



# 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](http://www.corporategovernancecommittee.be).

The Bekaert Corporate Governance Charter is available at [www.bekaert.com](http://www.bekaert.com).



# Board of Directors

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

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

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

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





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

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

<sup>1</sup> Jürgen Tinggren is an independent Director.

<sup>2</sup> The detailed résumés of the Board members are available in Part I: Leadership of this report.

<sup>3</sup> Until the Annual General Meeting of 11 May 2022.

<sup>4</sup> As of the Annual General Meeting of 11 May 2022.



# Committees of the Board of Directors

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

## Audit, Risk and Finance Committee

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

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

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

<sup>1</sup> As of May 2022.

<sup>2</sup> Until May 2022.

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

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



## Nomination and Remuneration Committee

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

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

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

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

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

## Evaluation

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

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

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

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

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

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

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



# Executive Management

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

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

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

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

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

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

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

<sup>1</sup> As of 27 September 2022.

<sup>2</sup> As of 1 June 2022.

<sup>3</sup> Until 27 September 2022.

<sup>4</sup> As of 5 September 2022.

<sup>5</sup> Until 31 August 2022.

<sup>6</sup> As of 1 March 2023

<sup>7</sup> Until 1 March 2023

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



# Diversity

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

## Nationality diversity

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

	# people	# nationalities	# non-native <sup>1</sup>	% non-native
Board of Directors	11	7	6	55%
BGE	8	5	6	75%

<sup>1</sup> Non-native = nationality other than the country where the registered office of the Company is located, i.e. Belgium.

## Gender diversity

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

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

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

## Age diversity

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





# Conduct policies

## Statutory conflicts of interest in the Board of Directors

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

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

Excerpt from the minutes:

### *RESOLUTION*

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

## Other transactions with Directors and Executive Management

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

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

## Code of Conduct

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

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

The Bekaert Code of Conduct is included in its entirety [in the Bekaert Corporate Governance Charter](#) as Appendix 3.

## Market abuse

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

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



# Remuneration report

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

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

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

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

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

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



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

### Board of Directors

#### Purpose and link to strategy

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

#### Operation

##### Chairman of the Board of Directors

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

##### Other non-executive Directors

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

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

##### Executive Director

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

#### Fee structure

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

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

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

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

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





## Performance measures

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

## Shareholding

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

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

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

## Other items

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

## Members of the BGE

### Purpose and link to strategy

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

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

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



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

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

## Operation

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

### Fixed pay

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

### Short-term incentives (STI)

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

### Long-term incentives (LTI)

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



## Performance measures

### Short-term incentives (STI)

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

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

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

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

### Long-term incentives (LTI)

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

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

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

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





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

## Opportunity

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

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

## Minimum shareholding requirement

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

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

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

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



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

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

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

<sup>1</sup> Chairman, Chairman of the Nomination and Remuneration Committee, member of the Audit, Risk and Finance Committee.

<sup>2</sup> Member of the Audit, Risk and Finance Committee.

<sup>3</sup> Chair of the Audit, Risk and Finance Committee which has been transferred from Hubert Jacobs van Merlen to Eriikka Söderström on 11 May 2022.

<sup>4</sup> Member of the Nomination and Remuneration Committee.

<sup>5</sup> Share grant of € 650 000 on 31 May 2022 relating to the period June 2022 - May 2023.

<sup>6</sup> Term expired on 11 May 2022.

<sup>7</sup> Member of the Board as of 11 May 2022.



## 4. Share-based remuneration for non-executive Directors

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

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

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

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

<sup>1</sup> The share grant of € 650 000 covers the period June 2022 - May 2023.

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

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





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

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

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

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

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

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

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



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

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

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

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

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

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



## 8. Share-based remuneration for members of the BGE

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

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

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

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

### Performance Share Units

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

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

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

Plan name	Performance 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	
<b>Oswald Schmid – Chief Executive Officer</b>											
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	10 957	10 957	0	0	32 871	0	
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 179	10 179				10 179	
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	9/9/2021	31/12/2023	7 966	7 966				7 966	
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	3/4/2022	31/12/2024	18 532		18 532			18 532	
						<b>TOTAL</b>	<b>29 102</b>	<b>18 532</b>	<b>0</b>	<b>32 871</b>	<b>36 677</b>



Plan name	Performance 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
<b>Taufiq Boussaid - Chief Financial Officer</b>										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	9 810	9 810			29 430	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 762	10 762				10 762
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 949		6 949			6 949
					<b>TOTAL</b>	<b>20 572</b>	<b>6 949</b>	<b>0</b>	<b>29 430</b>	<b>17 711</b>
<b>Kerstin Artenberg - Chief Human Resources Officer</b>										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/8/2021	31/12/2023	5 683	5 683				5 683
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 314		6 314			6 314
					<b>TOTAL</b>	<b>5 683</b>	<b>6 314</b>	<b>0</b>	<b>0</b>	<b>11 997</b>
<b>Juan Carlos Alonso - Chief Strategy Officer</b>										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	8 409	8 409			25 227	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	8 007	8 007				8 007
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	5 956		5 956			5 956
					<b>TOTAL</b>	<b>16 416</b>	<b>5 956</b>	<b>0</b>	<b>25 227</b>	<b>13 963</b>
<b>Yves Kerstens - Div. CEO SPB and Chief Operations Officer</b>										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/8/2021	31/12/2023	5 732	5 732				5 732
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	7 783		7 783			7 783
					<b>TOTAL</b>	<b>5 732</b>	<b>7 783</b>	<b>0</b>	<b>0</b>	<b>13 515</b>
<b>Curd Vandekerckhove - former Div. CEO BBRG</b>										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	10 447	10 447		10 447		0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	9 948	9 948		9 948		0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	7 400		7 400	7 400		0
					<b>TOTAL</b>	<b>20 395</b>	<b>7 400</b>	<b>27 795</b>	<b>0</b>	<b>0</b>
<b>Stijn Vanneste - former Div. CEO SWS</b>										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	8 378	8 378		8 378		0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	8 545	8 545		8 545		0
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 356		6 356	6 356		0
					<b>TOTAL</b>	<b>16 923</b>	<b>6 356</b>	<b>23 279</b>	<b>0</b>	<b>0</b>



Plan name	Performance 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
<b>Arnaud Lesschaeve - Div. CEO RR</b>										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	9 428	9 428			28 284	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 043	10 043				10 043
PSP 2022-2024	2022-2024	EBITDA-U & Cum. CF & TSR	3/4/2022	31/12/2024	6 678		6 678			6 678
					<b>TOTAL</b>	<b>19 471</b>	<b>6 678</b>	<b>0</b>	<b>28 284</b>	<b>16 721</b>
<b>François Desné - Div. CEO SWS</b>										
PSP 2022-2024 <sup>1</sup>	2022-2024	EBITDA-U, Cum. CF & TSR	26/9/2022	31/12/2024	12 864		12 864		0	12 864
					<b>TOTAL</b>	<b>0</b>	<b>12 864</b>	<b>0</b>	<b>0</b>	<b>12 864</b>
<b>Gunter Van Craen - Chief Digital and Information Officer</b>										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	17/8/2020	21/12/2022	3274	3 274			9 822	0
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	2925	2 925				2 925
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	3/4/2022	31/12/2024	2379		2 379		0	2 379
PSP 2022-2024	2022-2024	EBITDA-U, Cum. CF & TSR	25/8/2022	31/12/2024	1926		1 926			1 926
					<b>TOTAL</b>	<b>6 199</b>	<b>4 305</b>	<b>0</b>	<b>9 822</b>	<b>7 230</b>

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





## Stock Options

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

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

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

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

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



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

## Stock Appreciation Rights

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



## Share-matching Plan

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

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



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

## 9. Departure of Executive Managers

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

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



## 10. Company's right of reclaim

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

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

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

## 11. Executive remuneration in a wider context

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

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

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

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

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





	2018	2019	2020	2021	2022
<b>Company remuneration</b>					
<b>Non-executive Directors<sup>1</sup></b>					
Average remuneration (€)	95 768	121 629	104 000	111 458	132 273
Year-on-year difference (%)	+10.5%	+27.0%	-14.5%	+7.2%	+18.7%
<b>CEO</b>					
Average remuneration (€)	1 135 011	1 787 480	1 225 527	2 356 337	2 911 964
Year-on-year difference (%)	-27.4%	+57.5%	-31.4%	+92.3%	+23.6%
<b>Other BGE members</b>					
Average remuneration (€)	609 540	748 023	839 736	1 611 657	1 288 128
Year-on-year difference (%)	-32.4%	+22.7%	+12.3%	+91.9%	-20.1%
<b>Other employees</b>					
Average remuneration (€)	76 067	77 757	79 859	87 727	88 402
Year-on-year difference (%)	+5.1%	+2.2%	+2.7%	+9.9%	+0.8%
<b>Key Company metrics</b>					
<b>EBITDA-underlying</b>					
Amount in million (€)	426	468	479	686	654
Year-on-year difference (%)	-14.3%	+9.9%	+2.4%	+43.2%	-4.7%
<b>Sales</b>					
Amount in million (€)	4 305	4 322	3 772	4 840	5 652
Year-on-year difference (%)	+5.1%	+0.4%	-12.7%	+28.3%	+16.8%
<b>Working Capital</b>					
Amount in million (€)	875	699	535	678	850
Year-on-year difference (%)	-1.5%	-20.1%	-23.5%	+26.6%	+25.5%
<b>Company share price (as at 31st Dec)</b>					
Share price (€)	21.06	26.50	27.16	39.14	36.28

<sup>1</sup> Through 2019, the remuneration of the Directors was based on the number of attended Board meetings

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

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

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



## 12. Derogations from the procedures for implementing the remuneration policy

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

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

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

## Shares

### The Bekaert share in 2022

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

#### Share identification

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

#### 50TH ANNIVERSARY OF BEKAERT SHARE-LISTING

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





## Share performance

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

## Share trading

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

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

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

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

## Shareholding and notifications

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

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

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



# Capital structure

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

## Authorized capital

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

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

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

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

On 31 December 2021, the Company held 3 145 446 own shares. Between 1 January 2022 and 31 December 2022, a total of 130 300 shares were transferred to (former) employees following the exercise of stock options under SOP 2010-2014 and SOP 2015-2017. Bekaert sold 13 757 shares to

members of the BGE in the framework of the Bekaert personal shareholding requirement and transferred 2 445 shares to members of the BGE under the share-matching plan. A total of 12 080 shares were granted to the Chairman and other non-executive Directors as part of their remuneration for the performance of their duties. A total of 256 760 shares were disposed of following the vesting of 256 760 performance share units under the performance share plan. Bekaert bought back 3 095 629 shares in total and cancelled 1 449 409 shares (see below). Including the transactions exercised under the liquidity agreement with Kepler Cheuvreux, the balance of own shares held by the Company on 31 December 2022 was 4 380 475.

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

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

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



# Dividend distribution and share buyback

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

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

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

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

<sup>1</sup> The dividend is subject to approval by the Annual General Meeting of Shareholders 2023.

<sup>2</sup> Subject to the applicable tax legislation.





# General Meetings of Shareholders 2022

The Annual General Meeting was held on 11 May 2022.

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

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

The resolutions of the meetings are available at [www.bekaert.com](http://www.bekaert.com).

## Investor Relations

Bekaert is committed to providing clear information to all shareholders.

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



# Elements pertinent to a take-over bid

## Restrictions on the transfer of securities

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

Subject to the foregoing, the shares are freely transferable.

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

## Restrictions on the exercise of voting rights

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

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

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

## Agreements among shareholders

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

## Appointment and replacement of Directors

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

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

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

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

## Amendments to the Articles of Association

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



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

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

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

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

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

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

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

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

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

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

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

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



## Change of control

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

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

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

## Other elements

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



# Control and ERM

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

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

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

### Control environment

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

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

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

All IFRS accounting principles, guidelines and interpretations, to be applied by all legal entities, are grouped in the Bekaert Accounting Manual, which is available on the Bekaert intranet to all employees involved in financial reporting. Such manual is regularly updated by Group Finance in the case of relevant changes in IFRS, or interpretations thereof, and the users are





informed of any such changes. IFRS trainings take place in the different regions when deemed necessary or appropriate.

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

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

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

## **Risk assessment**

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

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

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

## **Control activities**

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

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

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

## **Information and communication**

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

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

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

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



## Monitoring

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

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

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

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

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

## General internal control and ERM

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

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

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

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

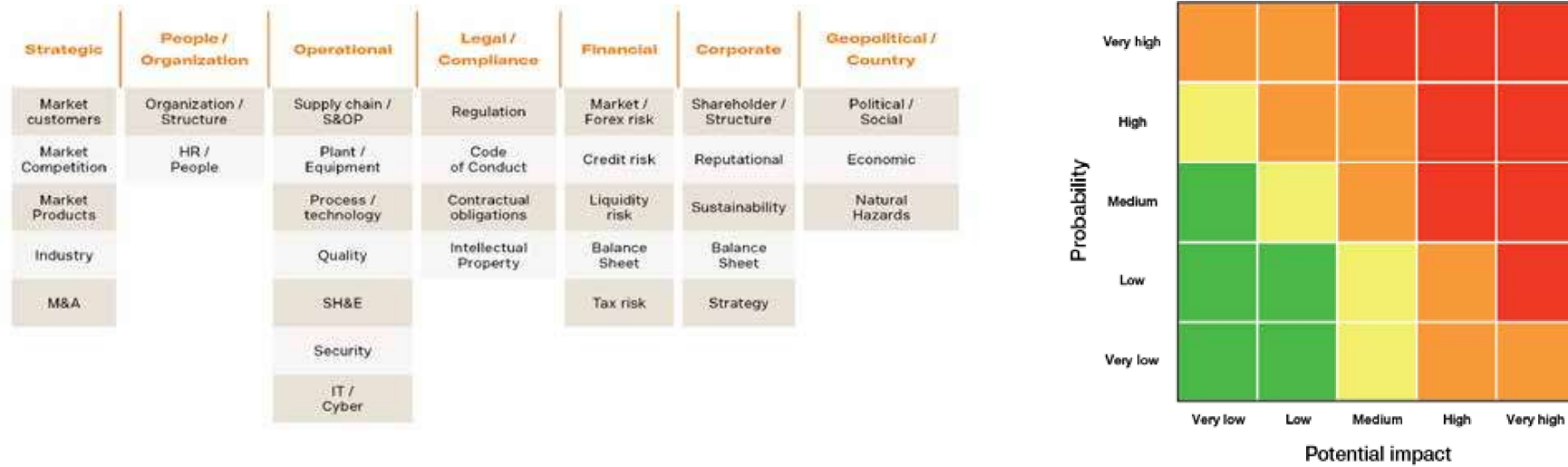
The Internal Audit and Risk Management Department monitors the internal control performance and risks based on the global framework and reports to the Audit, Risk and Finance Committee at each of its meetings. The Compliance Department reports to the Audit, Risk and Finance Committee at each of its meetings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

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

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

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

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



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

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

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



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

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



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



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



	Risk definition	Mitigating actions	Trend	Risk before mitigation	Risk after mitigation
	<b>Wire rod price and energy price volatility may result in margin erosion</b>				
	<p>Wire rod, Bekaert's main raw material, is purchased from steel mills from all over the world. Wire rod represents about 50% of the cost of sales. If Bekaert is unsuccessful in passing on cost increases to customers in due time, this may negatively influence the profit margins of Bekaert. Also, the opposite price trend entails profit risks: if raw materials prices drop significantly and Bekaert has higher priced material in stock, then the profitability may be hit by (non-cash) inventory valuation corrections at the balance sheet date of a reporting period.</p> <p>Energy price volatility may also negatively influence the profit margins, if Bekaert is unsuccessful in passing on cost increases to customers in due time.</p>	<p>In principle, price movements are passed on in the selling prices as soon as possible, through contractually agreed pricing mechanisms or through individual negotiation.</p> <p>Bekaert also has new tools in place to mitigate the risk. This includes pricing tools and capital allocation tools.</p> <p>Government subsidies for energy prices</p>	Stable	Very high	High
	<b>Bekaert is exposed to tax risks</b>				
	<p>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.</p>	<p>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.</p>	Stable	High	High
Corporate	<b>Underperformance on sustainability targets</b>				
	<p>Underperformance on sustainability targets can also cause reputational damage and affect Bekaert's position as a preferred partner to customers and investors</p>	<p>Bekaert has established a new sustainability strategy that will step up our sustainability performance. Our environmental targets, which are aligned with the Science-Based Targets initiative, are ambitious and will be implemented according to a roadmap that has been approved by the Board of Directors.</p>	Stable	Very high	High
Geopolitical / Country risks	<b>Bekaert is exposed to risks arising from demand impacts and inflationary cost pressures from economic crises.</b>				
	<p>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.</p>	<p>To mitigate these risks, Bekaert implements measures to be cost-competitive, to flex costs, and to pass on cost inflation.</p> <p>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.</p> <p>Strategically, Bekaert's presence in different sectors and geographies inherently makes the company more resilient to country or sector-specific trends.</p>	Increasing	Very high	High





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

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



# Physical Climate Risk Assessment Study

## Scope

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

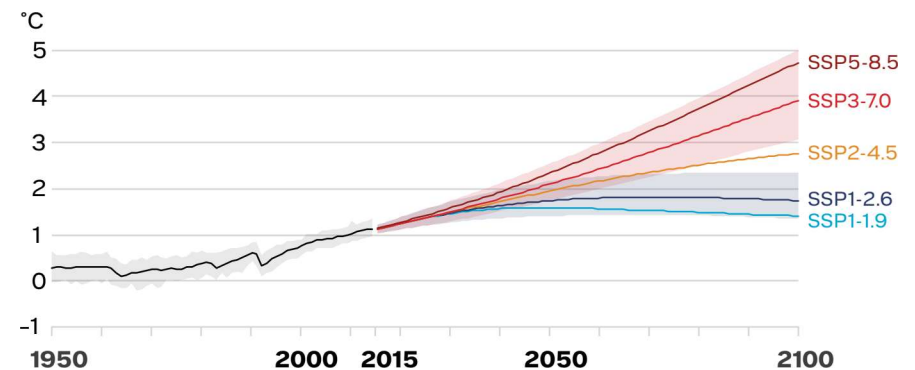
The assessment focussed on identifying potential future vulnerabilities, consequences and risk adaptation measures to Bekaert’s operations associated with physical climate change exposures for plausible climate change scenarios that are also promoted by the IPCC (Intergovernmental Panel on Climate Change).

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

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

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







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



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



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

<b>Acute hazard</b>	<b>River flood</b>  Probability and extent of inundation from potential severe river floods	<b>Coastal flood</b>  Probability and extent of inundation from potential severe coastal flooding and sea level rise	<b>Windstorm</b>  Damaging wind gusts from severe windstorms	
	<b>Chronic hazard</b>	<b>Heat stress</b>  Annual number of heat wave days with sustained high temperatures over 30°C	<b>Drought stress</b>  Annual number of prolonged drought periods (months)	<b>Precipitation</b>  Annual number of days with heavy rainfall of more than 30mm

## Methodology

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

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

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



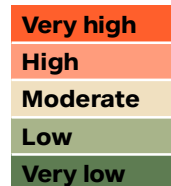
## Key findings

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







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

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

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





	Current climate risk	Climate risks for 2050 under the high emission scenario (RCP8.5)	Response / Adaptation
<b>Drought</b>  	<p>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 correlated 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.</p>	<p>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.</p>	<p>Bekaert already takes actions today to minimise fresh water use in production that would help reduce the future potential risks. Further plans are developed with regards to building internal reserves and optimisation to further increase water and power supply resilience.</p>
<b>Heat-Stress</b>  	<p>Part of the global operations is already in moderate and high heat stressed areas. This creates a risk of some minor loss of productivity during heatwave periods and increased air conditioning / energy consumption at sites with strict air quality requirements. No material impacts happened in 2022.</p>	<p>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.</p>	<p>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.</p>
<b>Precipitation</b>  	<p>Parts of the global operations are in areas of heavy rainfall already. This creates a risk of localized flooding and ponding around manufacturing facilities and potential for leaking roofs. The impacts could include damage to surrounding infrastructure such as access roads, equipment and materials as well as disruption to operation essential utilities. No material impacts happened in 2022.</p>	<p>The number of days with heavy rainfall increases which creates conditions for more frequent impacts.</p>	<p>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.</p>
<b>Fire weather</b>  	<p>Moderate fire weather conditions are relevant to a small portion of all assets. This could create some risk of property damage and disruption to utility supply from localised fires. At present, no incidents happened.</p>	<p>Unfavourable conditions increase and the number of sites moving into moderate conditions and longer fire season doubles.</p>	<p>Bekaert already takes actions to maintain good level of fire protection for their operations. It is reasonable to assume that existing fire control and preventions measures would reduce the likelihood of severe impacts in the future.</p>
<b>Flooding</b>  	<p>Parts of Bekaert's operations are located in zones where severe low likelihood flooding could occur. The impacts to those assets could include damage to infrastructure, equipment, and materials as well as disruption to operation essential utilities. No material flooding events happened in 2022.</p>	<p>No substantial changes in exposure to coastal or river flooding, but exposure is already very high at some locations.</p>	<p>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</p>
<b>Windstorm</b>  	<p>Some of Bekaert's operations see moderate levels of windstorm activity, while the majority of their assets are not materially exposed. There is a risk of wind damage to exposed sites and disruption to operation essential utilities.</p>	<p>No substantial changes in windstorm exposure.</p>	<p>Existing facilities already include severe wind consideration in engineering design. It is reasonable to assume that good maintenance and inspection regime of sites today, as well as following best practice wind design specifications, Emergency Response and Business Continuity Plans would prevent and minimise significant impacts to operations.</p>