renewable sources	221	221	231	192	188	221	221	231	192	188
Natural gas & LPG	**1 472**	**1 364**	**1 429**	**1 366**	**1 299**	**1 701**	**1 587**	**1 697**	**1 599**	**1 521**
natural gas	1 328	1 229	1 275	1 300	1 222	1 558	1 444	1 513	1 499	1 400
LPG	143	135	154	66	77	143	143	184	100	121
Fuel	**31**	**29**	**30**	**29**	**28**	**33**	**31**	**33**	**31**	**30**

GRI 302-1, GRI 302-4

Energy intensity ratio in kWh per ton	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Total energy intensity	**1 813**	**1 838**	**1 792**	**1 834**	**1 846**	**1 638**	**1 629**	**1 603**	**1 657**	**1 646**
Electrical energy (including cooling)	1 106	1 103	1 099	1 128	1 140	1 001	980	979	1 017	1 007
Thermal energy heat	11	13	11	13	11	9	10	8	10	9
Thermal energy steam	89	99	93	84	86	71	77	73	66	68
Natural gas (including LPG)	595	610	577	596	596	546	551	533	553	551
Fuel	12	13	12	13	13	11	11	10	11	11

GRI 302-3

Energy intensity ratio in MWh per net revenue (mln €)	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Total energy intensity	**1 169**	**1 227**	**1 064**	**840**	**930**	**1 097**	**1 168**	**985**	**772**	**850**
Electrical energy (including cooling)	713	736	652	516	574	670	703	601	473	520
Thermal energy heat	7	9	6	6	5	6	7	5	5	4
Thermal energy steam	57	66	55	38	43	47	55	45	31	35
Natural gas (including LPG)	383	407	343	273	300	366	395	327	257	285
Fuel	8	9	7	6	6	7	8	6	5	6

GRI 302-3

% of electricity needs that came from renewable sources	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
	38 %	32 %	32 %	34 %	36 %	43 %	39 %	39 %	40 %	41 %

GRI 302-1

Actual energy consumption in GWh per significant location of operation (> 1000 employees: payroll + contingent workers)	2019	2020	2021	2022	2023
Belgium	**245**	**221**	**236**	**206**	**183**
Electricity	83	67	73	66	59
Natural gas & LPG	147	139	148	125	111
Purchased heat & steam	0	0	0	0	0
Fuel	15	15	15	14	12
China	**1 851**	**1 748**	**1 793**	**1 650**	**1 701**
Electricity	1 223	1 170	1 197	1 096	1 147
Natural gas & LPG	414	375	375	356	358
Purchased heat & steam	208	197	215	192	188
Fuel	7	6	6	6	7
India	**137**	**133**	**180**	**182**	**177**
Electricity	112	108	148	148	144
Natural gas & LPG	24	25	31	33	32
Purchased heat & steam	0	0	0	0	0
Fuel	0	0	1	1	1
Indonesia	**305**	**281**	**308**	**273**	**271**
Electricity	213	193	215	186	187
Natural gas & LPG	91	87	92	86	83
Purchased heat & steam	0	0	0	0	0
Fuel	1	1	1	1	1
Slovakia	**445**	**409**	**460**	**451**	**395**
Electricity	226	195	224	222	188
Natural gas & LPG	216	213	234	227	206
Purchased heat & steam	1	0	0	0	0
Fuel	2	1	2	2	2
US	**475**	**382**	**390**	**414**	**360**
Electricity	242	181	196	217	187
Natural gas & LPG	231	200	192	196	172
Purchased heat & steam	0	0	0	0	0
Fuel	2	1	1	1	1

GRI 302-1

Green House Gas emissions

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 & 3 GHG emissions (including JVs) = 6 919 556 ton CO_2e
- Total Scope 1 & 2 GHG emissions (including JVs) = 1 471 912 ton CO_2e
- Total Scope 1 & 2 GHG emissions intensity ratio per ton (including JVs) = 533 kg CO_2e /ton
- Total Scope 1 & 2 GHG emissions intensity ratio on net revenue (including JVs) = 275 ton CO_2e/net revenue (mln €)

Total Scope 1 & 2 GHG emissions in ton CO_2e	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Scope 1 & 2 GHG emissions	1 657 650	1 512 509	1 638 326	1 475 411	1 407 394	1 741 292	1 589 536	1 742 274	1 546 095	1 471 912

GRI 305-1, GRI 305-2

Our Scope 1 & 2 emissions (excluding JVs) reduced by -4.6% in 2023 compared to 2022 and were -15.1% lower than our reference baseline 2019.

Our Scope 1 & 2 emissions (including JVs) reduced by -4.8% in 2023 compared to 2022 and were -15.5% lower than our reference baseline 2019.
GRI 305-5

Total Scope 1 & 2 GHG intensity ratio in kg CO_2e/ton	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Total GHG intensity ratio	670	676	662	644	646	559	552	547	535	533

Total Scope 1 & 2 GHG intensity ratio in ton CO_2e/ net revenue (mln €)	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Total GHG intensity ratio	432	451	393	295	325	374	396	336	249	275

GRI 305-4

Scope 1 & 2 calculation methodology

Our methodology to calculate CO_2e related figures (such as absolute CO_2e emissions and CO_2e intensity) is developed with reference to the GHG protocol. For natural gas, LPG, and fuel (Scope 1) emissions, we use the emission factors that are published each year by DEFRA. 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 with the latest available information, which includes revised numbers. 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 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).
GRI 2-4

CO_2 equivalent gases

Bekaert is aware of two GHG emissions other than CO_2: gas transmission leakages and cooling fluid gas leakages. The first covers natural gas leakages during transmission via piping. We estimate this loss based on a Dutch study by Royal HaskoningDHV on greenhouse gas emissions from natural gas chains (reference: BI4005IBRP001F01; published 05/01/2022). The second covers the loss of cooling fluid gasses (used in cooling machines), which are based on an in-house cooling machine study. Both CO_2 equivalent gases have been added for all years.

The GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge to determine exact emission factors.

Some figures for the last months of the year 2023 have been estimated (< 1% of data) as some utility invoices come with delay. The published 2023 Energy and CO_2e data is based on all the utility invoices that were available by 5 February 2024.

Data restatements: total Scope 1 & 2 GHG emissions are restated mainly driven by the exclusion of the sold plants in Chile and Peru and the addition of CO_2-equivalent gases. Consequently, the Scope 1 & 2 intensity ratios have been updated as well.

Our 2023 Scope 1 & 2 GHG emissions including joint ventures and 2023 Scope 3 GHG emissions (all categories) have been externally validated by EY. Their auditor's report is included at the end of the 'Social Statements' in this report.
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 (including JVs) = 304 839 ton CO_2e
- Scope 1 GHG intensity ratio (including JVs) = 111 kg CO_2e /ton
- Scope 1 GHG intensity ratio (including JVs) = 57 ton CO_2e/net revenue (mln €)

GRI 305-1, GRI 305-4

Scope 1 GHG emissions natural gas, LPG, other GHG emissions and fuel (in ton CO_2e)	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
GHG emission natural gas & LPG	**274 974**	**254 940**	**266 574**	**251 497**	**239 594**	**317 187**	**296 193**	**316 535**	**295 084**	**281 574**
GHG emission natural gas	244 202	225 948	233 446	237 351	222 976	286 415	265 471	277 084	273 545	255 643
GHG emission LPG	30 772	28 992	33 128	14 146	16 618	30 772	30 723	39 451	21 539	25 931
Other GHGs emission	**18 285**	**16 301**	**17 924**	**16 321**	**15 634**	**18 285**	**16 301**	**17 924**	**16 321**	**15 634**
GHG emission fuel	**7 769**	**7 377**	**7 698**	**7 320**	**7 091**	**8 328**	**7 906**	**8 309**	**7 860**	**7 631**

GRI 305-1

Scope 1 GHG intensity ratio in kg CO_2e/ton	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
GHG intensity ratio natural gas & LPG	111	114	108	110	110	102	103	99	102	102
Other GHGs intensity ratio	7	7	7	7	7	6	6	6	6	6
GHG intensity ratio fuel	3	3	3	3	3	3	3	3	3	3

GRI 305-4

Scope 1 GHG intensity ratio in ton CO_2e/net revenue (mln €)	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
GHG intensity ratio natural gas & LPG	72	76	64	50	55	68	74	61	48	53
Other GHGs intensity ratio	5	5	4	3	4	4	4	3	3	3
GHG intensity ratio fuel	2	2	2	1	2	2	2	2	1	1

GRI 305-4

Global Scope 1 emissions from natural gas, LPG, other GHG emissions and fuel in ton CO_2e per significant location of operation (> 1000 employees: payroll + contingent workers)	2019	2020	2021	2022	2023
Belgium	49 220	45 657	48 994	42 825	39 079
China	77 715	70 612	70 292	66 423	67 160
India	5 373	5 468	6 891	7 256	7 050
Indonesia	19 747	18 969	20 035	15 941	15 403
Slovakia	40 159	39 461	43 305	41 899	37 966
US	42 924	37 054	35 487	36 074	31 714

GRI 305-1

Global Scope 1 emissions from natural gas, LPG, other GHG emissions and fuel in ton CO_2e per business unit	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Rubber Reinforcement	156 159	141 957	152 732	139 883	135 379	165 672	151 168	166 284	153 741	146 739
Steel Wire Solutions	103 401	97 601	99 584	99 973	90 524	136 660	130 172	136 605	130 242	121 684
Bridon-Bekaert Ropes Group	17 295	16 759	15 939	14 535	17 161	17 295	16 759	15 939	14 535	17 161
Speciality Businesses	720	985	1 027	831	611	720	985	1 027	831	611
Corporate	23 453	21 317	22 913	19 915	18 644	23 453	21 317	22 913	19 915	18 644

GRI 305-1

Scope 2

Scope 2 emissions are indirect emissions from purchased electricity, steam, and heat that have been calculated based on energy consumption data and country specific kWh/MWh to CO_2e conversion factors as provided by the International Energy Agency (IEA).

GHG emissions from purchased electricity and other types of energy (including JVs):

- Electrical energy (including cooling) = 1 122 381 ton CO_2e
- Thermal energy (purchased heat) = 4 292 ton CO_2e
- Thermal energy (purchased steam) = 40 401 ton CO_2e

GRI 305-2

GHG Intensity Ratio (per ton) (including JVs):

- Electrical energy (including cooling) = 406 kg CO_2e/ton
- Thermal energy (purchased heat) = 2 kg CO_2e/ton
- Thermal energy (purchased steam) = 15 kg CO_2e/ton

GHG Intensity Ratio (per net revenue) (including JVs):

- Electrical energy (including cooling) = 210 ton CO_2e/net revenue (mln €)
- Thermal energy (purchased heat) = 1 ton CO_2e/net revenue (mln €)
- Thermal energy (purchased steam) = 8 ton CO_2e/net revenue (mln €)

GRI 305-4

Scope 2 GHG emissions from purchased electricity and other types of energy in ton CO_2e	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Electrical energy (including cooling)	1 303 762	1 180 674	1 291 409	1 153 483	1 100 383	1 344 632	1 215 919	1 344 784	1 180 040	1 122 381
Thermal energy purchased heat	5 163	5 416	4 893	5 510	4 292	5 163	5 416	4 893	5 510	4 292
Thermal energy purchased steam	47 698	47 800	49 829	41 279	40 401	47 698	47 800	49 829	41 279	40 401

GRI 305-2

Scope 2 GHG intensity ratio in kg CO_2e/ton	Excluding JVs					Including JVs				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Electrical energy (including cooling)	527	528	522	503	505	432	422	422	408	406
Thermal energy purchased heat	2	2	2	2	2	2	2	2	2	2
Thermal energy purchased steam	19	21	20	18	19	15	17	16	14	15

Scope 2 GHG intensity ratio in ton CO_2e/net revenue (mln €)	Excluding JVs					Including JVs				
	2019	**2020**	**2021**	**2022**	**2023**	**2019**	**2020**	**2021**	**2022**	**2023**
Electrical energy (including cooling)	340	352	310	231	254	289	303	259	190	210
Thermal energy purchased heat	1	2	1	1	1	1	1	1	1	1
Thermal energy purchased steam	12	14	12	8	9	10	12	10	7	8

GRI 305-4

Global Scope 2 emissions in ton CO_2e per significant location of operation (> 1000 employees: payroll + contingent workers)	2019	2020	2021	2022	2023
Belgium	0[1]	8 382	8 103	7 862	6 531
China	806 172	761 162	775 311	692 547	709 449
India	79 101	74 331	104 602	78 635	50 574
Indonesia	161 813	148 426	167 060	142 731	143 341
Slovakia	163	25 270	30 493	25 060	21 179
US	92 640	59 109	72 207	41 529	27 075

[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_2e per business unit	Excluding JVs					Including JVs				
	2019	**2020**	**2021**	**2022**	**2023**	**2019**	**2020**	**2021**	**2022**	**2023**
Rubber Reinforcement	123 642	1 098 446	1 193 157	1 050 071	1 009 126	1 254 194	1 115 674	1 221 399	1 064 644	1 019 536
Steel Wire Solutions	72 451	81 490	88 779	86 907	78 141	91 768	99 507	113 913	98 891	89 728
Bridon-Bekaert Ropes Group	17 405	21 585	22 417	22 277	18 984	17 405	21 585	22 417	22 277	18 984
Speciality Businesses	30 820	29 412	38 339	37 904	35 907	30 820	29 412	39 339	37 904	35 907
Corporate	3 306	2 958	3 438	3 113	2 918	3 306	2 958	3 438	3 113	2 918

GRI 305-2

Scope 3

Scope 3 emissions in ton CO_2e	2019[1]	2021	2022	2023
Scope 3 emissions excluding JVs				
Purchased goods & services	4 564 331	5 338 698	4 972 721	4 583 329
Capital goods	55 749	88 437	98 471	117 813
Fuel & energy related activities (not included in Scope 1 or 2)	57 189	56 895	53 547	51 085
Upstream transportation & distribution	100 158	120 408	128 215	116 969
Waste generated in operations	31 006	28 789	30 561	24 924
Business travel	2 740	1 000	2 100	5 500
Employee commuting	17 354	16 329	16 329	15 430
Upstream leased assets	0	0	0	0
Downstream transportation & distribution[2]	47 230	66 941	116 899	101 601
Processing of sold products	192 979	154 930	158 939	168 232
Use of sold products	62 175	62 175	62 175	62 175
End of life treatment of sold products	3 685	3 670	3 423	3 295
Downstream Leased Assets	0	0	0	0
Franchises	0	0	0	0
Scope 3 emissions JVs				
Total JVs	141 195	94 478	186 985	197 291
Total Scope 3 emissions	**5 275 791**	**6 032 752**	**5 830 365**	**5 447 644**

[1] *2019 is the reference year for SBTi-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.
- Scope 3 emissions estimation tools generally provide information on CO_2 equivalent emissions (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 tCO_2/t steel data provided by suppliers plus a calculation via the Makersite estimation tool based on raw materials spend excluding wire rod. Emissions associated with the purchase of spools, dies, wire, IT services, packaging & corporate services were excluded in previous reports, but are included now for all years.
- Capital goods: calculation via the Makersite 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 Makersite estimation tool based on Scope 1 & Scope 2 emissions.
- Upstream transportation and distribution: calculation by the Makersite estimation tool based on tons shipped from suppliers to Bekaert sites plus relevant emission factors.
- Waste generated in operations: calculation via the Makersite estimation tool based on waste produced.
- Business travel: emissions from 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 Makersite estimation tool based on number of employees plus contingent workers.
- Upstream leased assets: none in Bekaert.
- Downstream transportation and distribution: calculation based on sea, air, and 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 Makersite estimation tool based on estimated processing costs and tonnages for the two largest categories of products sold.
- Use of sold products: calculation via the Makersite estimation tool based on products sold for internal combustion engine vehicle drive train applications (as per SBTi advice regarding qualifying products and direct/indirect Scope 3 emissions).
- End of life treatment of sold products: calculation via the Makersite estimation tool based on tons sold.
- Downstream leased assets: none in Bekaert.
- Franchises: none in Bekaert.
- Total JVs: calculation via the Makersite estimation tool based on financial value of JVs.
- As explained above, some of the emission estimates included in our Scope 3 inventory are based on emission factors related to spend or financial value via the Makersite estimation tool. As a result, these estimates do not necessarily reflect real changes in emissions. In future years we will investigate improved methodologies that better reflect the actual situation.

Restatements:

The Scope 3 emissions inventory presented in this report is different to that presented in previous reports for a number of reasons:

(1) The SBTi-recommended emissions estimation tool was taken out of service in late 2022. As a result, we now use estimation tools provided by Makersite. Using Makersite for our 2023 inventory, we also recalculated our prior years' inventories using the same Makersite models in order to ensure comparability.

(2) As a result of the divestments of SWS in Chile and Peru, we restated, where applicable, our input data for 2019, 2021 & 2022 and used these in the Makersite models.

(3) As reported last year, this year we expanded the coverage of the purchased goods & services category for 2023 and prior years to include Scope 3 emissions associated with dies, spools, packaging, IT/telecommunication, corporate services, steel wire and rope specifics in addition to wire rod and raw materials.

(4) We improved the methodology, accuracy and coverage of emission estimates for a number of other categories.
GRI 2-4

Transport

Scope 3 emissions from transport are from Bekaert consolidated entities (excluding joint ventures).

GHG emissions from outbound logistics:

- Global sea freight: 27 754 ton CO_2e
- Road transport: 70 610 ton CO_2e
- Air freight: 3 237 ton CO_2e

GHG intensity ratio from outbound logistics:

- Global sea freight: 8.5 grams of CO_2e emitted required to transport 1 ton of goods over 1 km
- Road transport: 85.2 grams of CO_2e emitted required to transport 1 ton of goods over 1 km
- Air freight: 685.0 grams of CO_2e emitted required to transport 1 ton of goods over 1 km

GRI 305-3

Scope 3 GHG emissions from outbound logistics in ton CO_2e	2019[1]	2020[1]	2021[1]	2022[2]	2023[2]
Global sea freight	18 578	22 603	31 137	29 263	27 754
Road freight	9 284	8 249	10 562	82 854	70 610
Air freight	800	803	4 118	4 782	3 237

[1] *Road freight 2019, 2020 and 2021 is limited to road freight for Rubber Reinforcement EMEA only.*
[2] *Road freight 2022 and 2023 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	2023
Global sea freight	8.5	8.2	8.5
Road freight	44.0	86.5	85.2
Air freight	n.a.	697.0	685.0

GRI 305-4

GHG emissions intensity of company cars, personnel bus services and air travel:

- GHG emissions from company cars & buses: 3 504 ton CO_2e/year
- GHG emissions from business travel (air): 5 500 ton CO_2e (without radiative forcing (RF))

GHG emissions from company cars, personnel, bus services and air travel	2019	2020	2021	2022	2023
GHG emissions from company cars & buses in ton CO_2e/year	n.a.	3 606	3 508	3 497	3 504
GHG emissions from business travel (air) in ton CO_2e (without radiative forcing (RF))	2 740	1 700	1 000	2 100	5 500

GRI 305-3

Purchased goods

Scope 3 emissions from purchased goods

Our Scope 3 GHG emissions from purchased wire rod were -5.1% in 2023 compared to 2022 and -3.1% compared to 2019 (excluding JVs).

Scope 3 emissions from purchased goods (in ton CO_2e)	2019[1]	2021	2022	2023
Scope 3 emissions from purchased wire rod[2]	4 072 701	4 696 879	4 159 349	3 945 573
Scope 3 emissions from other purchased goods[3]	491 630	641 819	813 371	673 756

[1] *2019 is the reference year for SBTi-calculation*
[2] *Calculation based on tons of wire rod purchased and average tCO_2/t steel data obtained from wire rod supplier or based on CRU dataset if no supplier data are available.*
[3] *Calculation based on emission factors related to spend via the Makersite estimation tool. As a result, these estimates do not necessarily reflect real changes in emissions. In future years we will investigate improved methodologies that better reflect the actual situation (see above for more details).*

GRI 305-3

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.

In line with the requirements for EU Taxonomy reporting, we reported on eligibility in 2021 and alignment on the two of the EU Taxonomy objectives, Climate Change Mitigation and Climate Change Adaptation, in 2022. With the publication of the delegated act pertaining to the remaining four environmental objectives[3], this year's analysis considers all the six environmental objectives of EU Taxonomy as well as the further amendments and recommendations from the European Commission. 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 2023 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 2023, expressed through three key performance indicators: our share of eligible/aligned, eligible/non-aligned and non-eligible activities in the Bekaert consolidated sales of 2023, 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] The Commission Delegated Regulation (EU) 2023/2486 of 21 November 2023 with respect to four environmental objectives: 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 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 climate change mitigation environmental objective, 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 turbines 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 climate change mitigation environmental objective, 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 climate change mitigation environmental objective, 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, two digital LCA tools 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.
  - In the 2022 analysis, the required third-party verifications per LCA conducted were still in progress. Hence, we did not claim alignment for activity 3.6 in 2022. In 2023, we received third-party verification for the most material product groups. In 2024, we will continue with our efforts to obtain third-party verification for the remaining product groups listed as eligible under activity 3.6. This is consistent with our commitment to communicate the environmental sustainability of our products in a credible manner.

More information about our sustainable products and solutions is disclosed in Part I of this report: 'Our performance in 2023 - 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 key performance indicators 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 delegated acts, 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 key component suppliers such as Bekaert 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 value of all three key performance indicators of Bekaert between 3-14%. 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, due diligence and risk assessment process, grievance mechanisms, bribery/corruption, taxation and fair competition.

A. Substantial contribution & scope

Bekaert's sustainability strategy and SBTi-approved targets reflect a holistic approach that aligns with the EU Taxonomy (find more information in section ’Planet’ in Part I of this report). The eligibility assessment determined that Bekaert's current activities contribute solely to the climate change mitigation objective of the EU Taxonomy. As the EU Taxonomy evolves, we remain committed to staying informed and gaining a deeper understanding of its developments, in order to explore new opportunities to make further contributions towards its other environmental objectives as well.

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 prudence 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. Bekaert has been at the forefront of developing innovative solutions for green hydrogen production for over 20 years and therefore, it is probable the current assessment is an underestimation of our green activities.
- 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. A certain proportion of our solutions are already implemented in hybrid boilers but we lack traceability due to being far from the end-product in the value chain. Hence, following the prudence approach, we don’t claim any alignment for this activity in 2023, which could be considered as an underestimation of our green activities. However, we have several initiatives ongoing to improve traceability for hybrid boilers, as well as leveraging our existing technology and know-how in developments meeting substantial contribution criteria of EU Taxonomy.
- 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. A study was performed to determine and ensure compliance of key manufacturing locations with the criteria set out by the EU Taxonomy Climate Delegated Act Appendix C. Key manufacturing locations were selected based on turnover representing, in total, approximately 80% of our aligned revenue.
- Generic criteria for DNSH to climate change adaptation: An in-depth climate risk study was conducted, starting in 2022, to assess the impact of physical climate change risks on Bekaert's all global assets and operations. In 2023, Bekaert further continued to fine-tune this study focusing on adaptation solutions, and mapping of main exposures of key suppliers. More information is available 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 and aligned products and adopted relevant techniques where possible. As part of our efforts to establish a systematic approach to take our circular economy initiatives to the next level, we continuously conduct workshops and initiate projects. We are actively working toward 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), the International Bill of Human Rights, and Article 18 of the EU Taxonomy regulation. 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, due diligence and risk assessment process, grievance mechanisms, 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. In 2023, we approved our updated Code of Conduct which reflects our bold new vision and strengthens our stance on key topics, including sustainability, diversity, equity, and inclusion, as well as fair competition. We are also intensifying our efforts to promote human rights by introducing a new cross-functional, global program for due diligence. More information on Social Safeguards and related risks throughout the Bekaert value chain is included in the '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

Financial year 2023				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code**	**Turnover**	**Proportion of turnover**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2022**	**Category enabling activity**	**Category transitional activity**
		thousands of €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	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	CCM 3.1	40 342	1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1 %	E	
Manufacture of other low carbon technologies	CCM 3.6	1 779 959	41 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0 %	E	
Close to market research, development and innovation	CCM 9.1	122	0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0 %	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		1 820 423	42 %	100%	0 %	0 %	0 %	0 %	0 %		Y	Y	Y	Y	Y	Y	1 %		
Of which Enabling		1 820 423	42 %	100%	0 %	0 %	0 %	0 %	0 %		Y	Y	Y	Y	Y	Y	1 %	E	
Of which Transitional			0 %	0%													0 %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	27 288	1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3 %		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	62 056	1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2 %		
Manufacture of other low carbon technologies	CCM 3.6	154 611	4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								44 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		243 955	6 %	100 %	0 %	0 %	0 %	0 %	0 %								46 %		
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		2 064 378	48 %	100 %	0 %	0 %	0 %	0 %	0 %								47 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		2 263 514	52 %																
TOTAL		4 327 892	100 %																

Y - Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N - No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective, EL: Taxonomy eligible activity for the relevant objective.

Decimal used only for below 1%.

Numerator

The numerator is comprised of the Bekaert 2023 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). We consider only the revenues generated from specific products and customers related to the EU Taxonomy 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 2023 - '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'.

The proportion of the Taxonomy aligned (A.1) and eligible (A.2) consolidated sales has, in line with the financial statements, been restated for the year 2022 as a result of the sale of the Steel Wire Solutions businesses in Chile and Peru.

2. Capital Expenditure (Capex)

Financial year 2023				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2022	Category enabling activity	Category transitional activity
		thousands of €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL		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	CCM 3.1	8 340	4 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.3 %	E	
Manufacture of other low carbon technologies	CCM 3.6	64 942	31 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0 %	E	
Close to market research, development and innovation	CCM 9.1	6 699	3 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1 %	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned (A.1)		79 981	39 %	100 %	0 %	0 %	0 %	0 %	0 %		Y	Y	Y	Y	Y	Y	2 %		
Of which Enabling		79 981	39 %	100 %	0 %	0 %	0 %	0 %	0 %		Y	Y	Y	Y	Y	Y	2 %	E	
Of which Transitional		0	0 %	0 %													0 %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	14 570	7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3 %		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	3 002	1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2 %		
Manufacture of other low carbon technologies	CCM 3.6	3 155	2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								33 %		
Electricity generation using solar photovoltaic technology	CCM 4.1	533	0.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0 %		
Renewal of water collection, treatment and supply systems	CCM 5.2	23	0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2 %		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	1 018	0.5 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1 %		
Renewal of waste water collection and treatment	CCM 5.4	225	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0 %		
Operation of personal mobility devices, cycle logistics	CCM 6.4	12	0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0 %		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	610	0.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0 %		
Renovation of existing buildings	CCM 7.2	6 912	3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8 %		

Financial year 2023				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	8 380	4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL		2 %	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1 182	1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.3 %	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		39 622	19 %	100 %	0 %	0 %	0 %	0 %	0 %		43 %	
CapEx of Taxonomy eligible activities (A.1 + A.2)		119 603	58 %	100 %	0 %	0 %	0 %	0 %	0 %		45 %	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
CapEx of Taxonomy-non-eligible activities (B)		87 098	42 %									
Total		206 701	100 %									

Y - Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N - No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective, EL: Taxonomy eligible activity for the relevant objective.
Decimal used only for below 1%.

Numerator

The numerator is comprised of (i) capex related to Taxonomy-eligible and -aligned 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 2023), as described in Section 1.1.2.2 of Annex I of the Disclosure Delegated Act. The total EU Taxonomy-eligible and aligned 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, 6.13, 7 .3. 7.5 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 eligible revenue percentage of products manufactured in the specific production plant that capex project was implemented, 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 2023 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.

The proportion of the Taxonomy aligned (A.1) and eligible (A.2) capex has, in line with the financial statements, been restated for the year 2022 as a result of the sale of the Steel Wire Solutions businesses in Chile and Peru.

3. Operational excellence expenses (opex)

Financial year 2023				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code**	**OpEx**	**Proportion of OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2022**	**Category enabling activity**	**Category transitional activity**
		thousands of €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL		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	CCM 3.1	1 448	1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1%	E	
Manufacture of other low carbon technologies	CCM 3.6	60 854	32 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0 %	E	
Transport by motorbikes, passenger cars and commercial vehicles	CCM 6.5	1 847	1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.3 %		T
Close to market research, development and innovation	CCM 9.1	2 203	1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	3%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned (A.1)		66 351	35 %	100 %	0 %	0 %	0 %	0 %	0 %								4%		
Of which Enabling		64 504	34 %	97 %	0 %	0 %	0 %	0 %	0 %								4 %	E	
Of which Transitional		1 847	1 %	3 %	0 %	0 %	0 %	0 %	0 %								0.3 %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	4 520	2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4 %		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	3 494	2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2 %		
Manufacture of other low carbon technologies	CCM 3.6	3 641	2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								34 %		
Transport by motorbikes, passenger cars and commercial vehicles	CCM 6.5	8 729	5 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		20 383	11 %	100 %	0 %	0 %	0 %	0 %	0 %								39 %		
OpEx of Taxonomy eligible activities (A.1 + A.2)		86 734	46 %	100 %	0 %	0 %	0 %	0 %	0 %								43 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		102 973	54 %																
Total		189 706	100 %																

Y - Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N - No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective, EL: Taxonomy eligible activity for the relevant objective.

Decimal used only for below 1%.

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 and aligned activities and (ii) ‘applicable’ opex related to other Taxonomy-eligible and aligned economic activities, as described in Section 1.1.3.2 of Annex I of the Disclosure Delegated Act. The total EU Taxonomy-eligible and aligned ‘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 eligible revenue percentage of products manufactured within the business unit or segment, 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. Likewise, our central Technology and Innovation department identified the R&D expenses related to the eligible and aligned products, 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.

The proportion of the Taxonomy aligned (A.1) and eligible (A.2) opex has, in line with the financial statements, been recalculated for the year 2022 as a result of the sale of the Steel Wire Solutions businesses in Chile and Peru.

Water

We use water in our production processes, and we want to save every unnecessary 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 relative[1] freshwater intake in water stressed areas by -15% by 2030 compared to 2019.

After use and reuse many times over, water that cannot be further recycled is treated and cleaned before it leaves our premises.

All water data are combined data (consolidated entities + joint ventures). All comparative water data have been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru.
GRI 2-4, GRI 303-1

Water withdrawal

Total water withdrawal was 7 097 megaliter (ML) of which 3 052 ML from areas with water stress.

Freshwater withdrawal by source:

- Surface water: 456 ML of which 447 ML from areas with water stress
- Groundwater: 2 053 ML of which 737 ML from areas with water stress
- Third party water: 4 588 ML of which 1 868 ML from areas with water stress:
  - 4 037 ML from surface water of which 1 687 ML from areas with water stress
  - 551 ML from groundwater of which 181 ML from areas with water stress

All data are 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 withdrawal (in ML)	2019 (baseline)	2021	2022	2023
Total water withdrawal	**8 933**	**8 667**	**8 227**	**7 097**
from areas with water stress	3 512	3 555	3 337	3 052

Freshwater withdrawal by source (in ML)	2019 (baseline)	2021	2022	2023
Surface water	**761**	**626**	**583**	**456**
from areas with water stress	559	605	546	447
Groundwater	**2 285**	**2 497**	**2 447**	**2 053**
from areas with water stress	741	813	791	737
Total third-party water	**5 887**	**5 544**	**5 197**	**4 588**
from areas with water stress	2 212	2 137	2 000	1 868

Third-party water by source (in ML)	2019 (baseline)	2021	2022	2023
Third-party water from surface water	**5 347**	**4 735**	**4 305**	**4 037**
from areas with water stress	1 955	1 783	1 687	1 687
Third-party water from ground water	**540**	**809**	**892**	**551**
from areas with water stress	257	354	313	181

GRI 2-4, GRI 303-3

[1] *measured against ton of final product produced*

Water discharge

Total water discharge is 3 408 ML in 2021 of which 1 416 ML to areas with water stress.

Water discharge by destination:

- Surface water: 1 172 ML of which 5 ML freshwater and 1 167 ML other water
- Groundwater: 0 ML
- Sea water: 26 ML of which 0 ML freshwater and 26 ML other water
- Third party water: 2 210 ML of which 11 ML freshwater and 2 199 ML other water

Water discharge to areas with water stress was 1 416 ML of which 10 ML freshwater and 1 406 ML other water.

Our water discharge is filtered at our own premises.

All data are 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)	2021	2022	2023
Total water discharge	**4 033**	**3 727**	**3 408**
to areas with water stress	1 984	1 591	1 416

Water discharge by destination (in ML)	2021	2022	2023
Surface water	**1 466**	**1 421**	**1 172**
Freshwater	502	2	5
Other water	964	1 419	1 167
Groundwater	**0**	**0**	**0**
Sea water	**45**	**16**	**26**
Freshwater	0	0	0
Other water	45	16	26
Third-party water	**2 522**	**2 290**	**2 210**
Freshwater	46	16	11
Other water	2 476	2 274	2 199
Water discharge to areas with water stress	**1 984**	**1 591**	**1 416**
Freshwater	509	4	10
Other water	1 475	1 587	1 406

GRI 2-4, GRI 303-2, GRI 303-4

Water consumption

Water consumption = total water withdrawal - total water discharge.

Total water consumption was 3 689 ML of which 1 636 ML from areas with water stress

All data are 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)	2021	2022	2023
Total water consumption	**4 634**	**4 500**	**3 689**
From areas with water stress	1 571	1 746	1 636

GRI 2-4, GRI 303-5

Recycled input material

Recycled input material (consolidated, excluding JVs)	2021	2022*	2023
% Recycled content in wire rod (purchased by the steel mills)	26	26	20
% Recycled content in purchased zinc			28
% Recycled content in purchased copper			5

- *2022 data have been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru.*

GRI 2-4, GRI 301-2

Waste

Our ambition is to reduce our relative[1] waste volume by 25% by 2030 compared to 2019. All steel scrap is returned to the steel mills for recycling.

Waste data are combined data (consolidated entities + joint ventures).

All waste data have been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru.

Steel scrap in ton	2019	2021	2022	2023
Preparation for re-use	0	0	0	0
Recycling	115 538	106 496	99 257	98 278
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 2-4, GRI 306-4

[1] *measured against ton of final product produced*

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 Pro can be found in Part I of this report: 'Our performance in 2023: People'.
GRI 403-2

Safety procedures

Bekaert has developed several safety procedures and standards that apply to all our plants worldwide. They aim for a coherent and standardized approach to processes and actions across the group.
GRI 403-2

Special attention was given to the following standards during 2023: Permit to work; Working @ Height; Lock out, Tag out, Try out (LoToTo) and Electrical safety.

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 a fatality. 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 is being 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 concerning 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 impacts. 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

Mental health

77% of the employees in the Bekaert subsidiaries (compared to 68% in 2022[1]) 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.
GRI 403-3, GRI 403-6

More information on the standards we comply with regarding the handling of chemicals and other substances that may cause potential environmental and health risks, is included in Part II: 'Environmental Statements' of this report.

[1] *The 2022 number has been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru.*

Safety data

- The Total Recordable Incident Rate increased by +0.89 compared to 2022.
- The Lost-Time Incident Frequency Rate was +0.58 higher than last year, driven by an increase in incidents that led to lost time.
- The number of incidents leading to life-altering injuries increased from six cases in 2022 to nine in 2023.
- 11% of all incidents either led or could potentially have led to a life-altering injury, up from 10% in 2022.
- The number of incidents that happened in high-risk situations (but not necessarily resulting in a serious injury) remained the same in 2023 compared to 2022.
- No fatal accidents occurred on our premises in 2023 (employees on the payroll, contingent workers, or subcontractors).
- No fatal accidents occurred on the way to and from work in 2023.

47% of the injuries that happen at Bekaert involve hands and fingers. Despite all safety measures, nine of these incidents in 2023 were life-altering, compared to six in 2022. In safety procedures and during safety training, special attention is given to the prevention of hand and finger injuries. Other body parts injured were head and neck (19%), upper limbs (14%), lower limbs (9%), feet and toes (6%) and torso, back and organs (6%).
GRI 403-9

In 2023 Bekaert expanded, as intended, its certifications against 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 30 sites (43% 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 9 hours of safety-related training in 2023 (compared to 7 hours in 2022).
GRI 403-5

Key safety performance indicators Bekaert consolidated	2020	2021	2022*	2023
TRIR	4.30	3.93	3.88	4.84
LTIFR	2.94	2.27	2.46	3.01
SI rate	0.02	0.10	0.12	0.14

Key safety performance indicators Bekaert combined (consolidated plants + joint ventures)	2020	2021	2022*	2023
TRIR	4.02	3.67	3.4	4.29
LTIFR	2.65	2.08	2.09	2.67
SI rate	0.02	0.12	0.1	0.15

**2022 data have been restated due to the divestment of the Steel Wire Solution business activities in Chile and Peru and several corrections after an internal audit on the application of tightened definitions. The 2020-2021 data have not been restated.*
GRI 2-4

The Group's 2023 and restated 2022 safety metrics are affected by the carve-out of the discontinued operations in Chile and Peru. This is the result of deducting a relatively low number of incidents (nominator) and a very high number of working hours (denominator) from the total. Steel Wire Solutions Chile has relatively strong safety metrics due to a large sales and distribution activity, which overall is a safer working environment than a manufacturing activity.

All safety metrics of 2022 have been thoroughly analyzed and audited in 2023 according to tightened definitions, which led to some additional restatements. The disclosures of 2023 have been audited by Internal Audit and by EY, whose audit report is attached at the end of the Chapter 'Social Statements' in this report.
GRI 403-9

Incident rates per gender

Group data by gender (payroll employees)	Male		Female	
	2022*	2023	2022*	2023
LTIFR[1]	2.36	3.08	2.31	3.33
SI rate[2]	0.07	0.17	0.17	0.00
TRIR[3]	3.97	4.91	3.49	4.73

**2022 data have been restated due to the divestment of the Steel Wire Solution business activities in Chile and Peru and due to certain corrections as a consequence of tightened definitions.*
[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 2-4, GRI 403-9

Incident rates per region

Group data per region 2021	EMEA	Latin America	North America	Asia Pacific	JVs	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 own workforce (payroll + contingent workers)	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	0.30	0	0.21	0.10	0.12
Bekaert own workforce (payroll + contingent workers)	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	2.10	3.93	3.67
Bekaert own workforce (payroll + contingent workers)	7.28	1.82	19.97	1.23	2.63	4.44	4.20
Contractors	6.82	1.34	9.11	0.089	0.75	2.00	1.77

Group data per region 2022*	EMEA	Latin America	North America	Asia Pacific	JVs	Bekaert Consolidated	Bekaert Combined
LTIFR[1]							
All (Bekaert payroll employees + contractors)	5.74	2.17	1.59	0.82	0.00	2.46	2.09
Bekaert own workforce (payroll + contingent workers)	5.98	1.57	1.79	0.93	0.00	2.76	2.39
Contractors	3.72	4.08	0.00	0.52	0.00	1.31	1.05
SI rate[1]							
All (Bekaert payroll employees + contractors)	0.13	0.48	0.27	0.04	0.00	0.12	0.10
Bekaert own workforce (payroll + contingent workers)	0.14	0.63	0.00	0.00	0.00	0.10	0.08
Contractors	0.00	0.00	2.46	0.13	0.00	0.19	0.15
TRIR[1]							
All (Bekaert payroll employees + contractors)	7.04	3.37	11.68	1.17	0.66	3.88	3.40
Bekaert own workforce (payroll + contingent workers)	7.35	3.15	11.90	1.32	0.93	4.38	3.91
Contractors	4.34	4.08	9.83	0.78	0.00	1.97	1.57

**2022 data have been restated due to the divestment of the Steel Wire Solution business activities in Chile and Peru and due to certain corrections as a consequence of more accurate definitions*

Group data per region 2023	EMEA	Latin America	North America	Asia Pacific	JVs in Brazil and Colombia	Bekaert Consolidated	Bekaert Combined
LTIFR[1]							
All (Bekaert payroll employees + contractors)	7.80	3.75	3.19	0.55	0.60	3.01	2.67
Bekaert own workforce (payroll + contingent workers)	8.10	4.74	3.46	0.52	0.51	3.49	3.11
Contractors	5.07	0.96	0.00	0.63	0.79	1.22	1.14
SI rate[1]							
All (Bekaert payroll employees + contractors)	0.14	0.25	0.29	0.10	0.24	0.14	0.15
Bekaert own workforce (payroll + contingent workers)	0.16	0.34	0.31	0.09	0.17	0.15	0.15
Contractors	0.00	0	0	0.13	0.40	0.09	0.15
TRIR[1]							
All (Bekaert payroll employees + contractors)	9.63	5.51	15.39	1.17	0.95	4.84	4.29
Bekaert own workforce (payroll + contingent workers)	9.66	7.10	15.72	1.13	1.02	5.45	4.89
Contractors	9.42	0.96	11.40	1.25	0.79	2.53	2.20

[1] *Contractor: employee of a supplier who performs predefined tasks on a regular basis on our premises. This includes but is not limited to employees of cleaning services, security services, temporary employment agencies (interim workers).*

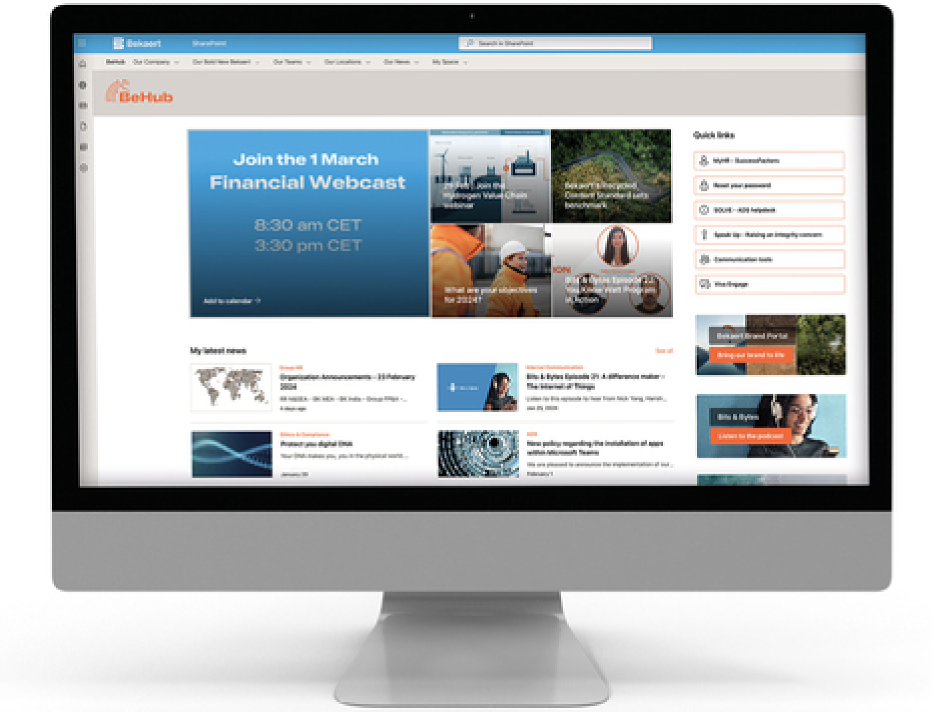
GRI 2-4, GRI 403-9

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 41 hours of training in 2023.

Average hours of training per employee per region	2021		2022*		2023	
	Male	Female	Male	Female	Male	Female
EMEA						
Blue collars	37	37	41	32	57	36
Salaried professionals	25	26	37	26	32	30
Management	17	20	18	22	29	44
Latin America						
Blue collars	39	150	72	105	75	52
Salaried professionals	23	21	28	33	51	51
Management	34	43	42	33	49	86
North America						
Blue collars	22	14	71	100	20	21
Salaried professionals	17	9	7	6	19	16
Management	20	19	14	11	23	22
Asia Pacific						
Blue collars	37	58	23	29	36	63
Salaried professionals	24	16	25	22	28	25
Management	39	27	25	22	33	34

**2022 data has been restated due to the divestment of the Steel Wire Solution business activities in Chile and Peru.*

GRI 2-4, GRI 404-1

On average, each employee received 7 hours of mandatory training in 2023.

GRI 404-1

On average each employee received 9 hours of safety training in 2023.

GRI 403-5, GRI 404-1

On average each employee received 1 hour of well-being training in 2023.

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. 80% 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.

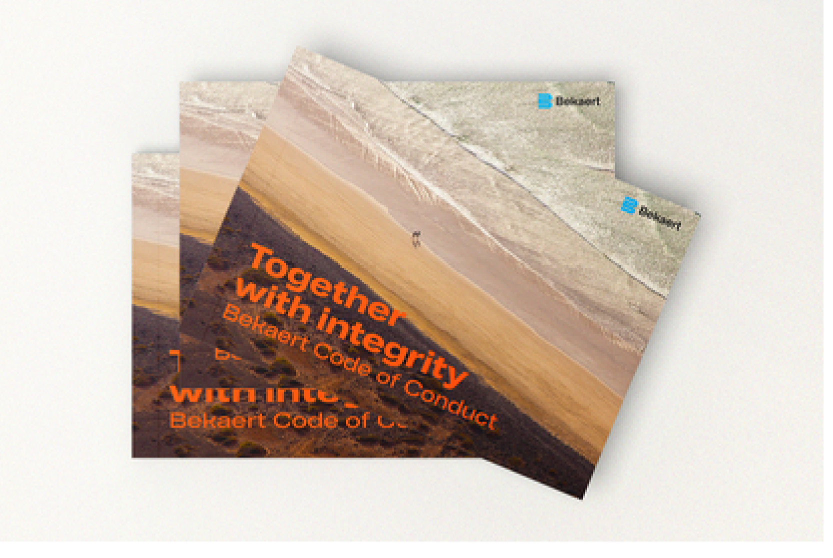
GRI 2-29, GRI 403-4

Highest ethical standards

Integrity

Bekaert's commitment to integrity, ethics and compliance starts with its Board of Directors (Board) and the Bekaert Group Executive (BGE). The Board's Audit, Risk and Finance Committee (ARFC) meets quarterly to review and evaluate Bekaert's compliance program in relation to the Code of Conduct. Bekaert reports integrity case statistics twice a year to the BGE and ARFC. Bekaert's CEO and other senior leaders regularly communicate with employees about the importance of compliance. Through town hall meetings, staff meetings, messages cascaded through their direct reports, and in e-mail communications to employees, senior leadership emphasizes the importance of integrity and compliance and every employee's responsibility to do the right thing.

In December 2023 Bekaert issued its new Code of Conduct which was approved by the Board. The updated Code reflects our revitalized values, ambition, purpose, our new brand identity, and covers new and updated risk areas and topics such as sustainability, antitrust, diversity, equity, and inclusion.



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, and to renew their commitment to the principles of the Code and the Bekaert values.
GRI 2-24

100% of the managers and 100% of the salaried professionals renewed their commitment to the Code of Conduct in 2023. Operators obtain training on the Code of Conduct and are required to recertify 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 training and online training modules. We use a risk-based approach and tailor training to selected groups of employees 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.

In 2023, 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. All managers and salaried professionals completed a mandatory Privacy course. 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-training was 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 2-25, GRI 205-1, GRI 205-2, GRI 408-1, GRI 409-1

In 2023, Bekaert implemented a new central case reporting and investigation management tool. The tool, which allows all employees and also third parties to report concerns or raise questions, is one of several communication vehicles for asking questions or raising concerns. The tool allows for confidential two-way communication between Group Ethics and Compliance and any anonymous reporter as well as with those who shared their identity in the issued report. Employees are encouraged to speak up and raise concerns by whichever method they feel most comfortable. They may alternatively reach out to their HR representative, to Group Legal or Group Ethics and Compliance, to Internal Audit or to their direct manager or supervisor. Our Investigation Protocol ensures the quality and consistency of our investigations and their respective reporting requirements.

In 2023, 109 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

In 2023, Bekaert inaugurated 5 active Regional Compliance Committees in EMEA and India, North Asia, Southeast Asia, North America, and Latin America. The Committees are comprised of cross-functional leaders in Procurement, Finance, Human Resources, Legal, Operations, and Commercial and meet on a quarterly basis. In these quarterly meetings the leaders are briefed on compliance initiatives, policies, procedures, and lessons learned from recent investigations. In addition, these leaders receive training and messages to cascade further to their teams and discuss the compliance procedures in their areas of the business.

Embracing diversity

All diversity data apply to Bekaert subsidiaries (excluding joint ventures).

Nationality diversity

Throughout our organization, 314 employees have another nationality than that of the country they work in. The countries where we have the largest foreign employee workforce are Belgium (98 foreign employees or 7% of the Belgian workforce) and Slovakia (65 foreign employees or 3% of the Slovakian workforce).
GRI 2-7

Nationality diversity - 31 December 2023	# People	# Nationalities
Blue collars	14 995	44
Salaried professionals	3 743	48
Management [1]	1 653	54
Total Bekaert employees	**20 391**	**74**

[1] B7 and above (Hay classification reference)

Our 2022 employee diversity data have been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru.
GRI 2-4

Nationality diversity - 31 December 2022 restated	# People	# Nationalities
Blue collars	16 013	42
Salaried professionals	3 959	47
Management [1]	1 640	54
Total Bekaert employees	**21 612**	**70**

Nationality diversity in the Board of Directors and in the Leadership Team of Bekaert:

Nationality diversity - 31 December 2023	# People	# Nationalities	# Non-native [1]	% Non-native
Board of Directors	**10**	**5**	**4**	**40%**
Bekaert Group Executive (BGE)	8	7	6	75%
Senior Vice Presidents (B16-B18) [2]	15	6	6	40%
Next leadership level (B13-B15) [2]	81	18	45	56%
Total leadership team	**114**	**36[3]**	**61**	**54%**

Nationality diversity - 31 December 2022 restated	# 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]	88	16	48	55 %
Total leadership team	**119**	**34[3]**	**65**	**55 %**

[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

All nationality diversity data take into account employees on the Bekaert payroll in consolidated entities.
GRI 405-1

Gender diversity

Gender diversity - 31 December 2023	% Male	% Female
Blue collars	92%	8%
Salaried professionals	69%	31%
Management	77%	23%
Total Bekaert employees	**87%**	**13%**

GRI 2-7

Our 2022 employee diversity data have been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru.
GRI 2-4

Gender diversity - 31 December 2022 restated	% Male	% Female
Blue collars	97%	8%
Salaried professionals	70%	30%
Management	78%	22%
Total Bekaert employees	**87%**	**13%**

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. 28.3% of the managers and salaried professionals of the Bekaert subsidiaries are female (as per year-end 2023). We are committed to increase this share in support of gender equality. Our target is to achieve a ratio of 40% by 2030. This target has also been added in the short-term incentives targets for the management and Executives. The ratio at year end 2022 excluding the divested SWS entities in Chile and Peru was 27.4% .
GRI 2-7

Gender diversity in the Board of Directors and in the Leadership Team of Bekaert:

Gender diversity - 31 December 2023	# People	% Male	% Female
Board of Directors	**10**	**50%**	**50%**
Bekaert Group Executive (BGE)	8	75%	25%
Senior Vice Presidents (B16-B18)	15	87%	13%
Next leadership level (B13-B15)	81	80%	20%
Total leadership team	**114**	**78%**	**22%**

Gender diversity - 31 December 2022 restated	# 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)	88	81 %	19 %
Total leadership team	**119**	**80 %**	**20 %**

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.

All gender diversity data take into account employees on the Bekaert payroll in consolidated entities.
GRI 405-1

Age diversity

Age diversity - 31 December 2023	% Under 30 years old	% 30-50 Years old	% Over 50 years old
Blue collars	15%	70%	15%
Salaried professionals	11%	69%	20%
Management	2%	68%	29%
Total Bekaert employees	**13%**	**69%**	**17%**

GRI 2-7

Our 2022 employee diversity data have been restated due to the divestment of the Steel Wire Solutions business activities in Chile and Peru.
GRI 2-4

Age diversity - 31 December 2022 restated	% Under 30 years old	% 30-50 Years old	% Over 50 years old
Blue collars	17 %	69 %	14 %
Salaried professionals	11 %	71 %	18 %
Management	3 %	68 %	29 %
Total Bekaert employees	**15 %**	**69 %**	**16 %**

Age diversity in Bekaert's highest governance bodies:

Age diversity - 31 December 2023	# People	% 30-50 Years old	% Over 50 years old
Board of Directors	**10**	**40%**	**60%**
Bekaert Group Executive (BGE)	8	25%	75%
Senior Vice Presidents (B16-B18)	15	33%	67%
Next leadership level (B13-B15)	81	42%	58%
Total leadership team	**114**	**39%**	**61%**

Age diversity - 31 December 2022 restated	# 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)	12	33 %	67 %
Next leadership level (B13-B15)	88	45 %	55 %
Total leadership team	**119**	**42 %**	**58 %**

All age diversity data take into account employees on the Bekaert payroll in consolidated entities.
GRI 405-1

Employment data:

Region - 31 December 2023	EMEA	North America	Latin America	Asia Pacific	TOTAL
Blue Collars	**5 699**	**1 160**	**919**	**7 217**	**14 995**
Male	4 850	1 084	883	6 988	13 805
Female	849	76	36	229	1 190
Salaried professionals	**1 386**	**262**	**435**	**1 660**	**3 743**
Male	897	162	294	1 238	2 591
Female	489	100	141	422	1 152
Management	**795**	**158**	**69**	**631**	**1 653**
Male	619	124	48	488	1 279
Female	176	34	21	143	374
Total Male	6 366	1 370	1 225	8 714	17 675
Total Female	1 514	210	198	794	2 716
Grand total	**7 880**	**1 580**	**1 423**	**9 508**	**20 391**

GRI 2-7

Countries with > 1000 employees 2023 (excluding contingent workers)	China	Slovakia	Belgium	US	Indonesia
Blue Collars	**5 333**	**1 703**	**729**	**1 160**	**1 126**
Male	5 127	1 339	639	1 084	1 121
Female	206	364	90	76	5
Salaried professionals	**1 002**	**407**	**382**	**259**	**173**
Male	710	227	259	162	150
Female	292	180	123	97	23
Management	**447**	**93**	**392**	**153**	**36**
Male	301	71	301	120	33
Female	146	22	91	33	3
Total Male	6 138	1 637	1 199	1 366	1 304
Total Female	644	566	304	206	31
Grand total	**6 782**	**2 203**	**1 503**	**1 572**	**1 335**

GRI 2-7

Region - 31 December 2022 restated*	EMEA	North America	Latin America	Asia Pacific	TOTAL
Blue Collars	**5 984**	**1 208**	**924**	**7 897**	**16 013**
Male	5 127	1 138	886	7 649	14 800
Female	857	70	38	248	1 213
Salaried professionals	**1 424**	**256**	**445**	**1 834**	**3 959**
Male	923	154	306	1 401	2 784
Female	501	102	139	433	1 175
Management	**779**	**158**	**69**	**634**	**1 640**
Male	620	123	48	491	1 282
Female	159	35	21	143	358
Total Male	6 670	1 415	1 240	9 541	18 866
Total Female	1 517	207	198	824	2 746
Grand total	**8 187**	**1 622**	**1 438**	**10 365**	**21 612**

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 in these analyses.

99% of the Bekaert employees work full-time.

Workers who are not employees (contingent workers) - 31 December 2023	EMEA	North America	Latin America	Asia Pacific	TOTAL
Blue Collars	**153**	**1**	**1**	**424**	**579**
Male	92	1	1	379	473
Female	61	0	0	45	106
Salaried professionals	**15**	**4**	**14**	**30**	**63**
Male	5	1	7	23	36
Female	10	3	7	7	27
Management	**8**	**0**	**0**	**3**	**11**
Male	5	0	0	1	6
Female	3	0	0	2	5
Total Male	102	2	8	403	515
Total Female	74	3	7	54	138
Grand total	**176**	**5**	**15**	**457**	**653**

GRI 2-4, GRI 2-8

Workers who are not employees (contingent workers) - 31 December 2022 restated	EMEA	North America	Latin America	Asia Pacific	TOTAL
Blue Collars	**180**	**7**	**1**	**387**	**575**
Male	111	7	1	358	477
Female	69	0	0	29	98
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	0	7
Female	7	0	0	1	8
Total Male	125	7	12	384	528
Total Female	84	1	9	37	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 2-4, GRI 2-8

New hires

Bekaert consolidated entities

New hires in 2023	Total	Male	Female
number of new hires	1 374	1 100	274
% new hires on total number of employees	7%	6%	10%
% new hires on total number of new hires		80%	20%

GRI 2-7, GRI 401-1

New hires in 2023 per region	EMEA	Latin America	North America	Asia Pacific
number of new hires	440	126	217	591
% new hires on total number of employees	6%	9%	14%	6%
% new hires on total number of new hires	32%	9%	16%	43%

GRI 2-7, GRI 401-1

New hires in 2023 per employee category	Blue collar	Salaried professional	Management
% new hires on total number of employees	7%	7%	7%
% new hires on total number of new hires	72%	20%	8%

GRI 2-7, GRI 401-1

Number of vacancies in 2023	
# vacancies	922
% 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 2023	Total	Male	Female
turnover (number) taking into account voluntary leave	719	615	104
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	1 470	1 283	187
turnover (%) taking into account voluntary leave	4%	4%	4%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement -death in service)	8%	8%	8%

GRI 2-7, GRI 401-1

Employee turnover in 2023 per region	EMEA	Latin America	North America	Asia Pacific
turnover (number) taking into account voluntary leave	314	63	158	184
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	683	138	255	394
turnover (%) taking into account voluntary leave	4%	4%	10%	3%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	9%	10%	16%	5%

GRI 2-7, GRI 401-1

Employee turnover in 2023 per employee category	Blue collar	Salaried professional	Management
turnover (number) taking into account voluntary leave	455	182	82
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	1 017	302	151
turnover (%) taking into account voluntary leave	3%	5%	5%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	8%	9%	10%

GRI 2-7, GRI 401-1

Employee turnover in 2023 per age category	Under 30 years old	30-50 years old	Over 50 years old
turnover (number) taking into account voluntary leave	185	446	88
turnover (number) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	303	808	359
turnover (%) taking into account voluntary leave	7%	4%	3%
turnover (%) taking into account all personnel exits (voluntary leave - dismissal - retirement - death in service)	11%	6%	13%

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 2023[1]

Employee category	Percentage
Managers	99%
Salaried professionals	96%

[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.

Benefits provided to payroll employees in significant locations of operation

Benefit	Belgium	China	Indonesia	Slovakia	US
Life insurance	Yes	Yes	Yes	Yes	Yes
Health care	Yes	Yes	Yes	No	Yes
Disability coverage	Yes	Yes	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes	Yes	Yes
Retirement provision	Yes	Yes	Yes	Yes	Yes
Stock ownership	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	24	75
Senior Vice Presidents	13	87
Senior Management	20	80
Mid Level Management	19	81
Junior Management	24	76
Salaried Professionals	31	69
Total	**28**	**72**

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	-2.80
Latin America	-3.20
North America	-4.19
Asia Pacific	-5.50
Total	**-2.40**

GRI 405-2

The global Gender Pay Gap at Bekaert is -2.40%, 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. Measures implemented in 2023 led to a significant reduction in pay gap versus the previous year (-4.3%).

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 and closed several sites in 2023. 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 2023 in €	
Contributions to political parties, campaigns, events	0
Contributions to disaster relief	150 000
Estimated total of other contributions funded by the company	~471 000
Total number of support programs	84

GRI 415-1

Main programs supported in 2023	Total
Disaster relief donation earthquakes in Turkey	150 000
Recycling program on Galapagos Islands in partnership with Chaide	19 171
Pontis Foundation Slovakia	172 998
Lifeline mental health support Australia	3 278
Mangrove Tree Rehabilitation at Tangkolak Beach Karawang	4 411
Students sponsoring 4L Trophy in Moroccan desert	8 000
Contract garden maintenance with local social shelter Belgium	85 000
Sourcing contract with HMP Kilmarnock prison, Scotland	13 712
Donation in support of international children's day China	2 875
Donation of laptops to schools in Belgium, Poland, Slovakia and Indonesia	38 784
River CleanUp	30 250
United Way of Rogers (US)	2 876
Scholarships University of Burgos	47 000
Floating wind challenge	5 500
Christmas market Bekaert HQ for local association that supports vulnerable children and adolescents	10 077
Jiangyin Charity Foundation	21 563
Other	5 566
TOTAL	**621 061**

Total contribution to society, of which	**621 061**
monetary donations	480 900
service contracts with social shelters and other institutions aiming at labor market integration	98 712
donations in kind	41 448

Auditor's Report

EY Building a better working world

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Independent auditor's assurance report

Scope

We have been engaged by NV Bekaert SA (hereafter the "Company" or "Bekaert") to perform a limited assurance engagement in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 revised"), thereafter referred to as "the Engagement", to report on (i) certain sustainability indicators, as listed in Appendix 1 ("Subject Matter 1"), (ii) the Company's EU Taxonomy section ("Subject Matter 2"), and (iii) the Company's double materiality section ("Subject Matter 3"), as presented in the annual report of Bekaert (the "Report") for the period from 1 January 2023 to 31 December 2023. Together Subject Matters 1, 2, and 3 are referred to in this report as "the Subject Matters".

Other than the scope of our engagement as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining sustainability indicators or other sustainability related information included in the Report, and accordingly, we do not express a conclusion on such information.

Criteria applied by Bekaert

In preparing the sustainability indicators as listed in Appendix 1 (Subject Matter1) in the Report, Bekaert applied the criteria as per the Green House Gas Protocol ("GHG Protocol") and own developed criteria. Together we will refer to these as "the KPI Criteria", in all material respects.

In preparing the EU Taxonomy section of the Report (Subject Matter 2), the Company applied the requirements as included in the Regulation EU 2020/852 and the related Delegated Acts EU 2021/2139 and EU2021/2178 ("the EU Taxonomy Criteria"), in all material respects.

Finally, in preparing the double materiality section in the Report (Subject Matter 3), Bekaert applied the principles of European Sustainability Reporting Standard ESRS 1, General Requirement 3 "Double materiality as the basis for sustainability disclosures" (the "double materiality Criteria"), in all material respects.

Together, the KPI Criteria, the EU Taxonomy Criteria, and the double materiality Criteria, are referred to in this report as "the Criteria".

Bekaert's responsibilities

Bekaert's management is responsible for selecting the Criteria, and for presenting the Subject Matters in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matters, 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 Subject Matters, based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement undertaken in accordance with ISAE 3000 revised involves assessing the suitability of the Company's use of the Criteria as the basis for the preparation of the Subject Matter, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter.

A limited assurance engagement more limited in scope than a reasonable assurance engagement in relation to the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures. A higher level of assurance, i.e. reasonable assurance, would have required more extensive procedures.

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 engagement.

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Building a better working world

Our firm applies International Standard on Quality Management 1, which requires us to design, implement and operate a system of quality management including policies or 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 extensive 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.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Procedures performed which were common to all three Subject Matters, amongst others, included:

- Obtaining an understanding of the reporting processes for the Subject Matters;
- Interviewing management and relevant staff at corporate level responsible for consolidating and carrying out internal control procedures on the Subject Matters;
- Interviewing relevant staff responsible for reporting the Subject Matters to the relevant staff at corporate level;
- Obtaining internal and external documentation that reconciles with the Subject Matters;
- Performing an analytical review of the data and trends in the Subject Matters at consolidated level as well, when deemed appropriate in the circumstances, at a disaggregated level;
- Performing limited tests of details and tracing the input information to supporting invoices or other evidence;
- Evaluating the overall presentation of the Subject Matters.

Additional procedures performed relating to Subject Matter 1 included, amongst others:

- Evaluating the consistent application of the GHG protocol;
- Assessing the appropriateness of the Company's own criteria in terms of its relevance, completeness, reliability, impartiality and clarity;

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Additional procedures performed relating to Subject Matter 2 included, amongst others:

- Evaluating the eligibility of the economic activities against the EU taxonomy Criteria;
- Evaluating the alignment of the economic activities against- the EU Taxonomy Criteria, including the documentation supporting the substantial contribution requirements, the do no significant harm requirements, and the minimum social safeguards requirements;
- Analysis of the reasonableness and appropriateness of the estimates and methodological processes used in preparing the EU Taxonomy alignment information;
- Reconciling the input for the revenues, capital expenditures, and operating expenditures, to the underlying financial accountings records of the Company;
- Verifying the reconciliation between the revenues, capital expenditures, and operating expenditures, as per the Company's accounting records, and the EU taxonomy reported revenues, capital expenditures and operating expenditures.;

Additional procedures performed relating to Subject Matter 3 included, amongst others:

- Evaluating the consistent application of the double materiality Criteria;
- Assessing the stakeholder engagement and value chain mapping exercise performed by management in supporting the double materiality assessment;
- Evaluating the materiality assessment performed by the Company by using the principles of financial materiality and impact materiality, including setting the materiality thresholds, resulting in the identification of the material impacts, risks, and opportunities ("IROs");
- Obtaining internal and external documentation that supports the identification of the material IROs which constitute the outcome of the double materiality assessment;

For all three Subject Matters, we believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our review, nothing has come to our attention that makes us to believe that the Sustainability Indicators as listed in Appendix 1 ("Subject Matter 1"), the EU Taxonomy section of the Report ("Subject Matter 2"), and the double materiality section of the Report ("Subject Matter 3"), together the Subject Matters, all included in the annual report of Bekaert for the period from 1 January 2023 to 31 December 2023, were not prepared, in all material respects, in accordance with the Criteria.

Ghent 27 March 2024

EY Bedrijfsrevisoren BV
Represented by

francis boelens

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Francis Boelens
Partner
*Acting on behalf of a SRL

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Appendix 1 – List of KPIs

- GHG Emissions (section "*CO_2e*")
  - Scope 1 GHG emissions (tons CO2e)
  - Scope 1 GHG Intensity ratio (kg CO2e/net revenue)
  - Scope 2 GHG emissions (Market and Location-based: electrical energy & thermal energy) (tons CO2e)
  - Scope 2 GHG Intensity ratio (kg CO2e/net revenue) (electrical energy & thermal energy)
  - Green energy share in electricity consumption (%)
  - Scope 3 GHG emissions (all categories) (tons CO2e)
- Water *(section "Water")*
  - Water withdrawal (ML)
  - Freshwater withdrawal by source (ML)
  - Third-party water by source (ML)
  - Water discharge (ML)
  - Water discharge by destination (ML)
  - Water consumption (ML)
  - Facility level withdrawal, discharge & consumption for the sites in extreme water stress areas
  - Progress towards our water withdrawal reduction target
- Safety (section "*Safety data*")
  - Key safety performance indicator (consolidated & combined) – per gender and per region :
    - TRIR
    - LTIFR
    - SI rate